

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

TAB	DESCRIPTION	ACTION
1	BOISE STATE UNIVERSITY Interactive Learning Center Project	Motion to approve
2	BOISE STATE UNIVERSITY Student Union Roof Project	Motion to approve
3	BOISE STATE UNIVERSITY Television Rights	Motion to approve
4	BOISE STATE UNIVERSITY Oracle Maintenance	Motion to approve
5	UNIVERSITY OF IDAHO Sungard Agreement	Motion to approve
6	UNIVERSITY OF IDAHO Information Technology Upgrade Contract	Motion to approve
7	UNIVERSITY OF IDAHO Cable Television Service	Motion to approve
8	UNIVERSITY OF IDAHO Research Foundation Line of Credit	Motion to approve
9	IDAHO STATE UNIVERSITY Idaho Falls Property Purchase	Motion to approve
10	LEWIS-CLARK STATE COLLEGE Property Purchase	Motion to approve

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

TAB	DESCRIPTION	ACTION
11	LEWIS-CLARK STATE COLLEGE Property Sale	Motion to approve
12	FY06 STUDENT HEALTH INSURANCE a. Boise State University b. Idaho State University c. University of Idaho d. Lewis-Clark State College	Motion to approve
13	FY06 INTERCOLLEGIATE ATHLETIC REPORTS a. Boise State University b. Idaho State University c. University of Idaho d. Lewis-Clark State College	Motions to approve
14	AMENDMENT OF BOARD POLICY Bylaws, Section H. – Audit Policy, 1st Reading	Motion to approve
15	APPROVAL OF FY06 OPERATING BUDGETS	Motions to approve
16	FY07 BUDGET REQUEST GUIDELINES a. Agencies b. Institutions	Motion to approve

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY

SUBJECT

Approval for design and construction to finish-out tenant space and to purchase and install furnishings, fixtures and equipment for a food service operation within the Interactive Learning Center (ILC) building. The total estimated cost for this project is \$900,000.

APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Sections V.I.3 and V.K.2.

BACKGROUND

The Student Union, as the primary managerial department for campus food service, funds a majority of the food service projects at Boise State University. The Student Union takes the lead in managing the entire contract food service operation and has primary responsibility for all retail dining on campus.

Need: the need for food service on the west end of the main campus of Boise State has been identified in several surveys and studies administered by the Student Union and the contracted food service provider. Given the need for the food service on the west side of campus, the new ILC has been identified as an optimal food service area.

This food service finish-out is a separate project funded by a different funding source. However, the construction manager and architects of record for the ILC, Opsis Architects, Lombard Conrad Architects and CM Company, would like to provide oversight of the construction on this project as well to ensure its coordination with the ILC construction. For purposes of the food service finish-out, the construction manager and architects will be paid through a separate budget for their design and construction management work for the food service facility.

DISCUSSION

The food service finish-out for the ILC is integral to the overall mission of the new classroom facility, which includes building a sense of community through the creation of learning environments that combine the academic and the social aspects of students' academic priorities.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY – continued

A food service design consultant has been working with the ILC program committee, the student union director and the architects of record to design an operation that will meet the food service needs of the students, faculty and staff that will be using the ILC and the surrounding classroom buildings. This consultant was hired by the Student Union management using an informal bid process. Cost was less than \$25,000. The Division of Public Works project manager was aware of this tenant finish-out project.

Tenant space for the food service operation will be created on the first floor of the Interactive Learning Center, adjacent to a large dining/study space. This project will provide all fixed equipment, exhaust hoods, lighting, casework and serving counters for the food service space, as well as HVAC equipment and electrical work required for the tenant finish-out. In addition, this project will provide all floor, wall and ceiling finishes for food service tenant space.

This project encompasses the build-out and finish work for approximately 4,200 square feet of tenant space and the kitchen and dining area furnishings, fixtures and equipment.

IMPACT

Cost to Construct: the total project budget is not to exceed \$900,000 with the food service finish-out work estimated to cost \$375,000 and the furnishings, fixtures and equipment are estimated to cost \$525,000. This project will be funded from the Student Union operating reserves.

Cost to Operate: operational costs for the food service portion of the ILC are paid by Aramark, the food service vendor for BSU. Aramark pays for janitorial and maintenance, and is also charged for utility costs. BSU's direct costs are limited to janitorial supervision. BSU receives a percentage of Aramark's revenues, per their existing contract. Some of these revenues are allocated for costs such as the janitorial supervision.

STAFF COMMENTS AND RECOMMENDATIONS

This is being considered as a new project, separate from the ILC itself. Staff has discussed this project with BSU officials, is convinced of the need for the food service facility for students, and is aware of the fund sources and uses.

A Capital Project Tracking Sheet is included with this agenda item.

Staff recommends approval.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY – continued

BOARD ACTION

A motion to authorize Boise State University to proceed, through the Division of Public Works, with design and construction, finish-out of tenant space in the Integrated Learning Center (ILC, \$375,000) and to purchase and install furnishings, fixtures and equipment (\$525,000) for a food service operation that will be operated by the Student Union. Total amount is not to exceed \$900,000. Funding comes from Student Union operating reserves.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

THIS PAGE INTENTIONALLY LEFT BLANK

PROJECT BUDGET WORKSHEET

June 9, 2005

PROJECT NAME: INTERACTIVE LEARNING CENTER FOOD SERVICE
FINISH-OUT

PROJECT NUMBER: DPW04-206

PRELIMINARY BUDGET: \$375,000

CATEGORY		PRELIMINARY BUDGET	REVISED BUDGET	
A/E Fees		\$18,600		
A/E Reimbursables		\$0		
Construction Manager Fees		\$11,238		
Construction Manager Reimbursables		\$0		
Commissioning Costs		\$0		
Materials Testing during construction		\$0		
Construction Contract		\$0	\$300,000	
Construction Contingency (8%)		\$0	\$24,000	
Subtotal Construction Contract & Contingency	\$324,000			\$0
Asbestos Abatement Costs		\$0		
Moving Costs		\$0		
Furniture, Fixtures and Equipment		\$525,000		
Utility Connection Fees / Impact Fees		\$0		
Project Contingency		\$21,162		
Building Permit and Plan Check Fees		\$0		
Advertising		\$0		
Site Survey		\$0		
Soil Investigation		\$0		
TOTAL		<u>\$900,000</u>	<u>\$0</u>	

REFERENCE - APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES

SECTION: V. FINANCIAL AFFAIRS

Subsection I: Real and Personal Property and Services

April, 2002

I. Real and Personal Property and Services

3. Acquisition of Personal Property and Services

- a. Purchases of equipment, data processing software and equipment, and all contracts for consulting or professional services either in total or through time purchase or other financing agreements, between two hundred fifty thousand dollars (\$250,000) and five hundred thousand dollars (\$500,000) require prior approval by the executive director. The executive director must be expressly advised when the recommended bid is other than the lowest qualified bid. Purchases exceeding five hundred thousand dollars (\$500,000) require prior Board approval.
- b. Acquisition or development of new administrative software or systems that materially affect the administrative operations of the institution by adding new services must be reviewed with the executive director before beginning development. When feasible, such development will be undertaken as a joint endeavor by the four institutions and with overall coordination by the Office of the State Board of Education.

REFERENCE - APPLICABLE STATUTE, RULE, OR POLICY - continued

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: V. FINANCIAL AFFAIRS
Subsection K: Construction Projects

April, 2002

K. Construction Projects

1. Major Project Approvals - Proposed Plans

Without regard to the source of funding, before any institution, school or agency under the governance of the Board begin formal planning to make capital improvements, either in the form of renovation or addition to or demolition of existing facilities, when the cost of the project is estimated to exceed five hundred thousand dollars (\$500,000), must first be submitted to the Board for its review and approval. All projects identified on the institutions', school's or agencies' six-year capital plan must receive Board approval.

2. Project Approvals

Without regard to the source of funding, proposals by any institution, school or agency under the governance of the Board to make capital improvements, either in the form of renovation or addition to or demolition of existing facilities, when the cost of the project is estimated to be between two hundred fifty thousand dollars (\$250,000) and five hundred thousand dollars (\$500,000), must first be submitted to the executive director for review and approval. Without regard to the source of funding, proposals by any institution, school or agency under the governance of the Board to make capital improvements, either in the form of renovation or addition to or demolition of existing facilities or construction of new facilities, when the cost of the project is estimated to exceed five hundred thousand dollars (\$500,000), must first be submitted to the Board for its review and approval. Project cost must be detailed by major category (construction cost, architecture fees, contingency funds, and other). When a project is under the primary supervision of the Board of Regents or the Board and its institutions, school or agencies, a separate budget line for architects, engineers, or construction managers and engineering services must be identified for the project cost. Budgets for maintenance, repair, and upkeep of existing facilities must be submitted for Board review and approval as a part of the annual operating budget of the institution, school or agency.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY

SUBJECT

Boise State University requests approval for design and construction to replace the roof of the Student Union Building for an estimated cost not to exceed \$1,000,000.

REFERENCE

Idaho State Board of Education Governing Policies & Procedures, Sections V.B.8 and V.K.2

BACKGROUND

The roof of the Student Union has reached the end of its useful life. The existing roof has been in place for 17 years, and an increasing number of roof leaks have occurred in the past four years. The existing single-ply membrane roof had a 10-year warranty, which has expired. The Roofing Specialist for the Division of Public Works inspected the roof and recommends replacement of the roof with a protected membrane roofing system similar to that manufactured by the T Clear Corporation. This roofing system makes use of protective planks, which serve as both ballast and insulation for the roofing membrane. The warranty on this roofing system would be 20 years. The total area of the roof to be replaced is 80,000 square feet.

DISCUSSION

The anticipated cost of this roof replacement project is \$1,000,000 (see attached project budget worksheet and Capital Projects Tracking Sheet). The cost estimate is based on the fact that there are currently three roof systems (a single-ply membrane over two built-up roof assemblies) in place. The International Building Code requires that existing roof coverings be removed where the existing roof has two or more applications of any type of roof covering. This requirement dictates the removal of the single-ply membrane and the built-up roofing. The existing roof insulation cannot be reused because the built-up roof layers were hot-mopped over the insulation and the two materials cannot be separated. It has also been determined that the existing insulation differs by roof area, and some of the insulation materials could lead to moisture problems in the future.

The cost estimate also includes a requirement for a full roof tear-off and the installation of new insulation, asbestos abatement in the built-up roofing and the installation of a lightweight paver ballast system instead of reusing the existing stone ballast. This will serve to extend the life of the roof membrane by at least five years and provide increased insulating value. A project contingency (due to the current volatility of construction material prices) is also included in the estimated project cost.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY - continued

IMPACT

Replacement of the roof with a longer lasting surface will help reduce future energy and repair costs. Given that the roof has exceeded its useful life and warranty, the timing is good to replace the roof. The life of the warranty of the proposed roofing system would be 20 years. The lightweight paver ballast system should extend the life of the roof membrane by at least five years. The protected membrane roofing system has an R-value of 30 to 40, resulting in energy savings of approximately 33% over conventional roofs.

This project will be funded from Student Union bond reserves. No state appropriated funds will be used to fund this project.

STAFF COMMENTS AND RECOMMENDATIONS

Funding will come from bond reserves that were being accumulated for renewal and replacement of the Student Union. Future Student Union expansion will be financed by an increase in student fees.

Staff recommends approval of this request.

BOARD ACTION

A motion to approve Boise State University's request to proceed with replacement of the roof of the Student Union Building, through the Division of Public Works, for an estimated cost not to exceed \$1,000,000. Funds will come from Student Union Building reserves.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

PROJECT BUDGET WORKSHEET

June 10, 2005

PROJECT NAME: STUDENT UNION - REROOF (LIGHTWEIGHT PAVERS)

PROJECT NUMBER: DPW05-213

PRELIMINARY BUDGET: \$1,000,000

CATEGORY	PRELIMINARY BUDGET		REVISED BUDGET	
A/E Fees	\$42,067			
A/E Reimbursables	\$4,207			
Construction Manager Fees	\$0			
Construction Manager Reimbursables	\$0			
Commissioning Costs	\$0			
Materials Testing during construction	\$0			
Reroof Type 1	\$3,850			
Reroof Type 2	\$31,500			
Reroof Type 3	\$78,000			
Reroof Type 4 w/ Lightweight Pavers	\$728,000			
Subtotal Reroofing Estimate	\$841,350			
Construction Contingency (5%)	\$42,067		\$0	
Subtotal Construction Contract & Contingency	\$883,417	\$883,417	\$0	\$0
Asbestos Abatement Costs	\$30,000			
Moving Costs	\$0			
Furniture, Fixtures and Equipment	\$0			
Utility Connection Fees / Impact Fees	\$0			
Project Contingency	\$37,146			
Building Permit and Plan Check Fees	\$3,064			
Advertising	\$100			
Site Survey	\$0			
Soil Investigation	\$0			
TOTAL		\$1,000,000		\$0

REFERENCE - APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: V. FINANCIAL AFFAIRS
Subsection B: Budget Policies

April, 2002

I. Real and Personal Property and Services

8. Major Capital Improvement Project -- Budget Requests

a. Definition

A major capital improvement is defined as the acquisition of an existing building, construction of a new building or an addition to an existing building, or a major renovation of an existing building. A major renovation provides for a substantial change to a building. The change may include a remodeled wing or floor of a building, or the remodeling of the majority of the building's net assignable square feet. An extensive upgrade of one (1) or more of the major building systems is generally considered to be a major renovation.

b. Preparation and Submission of Major Capital Improvement Requests

(1) Permanent Building Fund Requests

Requests for approval of major capital improvement projects to be funded from the Permanent Building Fund are to be submitted to the Office of the State Board of Education on a date and in a format established by the executive director. Only technical revisions may be made to the request for a given fiscal year after the Board has made its recommendation for that fiscal year. Technical revisions must be made prior to November 1.

(2) Other Requests

Requests for approval of major capital improvement projects from other fund sources are to be submitted in a format established by the executive director. Substantive and fiscal revisions to a requested project are resubmitted to the Board for approval. This subsection shall not apply to the community colleges.

c. Submission of Approved Major Capital Budget Requests

The Board is responsible for the submission of major capital budget requests for the institutions, school and agencies under this subsection to the Division of Public Works. Only those budget requests which have been formally approved by the Board will be submitted by the office to the executive and legislative branches.

REFERENCE - APPLICABLE STATUTE, RULE, OR POLICY - continued

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: V. FINANCIAL AFFAIRS

Subsection K: Construction Projects

April, 2002

K. Construction Projects

1. Major Project Approvals - Proposed Plans

Without regard to the source of funding, before any institution, school or agency under the governance of the Board begin formal planning to make capital improvements, either in the form of renovation or addition to or demolition of existing facilities, when the cost of the project is estimated to exceed five hundred thousand dollars (\$500,000), must first be submitted to the Board for its review and approval. All projects identified on the institutions', school's or agencies' six-year capital plan must receive Board approval.

2. Project Approvals

Without regard to the source of funding, proposals by any institution, school or agency under the governance of the Board to make capital improvements, either in the form of renovation or addition to or demolition of existing facilities, when the cost of the project is estimated to be between two hundred fifty thousand dollars (\$250,000) and five hundred thousand dollars (\$500,000), must first be submitted to the executive director for review and approval. Without regard to the source of funding, proposals by any institution, school or agency under the governance of the Board to make capital improvements, either in the form of renovation or addition to or demolition of existing facilities or construction of new facilities, when the cost of the project is estimated to exceed five hundred thousand dollars (\$500,000), must first be submitted to the Board for its review and approval. Project cost must be detailed by major category (construction cost, architecture fees, contingency funds, and other). When a project is under the primary supervision of the Board of Regents or the Board and its institutions, school or agencies, a separate budget line for architects, engineers, or construction managers and engineering services must be identified for the project cost. Budgets for maintenance, repair, and upkeep of existing facilities must be submitted for Board review and approval as a part of the annual operating budget of the institution, school or agency.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY

SUBJECT

Boise State University requests approval to authorize a television rights broadcasting contract for the intercollegiate athletic events of the University.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies and Procedures Section V.I.6.b.

BACKGROUND

Boise State University's current contract for television broadcast of its intercollegiate athletic events expires June 30, 2005. As required by Board Policy, the University conducted an open, public bidding process to determine what television station could provide the best value and service to the University.

DISCUSSION

The University put forth a Request for Proposals through the public bidding process on December 12, 2004. Two television stations responded to the request for proposals. KBCI Channel 2 is the holder of the current contract and was one of the bidders. KTVB Channel 7 was the other bidder. A team comprised of University, athletic department and purchasing department employees was used to evaluate and score the two bid proposals. KTVB Channel 7's bid was ranked as the highest proposal.

IMPACT

Under the proposed four-year contract, the University will grant the right to broadcast all non-ESPN and non-WAC reserved right games to KTVB. KTVB is required to air a certain number of games in football, men's and women's basketball and selected games in other sports.

Unlike a traditional sale of broadcast rights, the University is receiving no direct compensation from the broadcast rights contract. Instead, KTVB will grant extensive commercial airtime to the University for the University's use. The University can then use such airtime for its corporate sponsors and thereby increase the value received from the University's corporate partners.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY - continued

The value of the contract in its grant of commercial airtime to the University is as follows:

Boise State University event/image advertising	\$ 235,250
Game inventory for 2 BSU institutional spots	\$ 11,900
Game inventory for 12 Bronco Corporate Sponsors	\$ 71,400
Bronco Corporate Sponsor media inventory on KTVB	\$ 84,000
Bronco Corporate Sponsor media inventory on KTVB2	\$ 50,400
Commercial Production	\$ 10,000
Head Coaches' show payments	\$ 2,000
Game Tickets Current Value	<u>\$ 14,582</u>
Annual Total Value	\$ 479,532
Four-Year Total	\$1,918,128
One-Time Stadium Airtime Grant	<u>\$ 32,000</u>
Total Proposal Value	\$1,950,128

STAFF COMMENTS AND RECOMMENDATIONS

Staff has requested the annual compensation under the KBCI contract in order to compare with this contract.

BOARD ACTION

A motion to authorize Boise State University to execute a television rights broadcasting contract for the intercollegiate athletic events of the University with KTVB Channel 7 (Belo Broadcasting) for a time period not to exceed four years.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES

SECTION: V. FINANCIAL AFFAIRS

Subsection I: Real and Personal Property and Services

April, 2002

I. Real and Personal Property and Services

6. Disposal of Personal Property

Sale, surplus disposal, trade-in, or exchange of property with a value greater than two hundred fifty thousand dollars (\$250,000) requires prior Board approval.

b. Sale of Services

The sale of any services or rights (broadcast or other) of any institution, school or agency requires prior approval of the Board when it is reasonably expected that the proceeds of such action may exceed two hundred fifty thousand dollars (\$250,000). Any sale of such services or rights must be conducted via an open bidding process or other means that maximizes the returns in revenues, assets, or benefits to the institution, school or agency.

THIS PAGE INTENTIONALLY LEFT BLANK

TELEVISION BROADCASTING AGREEMENT

THIS AGREEMENT, made this ____ day of ____, 2005, by and between Boise State University (hereinafter "BSU") and KTVB Media Group, (hereinafter "KTVB"):

WITNESSETH:

WHEREAS, BSU has a proprietary interest in its intercollegiate athletic teams and in the use of any material relating to those teams; and

WHEREAS, KTVB desires to purchase certain rights from BSU pertaining to television broadcasting of certain athletic events; and

WHEREAS, BSU is willing to sell such television rights to KTVB upon the terms and conditions set forth below subject to the rules, regulations and rights of the Idaho State Board of Education, the National Collegiate Athletic Association and the Western Athletic Conference;

NOW THEREFORE; in consideration of the covenants and terms of this AGREEMENT, BSU agrees to sell to KTVB rights to broadcast on television certain intercollegiate athletic events as set forth herein;

Rights Granted:

1. BSU hereby grants to KTVB the rights to broadcast BSU's intercollegiate athletics events in the television markets and under the terms as provided in this AGREEMENT.
2. KTVB and BSU acknowledge that all broadcast rights are subject to the rights of the Conference of which BSU is a member institution. Currently, the Western Athletic Conference has full ownership of all television rights to all athletic events involving conference members played at home sites. The Western Athletic Conference (WAC) must identify by specified dates each year which events it will televise as a part of its conference television package. Only those games released by the conference are eligible for consideration under this AGREEMENT.
3. Live broadcasts of BSU intercollegiate events:
 - a. KTVB shall televise all non-ESPN home and away football games 'live' on KTVB channel 7 Boise, KTFT-Twin Falls and KSKN-Spokane. KTVB understands that ESPN has an agreement with the WAC and that some games will be unavailable to the KTVB Media Group.
 - b. KTVB will televise one (1) live home "Game of the Week" each and every week during the fifteen (15) weeks of the basketball season. When the

men's basketball team is home, the "Game of the Week" will be a men's game. When the men are on the road, a women's home game will be televised. When neither basketball team is home, then a different BSU intercollegiate sport may be televised. Such other sports game selection will be decided by agreement between BSU and KTVB. The number of games depends on availability related to ESPN and WAC rights. All of these games (15 estimated) will be seen live only on KTVB2 channel 28 Boise.

4. KTVB agrees that, if requested by BSU, satellite coordinates of its broadcasts will be provided to ESPN at no cost.
5. Delayed telecasts of BSU intercollegiate contests:
 - a. Home Football: KTVB will produce (and tape delay at least three times) all home football games on KTVB2, including the home games seen on ESPN. If allowed by ESPN, KTVB shall produce any home game, side-by-side with ESPN, and then televise the game tape-delayed even if ESPN airs it live. The first tape delay will be aired the day of the game, and the next two tape delays would be time shifted to the following day and/or weekend. BSU agrees to allow KTVB reasonable access to a convenient truck parking location, the press box, and camera positions when such dual football production is necessary.
 - b. Away Football: KTVB will tape delay three (3) times all non-ESPN live road games produced by KTVB and aired live pursuant to the agreement. All tape delayed telecasts will be seen only on KTVB2. The first tape delay will be aired the day of the game, and the next two tape delays will be time shifted to the following day and/or weekend.
 - c. Home Basketball: KTVB will delay and time shift each live telecast three (3) times on KTVB2. The first tape delay will be aired the day of the game, and the next two tape delays will be time shifted to the following day and/or weekend.
6. KTVB shall be granted a first right of refusal on all pre- and post-season games to which BSU owns the rights, provided the game is not shown on a regional or national broadcast.
7. BSU agrees to restrict the use of copyrighted material pursuant to this proposal on other local television stations to 24-hours from the conclusion of a game.
8. BSU reserves the right to sell the telecasts and/or game tapes for cablecast (not to a competing network station of KTVB) at no cost to BSU. It is understood that the market area of KTVB shall be protected.
9. BSU hereby grants KTVB the rights to video stream on their internet site, any game KTVB is broadcasting pursuant to this AGREEMENT. BSU retains the

rights to video stream all games on Broncosports.com. BSU shall not grant rights to video streaming to any other local television station.

10. Except for those broadcasts noted in this AGREEMENT, KTVB and all of its affiliates and network stations shall be prohibited from rebroadcasting any portion of an event without the expressed written permission of BSU. All rights granted to broadcast in any form or manner shall cease at the expiration of this agreement, whether maintained in KTVB inventory or not.

Advertising and Production Time and Value:

11. If a BSU approved Bronco Stadium and/or Press Box expansion project is initiated during the term of this AGREEMENT, KTVB will provide an air time grant in the amount of \$32,000 designed for community awareness and contribution to the project. This amount is to be used within 12 months of the start of the project, and is in addition to any other on-air value listed in this AGREEMENT. It will be treated "same as cash" at prevailing rate card value, and can be booked at-will by BSU on any of the KTVB stations or channels.
12. KTVB shall air a weekly program featuring the BSU coach whose season is in session. BSU shall ensure the coach will be available each week to be featured in this official weekly program. KTVB will produce 12 football coaches events/shows or variation thereof; and 12 basketball coaches events/shows or variations thereof. A one-time one thousand dollar (\$1,000) per season payment will be made each to the football and men's basketball head coach for their appearance on all of the weekly shows plus the pre- and post-season shows described below. No other coaches will be paid.
13. KTVB will produce, at its expense, a 30-minute pre-season football program which will air on KTVB and KTFT Saturday at 6:30pm prior to the start of the season, and replay such program on KTVB2 five (5) times at such times and dates as are agreed between the parties. KTVB will retain this inventory.
14. KTVB will produce, at its expense, a 30-minute pre-season men's and women's basketball program which will air on KTVB and KTFT Saturday at 6:30pm prior to the start of the season, and replay such program on KTVB2 five (5) times at such times and dates as are agreed between the parties. KTVB will retain this inventory.
15. KTVB will produce, at its expense, a 30-minute post-season football program, at the conclusion of the season, which will air on KTVB and replay such program on KTVB2 five (5) times at such times and dates as are agreed between the parties. KTVB Media Group will retain this inventory.

16. KTVB shall annually provide \$10,000 worth of production time per year. The value will be calculated in accordance with the applicable active advertiser rate card at the time of booking. BSU will pay for production above the \$10,000 limit.
17. KTVB shall provide the following amounts of annual advertising airtime to BSU. Such advertising shall be used by BSU to promote BSU athletics or BSU academics (at BSU's discretion). All amounts are annual (July 1 to June 30) and must be used within the twelve (12) months allotted. No carryovers are allowed and no more than 20% of the following amounts can be used in any one month. All airtime will be valued in accordance with the applicable active rate card at the time of booking, and will be considered preemptable:
 - a. KTVB Boise will air a minimum of \$110,250 of advertising airtime
 - b. KTVB2 Boise will air a minimum of \$20,000 of advertising airtime
 - c. KTFT Twin Falls will air a minimum of \$20,000 of advertising airtime
 - d. Northwest Cable News (NWCN) will air a minimum of \$10,000 of advertising airtime
 - e. KING-TV Seattle will air a minimum of \$40,000 of advertising airtime
 - f. KONG-TV Seattle will air a minimum of \$10,000 of advertising airtime
 - g. KGW-TV Portland will air a minimum of \$15,000 of advertising airtime
 - h. KREM-TV Spokane will air a minimum of \$5,000 of advertising airtime
 - i. KSKN-TV Spokane will air a minimum of \$5,000 of advertising airtime
18. In addition to the advertising noted above:
 - a. KTVB shall provide two (2) 30-second in-game advertising commercial spots during each live telecast and two (2) 30-second in-game advertising commercial spots during each delayed telecast of a BSU athletic event for University purposes.
 - b. KTVB shall provide twelve (12) 30-second in-game advertising commercial spots during each live telecast and twelve (12) 30-second in game advertising commercial spots during each delayed telecast of a BSU event for athletic department corporate partner use. If BSU is unable or unwilling to utilize such spots for corporate partner use, BSU may use such spots for University purposes.
19. The below advertising commercial spots must be used regularly, and not accumulated. Spots must be booked in advance in accordance with normal KTVB client courtesy. KTVB will manage this inventory, but BSU will also provide a point of contact and liaison for all BSU corporate sponsors. It is intended that BSU will incorporate this media inventory into BSU corporate sponsor packages, thereby fully maximizing corporate sponsor income. KTVB will assist BSU with pitching and positioning this corporate sponsor inventory to maximize value.

- a. KTVB shall provide BSU one (1) corporate partner commercial spot per day for seven (7) months (September through March) on KTVB for BSU corporate commercials and/or corporate partner coaches' thank you and/or for any other University purpose. These spots will be 'rotator class' and will air daily in prime rotation between 5:00pm and 10:30pm. This equals a total of 210 spots per school year for BSU corporate sponsors or other BSU use. BSU shall decide the amount of spots each sponsor will get.
 - b. KTVB2 shall provide BSU twelve (12) spots per day for seven (7) months (September through March) on KTVB2 for BSU corporate partner commercials and/or corporate partner coaches' thank you and/or for any other University purpose. These spots will air daily in rotation between 7:00am to midnight in local news, sports, and weather on KTVB2. This offer equals a total of 2,520 spots per school year for BSU corporate sponsors or other BSU use. BSU shall decide the amount of spots each sponsor will get.
20. KTVB shall ensure that Northwest Cable News will endeavor to include regular Boise State University football and basketball coverage on "Northwest Sports Tonight," a weekend sports wrap-up program seen throughout the Northwest region.

Other Consideration Given by BSU:

- 21. KTVB shall receive two (2) ad panels in the BSU Taco Bell Arena for basketball games at no cost to KTVB. KTVB will pay for the production of such panels.
- 22. KTVB will receive Bronco Stadium press box signage at no cost. KTVB will pay for the production of such signage.
- 23. KTVB will receive a sponsorship mention on football, basketball, soccer, and volleyball schedule cards at no cost.
- 24. BSU will provide three (3) live public address announcements for KTVB at all home football games, men's basketball games and women's basketball games for promotional purposes for no cost.
- 25. KTVB will receive, at no cost, two (2) Bronco Stadium end zone rotating ad panels and will be allowed to hang one 3' x 30' banner on the 'camera away' side of the fence during BSU home football games, unless such are prohibited by ESPN or the WAC. KTVB will pay for the production of such signs and banner.
- 26. KTVB will receive one full-page full-color ad in all football and basketball programs. KTVB will pay for the production of such ads.

27. If either the BSU football or men's basketball intercollegiate athletics programs are terminated, KTVB may cancel this AGREEMENT with thirty (30) days written notice to BSU.

Other KTVB Duties:

28. KTVB will annually (July 1 to June 30) purchase BSU game tickets, and provide the corresponding BAA donation, at the following level:
- a. University Club (6 football seats)
 - b. Wrangler (4 football and 4 basketball seats)
 - c. Buckaroo (8 football and 16 basketball seats)
29. KTVB shall film or video tape each event telecast and preserve copies of the film or tape and evidence of fixation of the broadcast as may be requested by BSU for copyright purposes. A color videotape of each broadcast must be provided to BSU.
30. KTVB grants to BSU, and BSU specifically reserves the right, to reject any advertising during any BSU athletic event by organizations whose purposes or policies are controversial, and/or alcoholic beverages, tobacco, political candidates, political parties, and gambling of any type.
31. KTVB will provide BSU with VHS copy of every live or delayed broadcast of games on KTVB involving BSU (conference and non-conference telecasts) within 24 hours of the game.
32. KTVB Channel 7 Boise will broadcast a weekly BSU sports segment on Sunday evenings as part of the ten o'clock news. These segments will air from the first Sunday in September through the last Sunday in May. Segments will feature all BSU sports.
33. KTVB will provide a color VHS copy of all football games. The tape will be delivered to the athletic department office by 11:00 a.m. Monday following each game. Exceptions may be the University of Hawaii game in years BSU plays at Hawaii, or games carried by other network television and are property of that network. It is understood that for non-televised games this will be only a one-camera view of said game.
34. BSU, acting through its Director of Athletics, shall have the right to approve all announcers for all broadcasts; such approval shall not be unreasonably withheld. The approval of all announcers is a material covenant of this AGREEMENT for the term of the contract. BSU's right to approve all announcers in advance and to terminate this AGREEMENT if such advance approval is not obtained by KTVB, shall extend to all changes in announcers and shall be effective throughout the term of this AGREEMENT.

Copyright:

35. BSU shall own the copyright in all broadcasts (live or delayed), films, videotapes and recordings of sporting events telecast pursuant to this AGREEMENT. Notice of the BSU copyright shall be included as part of every BSU sports event telecast made pursuant to this AGREEMENT. The notice shall consist of the symbol "©" or the word "copyright," followed by the year that the event is first telecast and the name "Boise State University," shall appear in the opening and closing credits.
36. BSU shall be considered the copyright owner of, and entitled to receive all copyright royalty fees (including such fees paid by cable systems pursuant to 17 USC Section 111 (d)) attributable to the use and broadcast of the football and men's basketball "preview" shows, the coaches shows and any other programming produced by KTVB pursuant to this AGREEMENT with the exception of the live or delayed telecasts of any game, match, meet, etc. involving BSU intercollegiate athletic teams. The videotape of such shows shall contain the appropriate copyright notice showing "BSU" as the copyright holder.
37. BSU shall be entitled to receive all copyright royalty fees attributable to use of the broadcasts, films, videotapes, and recordings of BSU sports events, including all copyright royalty fees paid by cable systems, pursuant to 17 USC Section 111 (d). BSU agrees to be responsible for filings with the Copyright Royalty Tribunal with respect to the fees referenced in Paragraphs 6 and 7 of the AGREEMENT.
38. KTVB shall film or videotape each event broadcast on KTVB pursuant to this AGREEMENT and shall make and preserve such copies of the film or tape and evidence of fixation of the broadcast as may be reasonably requested by BSU for copyright purposes. A copyright notice, consisting of the symbol © or the word "Copyright", followed by the year that the event is first telecast and the name "Boise State University", shall be placed on both the actual videotapes or tape cassettes of the telecasts, and the cases or containers. KTVB shall provide BSU with a written statement that each broadcast made pursuant to this AGREEMENT was recorded and the manner in which it was recorded (by videotape of the entire broadcast, replay tape or audiovisual logger).

Miscellaneous Provisions:

39. The "Term" of the AGREEMENT shall be four (4) years and shall commence on July 1, 2005 and terminate on June 30, 2009.
40. The rights granted to each party hereunder are not assignable or transferable by either party without the express written consent of the other party, which consent shall not be unreasonably withheld.

41. Any work that KTVB delegates to a subcontractor, assigned or transferred, must be approved by BSU in writing. BSU's approval notwithstanding, KTVB shall be responsible for the performance of the Contractor and for compliance with all the terms and elements of this AGREEMENT. The Contractor will provide all personnel required to perform services hereunder and such personnel shall not be employees of BSU.
42. KTVB shall give all notices required by law and comply with all applicable federal and applicable state, county or city laws, ordinances, rules and regulations relating to the conduct of the work. KTVB shall be liable for all violations of the law in connection with work furnished by KTVB, including KTVB's subcontractors, if any.
43. KTVB shall agree to comply with the conditions of the Federal Occupational Safety and Health Act of 1970 (OSHA) and the standards and regulations issued there under and certify that all services furnished under this contract will conform to and comply with said standards and regulations. KTVB shall further agree to indemnify and hold harmless BSU from all damages assessed against BSU as a result of KTVB's failure to comply with OSHA and the standards issued there under and for the failure of the services furnished under this contract to so comply.
44. Each party will hold the other harmless and indemnify the other from and against all suits, causes of action or claims which arise out of or are caused by conduct of the indemnifying party's agents and employees pursuant to the terms of this AGREEMENT. For the purpose of this paragraph, each party agrees that it is not the agent or the employee of the other. Provided, however, nothing in this AGREEMENT, including but not limited to the provisions of this paragraph, shall be construed so as to require indemnification of KTVB by BSU above the limits provided by Idaho Code §6-926 nor should anything in this AGREEMENT be construed to limit any defenses BSU might have pursuant to Idaho Code §6-901 et seq. against injured claimants or against any person seeking indemnity against BSU.
45. Any notice given in connection with this AGREEMENT shall be in writing and sent by certified or registered mail, postage prepaid, return receipt requested, addressed to each party as follows:

To BSU:

Director of Athletics
Department of Intercollegiate Athletics
Boise State University
1910 University Drive
Boise, ID 83725-1020

With a copy to:

Vice President for Finance and Administration
Boise State University
1910 University Drive
Boise, ID 83725-1200

To KTVB:

Douglas L. Armstrong
President & General Manager
KTVB Media Group
5407 Fairview Avenue
P.O. Box 7
Boise, Idaho 83707

46. Failure of either party to require strict performance of any term of this AGREEMENT shall not affect that party's right to enforce the terms of this AGREEMENT nor shall waiver of default be construed to be a waiver of any succeeding default or a waiver of any portion of this AGREEMENT.
47. If either of the parties breaches the terms of this AGREEMENT and litigation ensues, the prevailing party shall be entitled to recover from the other party its reasonable attorney's fees and expenses so incurred.
48. The Boise State University Request for Proposal dated December 12, 2004 and the KTVB Media Group Response dated January 24, 2005 are incorporated by reference to this AGREEMENT and are a part of this AGREEMENT.
49. This AGREEMENT constitutes the entire agreement between the parties hereto and the parties agree that there are no other agreements, warranties, guarantees, promises, statements or representations which will be binding that are not expressly and specifically set forth herein. All of the provisions of this AGREEMENT shall be binding on and inure to the benefit of the parties hereto and their respective successors and permitted assigns.
50. Either party shall have the right to terminate this AGREEMENT in the event that the other party is in material breach of its obligations hereunder and such breach has not been cured within thirty (30) days of written notice thereof from the non-breaching party.
51. This AGREEMENT shall be governed by the laws of the State of Idaho and any litigation or court proceeding arising from or in any way concerning this AGREEMENT must be heard only in the State Courts of Idaho.

52. This AGREEMENT is contingent upon the approval of the Idaho State Board of Education and KTVB acknowledges that this AGREEMENT is not effective until such requisite approval is granted by the Board.

IN WITNESS WHEREOF, the parties have caused this AGREEMENT to be executed on the date first set forth above.

KTVB MEDIA GROUP

BOISE STATE UNIVERSITY

By _____

By _____

Douglas L. Armstrong

Stacy Pearson

President and General Manager

Vice President for Finance and Administration

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY

SUBJECT

Renew maintenance contracts for administrative information systems software with Oracle, Inc. for a two-year period. Staff agrees with the philosophy of prepaying future costs when substantial cost savings will result.

REFERENCES

January 1999 Prepaid Maintenance Agreement

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.I.3.a.

BACKGROUND

The majority of Boise State University's human resource, financial and student services software maintenance contracts from 1999 expire on June 23, 2005. These software maintenance contracts were prepaid at the time the original software licenses were acquired. The University was able to freeze annual increases in software maintenance fees over the original term of the contracts. As a result, annual software maintenance fees paid to the vendor over the past six years did not increase, as they did for the vendor's other customers. The original rate of increase was scheduled to be at over ten percent per year.

The University initiated negotiations last September to again fix the cost of ongoing maintenance fees with the vendor. During these negotiations Oracle, Inc. purchased PeopleSoft. However, Boise State was able to negotiate a favorable rate that establishes a maintenance base and a new annual escalation fee. This rate agreement reduces the base upon which future payments will be made and caps any escalation fees at four percent rather than the ten percent found in current vendor contracts. Oracle, Inc. will honor this rate negotiated with the previous vendor.

DISCUSSION

The University renegotiated a favorable maintenance base and an annual escalation cap for software maintenance at a rate significantly below that originally obtained as part of the original 1997 software acquisition agreement. Original annual escalation fees exceeded ten percent. The newly negotiated cap is four percent. By prepaying software maintenance fees, Oracle will freeze annual base maintenance fees for the prepaid period and cap subsequent increases at 4% using the annual base maintenance fee paid as the base.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY - continued

Prepayment of the software maintenance agreement reduces the “out of pocket” cost of software maintenance for the period prepaid as well as reduces the total cost of maintenance over the life of the contract. As a result of the recently negotiated annual escalation cap, significant savings can be realized by making prepayments over the life of the contract and significantly reducing total contract maintenance costs. Each year prepaid saves four percent and reduces the escalation cost for the ensuing contract period by four percent.

IMPACT

If this agreement is approved, the University will pay \$594,000 for a two-year maintenance contract. One year is currently due and payable and the second year will be prepaid. The one-year prepayment represents a cost savings over the next two years of nearly \$12,000 and reduces the base upon which subsequent maintenance fee's are calculated representing a cost savings over the life of the current software agreement of \$142,000. A one-year prepayment of the annual maintenance contract done every other year could result in a total cost savings of \$426,000 over the next ten years compared to making single annual payments.

The University has budgeted annual software maintenance costs in the current operating budget and would like to take advantage of savings offered by prepaying an additional year of maintenance. Even though the University already includes annual maintenance fees in the operating budget, the total amount due for a two-year period exceeds the threshold of expenditures that requires Board approval.

STAFF COMMENTS AND RECOMMENDATIONS

According to the National Association of College and University Business Officers (NACUBO) publication Financial Responsibilities of Governing Boards:

“once an institution has invested time and money (particularly for a totally integrated administrative system), it can become hostage to the business plans of the software provider. The provider's schedule of upgrades-which create an enormous amount of work-is beyond the institution's control. There's no turning back. The institution must install the upgrades or run the risk of using software no longer supported by the vendor.”

Staff believes the university should research the option to hire and train in-house staff to maintain all or part of the current system and consider extracting itself from part or all of the existing vendor's business plan. Doing so may result in a significant financial savings to the university.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY - continued

Staff agrees with the philosophy of prepaying future costs when substantial cost savings will result.

Staff recommends approval of this item if the university presents a convincing argument regarding the use of in-house vs. contract system upgrades.

BOARD ACTION

A motion to authorize Boise State University to renew the Oracle, Inc human resources, financial and student services software maintenance contract for a two-year period in an amount not to exceed \$594,000. Funding is from institutional resources.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

THIS PAGE INTENTIONALLY LEFT BLANK

SUPPORT SERVICES PRE-PAYMENT AMENDMENT

This Amendment to the Software License and Service Agreement ("**Amendment**") is made and entered into on April 27, 2005 ("**Amendment Effective Date**") by and between PeopleSoft USA, Inc. (hereinafter "**PeopleSoft**") and Boise State University ("**Licensee**").

WITNESSETH:

THAT, for and in consideration of the mutual promises herein contained, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties to this Amendment, intending to be legally bound, hereby agree that the Software License and Service Agreement between the parties, dated June 24, 1997 ("**Agreement**") is amended to provide as follows:

1. **Definitions.** Unless otherwise defined herein, capitalized terms used in this Amendment shall have the same meaning as those used in the Agreement.

"**Licensee**" means the compliant subscriber to Support Services and may be referred to in the Agreement or the "Software Support Services Terms and Conditions" as Customer.

"**Pre-Paid Support Services Term**" shall mean that period commencing on June 24, 2005 and terminating on June 23, 2007.

"**Support Services**" means the particular services offered by PeopleSoft and selected by Licensee which are designed to support the Supportable Modules and the standard terms and conditions thereto, in effect on the date services are rendered. Support Services may also be referred to in the Agreement as "Maintenance."

"**Supportable Modules**" are those Software modules for which PeopleSoft offers some sort of maintenance services, and are comprised of" (i) Software modules excluding the Third Party Software modules; (ii) Tools; and, (iii) those Third Party Software modules specifically designated in a schedule or attachment to the Agreement as "Supportable Modules."

2. **Pre-Payment of Support Services Fees.** Licensee agrees to pre-pay Support Services fees for the Supportable Modules licensed pursuant to the Software License and Services Agreement amended on June 24, 1997 on Schedule 2 to the Software Services Agreement for the Pre-Paid Support Services Term in the amount set forth in the section herein entitled "Payment Terms." Notwithstanding anything in the Agreement to the contrary, Licensee shall owe additional Support Services fees for any incremental license fees due pursuant to a schedule or attachment to the agreement, if any.

3. **Payment Terms.** For the Support Services set forth in this Amendment for the Pre-Paid Support Services Term, Licensee shall pay PeopleSoft, in addition to any other Support Services fees due pursuant to the Agreement, a Support Services fee of \$168,163.10 on or before the date which is thirty (30) calendar days after the date PeopleSoft's invoice. Unless explicitly stated in this Amendment, all fees specified herein are non-cancelable, non-refundable, and non-contingent. All fees are payable in U.S. dollars and shall be sent to the attention of PeopleSoft's Accounts Receivable Department.

4. **Expiration of Offer.** The offer set forth in this Amendment is valid only through June 17, 2005, and if this Amendment is not executed by such date, the offer is rescinded, and all terms are null and void.

5. **Conflict.** In the event of any conflicts or inconsistencies between the provisions of this Amendment and the Agreement and/or any addenda thereto, the provisions of this Amendment shall prevail. The remainder of the Agreement shall remain in full force and effect, unamended.

Boise State University

PEOPLESFT USA, INC.

 Authorized Signature

 Authorized Signature

 Printed Name and Title

 Printed Name and Title

 Date

 Date

THIS PAGE INTENTIONALLY LEFT BLANK

SUPPORT SERVICES PRE-PAYMENT AMENDMENT

This Amendment to the Software License and Service Agreement ("**Amendment**") is made and entered into on April 27, 2005 ("**Amendment Effective Date**") by and between PeopleSoft USA, Inc. (hereinafter "**PeopleSoft**") and Boise State University ("**Licensee**").

WITNESSETH:

THAT, for and in consideration of the mutual promises herein contained, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties to this Amendment, intending to be legally bound, hereby agree that the Software License and Service Agreement between the parties, dated June 24, 1997 ("**Agreement**") is amended to provide as follows:

1. **Definitions.** Unless otherwise defined herein, capitalized terms used in this Amendment shall have the same meaning as those used in the Agreement.

"**Licensee**" means the compliant subscriber to Support Services and may be referred to in the Agreement or the "Software Support Services Terms and Conditions" as Customer.

"**Pre-Paid Support Services Term**" shall mean that period commencing on June 24, 2005 and terminating on June 23, 2007.

"**Support Services**" means the particular services offered by PeopleSoft and selected by Licensee which are designed to support the Supportable Modules and the standard terms and conditions thereto, in effect on the date services are rendered. Support Services may also be referred to in the Agreement as "Maintenance."

"**Supportable Modules**" are those Software modules for which PeopleSoft offers some sort of maintenance services, and are comprised of" (i) Software modules excluding the Third Party Software modules; (ii) Tools; and, (iii) those Third Party Software modules specifically designated in a schedule or attachment to the Agreement as "Supportable Modules."

2. **Pre-Payment of Support Services Fees.** Licensee agrees to pre-pay Support Services fees for the Supportable Modules licensed pursuant to the Software License and Service Agreement for the Pre-Paid Support Services Term in the amount set forth in the section herein entitled "Payment Terms." Notwithstanding anything in the Agreement to the contrary, Licensee shall owe additional Support Services fees for any incremental license fees due pursuant to a schedule or attachment to the agreement, if any.

3. **Payment Terms.** For the Support Services set forth in this Amendment for the Pre-Paid Support Services Term, Licensee shall pay PeopleSoft, in addition to any other Support Services fees due pursuant to the Agreement, a Support Services fee of \$128,488.00 on or before the date which is thirty (30) calendar days after the date PeopleSoft's invoice. Unless explicitly stated in this Amendment, all fees specified herein are non-cancelable, non-refundable, and non-contingent. All fees are payable in U.S. dollars and shall be sent to the attention of PeopleSoft's Accounts Receivable Department.

4. **Expiration of Offer.** The offer set forth in this Amendment is valid only through June 17, 2005, and if this Amendment is not executed by such date, the offer is rescinded, and all terms are null and void.

5. **Conflict.** In the event of any conflicts or inconsistencies between the provisions of this Amendment and the Agreement and/or any addenda thereto, the provisions of this Amendment shall prevail. The remainder of the Agreement shall remain in full force and effect, unamended.

Boise State University

PEOPLESFT USA, INC.

 Authorized Signature

 Authorized Signature

 Printed Name and Title

 Printed Name and Title

 Date

 Date

THIS PAGE INTENTIONALLY LEFT BLANK

SUPPORT SERVICES PRE-PAYMENT AMENDMENT

This Amendment to the Software License and Service Agreement ("**Amendment**") is made and entered into on April 27, 2005 ("**Amendment Effective Date**") by and between PeopleSoft USA, Inc. (hereinafter "**PeopleSoft**") and Boise State University ("**Licensee**").

WITNESSETH:

THAT, for and in consideration of the mutual promises herein contained, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties to this Amendment, intending to be legally bound, hereby agree that the Software License and Service Agreement between the parties, dated June 24, 1997 ("**Agreement**") is amended to provide as follows:

1. **Definitions.** Unless otherwise defined herein, capitalized terms used in this Amendment shall have the same meaning as those used in the Agreement.

"**Licensee**" means the compliant subscriber to Support Services and may be referred to in the Agreement or the "Software Support Services Terms and Conditions" as Customer.

"**Pre-Paid Support Services Term**" shall mean that period commencing on June 24, 2005 and terminating on June 23, 2007.

"**Support Services**" means the particular services offered by PeopleSoft and selected by Licensee which are designed to support the Supportable Modules and the standard terms and conditions thereto, in effect on the date services are rendered. Support Services may also be referred to in the Agreement as "Maintenance."

"**Supportable Modules**" are those Software modules for which PeopleSoft offers some sort of maintenance services, and are comprised of" (i) Software modules excluding the Third Party Software modules; (ii) Tools; and, (iii) those Third Party Software modules specifically designated in a schedule or attachment to the Agreement as "Supportable Modules."

2. **Pre-Payment of Support Services Fees.** Licensee agrees to pre-pay Support Services fees for the Supportable Modules licensed pursuant to the Software License and Service Agreement amended on June 24, 1997 on Schedule 3 to the Software Services Agreement for the Pre-Paid Support Services Term in the amount set forth in the section herein entitled "Payment Terms." Notwithstanding anything in the Agreement to the contrary, Licensee shall owe additional Support Services fees for any incremental license fees due pursuant to a schedule or attachment to the agreement, if any.

3. **Payment Terms.** For the Support Services set forth in this Amendment for the Pre-Paid Support Services Term, Licensee shall pay PeopleSoft, in addition to any other Support Services fees due pursuant to the Agreement, a Support Services fee of \$297,264.80 on or before the date which is thirty (30) calendar days after the date PeopleSoft's invoice. Unless explicitly stated in this Amendment, all fees specified herein are non-cancelable, non-refundable, and non-contingent. All fees are payable in U.S. dollars and shall be sent to the attention of PeopleSoft's Accounts Receivable Department.

4. **Expiration of Offer.** The offer set forth in this Amendment is valid only through June 17, 2005, and if this Amendment is not executed by such date, the offer is rescinded, and all terms are null and void.

5. **Conflict.** In the event of any conflicts or inconsistencies between the provisions of this Amendment and the Agreement and/or any addenda thereto, the provisions of this Amendment shall prevail. The remainder of the Agreement shall remain in full force and effect, unamended.

Boise State University

PEOPLESFT USA, INC.

 Authorized Signature

 Authorized Signature

 Printed Name and Title

 Printed Name and Title

 Date

 Date

THIS PAGE INTENTIONALLY LEFT BLANK



SOFTWARE LICENSE AND SERVICES AGREEMENT

Handwritten signature and initials

This Software License and Services Agreement ("Agreement") is made as of June 24, 1997 ("Effective Date") by and between PeopleSoft, Inc. ("PeopleSoft"), a Delaware corporation having an office at 4305 Hacienda Drive, P.O. Box 9085, Pleasanton, California 94566 and the State of Idaho, Department of Administration, Division of Purchasing, as the statutory agent for Boise State University ("Licensee") This Agreement is also known as State of Idaho Contract No. 74-L430H-06-9

TERMS AND CONDITIONS

1. LICENSE

1.1 PeopleSoft grants Licensee a perpetual, non-exclusive, non-transferable license to use the licensed Software, solely for Licensee's internal data processing operations at its facilities in the Territory for the size of the entity specified in the Schedule(s). Licensee shall use any third party software products or modules provided by PeopleSoft solely with PeopleSoft Software

1.2 Licensee may:

- a. in the event that a Server at its facility is inoperable, use the Software temporarily on a back-up Server, which may be at a third-party site provided that the back-up Server is under the sole control of Licensee and the Software installed on the back-up Server is used only in accordance with this Agreement;
- b. make a reasonable number of copies of the Software, solely for: (i) use in accordance with the terms set forth herein in the Territory for the size of the entity specified in the applicable Schedule ; (ii) archive or emergency back-up purposes; and/or (iii) disaster recovery testing purposes; and
- c. modify or merge the Software with other software, with the understanding that any modifications, however extensive, shall not diminish PeopleSoft's title or interest in the Software

1.3 PeopleSoft shall provide Licensee with the number of copies of the Software and Documentation only as specified in the applicable Schedule and workstation access as specified in the applicable Schedule. Licensee may make a reasonable number of copies of Documentation and the Software which shall be limited to Production Use solely for Licensee's internal use provided all copyright and proprietary notices are reproduced.

2. LICENSE EXCLUSIONS

2.1 Except as expressly authorized herein, Licensee shall not:

- a. Copy the Software;
- b. Cause or permit reverse compilation or reverse assembly of all or any portion of the Software;
- c. Distribute, disclose, market, rent, lease or transfer to any third party any portion of the Software (including PeopleTools) or the Documentation, or use the Software or

Documentation in any service bureau arrangement, facility management, or third party training;

- d. Disclose the results of Software performance benchmarks to any third party without PeopleSoft's prior written consent;
- e. Transfer the Software to a different software database platform without the prior written consent of PeopleSoft (such consent shall not be unreasonably withheld) and payment of any additional fees that may be due;
- f. Transfer to or use the Software outside the Territory without providing prior written notice to PeopleSoft and without paying additional fees that may be due;
- g. Export the Software in violation of U.S. Department of Commerce export administration regulations;
- h. Use PeopleTools or third party software, except solely in conjunction with the licensed PeopleSoft applications.

2.2 No license, right, or interest in any PeopleSoft trademark, trade name, or service mark is granted hereunder

3. FEES AND PAYMENT TERMS

3.1 Licensee shall pay PeopleSoft the fees as specified in each applicable Schedule.

3.2 Unless Licensee provides PeopleSoft with a valid tax exemption or direct pay certificate, Licensee is responsible for all taxes, duties and customs fees concerning the Software and/or services, excluding taxes based on PeopleSoft's income. Overdue payments shall bear interest at the lesser of twelve percent (12%) per annum or the maximum rate allowed under applicable law.

3.3 The license fee for the Software is based upon Licensee's representations concerning pricing metrics of operation, as set forth in the Schedule(s). PeopleSoft reserves the right to assess additional license fees if the pricing metrics of operation are enlarged beyond the scope which formed the basis for the license fees.

3.4 On an annual basis PeopleSoft shall provide Licensee with a statement listing the applicable pricing metrics for which the Software is licensed. Licensee shall provide PeopleSoft with a signed certification of such statement either (a) confirming that the Software is being used in conformance with the applicable License; or (b) providing PeopleSoft with corrected figures. If Licensee provides PeopleSoft with



corrected figures, PeopleSoft shall invoice Licensee for the applicable fees for any increase beyond the applicable pricing metrics licensed. Should Licensee fail to pay the applicable fees for any increase, such failure shall be a breach of this Agreement.

3.5 PeopleSoft reserves the right to audit Licensee's use of the Software no more than once annually at PeopleSoft's expense. All audits shall be conducted during regular business hours at Licensee's site and shall not unreasonably interfere with Licensee's business activities. PeopleSoft shall schedule any audits at least fifteen (15) days in advance.

4. TITLE AND PROTECTION

4.1. PeopleSoft (or its third-party providers) retains title to all portions of the Software and any copies thereof. PeopleSoft retains title to all modifications created by Licensee as a derivative work, but Licensee shall have a perpetual, royalty free license to use such modifications in conjunction with the Software in accordance with this Agreement. Licensee may share modifications with other PeopleSoft customers only through PeopleSoft Forum, subject to PeopleSoft's right to modify and monitor modifications distributed through PeopleSoft Forum. Except as stated above, Licensee shall have no rights to market or distribute modifications. PeopleSoft shall have no obligation to support Licensee created modifications or third party modifications. Licensee is not obligated to disclose modifications to PeopleSoft.

4.2 Title to the physical media for the Software vests in Licensee upon delivery. PeopleSoft represents that the Software contains valuable proprietary information. Licensee shall not disclose the Software to anyone other than those of its employees or consultants under nondisclosure obligation who have a need to access the Software for purposes consistent with this Agreement. Each full or partial copy of the Software made by Licensee shall have all copyright and proprietary information notices as affixed to the original.

4.3 The Software was developed at private expense, is commercial, and is published and copyrighted. If Licensee is an agency of the United States Government or licensing the Software for operation on behalf of the United States Government, the Software is transferred to Licensee with rights no greater than those set forth at Federal Acquisition Regulation 52.227-19(c) [or DFAR 252.227-7013(c)(1) if the transfer is to a defense-related agency] or subsequent citation.

5. PATENT AND COPYRIGHT INDEMNITY

PeopleSoft shall indemnify and defend Licensee against any claims that the Software infringes any United States or Canadian patent or copyright, provided that PeopleSoft is given prompt notice of such claim and is given information, reasonable assistance, and sole authority to defend or settle the claim. In the defense or settlement of the claim, PeopleSoft shall, in its reasonable judgment and at its option and expense: (i) obtain for Licensee the right to continue using the Software;

(ii) replace or modify the Software so that it becomes noninfringing while giving equivalent performance; or (iii) if PeopleSoft cannot obtain the remedies in (i) or (ii), as its sole obligation, terminate the license* for the infringing Software, and upon receipt of the infringing Software, return only the license fees paid by Licensee for such Software, prorated over a five year term from the applicable Schedule Effective Date. PeopleSoft shall have no liability to indemnify or defend Licensee to the extent the alleged infringement is based on: (i) a modification of the Software by anyone other than PeopleSoft; (ii) use of the Software other than in accordance with the Documentation; or (iii) use of the Software outside the Territory where such claim is brought under the law of such country or countries.

6. DEFAULT AND TERMINATION

6.1 An event of default is: (i) a failure by either party to comply with any material obligation under this Agreement; and (ii) such non-compliance remains uncured for more than thirty (30) days after receipt of written notice thereof.

6.2 If an event of default occurs, the nondefaulting party, in addition to any other rights available to it under law or equity, may terminate this Agreement and all licenses granted hereunder by giving written notice to the defaulting party. Except as otherwise specifically stated herein, remedies shall be cumulative and there shall be no obligation to exercise a particular remedy.

6.3 Within fifteen (15) days after termination of this Agreement, Licensee shall certify in writing to PeopleSoft that all copies of the Software in any form, including partial copies within modified versions, have been destroyed or returned to PeopleSoft.

7. LIMITED WARRANTY

PeopleSoft warrants that it has title to the Software and/or the authority to grant licenses to use the third party software. PeopleSoft warrants that the Software will perform substantially in accordance with the Documentation for a period of one (1) year from the date of initial installation and that the Software media is free from material defects. PeopleSoft does not warrant that the Software is error-free. PeopleSoft's sole obligation is limited to repair or replacement of the defective Software in a timely manner, provided Licensee notifies PeopleSoft of the deficiency within the one-year period and provided Licensee has installed all Software updates provided pursuant to PeopleSoft's Software Support Services. **PEOPLESOFT DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.**

8. LIMITATION OF LIABILITY

EXCEPT FOR VIOLATIONS OF PEOPLESOFT'S INTELLECTUAL OR PROPRIETARY RIGHTS, NEITHER



PARTY WILL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO LOST DATA OR LOST PROFITS. HOWEVER ARISING, EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES EXCLUDING DAMAGES INCURRED BY LICENSEE UNDER THE ARTICLE ENTITLED, "PATENT AND COPYRIGHT INDEMNITY," PEOPLESOFT'S LIABILITY FOR DAMAGES UNDER THIS AGREEMENT (WHETHER IN CONTRACT OR TORT) SHALL IN NO EVENT EXCEED THE AMOUNT PAID BY LICENSEE TO PEOPLESOFT FOR THE SOFTWARE MODULE OR THE SERVICES FROM WHICH THE CLAIM AROSE. THE PARTIES AGREE TO THE ALLOCATION OF LIABILITY RISK SET FORTH IN THIS SECTION.

9. SOFTWARE SUPPORT SERVICES TERMS AND CONDITIONS

For a period of one year commencing on the Schedule Effective Date, PeopleSoft shall provide Licensee with one (1) year of Software Support Services for a single production instance at a single Site designated in the applicable Schedule as described in PeopleSoft's standard Software Support Services Terms and Conditions. After the first year, Licensee may elect to acquire Software Support Services pursuant to the then-current terms and conditions by paying PeopleSoft the fees stated in the applicable Schedule. Unless Licensee elects to purchase Software Support Services for more than one Site, Licensee shall support all copies of the Software licensed under this Agreement through one central point of support staffed by Licensee's employees. Licensee may purchase Support Services for Additional Sites or Servers in accordance with PeopleSoft's then-current fee.

10. INSTALLATION SUPPORT

Upon Licensee's request and upon a mutually agreeable schedule within six (6) months following the Schedule Effective Date, PeopleSoft shall perform an initial installation of the Software as set forth on the Schedule(s). Any additional installation support requested by Licensee shall be provided to Licensee at the then-current PeopleSoft Professional Services Group hourly rate. Licensee shall reimburse PeopleSoft for all reasonable travel and living expenses associated with any installation support.

11. TRAINING

PeopleSoft shall provide Licensee with the number of training units set forth in the Schedule for use at a PeopleSoft Training Facility. Licensee may use training units for training at Licensee's site only as the parties mutually agree in writing. Licensee must use these training units within one (1) year from the Schedule Effective Date.

12. NOTICES

All notices shall be in writing and sent by registered mail, overnight mail, courier, or transmitted by facsimile (if confirmed by such mailing), to the addresses indicated on the first page of this Agreement, or such other address as either party may indicate by at least ten (10) days prior written notice to the other party. Notices to PeopleSoft shall be sent to the attention of PeopleSoft Legal with a copy to Licensee's assigned PeopleSoft account manager.

13. ASSIGNMENT

Licensee may not assign this Agreement (by operation of law or otherwise) or sublicense the Software without the prior written consent of PeopleSoft, and any prohibited assignment or sublicense shall be null and void.

14. NONDISCLOSURE OBLIGATION

14.1 The terms, conditions, pricing and any other information clearly marked "confidential" under this Agreement are confidential and shall not be disclosed, orally or in writing by Licensee to any third party without the prior written consent of PeopleSoft. If Licensee is a governmental entity subject to disclosure obligations under the United States Freedom of Information act or similar statute or regulation, Licensee agrees that the terms, conditions, and pricing under this Agreement will be disclosed only pursuant to requests made in accordance with the relevant statute or regulation, and that any other information clearly marked "confidential" under this Agreement shall be treated as information identified by PeopleSoft as confidential, trade secret, commercially sensitive information, and will not be disclosed without affording PeopleSoft a full opportunity to establish that such information is exempt from the disclosure obligation.

14.2 Licensee shall protect the Software with at least the same degree of care and confidentiality, but not less than a reasonable standard of care, which Licensee utilizes for Licensee information that it does not wish disclosed to the public. Licensee may provide access to and use of the Software only to those third parties that: (i) provide services to Licensee concerning Licensee's use of the Software; (ii) have a need to use and access the Software; and (iii) have agreed to substantially similar non-disclosure obligations imposed by Licensee as those contained herein. This Agreement imposes no obligation upon Licensee with respect to PeopleSoft's confidential information which Licensee can establish by legally sufficient evidence: (a) was in the possession of, or was rightfully known by Licensee without an obligation to maintain its confidentiality prior to receipt from PeopleSoft; (b) is or becomes generally known to the public without violation of this Agreement; (c) is obtained by Licensee in good faith from a third party having the right to disclose it without an obligation on confidentiality; or (d) is independently developed by Licensee without the participation of individuals who have had access to PeopleSoft's confidential information. Licensee may disclose confidential information if so required by law, provided that Licensee notifies PeopleSoft of



such requirement prior to disclosure, and provided further that PeopleSoft may (i) require Licensee to request the appropriate court or governmental body to seal the record that shall contain such confidential information; and/or (ii) assume responsibility for responding to and defending such requests for disclosure of the confidential information

15. GENERAL

This Agreement is made in and shall be governed by the laws of the State of California, without regard to its choice of law principles. Venue shall be in San Francisco, California. The section headings herein are provided for convenience only and have no substantive effect on the construction of this Agreement. No purchase order or other ordering document that purports to modify or supplement the printed text of this Agreement or any Schedule shall add to or vary the terms of this Agreement. All such proposed variations or additions (whether submitted by PeopleSoft or Licensee) are objected to and deemed material unless agreed to in writing. Except for Licensee's obligation to pay PeopleSoft, neither party shall be liable for any failure to perform due to causes beyond its reasonable control. If any provision of this Agreement is held to be unenforceable, this Agreement shall be construed without such provision. The failure by a party to exercise any right hereunder shall not operate as a waiver of such party's right to exercise such right or any other right in the future. Except for actions for non-payment or breach of PeopleSoft's proprietary rights in the Software, no action, regardless of form, arising out of this Agreement may be brought by either party more than one year after the cause of action has accrued. This Agreement may be amended only by a written document executed by a duly authorized representative of each of the parties.

This Agreement and the Schedule(s) constitute the entire agreement between the parties concerning Licensee's acquisition and use of the Software. This Agreement replaces and supersedes any prior verbal or written understandings, communications, and representations between the parties. This Agreement may be executed in counterparts, which taken together shall be considered an original.

The provisions of Sections 3, 4, 5, 8, 14, and 15 shall survive termination of this Agreement.

16. DEFINITIONS

"Documentation" means only technical publications relating to the use of the Software, such as reference, user, installation, systems administrator and technical guides, delivered by PeopleSoft to Licensee.

"PeopleTools" means the underlying architecture from which the Software is designed, and includes software application programming tools and code.

"Production Use" means the use of the Software to perform real time transactions for Licensee's internal use.

"Schedule(s)" means the independent Software product schedule(s) executed by the parties and Support Services schedule(s) referencing this Agreement. Each Schedule is a separate and independent contractual obligation from any other Schedule. Agreement Effective Date and Schedule Effective Date(s) may differ.

"Server" means a single database or file server that may be accessed by a network of personal computers as set forth in the applicable Schedule

"Site" means a specific, physical location of Licensee's Server as set forth in the applicable Schedule that shall be the one location to which Software Support Services are provided, if at all

"Software" means all or any portion of the then commercially available global version(s) of the binary computer software programs and enhancements thereto, (including corresponding source code), localized version(s) of the binary computer software programs and enhancements thereto, (including corresponding source code), and Documentation delivered by PeopleSoft to Licensee (or subsequently made by Licensee with PeopleSoft's prior written consent), as listed in the applicable Schedule. Software includes the third-party software only as specified in the Schedule. Software does not include source code to PeopleTools and third party software delivered by PeopleSoft. Unless specifically stated otherwise, all Software is delivered to Licensee only if and when generally commercially available

"Territory" means the territory as specified on the applicable Schedule in which Licensee may use the Software.

The authorized representatives of the parties have signed this Software License and Services Agreement.



ACCEPTED BY:

LICENSEE

Harry E. Neel, Jr.

Harry E. Neel, Jr.

Boise State University

Vice President for Finance and Administration

STATUTORY AGENT FOR LICENSEE

Gerry L. Silvester

Gerry L. Silvester, Senior Purchasing Officer,
Division of Purchasing

Department of Administration
State of Idaho

ACCEPTED BY:

PEOPLESOFT, INC.

Howard I. Bulos

Authorized Signature

Howard I. Bulos

Printed Name and Title

Regional Vice President

Approved as
to form 6/97
Initials Date



Software Support Services Terms and Conditions

Software Support Services Terms and Conditions ("Support Services") are referenced in and incorporated into the License Agreement between PeopleSoft and Licensee. Upon reasonable notice, PeopleSoft reserves the right to modify the terms and conditions of Support Services on an annual basis to reflect then - current market conditions.

1. Coverage

PeopleSoft provides Licensee with Support Services for the Software for the Site(s) designated in the applicable Schedule in consideration of Licensee's payment of the applicable fees to PeopleSoft. If no Sites are designated in the applicable Schedule, PeopleSoft provides Support on a centralized basis through a PeopleSoft support center in the United States of America.

2. Licensee's Central Support Team

Licensee must designate a central support team for each Site designated in the applicable Schedule(s). Only members of Licensee's central support team shall be authorized to request support services from PeopleSoft. PeopleSoft shall designate an account manager or managers for each designated support site. Local support shall consist of any support not provided at a designated support site and shall not be included as part of Support Services. Licensee shall contract for local support at the then current list price. In the event that Licensee licenses the Software in a country or region not designated on a Schedule, support for such additional license shall be acquired separately at the then current local Country list price.

3. Software Maintenance

The following technical and functional improvements will be issued periodically by PeopleSoft to improve Software operations:

- a. Fixes to Errors;
- b. Updates; and
- c. Enhancements contained within new releases.

4. Priority Level of Errors

PeopleSoft shall reasonably determine the priority level of Error in accordance with the following protocols:

Priority A - Critical:

PeopleSoft promptly initiates the following procedures: (1) assign PeopleSoft specialist(s) to correct the Error; (2) provide ongoing communication on the status of the correction(s); and (3) immediately begin to provide a Workaround or a Fix.

Priority B - Urgent:

(1) PeopleSoft assigns a PeopleSoft specialist to commence correction of Error(s) and (2) Provide escalation procedures as reasonably determined by PeopleSoft support staff. PeopleSoft exercises all commercially reasonable efforts to include the Fix for the Error in the next Software maintenance release.

Priority C - Standard:

PeopleSoft may include the Fix for the Error in the next major Software release.

5. Telephone Support



PeopleSoft provides telephone support concerning installation and use of the Software. Except for designated holidays, standard telephone support hours are Monday through Friday, 4:00 a.m. to 6:30 p.m., Pacific Standard Time. Telephone Support is also available 24-hours a day, 7-days a week for in-production customers who need to resolve critical production problems apart from normal support hours.

6. Account Manager

PeopleSoft assigns an account manager(s) to assist with the on-going support relationship between PeopleSoft and Licensee. Licensee will reimburse PeopleSoft for the reasonable travel and living expenses of the account manager for on-Site support activity.

7. PEOPLESOFT FORUM

- a. PeopleSoft Forum on-line bulletin board system features postings by PeopleSoft and PeopleSoft Software users regarding technical and non-technical topics of interest. Licensee may access PeopleSoft Forum through Licensee's CompuServe services account or through the Internet via Licensee's Internet access software. At Licensee's own expense, Licensee may acquire the CompuServe service and a license to use Lotus Notes.
- b. All Software maintenance releases and Fixes to the Software may be delivered to Licensee through PeopleSoft Forum or through the Internet via Licensee's Internet access software. All information specified in PeopleSoft Forum by PeopleSoft is confidential and proprietary to PeopleSoft and shall only be used in connection with Licensee's use of the Software and informational communications with other PeopleSoft Forum participants. PeopleSoft reserves the right to modify information posted to PeopleSoft Forum. PeopleSoft shall have the right to publish and distribute only through PeopleSoft Forum in all languages and in association with Licensee's name any material or software programs provided by Licensee to PeopleSoft Forum. Licensee shall not use PeopleSoft Forum for advertising or public relations purposes and shall only submit information to PeopleSoft Forum that is owned by Licensee or which Licensee has third party permission to submit to PeopleSoft Forum for use by all other PeopleSoft Forum users.
- c. In the interest of diminishing exposure to software viruses, PeopleSoft tests and scans for software viruses all information entered by PeopleSoft prior to submission of information to PeopleSoft Forum. Licensee shall also use a reliable virus detection system on any software or information posted to PeopleSoft Forum, utilize back-up procedures, monitor access to PeopleSoft Forum, promptly notify PeopleSoft of any virus detected within Licensee's systems associated with PeopleSoft Forum and generally exercise a reasonable degree of caution when utilizing information from PeopleSoft Forum. PeopleSoft does not warrant that PeopleSoft Forum will operate without interruption or without errors. PeopleSoft reserves the right to modify or suspend PeopleSoft Forum service in connection with PeopleSoft's provision for Support Services.

8. Fees

The first year of Support Services at the Sites designated on the Schedule(s) is included in the Software license fees; thereafter, in the event Licensee elects to continue to receive Support Services, Licensee shall pay PeopleSoft the annual Support Services fee as set forth in the applicable Schedule. Support Services are billed on an annual basis, payable in advance. Licensee shall be responsible for all taxes associated with Support Services, exclusive of taxes based on PeopleSoft's income. Licensee's payment shall be due within thirty (30) days of receipt of the PeopleSoft invoice. Should Licensee elect not to renew Support Services and subsequently request Support Services, PeopleSoft shall reinstate Support Services only after Licensee pays



PeopleSoft the annual then current fee plus all cumulative fees that would have been payable had Licensee not suspended Support Services.

9. Term and Termination

Unless a shorter term is agreed to in writing by both parties, Support Services shall be provided for one (1) year from the Schedule Effective Date and shall be extended each additional year unless terminated by either party. Each one (1) year term shall commence on the anniversary of the Schedule Effective Date.

Either party may terminate the Support Services provisions at the end of the original term or at the end of any renewal term by giving the other party written notice at least ninety (90) days prior to the end of any term.

In the event Licensee fails to make payment pursuant to the section titled "Fees", or in the event Licensee breaches the Support Services provisions and such breach has not been cured within thirty (30) days of written receipt of notice of breach, PeopleSoft may suspend or cancel Support Services.

10. Exclusions

PeopleSoft shall have no obligation to support:

- a. Altered, damaged or substantially modified Software;
- b. Software that is not a current release, or a Previous Sequential Release;
- c. Errors caused by Licensee's negligence, hardware malfunction, or other causes beyond the reasonable control of PeopleSoft;
- d. Software installed in a hardware or operating environment not supported by PeopleSoft; and
- e. Third party software not licensed through PeopleSoft.
- f. Software installed at more than one Site or more than one Server at a Site if Licensee has not paid for such Support Services.

11. General

All Updates provided to Licensee are subject to the terms and conditions of the Agreement.

PeopleSoft shall not be liable for any failure or delay in performance of the Support Services due to causes beyond its reasonable control. Any illegal or unenforceable provision shall be severed from these Terms and Conditions. Licensee agrees that any information received pursuant to these Terms and Conditions shall be deemed subject to the non-disclosure obligations set forth in the Agreement. The Support Services Terms and Conditions states the entire agreement of PeopleSoft's provision of Support Services to Licensee and may only be amended by a written amendment executed by both parties.

Since the Support Services term and conditions are implicitly renewable year to year, it is possible that a particular hardware, database, and operating system configuration will fail to achieve or maintain strong market demand to enable PeopleSoft to economically provide on-going Support Services on a long-term multi-year basis. In such a situation, PeopleSoft will provide Licensee with at least twelve months written notice of its intent to cease support on such a configuration and will assist Licensee in identifying a migration path to a then commercially available, non DB2 database version of the Software.

12. Definitions



Unless otherwise defined herein, capitalized terms used herein shall have the same meaning as set forth in the Agreement and applicable Schedule.

"Enhancement" means technical or functional additions to the Software to improve software functionality and/or operations. Enhancements are delivered with new releases of the Software.

"Error" means a malfunction in the Software which degrades the use of the Software.

"Fix" means the repair or replacement of source or object or executable code versions of the Software to remedy an Error.

"Previous Sequential Release" means a release of Software for use in a particular operating environment which has been replaced by a subsequent release of the Software in the same operating environment. A Previous Sequential Release will be supported by PeopleSoft for a period of eighteen (18) months after release of the subsequent release. Multiple Previous Sequential Releases may be supported at any given time.

"Priority A - Critical" means an Error that: (1) renders the Software inoperative; or (2) causes the Software to fail catastrophically.

"Priority B - Urgent" means an Error that affects performance of the Software, but does not prohibit Licensee's use of the Software.

"Priority C - Standard" means an Error that causes only a minor impact of the use of the Software.

"Site" means Licensee's individual facility in a particular city, state, or town.

"Update" means all published revisions to the printed documentation and one (1) copy of the new release of the Software which are not designated by PeopleSoft as new products for which it charges separately.

"Workaround" means a change in the procedures followed or data supplied to avoid an Error without significantly impairing performance of the Software.



Addendum No. 1 to Software License and Services Agreement

This Addendum No. 1 is made as of June 24, 1997, to the Software License and Services Agreement by and between PeopleSoft, Inc. ("PeopleSoft") and the State of Idaho, Department of Administration, Division of Purchasing, as the statutory agent for Boise State University ("Licensee").

Wherefore, in consideration of the mutual promises contained herein, the Software License and Services Agreement ("Agreement") by and between PeopleSoft and Licensee made as of June 24, 1997 is modified as follows:

1. Section 8 of the Software License and Services Agreement is deleted in its entirety. Section 22 of the attached State of Idaho Contract Terms and Conditions for Software Procurement, modified as indicated in the attachment, is substituted in its place.
2. Section 12 of the Software License and Services Agreement is deleted in its entirety and replaced as follows:

12. NOTICES

All notices shall be in writing and sent by registered mail, overnight mail, courier, or transmitted by facsimile (if confirmed by such mailing), to the addresses indicated on the first page of this Agreement, or such other address as either party may indicate by at least ten (10) days prior written notice to the other party. Notices to PeopleSoft shall be sent to the attention of PeopleSoft Legal with a copy to Licensee's assigned PeopleSoft account manager. Notices to Licensee shall be sent to the attention of the Vice President for Finance and Administration with a copy to the State of Idaho, Division of Purchasing and University Counsel.

PEOPLESOFT NOTICE ADDRESS

PeopleSoft, Inc.

General Counsel
4305 Hacienda Drive
P.O. Box 9085,
Pleasanton, California 94566

LICENSEE NOTICE ADDRESS

Vice President for Finance and
Administration
Boise State University
University Drive
Boise, ID 83725

3. Section 13 of the Software License and Services Agreement is deleted in its entirety and replaced as follows:

13. ASSIGNMENT

Licensee may not assign this Agreement (by operation of law or otherwise) or sublicense the Software without the prior written consent of PeopleSoft, and any



prohibited assignment or sublicense shall be null and void. PeopleSoft shall not unreasonably withhold its consent to such assignment, and Licensee or assignee shall pay any additional license fees that may be due if the assignee's level of use is greater than the licensed level of use.

4. Section 14.2 of the Software License and Services Agreement is deleted in its entirety and replaced as follows:

14.2 Licensee shall protect the Software with at least the same degree of care and confidentiality, but not less than a reasonable standard of care, which Licensee utilizes for Licensee information that it does not wish disclosed to the public. Licensee may provide access to and use of the Software only to those third parties that: (i) provide services to Licensee concerning Licensee's use of the Software; (ii) have a need to use and access the Software; and (iii) have agreed to substantially similar non-disclosure obligations imposed by Licensee as those contained herein. This Agreement imposes no obligation upon Licensee with respect to PeopleSoft's confidential information which Licensee can establish by legally sufficient evidence: (a) was in the possession of, or was rightfully known by Licensee without an obligation to maintain its confidentiality prior to receipt from PeopleSoft; (b) is or becomes generally known to the public without violation of this Agreement; (c) is obtained by Licensee in good faith from a third party having the right to disclose it without an obligation on confidentiality; or (d) is independently developed by Licensee without the participation of individuals who have had access to PeopleSoft's confidential information. Licensee may disclose confidential information if so required by law, provided that Licensee notifies PeopleSoft of such requirement prior to disclosure, and provided further that, PeopleSoft may (i) if PeopleSoft lacks standing to make such a request directly, require Licensee to request the appropriate court or governmental body to seal the record that shall contain such confidential information (PeopleSoft shall pay Licensee's full cost of complying with such request); and/or (ii) assume responsibility for responding to and defending such requests for disclosure of the confidential information.

5. Section 15 of the Software License and Services Agreement is deleted in its entirety and replaced as follows:

15. GENERAL

This Agreement is made in and shall be governed by the laws of the State of Idaho, without regard to its choice of law principles. Venue shall be in the state and federal courts for Boise, Idaho. The section headings herein are provided for convenience only and have no substantive effect on the construction of this Agreement. No purchase order or other ordering document that purports to modify or supplement the printed text of this Agreement or any Schedule shall add to or vary the terms of this Agreement. All such proposed variations or additions (whether submitted by PeopleSoft or Licensee) are objected to and deemed material unless agreed to in writing. Except for Licensee's obligation to



pay PeopleSoft, neither party shall be liable for any failure to perform due to causes beyond its reasonable control. If any provision of this Agreement is held to be unenforceable, this Agreement shall be construed without such provision. The failure by a party to exercise any right hereunder shall not operate as a waiver of such party's right to exercise such right or any other right in the future. Except for actions for non-payment or breach of PeopleSoft's proprietary rights in the Software, no action, regardless of form, arising out of this Agreement may be brought by either party more than one year after the cause of action has accrued. This Agreement may be amended only by a written document executed by a duly authorized representative of each of the parties.

This Agreement, the Addendum, the Schedule(s) and PeopleSoft's Proposal constitute the entire agreement between the parties concerning Licensee's acquisition and use of this Software. The Addendum takes precedence over Schedule(s) and over the Agreement, which all take precedence over the Proposal. The Proposal describes certain software which is not currently commercially available, and Licensee understands that such software will be delivered only if and when commercially available. In the event of an ambiguity or conflict, the Request for Proposals may be used to determine the intentions of the parties, with more recent documents taking precedence over older ones. This Agreement replaces and supersedes any prior verbal or written understandings, communications, and representations between the parties. This Agreement may be executed in counterparts, which taken together shall be considered an original.

The provisions of Sections 3, 4, 5, 14, and 15 shall survive termination of this Agreement.

6. Licensee agrees that it will not execute a Schedule unless the funds to pay for the license on that Schedule are appropriated and encumbered for payment of the software license fee.

7. Licensee hereby consents to PeopleSoft's use of the name of Boise State University in lists of PeopleSoft's customers. PeopleSoft will not use the name of the State of Idaho in relationship to this transaction in any manner without obtaining written permission, in advance. PeopleSoft will not use the name of Boise State University, except in a list of its customers, without obtaining written permission, in advance.

8. The following sections of the attached State of Idaho Contract Terms and Conditions for Software Procurement and Special Contract Conditions (collectively "Terms"), as modified in the attachment, are incorporated by reference and made part of this Addendum (see Attachment 1 to Addendum No. 1 to Software License and Services Agreement).

4,5,6,7, 8(C) 8(D) 8(E),10, 11, 12, 13, 14, 16, 22, 23, 24, 25, 26(A) and Special Contract Conditions



The following sections of the Terms shall survive the termination of this Agreement.

4, 6, 11, 13, 22, 25

9. Neither party shall solicit the employees of the other for a period of two years after the date of this Addendum. Solicitation does not include placement of an advertisement which is not specifically targeted toward the other party's employees.

Except as set forth above, the Software License and Services Agreement, Software Support Services Terms and Conditions, and Schedule(s) are unmodified.

ACCEPTED BY:

LICENSEE

Harry E. Neel, Jr.

Harry E. Neel, Jr.

Boise State University
Vice President for Finance and Administration

STATUTORY AGENT FOR LICENSEE

Gerry L. Silvester

Gerry L. Silvester, Senior Purchasing Officer
Division of Purchasing

Department of Administration
State of Idaho

ACCEPTED BY:

PEOPLESOFT, INC.

Howard I. Bulos

Authorized Signature

HOWARD I Bulos

Printed Name and Title

Regional Vice President

Approved as
to form 6/97
Initials Date

STATE OF IDAHO
CONTRACT TERMS AND CONDITIONS FOR SOFTWARE PROCUREMENT

The following contract terms and conditions are to be attached to the Addendum to the Software License and Service Agreement:

4. OFFICIAL AGENT AND EMPLOYEES OF THE STATE NOT PERSONALLY LIABLE: It is agreed by and between the parties hereto that in no event shall any official, officer, employee or agent of the State of Idaho be in any way personally liable or responsible for any covenant or agreement herein contained whether expressed or implied, nor for any statement, representation or warranty made herein or in any connection with this Agreement.

5. ANTI-DISCRIMINATION: Acceptance of this Agreement binds the recipient to the terms and conditions of Section 601, Title VI, Civil Rights Act of 1964: In that "No person in the United States shall, on the grounds of race, color, national origin, sex, or age, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity receiving Federal financial assistance." In addition, "No otherwise qualified handicapped individual in the United States shall, solely by reason of his handicap, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance

6. RISK OF LOSS: Vendor agrees to bear all risk of loss, injury, and destruction of goods, software, and materials ordered herein which occur prior to delivery; and such loss, injury or destruction shall not release the Vendor from any obligation hereunder.

7. COMMODITY STATUS: It is understood and agreed that the Software offered or shipped, unless otherwise allowed by the specifications, shall be new and in first class condition and that all containers shall be new and suitable for storage or shipment, unless otherwise indicated in the bid. Demonstrators, previously rented, refurbished, or reconditioned items are not considered new. Vendor guarantees that all items meet or exceed those requirements and guidelines established by the Occupational Safety and Health Act.

8 DELIVERY, INSTALLATION, AND ACCEPTANCE:

C. Time for delivery commences at the time the State's order is received by the Vendor. The Vendor shall make every reasonable effort to meet the delivery dates offered or accepted by the State. If the Vendor fails to deliver Products for thirty calendar days beyond the agreed delivery date, the State may cancel such order without charge or penalty. The time for delivery is deemed to be within thirty (30) days of receipt by Vendor of the State's agreed upon initial payment.

D. Software installation, unless excluded by the State's bidding documents or specifications, is included in the purchase price, and will be considered complete when the product passes the Vendor's normal installation and test procedures.

E. Acceptance by the State will occur upon completion of Vendor's installation for Software when the cost of installation is included in the purchase price. When the purchase price of the Software does not include Vendor installation, acceptance by the State will occur 14 days after delivery, unless the State has notified the Vendor in writing that the Software does not meet the State's bidding document requirements or otherwise failed to pass the Vendor's established test procedures or programs.

10. TAXES: The State of Idaho is generally exempt from payment of Idaho State Sales and Use Tax under the authority of Idaho Code, Title 63, Chapter 36, §63-3622 as a Government Instrumentality for property which it purchased for its use. In addition, the State is generally exempt from payment of Federal Excise Tax under a permanent authority from the District Director of the Internal Revenue Service. Exemption certificates will be furnished as required upon written request by the Vendor. If the Vendor is required to pay any taxes incurred as a result of doing business with the State of Idaho, it shall be solely and absolutely responsible for the payment of those taxes. However, after execution of this Agreement and after a reasonable time to appeal any future Idaho political subdivision tax assessments, the State of Idaho will be responsible for any future personal property taxes for Products that are subject to this Agreement.

11. SAVE HARMLESS: The Vendor shall indemnify, defend, and save harmless the State of Idaho, its officers, agents and employees from and against any liability, claims, damages, losses, expenses, actions, including reasonable attorney fees caused by or arising out of the performance, act or omission of any term of this contract; or arising out of a defect or operation of the Software; or arising out of Vendor's failure to comply with any state or federal statute, law, regulation or act.

12. CONTRACT RELATIONSHIP: It is distinctly and particularly understood and agreed between the parties hereto that the State of Idaho is in no wise associated or otherwise connected with the performance of this Agreement on the part of the Vendor nor as to the employment of labor or the incurring of other expenses; that the said Vendor is an independent contractor in the performance of each and every part of the Agreement, and solely and personally liable for all labor and other expenses, except as otherwise stated herein, in connection therewith

13. LIABILITY: The Vendor shall exonerate, indemnify, and hold the State of Idaho harmless from and against and assume full responsibility for payment of all Federal, State and local taxes or contributions imposed or required under unemployment insurance, social security, workman's compensation, and income tax laws with respect to Vendor or Vendor's employees engaged in the performance of this Agreement. The Vendor will maintain Workman's Compensation Insurance and will provide certificate of same, IF REQUESTED. There will be **NO EXCEPTIONS** to this requirement. Failure to provide a Certificate of Workman's Compensation Insurance may, at the State's discretion result in cancellation of the Agreement or in a contract price adjustment to cover the State's cost of providing the necessary workman's compensation insurance. The State will not assume liability as an employer.

14. INVOICING AND PAYMENT PROCESSING:

A: ALL INVOICES are to be sent directly to the STATE AGENCY ONLY. The Contract Number or Purchase Order number is to be shown on all invoices. IN NO CASE are invoices to be sent to the Division of Purchasing. Contract or Purchase Order numbers shall be clearly shown on all acknowledgments, shipping labels, packing slips, invoices, and on all correspondence

B Title 67, Chapter 57, §67-5735 of the Idaho Code reads as follows: "Within ten (10) days after the property acquired is delivered as called for by the bid specifications, the acquiring agency shall complete all processing required of that agency to permit the contractor to be reimbursed according to the terms of the bid. Within ten (10) days of receipt of the document necessary to permit reimbursement of the contractor according to the terms of the contract, the State Controller shall cause a warrant to be issued in favor of the contractor and delivered "

Attachment 1 to Addendum No.1 to
Software License and Service Agreement - 1

STATE OF IDAHO
CONTRACT TERMS AND CONDITIONS FOR SOFTWARE PROCUREMENT

16. APPROPRIATION BY LEGISLATURE REQUIRED: It is understood and agreed that the State Agency is a government entity and this Agreement shall in no way or manner be construed so as to bind or obligate the State of Idaho beyond the term of any particular appropriation of funds by the State Legislature or the Congress of the United States as may from time to time exist. In the event the Idaho Legislature or the Congress fails, neglects or refuses to appropriate such funds as may be designated by and enable the State Agency to make the payment for Software or services subject to this Agreement, this Agreement shall be at such time automatically terminated and at an end, and all future rights and liabilities of the parties hereto shall thereupon cease within ten (10) days after written notice to the Vendor.

22. EXCLUSIVE REMEDIES AND LIMITATION OF LIABILITY

A. FOR PURPOSES OF THE EXCLUSIVE REMEDIES AND LIMITATIONS OF LIABILITY SET FORTH IN THIS SECTION 22, "VENDOR" SHALL BE DEEMED TO INCLUDE THE VENDOR, ITS PARENT, SUBSIDIARIES AND THEIR AFFILIATES, AND THE DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, REPRESENTATIVES, SUBCONTRACTORS, AND SUPPLIERS OF ALL OF THEM; AND "DAMAGES" SHALL BE DEEMED TO REFER COLLECTIVELY TO ALL INJURY, DAMAGE, LOSS, LIABILITY, EXPENSE OR COST INCURRED.

B. VENDOR'S ENTIRE LIABILITY AND STATE'S EXCLUSIVE REMEDIES AGAINST VENDOR FOR ANY DAMAGES CAUSED BY ANY PRODUCT DEFECT OR FAILURE, OR ARISING FROM THE PERFORMANCE OR NON-PERFORMANCE OF ANY WORK, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, INCLUDING NEGLIGENCE, STRICT LIABILITY OR OTHERWISE, SHALL BE:

(1) FOR INFRINGEMENT, THE REMEDIES SET FORTH IN SECTION 5, Patent and Copyright Indemnification, of the Software License and Service Agreement.

(2) FOR FAILURE OF SOFTWARE, THE REMEDY STATED IN SECTION 7, Limited Warranty, of the Software License and Service Agreement.

(3) FOR DELAYS IN THE DELIVERY VENDOR SHALL HAVE NO LIABILITY UNLESS THE DELIVERY DATE IS DELAYED BY MORE THAN THIRTY (30) DAYS BY CAUSES NOT ATTRIBUTABLE EITHER TO STATE OR TO FORCE MAJEURE CONDITIONS, IN WHICH CASE STATE SHALL HAVE THE RIGHT, AS ITS REMEDIES (A) TO RECOVER DIRECT COSTS INCLUDING REPLACEMENT SOFTWARE, IF ANY, ATTRIBUTABLE TO VENDOR'S DELAY, SPECIFICALLY EXCLUDING INCIDENTAL OR CONSEQUENTIAL DAMAGES; AND (B) TO CANCEL THE ORDER WITHOUT INCURRING CANCELLATION CHARGES.

(4) FOR DAMAGES TO REAL OR TANGIBLE PERSONAL PROPERTY OR FOR BODILY INJURY OR DEATH TO ANY PERSON NEGLIGENTLY CAUSED BY VENDOR, STATE'S RIGHT TO PROVEN DAMAGES TO PROPERTY OR PERSON

(5) FOR CLAIMS OTHER THAN SET FORTH IN 22.B(1) THROUGH 22.B(4), VENDOR'S LIABILITY SHALL BE LIMITED TO DIRECT DAMAGES, NOT TO EXCEED TWO (2) TIMES THE CONTRACT VALUE OR ONE (1) MILLION DOLLARS (\$1,000,000.00), WHICHEVER IS GREATER

C. EXCEPT TO THE EXTENT PROVIDED IN SUBSECTION 22.B(4) ABOVE, VENDOR SHALL NOT BE LIABLE FOR INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES, OR FOR LOST PROFITS, SAVINGS OR REVENUES OF ANY KIND, WHETHER OR NOT VENDOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES

23. MINIMUM WAGE LAW: It will be the responsibility of the Vendor to fully to comply with the State of Idaho code regarding the minimum wage law for residents hired to help on projects and jobs within Idaho

24. ASSIGNMENTS: No contract or order or any interest therein shall be transferred by the Vendor to whom such contract or order is given to any other party, without the approval in writing of the Administrator, Division of Purchasing. Approval shall not be withheld unreasonably. Transfer of a contract without approval shall cause the annulment of the contract so transferred, at the option of the State. All rights of action, however, for any breach of such contract by the contracting parties are reserved to the State. No member of the legislature or any officer or employee of any branch of the state government shall directly, himself, or by any other person execute, hold or enjoy, in whole or in part, any contract or agreement made or entered into by or on behalf of the State of Idaho, if made by, through or on behalf of the department in which he is an officer or employee; or if made by, through or on behalf of any other department unless the same are made after competitive bids. This section is not intended to prohibit the Vendor from making management changes to its corporate structure or by merger or acquisition. No approval for assignment will be required in the event the Vendor has completed its contractual obligations to provide services, including warranty services, at the time of the assignment, and the assignment is solely of ownership of Software in a manner which does not change Licensee's rights to continue using the software.

25. SEVERABILITY:

In the event any term of this Agreement, including any limitation of liability, limitation on warranties and exclusive remedies, is held to be invalid or unenforceable by a court, the remaining terms of this Agreement will remain in full force.

26. GENERAL PROVISION:

A Neither party shall be liable or deemed to be in default for any Force Majeure delay or failure in performance under this Agreement or interruption of service resulting from Acts of God, civil or military authority, acts of war, riots, insurrections, labor disputes or unusual delays in deliveries beyond the Vendor's control

STATE OF IDAHO
CONTRACT TERMS AND CONDITIONS FOR SOFTWARE PROCUREMENT

SPECIAL CONTRACT CONDITIONS
(from the State's Request for Proposals)

CONTRACTOR: The term "Contractor" as used in these Special Contract Conditions shall mean PeopleSoft, Inc.

SUBCONTRACTING: Unless otherwise allowed by the State in the Request for Proposal, the Contractor shall not, without written approval from the Administrator, Division of Purchasing, enter into any subcontract relating to the performance of this Agreement or any part thereof. Approval by the State of Contractor's request to subcontract or acceptance of or payment for subcontracted work by the State shall not in any way relieve the Contractor of responsibility for the professional and technical accuracy and adequacy of the work. The Contractor shall be and remain liable for all damages to the State caused by negligent performance or non-performance of work under the Agreement by Contractor's subcontractor or its sub-subcontractor.

HOT GOODS: The Contractor hereby certifies that all goods provided under this Agreement are produced in compliance with all applicable requirements of Sections 6, 7, and 12 of the Fair Labor Standards Act, as amended, and the regulation and orders of the United States Department of Labor issued under Section 14 thereof and other applicable provisions of the Fair Labor Standards Act.

INSURANCE:

a. So long as the Licensee is receiving support services or other on-site services from the Contractor, the Contractor shall maintain in effect all insurance as required herein and comply with all limits, terms and conditions stipulated therein. Prior to or contemporaneously the effective date of this Agreement, the Contractor will provide a certificate of the insurance required by this clause. There will not be provisions for exceptions to this requirement. Performance under this Agreement shall not commence until evidence of all required insurance and bonding is provided to the State. Evidence of such insurance shall consist of a completed copy of the certificate of insurance signed by the insurance agent for the Contractor and returned to the State. If for any reason, any material change occurs in the coverage during the course of this Agreement, such change will not become effective until 30 days after the State has received written notice of such change. The amount of such insurance shall be not less than:

- | | |
|---|--------------|
| (1) Worker's Compensation Insurance in amounts as required by statute. | |
| (2) Automobile Liability including non-owned and hired | \$500,000.00 |
| (3) Commercial General Liability or Comprehensive General Liability Insurance including Contractual Liability | \$500,000.00 |

- b. The certificate must contain a provision that, should any of the above described policies be canceled before the expiration date thereof, the issuing company will endeavor to mail 10 days written notice to the State, by certified or registered mail, receipt requested.

PRIME CONTRACTOR RESPONSIBILITIES: The Contractor will be required to assume responsibility for delivery of the equipment and/or services offered in its proposal, whether or not it is the manufacturer or producer of them. Further, the State of Idaho will consider the Contractor to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the lease or purchase. No assignment of this Agreement or any part thereof may be made without prior approval of the Administrator of the Division of Purchasing.



**SCHEDULE 1
TO THE
SOFTWARE LICENSE AND SERVICES AGREEMENT**

This independent Schedule to the Software License and Services Agreement ("**Schedule**") is made as of June 24, 1997 ("**Schedule Effective Date**") by and between PeopleSoft, Inc. ("**PeopleSoft**") and State of Idaho, Department of Administration, Division of Purchasing, as the statutory agent for Boise State University ("**Licensee**"). This Schedule is part of the Software License and Services Agreement between the parties dated June 24, 1997 ("**Agreement**"). PeopleSoft's standard Software Support Services Terms and Conditions shall be a part of this Schedule provided Licensee is receiving Software Support Services. Capitalized terms used herein shall have the same meaning ascribed to them in the Agreement. Handwritten or typewritten text (other than information which is specifically called for in the spaces provided) which purports to modify or supplement the printed text of this Schedule shall have no effect and shall not add to or vary the terms of the Agreement. All such additions (whether submitted by Licensee or PeopleSoft) are objectionable and deemed material.

	SOFTWARE		License Fee
	<u>Production</u> <u>Copies¹</u>	<u>Test & Development</u> <u>Copies²</u>	
PeopleSoft HRMS for Public Sector Applications:			\$339,515.00
Human Resources (Public Sector)	1	1	not separately priced
Benefits Administration (Public Sector)	1	1	not separately priced
Payroll (Public Sector)	1	1	not separately priced
Time and Labor (Public Sector)	1	1	not separately priced
		Subtotal of Page 1:	<u>\$339,515.00</u>
		Subtotal of Page 2:	<u>\$41,800.00</u>
		Total Fees	<u>\$381,315.00</u>

Database Version: Oracle	Operating System: AIX	Hardware Model: IBM RS6000 R30
--------------------------	-----------------------	--------------------------------

The Software on this Schedule is commercially available.

¹ Indicates the number of physical copies to be shipped to Licensee. Licensee's license includes the right to make as many production copies on one or more servers at Licensee's site(s) as necessary to meet the needs upon which Licensee's license fee is based. Licensee will not receive additional physical copies of the Software for this purpose.

² Licensee's license includes the right to make the designated number of Test & Development copies on one or more servers at Licensee's site, with total number of copies at the site not to exceed the designated number. Licensee will not receive a separate physical set of the Software for this purpose. A Test & Development copy may not be used for production.



Depending on the Database Version licensed, Licensee receives the applicable items listed below:

	<u>Qty.</u>
PeopleTools - Restricted Development ³	1
Training Units ⁴	60
On-Site Installation Support Days ⁵	up to 5
Documentation for third party software	1
Documentation for PeopleSoft Software	2

ADDITIONAL SOFTWARE / SERVICES			
<u>Software/Service</u>	<u>Manufacturer</u>	<u>Quantity</u>	<u>Fee</u>
Workstation Access (includes base application access, PS/nVision, Workstation SQR, QueryLink, Crystal).	PeopleSoft, Inc. Sybase, Inc / SQRIBE Technologies Crystal Computer Services	One copy shipped; right to use on unlimited number of workstations in conjunction with Software on this Schedule	\$41,800.00
Server SQR ⁶	Sybase, Inc / SQRIBE Technologies	1	not priced separately
Subtotal of Page 2:			<u>\$41,800.00</u>

1. Specific Licensed Use: Licensee's use is limited to the uses described below. License fee is based on the following, and will be subject to increases if Licensee exceeds any of the parameters stated below or uses the software in an additional country.

<u>Territory</u>	<u>Software (indicate global or local version for each Country/Region)</u>	<u>Employees (for HRMS)</u>
Idaho	HRMS for Public Sector Applications on Page 1	3,300

2. Expansion of Licensed Use: PeopleSoft will assess additional license fees for increases unrelated to any merger with another institution or acquisition of another entity as follows:

For HRMS Software on this Schedule, no additional fee for growth aggregating to less than 2000 additional employees. For the first three years following Schedule Effective Date, if growth exceeds 2000 additional

³ PeopleTools for Restricted Development shall be used by Licensee to develop add-on functionality only to the licensed PeopleSoft Software application modules.

⁴ One (1) Training Unit is one day in class for one student

⁵ One (1) Installation Support Day is equivalent to an eight (8) hour work day. If PeopleSoft is unable to complete installation in up to 5 days due to delays occasioned by Licensee, Licensee may purchase additional installation support at PeopleSoft's commercial rates. Licensee is responsible for the reasonable travel and living expenses incurred by PeopleSoft for all on-site installation support. Unless otherwise indicated, PeopleSoft's obligation to install the software is limited to installation on a single server at a single site.

⁶ One copy of Server SQR must be ordered for each server. Licensee may order additional copies of Server SQR at no additional cost for a period of three years from the Schedule Effective date, if the need for additional copies is not related to any increase in Licensee's pricing metrics.

Schedule for 1996 pricing



employees, Licensee's license for the HRMS Software on this Schedule shall be expanded in increments of 1000 employees to reflect Licensee's actual use, at a cost of \$102,883.00 per each additional 1,000 employees.

Thereafter, PeopleSoft's assessment of additional license fees will be in accordance with PeopleSoft's then-current policy. In the event of growth related to a merger or acquisition, PeopleSoft's assessment of additional license fees will be in accordance with PeopleSoft's then-current policy. If Licensee wishes to expand licensed use to additional countries, such expansion shall require a mutually executed addendum or amendment to the Software License and Services Agreement. Under no circumstance is a PeopleSoft Account Manager authorized to expand licensed use.

3. Payment Terms: Licensee shall pay PeopleSoft ninety (90%) percent of license fees on the Schedule Effective Date and ten (10%) percent upon the earlier of completion of PeopleSoft's documented Software installation test or six (6) months from the Schedule Effective Date. Unless otherwise stated in this Schedule, the Software License and Services Agreement, or the Addendum, the fees specified herein are non-cancelable and non-refundable. All fees are payable in U.S. dollars and shall be sent to the attention of PeopleSoft's Accounts Receivable Department.

4. Designated initial Software Support Site(s): Licensee shall receive software support for a single production system associated with the following site(s):

Support Site	Associated Countries/Regions
Boise State University	Boise, Idaho

Unless otherwise specified, support services are provided on a centralized basis through a PeopleSoft support center in the United States. Licensee shall designate a central support team for each supported site. Only members of Licensee's central support team shall be authorized to request support services from PeopleSoft. PeopleSoft shall designate an account manager or managers for each support site. Local support shall consist of any support not provided at a central support site and shall not be included as part of Support Services. Licensee shall contract for local support at the then current list price. In the event that Licensee licenses the Software in a country or region not designated on this Schedule, support for such additional license shall be acquired separately at the then current local Country list price.

5. Software Support Services Renewal Terms: One (1) year after the Schedule Effective Date, Licensee may elect to continue Software Support Services for the following year by paying PeopleSoft an annual Support Services fee of \$69,130.50. For three years thereafter, Licensee may elect to continue Software Support Services by paying PeopleSoft an amount up to the then-current Support Services fee, provided Licensee's support services fee obligation will not increase more than ten (10%) percent per year. Thereafter, Licensee may elect to continue Software Support Services for the following year by paying PeopleSoft the then-current annual Support Services fee, or in accordance with a fixed fee schedule of no greater than three year's duration as mutually agreed by PeopleSoft and Licensee. If Licensee expands use through growth, licensing additional software, or by using the licensed software in additional countries, PeopleSoft shall be entitled to assess an additional Support Services Fee, in accordance with PeopleSoft's then-current pricing policy to reflect that expanded use. Since the Support Services term and conditions are implicitly renewable year to year, it is possible that a particular hardware, database, and operating system configuration will fail to achieve or maintain strong market demand to enable PeopleSoft to economically provide on-going Support Services on a long-term multi-year basis. In such a situation, PeopleSoft will provide Licensee with at least twelve months written notice of its intent to cease support on such a configuration and will work with Licensee concerning Licensee's migration to a then commercially viable solution supported by PeopleSoft.

6. Definitions: The following terms have the indicated definitions.

"Employees" are calculated based on the number of full time equivalent employees. For the purpose of this calculation, an "employee" includes any records identified by a unique social security number and assigned to an active status. These employees may be characterized by being active, permanent, permanent part-time, faculty, adjunct faculty, student employee, wage temporary, retired with Licensee administered health benefits, etc. This term does not include employee records for separated employees, employees on leave without pay and benefits, employee dependents, retired employees not participating in Licensee administered retiree health or pension plans, and records placed in archival (inactive) files which are periodically viewed, but not updated. The "employee count"

PEOPLE

is based on average annual employment so as to avoid distortions created by extraordinary cyclical or emergency employment activities


<u>SHIPPING INFORMATION</u>	<u>BILLING INFORMATION</u>	<u>SUPPORT SITE INFORMATION</u>
Richard Langford, Project Access Director, Administrative Data Processing Boise State University 1910 University Drive Boise, ID 83725-1395 Phone: 208-385-1325 Fax: 208-385-4232	Stacy Pearson Associate Vice President Finance/Controller Boise State University 1910 University Drive Boise, ID 83725 Phone: (308) 385-3494 Fax: (208) 385-3826	Richard Langford, Manager, Project Access Director, Administrative Data Processing Boise State University 1910 University Drive Boise, ID 83725-1395 Phone: 208-385-1325 Fax: 208-385-4232

TRAINING ADMINISTRATOR

Gwen Smith
Training Director
Boise State University
1910 University Drive
Boise, ID 83725
Phone: (208) 385-4418
Fax: (208) 385-3493

ACCEPTED BY:

LICENSEE

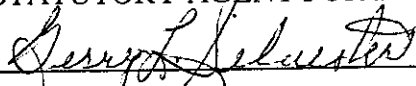


Harry E. Neel, Jr.

Boise State University

Vice President for Finance and Administration

STATUTORY AGENT FOR LICENSEE



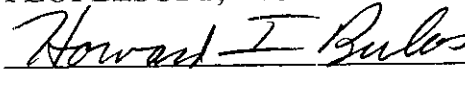
Gerry L. Silvester, Senior Purchasing Officer,
Division of Purchasing

Department of Administration


State of Idaho

ACCEPTED BY:

PEOPLESFT, INC.



Authorized Signature



Printed Name and Title

Regional Vice President

Approved as
PG-15 form 497
In 1013 Date



**SCHEDULE 2
TO THE
SOFTWARE LICENSE AND SERVICES AGREEMENT**

This independent Schedule to the Software License and Services Agreement ("**Schedule**") is made as of June 24, 1997 ("**Schedule Effective Date**") by and between PeopleSoft, Inc. ("**PeopleSoft**") and State of Idaho, Department of Administration, Division of Purchasing, as the statutory agent for Boise State University ("**Licensee**"). This Schedule is part of the Software License and Services Agreement between the parties dated June 24, 1997 ("**Agreement**"). PeopleSoft's standard Software Support Services Terms and Conditions shall be a part of this Schedule provided Licensee is receiving Software Support Services. Capitalized terms used herein shall have the same meaning ascribed to them in the Agreement. Handwritten or typewritten text (other than information which is specifically called for in the spaces provided) which purports to modify or supplement the printed text of this Schedule shall have no effect and shall not add to or vary the terms of the Agreement. All such additions (whether submitted by Licensee or PeopleSoft) are objectionable and deemed material.

	SOFTWARE		<u>License Fee</u>
	<u>Production</u> <u>Copies¹</u>	<u>Test & Development</u> <u>Copies²</u>	
PeopleSoft Financials for Public Sector Applications:			\$499,059.00
General Ledger (Public Sector)	1	1	not separately priced
Payables (Public Sector)	1	1	not separately priced
Inventory (Public Sector)	1	1	not separately priced
Receivables (Public Sector)	1	1	not separately priced
Asset Management (Public Sector)	1	1	not separately priced
Budgets (Public Sector)	1	1	not separately priced
Purchasing (Public Sector)	1	1	not separately priced
Billing (Public Sector)	1	1	not separately priced
Projects (Public Sector)	1	1	not separately priced
	<u>Total Fees</u>		\$499,059.00

Database Version: Oracle	Operating System: AIX	Hardware Model: IBM RS6000 R30
--------------------------	-----------------------	--------------------------------

The Software on this Schedule is commercially available.

¹ Indicates the number of physical copies to be shipped to Licensee. Licensee's license includes the right to make as many production copies on one or more servers at Licensee's site(s) as necessary to meet the needs upon which Licensee's license fee is based. Licensee will not receive additional physical copies of the Software for this purpose.

² Licensee's license includes the right to make the designated number of Test & Development copies on one or more servers at Licensee's site, with total number of copies at the site not to exceed the designated number. Licensee will not receive a separate physical set of the Software for this purpose. A Test & Development copy may not be used for production.



Depending on the Database Version licensed, Licensee receives the applicable items listed below:

	<u>Qty.</u>
Training Units ³	45
On-Site Installation Support Days ⁴	up to 5
Documentation for third party software	1
Documentation for PeopleSoft Software	2

1. Specific Licensed Use: Licensee's use is limited to the uses described below. License fee is based on the following, and will be subject to increases if Licensee exceeds any of the parameters stated below or uses the software in an additional country.

<u>Territory</u>	<u>Software (indicate global or local version for each Country/Region)</u>	<u>Annual Budget (for Financials)</u>
Idaho	Financials for Public Sector Applications on Page 1	\$135 million

2. Expansion of Licensed Use: PeopleSoft will assess additional license fees for increases unrelated to any merger or acquisition as follows:

No additional license fee will be assessed for Financials products on this Schedule if budget does not increase by more than \$100 million in additional annual budget.

Thereafter, PeopleSoft's assessment of additional license fees will be in accordance with PeopleSoft's then-current policy. In the event of any growth related to a merger or acquisition, PeopleSoft's assessment of additional license fees will be in accordance with PeopleSoft's then-current policy. If Licensee wishes to expand licensed use to additional countries, such expansion shall require a mutually executed addendum or amendment to the Software License and Services Agreement. Under no circumstance is a PeopleSoft Account Manager authorized to expand licensed use.

3. Payment Terms: Licensee shall pay PeopleSoft ninety (90%) percent of license fees on the Schedule Effective Date and ten (10%) percent upon the earlier of completion of PeopleSoft's documented Software installation test or six (6) months from the Schedule Effective Date. Unless otherwise stated in this Schedule, the Software License and Services Agreement, or the Addendum, the fees specified herein are non-cancelable and non-refundable. All fees are payable in U.S. dollars and shall be sent to the attention of PeopleSoft's Accounts Receivable Department.

4. Designated Initial Software Support Site(s): Licensee shall receive software support for a single production system associated with the following site(s):

<u>Support Site</u>	<u>Associated Countries/Regions</u>
Boise State University	Boise, Idaho

³ One (1) Training Unit is one day in class for one student.

⁴ One (1) Installation Support Day is equivalent to an eight (8) hour work day. If PeopleSoft is unable to complete installation in up to 5 days due to delays occasioned by Licensee, Licensee may purchase additional installation support at PeopleSoft's commercial rates. Licensee is responsible for the reasonable travel and living expenses incurred by PeopleSoft for all on-site installation support. Unless otherwise indicated, PeopleSoft's obligation to install the software is limited to installation on a single server at a single site.



Unless otherwise specified, support services are provided on a centralized basis through a PeopleSoft support center in the United States. Licensee shall designate a central support team for each supported site. Only members of Licensee's central support team shall be authorized to request support services from PeopleSoft. PeopleSoft shall designate an account manager or managers for each support site. Local support shall consist of any support not provided at a central support site and shall not be included as part of Support Services. Licensee shall contract for local support at the then current list price. In the event that Licensee licenses the Software in a country or region not designated on this Schedule, support for such additional license shall be acquired separately at the then current local Country list price.

5. Software Support Services Renewal Terms: One (1) year after the Schedule Effective Date, Licensee may elect to continue Software Support Services for the following year by paying PeopleSoft an annual Support Services fee of \$76,355.00. For three years thereafter, Licensee may elect to continue Software Support Services by paying PeopleSoft an amount up to the then-current Support Services fee, provided Licensee's support services fee obligation will not increase more than ten (10%) percent per year. Thereafter, Licensee may elect to continue Software Support Services for the following year by paying PeopleSoft the then-current annual Support Services fee, or in accordance with a fixed fee schedule of no greater than three year's duration as mutually agreed by PeopleSoft and Licensee. If Licensee expands use through growth, licensing additional software, or by using the licensed software in additional countries, PeopleSoft shall be entitled to assess an additional Support Services Fees, in accordance with PeopleSoft's then-current pricing policy to reflect that expanded use. Since the Support Services term and conditions are implicitly renewable year to year, it is possible that a particular hardware, database, and operating system configuration will fail to achieve or maintain strong market demand to enable PeopleSoft to economically provide on-going Support Services on a long-term multi-year basis. In such a situation, PeopleSoft will provide Licensee with at least twelve months written notice of its intent to cease support on such a configuration and will work with Licensee concerning Licensee migration to a then commercially viable solution supported by PeopleSoft.

6. Definitions: The following terms have the indicated definitions

"Annual Budget" includes funding from all sources, including grants and endowments

<u>SHIPPING INFORMATION</u>	<u>BILLING INFORMATION</u>	<u>SUPPORT SITE INFORMATION</u>
Richard Langford, Manager, Project Access Director, Administrative Data Processing Boise State University 1910 University Drive Boise, ID 83725-1395 Phone: 208-385-1325 Fax: 208-385-4232	Stacy Pearson Associate Vice President Finance/Controller Boise State University 1910 University Drive Boise, ID 83725 Phone: (308) 385-3494 Fax: (208) 385-3826	Richard Langford, Manager, Project Access Director, Administrative Data Processing Boise State University 1910 University Drive Boise, ID 83725-1395 Phone: 208-385-1325 Fax: 208-385-4232

<u>TRAINING ADMINISTRATOR</u>
Gwen Smith Training Director Boise State University 1910 University Drive Boise, ID 83725 Phone: (208) 385-4418 Fax: (208) 385-3493

ACCEPTED BY:
Schedule for 1996 pricing

ACCEPTED BY:

PEOPLE

LICENSEE

Harry E. Neel, Jr.
Harry E. Neel, Jr.

Boise State University
Vice President for Finance and Administration

STATUTORY AGENT FOR LICENSEE

Gerry L. Silvester
Gerry L. Silvester, Senior Purchasing Officer,
Division of Purchasing

Department of Administration
State of Idaho

PEOPLESOFT, INC.

Howard I Bulos
Authorized Signature

Printed Name and Title

Howard I Bulos
Regional Vice President

Approved as
to form 6197
Initials Date

PEOPLE
AND 4

**SCHEDULE 3
TO THE
SOFTWARE LICENSE AND SERVICES AGREEMENT**

This independent Schedule to the Software License and Services Agreement ("**Schedule**") is made as of June 24, 1997 ("**Schedule Effective Date**") by and between PeopleSoft, Inc. ("**PeopleSoft**") and State of Idaho, Department of Administration, Division of Purchasing, as the statutory agent for Boise State University ("**Licensee**"). This ~~Schedule~~ ^{is} part of the Software License and Services Agreement between the parties dated June 24, 1997 ("**Agreement**"). PeopleSoft's standard Software Support Services Terms and Conditions shall be a part of this Schedule provided Licensee is receiving Software Support Services. Capitalized terms used herein shall have the same meaning ascribed to them in the Agreement. Handwritten or typewritten text (other than information which is specifically called for in the spaces provided) which purports to modify or supplement the printed text of this Schedule shall have no effect and shall not add to or vary the terms of the Agreement. All such additions (whether submitted by Licensee or PeopleSoft) are objectionable and deemed material.

	<u>Production</u> <u>Copies¹</u>	<u>Test & Development</u> <u>Copies²</u>	<u>License</u> <u>Fee</u>
PeopleSoft Student Administration			
Admissions ³	1	1	not priced separately
Student Records ³	1	1	not priced separately
Financial Aid ³	1	1	not priced separately
Student Financials ³	1	1	not priced separately
Academic Advisement ³	1	1	not priced separately
Campus Community ³	1	1	not priced separately
TOTAL FEES:			<u>\$917,482.00</u>

Database Version: Oracle	Operating System: AIX	Hardware Model: RS6000 R30
--------------------------	-----------------------	----------------------------

¹ Indicates the number of physical copies to be shipped to Licensee. Licensee's license includes the right to make as many production copies on one or more servers at Licensee's site(s) as necessary to meet the needs upon which Licensee's license fee is based. Licensee will not receive additional physical copies of the Software for this purpose.

² Licensee's license includes the right to make the designated number of Test & Development copies on one or more servers at Licensee's site, with total number of copies at the site not to exceed the designated number. Licensee will not receive a separate physical set of the Software for this purpose. A Test & Development copy may not be used for production.

³ If and when available.

PEOPLE
END 4

Depending on the Database Version licensed, Licensee receives the applicable items listed below:

	<u>Qty.</u>
Training Units ⁴	163
On-Site Installation Support Days ⁵	up to 5
Documentation for third party software	1
Documentation for PeopleSoft Software	2

1. Specific Licensed Use: Licensee's use is limited to the uses described below. License fee is based on the following, and will be subject to increases if Licensee exceeds any of the parameters stated below or uses the software in an additional country.

<u>Territory</u>	<u>Software (indicate global or local version for each Country/Region)</u>	<u>Students (for Student Administration)</u>
Idaho	PeopleSoft Student Administration on Page 1	15,000

2. Expansion of Licensed Use: For three years following the Schedule Effective Date, PeopleSoft will assess additional license fees for increases unrelated to any merger or acquisition as follows:

For Student Administration Software on this Schedule, no additional fee for growth aggregating to less than 3500 additional students. For the first three years following Schedule Effective Date, if growth exceeds 3500 additional students, Licensee's license for the Student Administration Software on this Schedule shall be expanded in increments of 1000 students to reflect Licensee's actual use, at a cost of \$61,165.00 per each additional 1,000 students.

Thereafter, PeopleSoft's assessment of additional license fees will be in accordance with PeopleSoft's then-current policy. In the event of growth related to a merger or acquisition, PeopleSoft's assessment of additional license fees will be in accordance with PeopleSoft's then-current policy. If Licensee wishes to expand licensed use to additional countries, such expansion shall require a mutually executed addendum or amendment to the Software License and Services Agreement. Under no circumstance is a PeopleSoft Account Manager authorized to expand licensed use.

3. Payment terms: Licensee shall pay PeopleSoft fifty (50%) percent of the applicable license fee upon Schedule Effective Date, forty percent (40%) of the applicable license fee on the commercial availability of the Software on this Schedule and ten percent (10%) of the applicable license fee upon the earlier of the specified Software installation date or sixty (60) days from the commercial availability of the specified Software. Licensee understands that the Software specified in this

six (6) months

⁴ One (1) Training Unit is one day in class for one student. Training Units may be used for any available PeopleSoft courses. Training for the Software on this Schedule is not currently available. **Notwithstanding the Software License and Services Agreement's provisions, Training Units on this Schedule will expire one year from commercial availability of the Software on this Schedule.**

⁵ One (1) Installation Support Day is equivalent to an eight (8) hour work day. If PeopleSoft is unable to complete installation in up to 5 days due to delays occasioned by Licensee, Licensee may purchase additional installation support at PeopleSoft's commercial rates. Licensee is responsible for the reasonable travel and living expenses incurred by PeopleSoft for all on-site installation support. Unless otherwise indicated, PeopleSoft's obligation to install the software is limited to installation on a single server at a single site.

Approved as
PIC to form 077
Initials Date
Initials Date
Initials Date

PEOPLE
AND 4

Schedule is not currently available and PeopleSoft makes no assurances regarding if or when such Software shall become available. After the specified Software is commercially available for delivery, the associated license fees shall be non-cancelable and non-refundable. All fees are payable in U.S. dollars and sent to the attention of PeopleSoft's Accounts Receivable Department.

unless otherwise stated in this Schedule, the Software License and Services Agreement, or the Addendum.

4. **Designated initial Software Support Site(s):** Licensee shall receive software support for a single production system associated with the following site(s):

Support Site	Associated Countries/Regions
Boise State University	Boise, ID

Unless otherwise specified, support services are provided on a centralized basis through a PeopleSoft support center in the United States. Licensee shall designate a central support team for each supported site. Only members of Licensee's central support team shall be authorized to request support services from PeopleSoft. PeopleSoft shall designate an account manager or managers for each support site. Local support shall consist of any support not provided at a central support site and shall not be included as part of Support Services. Licensee shall contract for local support at the then current list price. In the event that Licensee licenses the Software in a country or region not designated on this Schedule, support for such additional license shall be acquired separately at the then current local Country list price.

5. **Software Support Services Renewal Terms:** For one year after any delivery of the Software on this Schedule, PeopleSoft shall provide Licensee with Software Support Services. One (1) year after the delivery of the Software, Licensee may elect to continue Software Support Services for the following year by paying PeopleSoft an annual Support Services fee of \$141,793.00. For three years thereafter, Licensee may elect to continue Software Support Services by paying PeopleSoft an amount up to the then-current Support Services fee, provided Licensee's support services fee obligation will not increase more than ten (10%) percent per year. Thereafter, Licensee may elect to continue Software Support Services for the following year by paying PeopleSoft the then-current annual Support Services fee, or in accordance with a fixed fee schedule of no greater than three year's duration as mutually agreed by PeopleSoft and Licensee. If Licensee expands use through growth, licensing additional software, or by using the licensed software in additional countries, PeopleSoft shall be entitled to assess an additional Support Services Fees, in accordance with PeopleSoft's then-current pricing policy to reflect that expanded use. Since the Support Services term and conditions are implicitly renewable year to year, it is possible that a particular hardware, database, and operating system configuration will fail to achieve or maintain strong market demand to enable PeopleSoft to economically provide on-going Support Services on a long-term multi-year basis. In such a situation, PeopleSoft will provide Licensee with at least twelve months written notice of its intent to cease support on such a configuration and will work with Licensee concerning Licensee's migration to a then commercially viable solution supported by PeopleSoft.

6. **Definitions:** The following terms have the indicated definitions

"Students" means number of enrolled students at all campuses as reported in the most recently issued IPEDS (Integrated Post Secondary Educational Data System) federal report.



<u>LICENSEE SITE ADDRESS</u>	<u>BILL-TO ADDRESS</u>	<u>SHIP-TO ADDRESS</u>
Richard Langford, Project Access Director, Administrative Data Processing Boise State University 1910 University Drive Boise, ID 83725-1395 Phone: 208-385-1325 Fax: 208-385-4232	Stacy Pearson Associate Vice President Finance/Controller Boise State University 1910 University Drive Boise, ID 83725 Phone: (308) 385-3494 Fax: (208) 385-3826	Richard Langford, Manager, Project Access Director, Administrative Data Processing Boise State University 1910 University Drive Boise, ID 83725-1395 Phone: 208-385-1325 Fax: 208-385-4232

<u>TRAINING ADMINISTRATOR</u> Gwen Smith Training Director Boise State University 1910 University Drive Boise, ID 83725 Phone: (208) 385-4418 Fax: (208) 385-3493

ACCEPTED BY:

LICENSEE

 Harry E. Neel, Jr.

Boise State University
 Vice President for Finance and Administration

STATUTORY AGENT FOR LICENSEE

 Gerry L. Silvester, Senior Purchasing Officer
 Division of Purchasing

Department of Administration
 State of Idaho

ACCEPTED BY:

PEOPLESOFT, INC.

 Authorized Signature

 Printed Name and Title
 Regional Vice President

Approved as
 PEG to form 6/97

 initials Date



**SCHEDULE 4
TO THE
SOFTWARE LICENSE AND SERVICES AGREEMENT**

This independent Schedule to the Software License and Services Agreement ("**Schedule**") is made as of June 24, 1997 ("**Schedule Effective Date**") by and between PeopleSoft, Inc. ("**PeopleSoft**") and State of Idaho, Department of Administration, Division of Purchasing, as the statutory agent for Boise State University ("**Licensee**"). This Schedule is part of the Software License and Services Agreement between the parties dated June 24, 1997 ("**Agreement**"). PeopleSoft's standard Software Support Services Terms and Conditions shall be a part of this Schedule provided Licensee is receiving Software Support Services. Capitalized terms used herein shall have the same meaning ascribed to them in the Agreement. Handwritten or typewritten text (other than information which is specifically called for in the spaces provided) which purports to modify or supplement the printed text of this Schedule shall have no effect and shall not add to or vary the terms of the Agreement. All such additions (whether submitted by Licensee or PeopleSoft) are objectionable and deemed material.

	<u>Production Copies¹</u>	<u>Test & Development Copies²</u>	<u>License Fee</u>
PeopleSoft Financials for Public Sector Applications			
Treasury ³	1	1	\$50 000.00
	TOTAL FEES:		<u>\$50,000.00</u>

Database Version: Oracle	Operating System: AIX	Hardware Model: IBM RS6000 R30
--------------------------	-----------------------	--------------------------------

¹ Indicates the number of physical copies to be shipped to Licensee. Licensee's license includes the right to make as many production copies on one or more servers at Licensee's site(s) as necessary to meet the needs upon which Licensee's license fee is based. Licensee will not receive additional physical copies of the Software for this purpose.

² Licensee's license includes the right to make the designated number of Test & Development copies on one or more servers at Licensee's site, with total number of copies at the site not to exceed the designated number. Licensee will not receive a separate physical set of the Software for this purpose. A Test & Development copy may not be used for production.

³ If and when available.

Depending on the Database Version licensed, Licensee receives the applicable items listed below:

	Qty.
Training Units ⁴	15
Documentation for third party software	1
Documentation for PeopleSoft Software	2

1. **Specific Licensed Use:** Licensee's use is limited to the uses described below. License fee is based on the following, and will be subject to increases if Licensee exceeds any of the parameters stated below or uses the software in an additional country.

<u>Territory</u>	<u>Software (indicate global or local version for each Country/Region)</u>	<u>Annual Budget (for Financials)</u>
Idaho	PeopleSoft Financials for Public Sector on Page 1	\$135 million

2. **Expansion of Licensed Use:** PeopleSoft will assess additional license fees for increases unrelated to any merger or acquisition as follows:

No additional license fee will be assessed for Financials products on this Schedule if budget does not increase by more than \$250 million in additional annual budget.

Thereafter, PeopleSoft's assessment of additional license fees will be in accordance with PeopleSoft's then-current policy. In the event of any growth related to a merger or acquisition, PeopleSoft's assessment of additional license fees will be in accordance with PeopleSoft's then-current policy. If Licensee wishes to expand licensed use to additional countries, such expansion shall require a mutually executed addendum or amendment to the Software License and Services Agreement. Under no circumstance is a PeopleSoft Account Manager authorized to expand licensed use.

3. **Payment terms:** Licensee shall pay PeopleSoft ninety percent (90%) of the applicable license fee on the commercial availability of the Software on this Schedule and ten percent (10%) of the applicable license fee upon the earlier of the specified Software installation date or ~~sixty (60) days~~ *six (6) months* from the commercial availability of the specified Software. Licensee understands that the Software specified in this Schedule is not currently available and PeopleSoft makes no assurances regarding if or when such Software shall become available. After the specified Software is commercially available for delivery, the associated license fees shall be non-cancelable and non-refundable. All fees are payable in U.S. dollars and sent to the attention of PeopleSoft's Accounts Receivable Department.

unless otherwise stated in this Schedule, the Software LICENSE and SERVICES Agreement, or the Addendum,

⁴ One (1) Training Unit is one day in class for one student. Training Units may be used for any available PeopleSoft courses. Training for the Software on this Schedule is not currently available. **Notwithstanding the Software License and Services Agreement's provisions, Training Units on this Schedule will expire one year from commercial availability of the Software on this Schedule.**

⁵ One (1) Installation Support Day is equivalent to an eight (8) hour work day. If PeopleSoft is unable to complete installation in up to 5 days due to delays occasioned by Licensee, Licensee may purchase additional installation support at PeopleSoft's commercial rates. Licensee is responsible for the reasonable travel and living expenses incurred by PeopleSoft for all on-site installation support. Unless otherwise indicated, PeopleSoft's obligation to install the software is limited to installation on a single server at a single site.

Approved as
to form *497*
Initials _____ Date _____



AND 3

1. Designated initial Software Support Site(s): Licensee shall receive software support for a single production system associated with the following site(s):

Support Site	Associated Countries/Regions
Boise State University	Boise, Idaho

Unless otherwise specified, support services are provided on a centralized basis through a PeopleSoft support center in the United States. Licensee shall designate a central support team for each supported site. Only members of Licensee's central support team shall be authorized to request support services from PeopleSoft. PeopleSoft shall designate an account manager or managers for each support site. Local support shall consist of any support not provided at a central support site and shall not be included as part of Support Services. Licensee shall contract for local support at the then current list price. In the event that Licensee licenses the Software in a country or region not designated on this Schedule, support for such additional license shall be acquired separately at the then current local Country list price.

5. Software Support Services Renewal Terms: For one year after any delivery of the Software on this Schedule, PeopleSoft shall provide Licensee with Software Support Services. One (1) year after the delivery of the Software, Licensee may elect to continue Software Support Services for the following year by paying PeopleSoft an annual Support Services fee of \$8,500.00. For three years thereafter, Licensee may elect to continue Software Support Services by paying PeopleSoft an amount up to the then-current Support Services fee, provided Licensee's support services fee obligation will not increase more than ten (10%) percent per year. Thereafter, Licensee may elect to continue Software Support Services for the following year by paying PeopleSoft the then-current annual Support Services fee, or in accordance with a fixed fee schedule of no greater than three year's duration as mutually agreed by PeopleSoft and Licensee. If Licensee expands use through growth, licensing additional software, or by using the licensed software in additional countries, PeopleSoft shall be entitled to assess an additional Support Services Fees, in accordance with PeopleSoft's then-current pricing policy to reflect that expanded use. Since the Support Services term and conditions are implicitly renewable year to year, it is possible that a particular hardware, database, and operating system configuration will fail to achieve or maintain strong market demand to enable PeopleSoft to economically provide on-going Support Services on a long-term multi-year basis. In such a situation, PeopleSoft will provide Licensee with at least twelve months written notice of its intent to cease support on such a configuration and will work with Licensee concerning Licensee's migration to a then commercially viable solution supported by PeopleSoft.

6. Definitions: The following terms have the indicated definitions

"Annual Budget" includes funding from all sources, including grants and endowments.

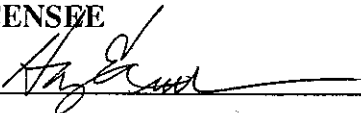
PEOPLE

<u>LICENSEE SITE ADDRESS</u>	<u>BILL-TO ADDRESS</u>	<u>SHIP-TO ADDRESS</u>
Richard W Langford, Project Access Director, Administrative Data Processing Boise State University 1910 University Drive Boise, ID 83725 Phone No 208-385-1323 Fax No. 208-385-4232	Stacy Pearson Associate Vice President Finance/Controller Boise State University 1910 University Drive Boise, ID 83725 Phone: (308) 385-3494 Fax: (208) 385-3826	Richard Langford, Manager, Project Access Director, Administrative Data Processing Boise State University 1910 University Drive Boise, ID 83725-1395 Phone: 208-385-1325 Fax: 208-385-4232

<u>TRAINING ADMINISTRATOR</u> Gwen Smith Training Director Boise State University 1910 University Drive Boise, ID 83725 Phone: (208) 385-4418 Fax: (208) 385-3493

ACCEPTED BY:


LICENSEE



Harry E. Neel, Jr.

Boise State University
Vice President for Finance and Administration

STATUTORY AGENT FOR LICENSEE

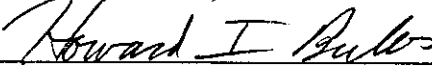


Gerry L. Silvester, Senior Purchasing Officer,
Division of Purchasing


Department of Administration
State of Idaho

ACCEPTED BY:

PEOPLESOF, INC.



Authorized Signature



Printed Name and Title

Regional Vice President

Approved as
to form 6197
Initials Date



**AMENDMENT ONE
TO SCHEDULES 1, 2, 3, AND 4
OF THE SOFTWARE LICENSE AND SERVICES AGREEMENT**

This Amendment is made this 9th day of Dec 1998 ("Amendment One Effective Date"), between PeopleSoft USA, Inc. ("PeopleSoft") and the State of Idaho, Department of Administration, Division of Purchasing, as the statutory agent for Boise State University ("Licensee")

WHEREAS, PeopleSoft and Licensee entered into a Software License and Services Agreement on June 24, 1997 ("Agreement"), State of Idaho Contract No. 74-L430H-06-9; and

WHEREAS, PeopleSoft and Licensee entered into Schedules One (1) through Four (4) to the Software License and Services Agreement on June 24, 1997; and

WHEREAS, PeopleSoft, Inc., effective January 1, 1998, assigned the Software License and Services Agreement and all Schedules thereto to PeopleSoft USA, Inc., a wholly owned subsidiary; and

WHEREAS, PeopleSoft and Licensee each desire to amend the Agreement.

NOW, THEREFORE, the parties do mutually agree as follows:

1. Section 5 on page 3 of 4 of Schedule 1 shall be deleted in its entirety and replaced as follows:

5. **Software Support Services Renewal Terms:** One (1) year after the Schedule Effective Date, Licensee may elect to continue Software Support Services for the following year by paying PeopleSoft an annual Support Services fee of \$69,130.50. On the Amendment 1 Effective Date, Licensee shall make a non-cancelable, nonrefundable prepayment of \$370,638.46 for six (6) additional years of Support Services, which shall cover the period commencing from June 24, 1999 until June 23, 2005, at the Site for the Software for the indicated Technical Environment and initial licensed level of use. Thereafter, Licensee may elect to continue Support Services by paying PeopleSoft the then-current Support Services fee for Licensee's then-current level of use. If Licensee expands use through growth, licensing additional software, or by using the licensed software in additional countries, PeopleSoft shall be entitled to assess an additional Support Services Fees, in accordance with PeopleSoft's then-current pricing policy to reflect that expanded use. Since the Support Services term and conditions are implicitly renewable year to year, it is possible that a particular hardware, database, and operating system configuration will fail to achieve or maintain strong market demand to enable PeopleSoft to economically provide on-going Support Services on a long-term multi-year basis. In such a situation, PeopleSoft will provide Licensee with at least twelve months written notice of its intent to cease support on such a configuration and will work with Licensee concerning Licensee's migration to a then commercially viable solution support by PeopleSoft.

2. Section 5 on page 3 of 4 of Schedule 2 shall be deleted in its entirety and replaced as follows:

5. **Software Support Services Renewal Terms:** One (1) year after the Schedule Effective Date, Licensee may elect to continue Software Support Services for the following year by paying PeopleSoft an annual Support Services fee of \$76,355.00. On the Amendment 1 Effective Date, Licensee shall make a non-cancelable, nonrefundable prepayment of \$485,085.85 for six (6)



additional years of Support Services, which shall cover the period commencing from June 24, 1999, until June 23, 2005, at the Site for the Software for the indicated Technical Environment and initial licensed level of use. Thereafter, Licensee may elect to continue Support Services by paying PeopleSoft the then-current Support Services fee for Licensee's then-current level of use. If Licensee expands use through growth, licensing additional software, or by using the licensed software in additional countries, PeopleSoft shall be entitled to assess an additional Support Services Fees, in accordance with PeopleSoft's then-current pricing policy to reflect that expanded use. Since the Support Services term and conditions are implicitly renewable year to year, it is possible that a particular hardware, database, and operating system configuration will fail to achieve or maintain strong market demand to enable PeopleSoft to economically provide on-going Support Services on a long-term multi-year basis. In such a situation, PeopleSoft will provide Licensee with at least twelve months written notice of its intent to cease support on such a configuration and will work with Licensee concerning Licensee's migration to a then commercially viable solution support by PeopleSoft.

3. Section 5 on page 3 of 4 of Schedule 3 shall be deleted in its entirety and replaced as follows:

5. Software Support Services Renewal Terms: For one year after delivery of the Software on this Schedule, PeopleSoft shall provide Licensee with Software Support Services. One (1) year after the delivery of the Software, Licensee may elect to continue Software Support Services for the period from December 20, 1998 until June 23, 1999 by paying PeopleSoft the prorated share of the annual Support Services fee of \$141,793.00. On the Amendment 1 Effective Date, Licensee shall make a non-cancelable, nonrefundable prepayment of \$891,793.79 for six (6) additional years of Support Services, which shall cover the period commencing on June 24, 1999 and ending June 23, 2005, at the Site for the Software for the indicated Technical Environment and initial licensed level of use. Thereafter, Licensee may elect to continue Support Services by paying PeopleSoft the then-current Support Services fee for Licensee's then-current level of use. If Licensee expands use through growth, licensing additional software, or by using the licensed software in additional countries, PeopleSoft shall be entitled to assess an additional Support Services Fees, in accordance with PeopleSoft's then-current pricing policy to reflect that expanded use. Since the Support Services term and conditions are implicitly renewable year to year, it is possible that a particular hardware, database, and operating system configuration will fail to achieve or maintain strong market demand to enable PeopleSoft to economically provide on-going Support Services on a long-term multi-year basis. In such a situation, PeopleSoft will provide Licensee with at least twelve months written notice of its intent to cease support on such a configuration and will work with Licensee concerning Licensee's migration to a then commercially viable solution support by PeopleSoft.

4. Section 5 on page 3 of 4 of Schedule 4 shall be deleted in its entirety and replaced as follows:

5. Software Support Services Renewal Terms: For one year after delivery of the Software on this Schedule, PeopleSoft shall provide Licensee with Software Support Services. One (1) year after the delivery of the Software, Licensee may elect to continue Software Support Services for the period from May 21, 1999 until June 23, 1999, by paying PeopleSoft a prorated share of the annual Support Services fee of \$8,500.00. On the Amendment 1 Effective Date, Licensee shall make a non-cancelable, nonrefundable prepayment of \$48,599.90 for six (6) additional years of Support Services, which shall cover the period commencing on June 24, 1999, until June 23, 2005, at the Site for the Software for the indicated Technical Environment and initial licensed level of use. Thereafter, Licensee may elect to continue Support Services by paying PeopleSoft the then-current Support Services fee for Licensee's then-current level of use. If Licensee expands use through growth, licensing additional software, or by using the licensed software in additional countries, PeopleSoft shall be entitled to assess an additional Support Services Fees, in accordance with PeopleSoft's then-current pricing policy to reflect that expanded use. Since the Support Services term and conditions are implicitly renewable year to year, it is possible that a particular hardware, database, and operating system configuration will fail to achieve or maintain strong market demand to enable PeopleSoft to economically provide on-going Support Services on a long-term multi-year basis. In such a situation,



PeopleSoft will provide Licensee with at least twelve months written notice of its intent to cease support on such a configuration and will work with Licensee concerning Licensee' migration to a then commercially viable solution support by PeopleSoft.

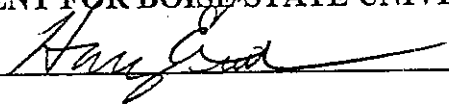
5. Licensee shall pay PeopleSoft one hundred (100%) percent of the support services fees of \$1,796,118.00 due in accordance with this Amendment on the Amendment 1 Effective Date. Such Support Services fees shall serve as prepayment for the six (6) additional years of Software Support Services on Schedules One (1) through Four (4) as amended herein. Unless otherwise stated in this Schedule, the fees specified herein are non-cancelable and non-refundable. All fees are payable in U.S. dollars and shall be sent to the attention of PeopleSoft's Accounts Receivable Department.

6. The parties to this Amendment One hereby officially recognize and approve the January 1, 1998 assignment of the Software License and Services Agreement from PeopleSoft, Inc. to PeopleSoft USA, Inc. This approval is required by Section 24 (Assignments) of the State of Idaho Contract Terms and Conditions for Software Procurement of Attachment 1 to Addendum Number 1 of the Agreement.

7. Except for those parts of the Agreement specifically modified by this Amendment, the Agreement remains in full force and effect.

ACCEPTED BY:

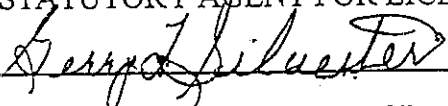
STATE OF IDAHO, DEPARTMENT OF
ADMINISTRATION, DIVISION OF
PURCHASING, AS THE STATUTORY
AGENT FOR BOISE STATE UNIVERSITY



Harry E. Neel, Jr.

Boise State University
Vice President for Finance and Administration

STATUTORY AGENT FOR LICENSEE

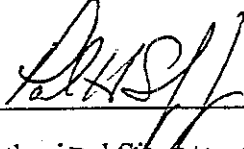
 12/9/98

Gerry L. Silvester, Division of Purchasing

Department of Administration
State of Idaho

ACCEPTED BY:

PEOPLESOFT USA, INC.



Authorized Signature of Paul S. Givner, Jr.
General Manager
Vice President
Government / Education
Printed Name and Title

REFERENCE - APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: V. FINANCIAL AFFAIRS

Subsection I: Real and Personal Property and Services

April, 2002

I. Real and Personal Property and Services

3. Acquisition of Personal Property and Services

- a. Purchases of equipment, data processing software and equipment, and all contracts for consulting or professional services either in total or through time purchase or other financing agreements, between two hundred fifty thousand dollars (\$250,000) and five hundred thousand dollars (\$500,000) require prior approval by the executive director. The executive director must be expressly advised when the recommended bid is other than the lowest qualified bid. Purchases exceeding five hundred thousand dollars (\$500,000) require prior Board approval.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO

SUBJECT

The University of Idaho requests approval of an amendment to a Technical Currency Agreement ("TCP Amendment") with Sungard, SCT, Inc., for administrative information systems software

REFERENCE

February 1993	The University of Idaho presented an information item to the Regents regarding plans for a computer and information technology upgrade.
June 1993	The Regents approved the acquisition and implementation of hardware and software to upgrade the institutional computing and information technology systems.
October 1993	The Regents approved a financing agreement to complete the hardware and software acquisitions approved in June 1993.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.I.3.a.

BACKGROUND

In June 1993, the Regents of the University of Idaho entered into a Software License and Services Agreement and a Software Technical Currency Agreement ("TCP Agreement") with SCT (now Sungard SCT). The agreements coincided with the University's purchase and implementation of the Banner system encompassing the administrative systems such as finance, human resources, alumni, registrar, financial aid, etc. Under the agreements, Sungard SCT provides all software upgrades, defect corrections, and telephone support for the Banner system. Since Sungard SCT is the purveyor of the Banner system, the University cannot obtain this support from any other source.

DISCUSSION

The documents pertinent to this approval item are as follows:

Attachment 1	Amendment to Technical Currency Agreement
Attachment 2	Original agreements with SCT, including Software License and Services Agreement and SCT Software Technical Currency Agreement

The current contract with Sungard SCT is automatically extended for consecutive one-year periods unless either party notifies the other in writing of its intent not to continue the agreement. The current TCP Agreement provides that the annual fees assessed to the University of Idaho by Sungard SCT will not escalate more than 10% per year.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO – continued

In October 2004, Sungard SCT presented a set of proposals that would enable the UI to lock in fee escalations at lower rates for set periods of time. After reviewing the options available, the University of Idaho selected to lock in a fee escalation rate of 4% per year over a 10-year period. When compared to the current 10% escalation cap, the TCP Amendment would provide for an estimated savings of \$1.7 million over the 10-year term of the amendment. In recent years, the UI's escalation rates have been at the 10% level. The effective date of the TCP Amendment is August 1, 2004, and the first payment date under the new pricing structure is July 1, 2005. At the end of the 10-year period (July 31, 2014), the escalation cap returns to 10% as per the original TCP Agreement.

IMPACT

The new escalation cap is expected to save the University of Idaho up to \$1.74 million over the 10-year term of the amendment, for an average annual savings of \$174,000. These savings will benefit the University's overall capacity to operate in a cost-effective manner.

STAFF COMMENTS AND RECOMMENDATIONS

The university has provided the expected savings under this agreement but not the actual cost on an annual basis. The UI has been asked to provide information regarding past vs. future expenditures for services, including inhouse vs. contracted service provision. University officials will be available to answer any Board questions. According to the National Association of College and University Business Officers (NACUBO) publication Financial Responsibilities of Governing Boards:

“once an institution has invested time and money (particularly for a totally integrated administrative system), it can become hostage to the business plans of the software provider. The provider's schedule of upgrades-which create an enormous amount of work-is beyond the institution's control. There's no turning back. The institution must install the upgrades or run the risk of using software no longer supported by the vendor.”

Staff believes the university should research an option to hire and train in-house staff to maintain the current system and extract itself from the vendor's business plan that may result in a significant savings to the university.

Staff agrees with the philosophy of prepaying future costs when substantial cost savings will result.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO – continued

Staff recommends approval of this item if the university presents a convincing argument regarding the use of in-house vs. contract system upgrades.

BOARD ACTION

A motion to approve the Amendment to the Technical Currency Agreement for administrative information systems software between the Regents of the University of Idaho and Sungard SCT, Inc., in an amount not to exceed \$in the form presented to the Board and to delegate signature authority with regard to such amendment to the University's Vice President for Finance and Administration. Funding is from institutional resources.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

THIS PAGE INTENTIONALLY LEFT BLANK

AMENDMENT TO TECHNICAL CURRENCY AGREEMENT

SUNGARD SCT INC.

(Formerly named "SCT Software & Resource Management Corporation")
4 Country View Road
Malvern, Pennsylvania 19355
FAX Number (610) 578-7900
("SUNGARD SCT")

and

UNIVERSITY OF IDAHO

SunGard SCT Inc. (Formerly named SCT Software & Resource Management Corporation) and Licensee are parties to a Technical Currency Agreement date June 30, 1993, as may thereafter have been amended (the "TCP Agreement"). Effective Date of this TCP Amendment (the "TCP Amendment"): August 1, 2004 (the "Amendment Date").

LICENSEE AND SUNGARD SCT, intending to be legally bound, agree as follows:

1. **Defined Terms.** Unless otherwise specifically defined in this TCP Amendment, each term defined in the TCP Agreement has the meaning ascribed to that term in the TCP Agreement whenever that term is used in this TCP Amendment. In the event of any conflict between the definition ascribed to a defined term in the TCP Agreement as the same existed prior to this TCP Amendment and the definition ascribed to that defined term in this TCP Agreement, the definition ascribed to that defined term in this TCP Agreement will be superseding and controlling. Further, each term below has the meaning ascribed to that term below:

"Emergency/Production Critical Call" means a telephone call from Licensee to SunGard SCT's ActionLine reporting that it believes that a Documented Defect has caused: (i) a full failure (i.e., "crash") of its computer system; (ii) a full failure of the Licensed Software; or (iii) a failure of its computer system or the Licensed Software which, in either case, prevents Licensee from performing data processing which is critical to Licensee's operations on the day on which the alleged Documented Defect is reported.

"Enhancements" means general release (as opposed to custom) changes to a Baseline Component System which increase the functionality of the Baseline Component System.

"Improvements" means, collectively, Maintenance, Enhancements and New Releases provided under this Agreement.

"Exhibit" means a schedule attached to this Agreement or is included as part of an amendment to this Agreement, and which is marked as an "Exhibit." Without limiting the foregoing, as of the date first set forth above, both an Exhibit 1 and an Exhibit 2 are attached to and incorporated by this reference into this Agreement.

"Maintenance" means using reasonable efforts to provide Licensee with avoidance procedures for or corrections of Documented Defects. The hours during which Maintenance will be provided, the targeted response times for certain defined categories of Maintenance calls, and other details and procedures relating to the provision of Maintenance are described in Exhibit 2.

"Notification" means a communication to SunGard SCT's ActionLine by means of: (i) SunGard SCT's ActionWeb; (ii) the placement of a telephone call; or (iii) the sending of an e-mail, in each case, in accordance with SunGard SCT's then-current policies and procedures for submitting such communications.

"Priority One Call" means a Notification from Licensee to SunGard SCT's ActionLine reporting that it believes that a Documented Defect has caused a partial failure of Licensee's computer system or the Licensed Software which significantly hinders its ability to perform data processing which is critical to Licensee's operations on the day on which the alleged Documented Defect is reported.

"Priority Two Call" means a Notification from Licensee to SunGard SCT's ActionLine reporting that it

believes that a Documented Defect has caused an intermittent failure of, or problem with, its computer system or the Licensed Software that causes a significant delay in Licensee's ability to perform data processing on the day on which the alleged Documented Defect is reported, but where the processing is not critical to Licensee's operations.

"Priority Three Call" means a Notification from Licensee to SunGard SCT's ActionLine reporting that it believes that a Documented Defect has caused a problem with its computer system or the Licensed Software that does not significantly affect critical processing.

2. Amendment to and Modification of TCP Agreement. SunGard SCT agrees to provide Improvements with respect to the additional Component Systems identified in Exhibit 1 (the "TCP Exhibit"), attached to this TCP Amendment on the same terms and conditions as the TCP Agreement for the period and for the fee specified in the TCP Exhibit. The term of the TCP Agreement is deemed to be extended as provided for in the TCP Exhibit for purposes of this TCP Amendment. Any amounts indicated on the TCP Exhibit are in addition to all other amounts payable under the TCP Agreement.

3. Integration Provision. Except as expressly modified by this Amendment, the Agreement shall remain in full force and effect. As of the Amendment Date, the Agreement, as further amended by this Amendment constitutes the entire understanding of the parties as regards the subject matter hereof and cannot be modified except by written agreement of the parties.

IN WITNESS WHEREOF, the parties have set their respective hands and seals below.

SunGard SCT Inc.

Licensee

BY: _____

BY: _____

PRINT NAME: _____

PRINT NAME: _____

PRINT TITLE: _____

PRINT TITLE: _____

DATE SIGNED: _____

DATE SIGNED: _____

EXHIBIT 1

Licensee: University of Idaho

PARTIAL YEAR PAYMENT DUE DATE: N/A.

FIRST ANNUAL CONTRACT YEAR PAYMENT DATE: **July 1, 2005.** Notwithstanding any other term or condition of the TCP Agreement, for each Contract Year commencing after the First Contract Year, the fee for Improvements is due and payable by not later than July 1st of the Contract Year for which such payment is being remitted.

MAINTENANCE TABLE

Component System(s)	Contract Year Begins/Ends	Expiration Date	Initial Payment Amount
SCT Banner Alumni	August 1/July 31	July 31, 2014	Included
SCT Banner Financial Aid	August 1/July 31	July 31, 2014	Included
INAS for Financial Aid	August 1/July 31	July 31, 2014 ¹	Included
SCT Banner Finance	August 1/July 31	July 31, 2014	Included
SCT Banner Human Resources	August 1/July 31	July 31, 2014	Included
SCT Banner Student	August 1/July 31	July 31, 2014	Included
Banner Alumni Self-Service	August 1/July 31	July 31, 2014	Included
Banner Employee Self-Service	August 1/July 31	July 31, 2014	Included
Banner Faculty Self-Service	August 1/July 31	July 31, 2014	Included
Banner Finance Self-Service	August 1/July 31	July 31, 2014	Included
Banner Student Self-Service	August 1/July 31	July 31, 2014	Included
Strategic Enrollment Management (SEM)	August 1/July 31	July 31, 2014	Included
EDI.Smart	August 1/July 31	July 31, 2014 ¹	Included
Oracle Webserver	August 1/July 31	July 31, 2014 ¹	Included
Initial Payment Amount (Covers the contract year August 1, 2004 to July 31, 2005)			\$341,277

Notes to Maintenance Table:

For the Baseline Component Systems set forth in the TCP Table, the “Initial Payment Amount” represents the amount due on the First Annual Contract Year Payment Date for Improvements for the first full Contract Year. Fees for Improvements for each subsequent Contract Year are payable on the anniversary of the First Annual Contract Year Payment Date. Improvement fees for the second Contract Year and for each subsequent Contract Year prior to the Expiration Date will be specified by SunGard SCT in an annual invoice and will increase by not more than **4%** over the amount payable for Improvements for the immediately preceding Contract Year. Improvement fees for any Contract Year subsequent to the Expiration Date will be specified by SunGard SCT in an annual invoice and will not increase by more than 10% over the amount payable for Improvements for the immediately preceding Contract Year.

¹ Notwithstanding any other provision of the Agreement, if, prior to the Expiration Date, SunGard SCT's right to sublicense and/or provide Improvements for this Baseline Component System should terminate (each such affected Baseline Component System being an “Affected Component System”), then SunGard SCT will provide Licensee with at least ninety (90) days prior written notice that it will no longer provide Improvements for the Affected Component System (“Notice of Expiration”). Thereupon, the Expiration Date relating to the Affected Component System will be revised to be the later of: (i) ninety (90) days after Licensee receives the Notice of Expiration; or (ii) the date identified in the Notice of Expiration as the new Expiration Date for the Affected Component System, and in each instance, the overall fees for Improvements otherwise payable by Licensee will be reduced, prospectively and on a prorated basis, from the revised Expiration Date for the Affected Component System, by the amounts payable for Improvements for such Affected Component System.

EXHIBIT 2

BRONZE LEVEL MAINTENANCE STANDARDS

- I. Hours During Which SunGard SCT's "ActionLine" Telephone Support Will be Available to Licensee in Connection with the Provision of Maintenance:** Five (5) days per week, Monday through Friday, excluding national holidays and SunGard SCT-observed holidays, from 8:00 AM to 8:00 PM (Eastern US Time).

Note: SunGard SCT's ActionLine uses an automated answering system to receive and record telephone calls from clients, as well as to receive reports via SunGard SCT's ActionWeb and e-mail. This system allows SunGard SCT's ActionLine staff to classify, prioritize, record basic details, conduct certain research, and assign a consultant to respond to a client's telephone call.

- II. Targeted Response Times.** With respect to SunGard SCT's Maintenance obligations, SunGard SCT will use reasonable efforts to respond to Notifications from Licensee relating to the Baseline Component Systems identified in Exhibit 1 of this Agreement in accordance with the following guidelines, with the time period to be measured beginning with the first SunGard SCT ActionLine business hour occurring after SunGard SCT's receipt of the Notification:

Emergency/Production Critical Calls –two (2) hours or less.

Priority One Calls – four (4) hours or less.

Priority Two Calls – twenty-four (24) hours or less.

Priority Three Calls – seventy-two (72) hours or less.

Notes: (1) For purposes of these targets, a "response" will mean as an initial contact from an SunGard SCT representative to Licensee to begin evaluation of the problem reported under one of the categories of calls identified above; (2) As a prerequisite to SunGard SCT's obligation to respond to Licensee, Licensee must follow the policies and procedures of SunGard SCT's ActionLine (such as the dialing of a particular phone number, the categorization of a particular problem, etc.) when submitting its Notification.

ATTACHMENT 2



SYSTEMS & COMPUTER TECHNOLOGY
GREAT VALLEY CORPORATE CENTER
4 COUNTRY VIEW ROAD
MALVERN, PA 19355
PHONE: (610) 647-5930
FAX: (610) 578-6355

FACSIMILE TRANSMITTAL SHEET

TO: <u>DIANE DOUGHERTY</u>	FROM: <u>SCOTT APPEL</u>
COMPANY:	DATE: <u>12/23/04</u>
FAX NUMBER: <u>610-578-3218</u>	TOTAL NO. OF PAGES INCLUDING COVER: <u>17</u>
PHONE NUMBER:	SENDER'S FAX NUMBER: <u>610-578-6355</u>
RE:	YOUR REFERENCE NUMBER:

☐ URGENT ☐ FOR REVIEW ☐ PLEASE COMMENT ☐ PLEASE REPLY ☐ PLEASE RECYCLE

NOTES/COMMENTS:

UNIV. OF IDAHO ORIGINAL AGREEMENT

la.

LEGAL SIGN-OFF FOR EXECUTED AGREEMENT

University of Idaho
LICENSEE

*BANNER SLSA & Technical Currency Agreement
 for Student, Financial Aid, Human Resources, Finance
 and Alumni*

This is to confirm that I have reviewed the attached agreement for consistency as sent to the client, and that the document is properly executed.

LEGAL SIGN-OFF: *JLB* DATE: *7/6/03*

Project #

SOFTWARE LICENSE AND SERVICES AGREEMENT
BETWEEN
SCT SOFTWARE & RESOURCE MANAGEMENT CORPORATION
AND
UNIVERSITY OF IDAHO

This Agreement is entered into by and between SCT Software & Resource Management Corporation, a Delaware corporation ("SCT"), and the University of Idaho ("Licensee") as of the Effective Date.

The parties to this Agreement agree as follows:

1. Certain Definitions.

- (a) "Equipment" means one (1) SEQUENT S 2000/750 using the DYNIX/PTX operating system, at the Location.
- (b) "Intellectual Property Rights" means all patents, patent rights, copyrights, copyright registrations, trade secrets, trademarks, service marks, trademark and service mark registrations, goodwill pertaining to trademarks and service marks, and confidential information.
- (c) "Location" means Licensee's administrative computing facility located in the State of Idaho.
- (d) "Object Code" means computer programs assembled, compiled, or converted to magnetic or electronic binary form on software media, which are readable and usable by computer equipment, but not generally readable by humans without reverse assembly, reverse compiling, reverse conversion, or reverse engineering.
- (e) "Source Code" means computer programs written in higher-level programming languages, sometimes accompanied by English language comments and other programmer documentation. Source Code is readable by humans and may be translated into Object Code for execution on computer equipment through the process of compiling or assembling or may be executed through the process of interpretation at the time of execution.
- (f) "SCT Software" means the Source Code and Object Code for the computer programs and computer coded instructions for the following SCT-proprietary Major Systems: BANNER Student System, BANNER Financial Aid System, BANNER Finance System (including without limitation the BANNER Finance System Investment Management Module), BANNER Human Resources System, and BANNER Alumni System, including all related specifications, documentation, technical information, and all corrections, modifications, additions, improvements and enhancements to any of the foregoing provided to Licensee by SCT.
- (g) "Major System" means any one of the systems of the SCT Software.
- (h) "Database Software" means the SCT then-supported version of the Object Code for the following computer programs developed by Oracle Corporation (the "Database Licensor"): RDBMS (including ORACLE*Loader and ORACLE*Report), ORACLE*Forms, SQL*Plus, PRO*COBOL, PRO*C and the transaction processing option database software, including all related specifications, documentation, technical information and all corrections, modifications, additions, improvements and enhancements to any of the foregoing provided to Licensee by SCT or the Database Licensor.
- (i) "INAS Software" means the SCT then-supported version of the Institutional Need Analysis System developed by the College Entrance Examination Board.
- (j) "Documentation" means: (i) SCT's then-current, machine generated and hard copy documentation for the SCT Software; and (ii) to the extent that the same is applicable to each of the Major Systems of the SCT Software, Section 3.0 of that certain document entitled A Response to the University of Idaho: Request for Proposal (No. 93-08) For An Administrative Computing Software Package dated June 3, 1993 ("Proposal Section"). In the event that any provision of the Proposal Section conflicts with any other provision of the Documentation, such other provision of the Documentation shall conclusively be deemed superseding and controlling. Notwithstanding the foregoing, however, and without limitation thereon, in no event shall SCT reduce the functionality of the Licensed Software, as such functionality existed as of the Effective Date, by changing the Documentation therefor for the sole and exclusive purpose of reducing such SCT Software functionality.
- (k) "Effective Date" means the date identified as such on the signature page of this Agreement.

2. Ownership. SCT owns the SCT Software, all copies of the SCT Software, and all Intellectual Property Rights for and in the SCT Software.

3. License. In consideration of Licensee's full payment of the fees set forth in Section 6 below, SCT hereby grants to Licensee a perpetual, non-exclusive, non-transferable license to use the SCT Software subject to the terms and conditions contained in this Agreement. Any rights not expressly granted in this Agreement are expressly prohibited.

(a) Source Code. Licensee shall have the non-exclusive right to copy and use, subject to the provisions of this Agreement, including without limitation Section 3(d) below, the Source Code for the SCT Software on the Equipment at the Location to compile, modify, improve and enhance the SCT Software for Licensee's own in-house computing operations.

(b) Object Code. Licensee shall have the non-exclusive right to copy and use, subject to the provisions of this Agreement, the SCT Software in Object Code form on the Equipment at the Location for Licensee's in-house computing operations. Licensee may also use the SCT Software in Object Code form temporarily on a configuration comparable to the Equipment, either at the Location or at a site other than the Location, upon prompt written notice to SCT, for disaster recovery of Licensee's computer operations if the Equipment is inoperative. Notwithstanding the foregoing, however, and without limitation thereon, Licensee shall have the right to use the SCT Software by remote access from Licensee campuses in the State of Idaho at addresses other than the Location.

(c) Restrictions on Use of the SCT Software. Unless SCT gives its prior written consent, Licensee may not assign, license, or otherwise transfer, voluntarily, by operation of law or otherwise, its right to use the SCT Software. Licensee may not make the SCT Software available in any commercial time-sharing, commercial networking, or rental arrangements. Both before and after termination of this Agreement for any reason, Licensee will not permit (i) any person or entity, other than Licensee's employees with a need to know, directly or indirectly to use, have access to or use of all or any part of the SCT Software, or (ii) all or part of the SCT Software to be exported outside the United States of America, in any manner or by any means, without in each instance first obtaining SCT's prior written consent and, if required, a validated license from the Office of Export Administration within the United States Department of Commerce and other appropriate governmental authorities of the United States.

(d) Restrictions on Use of Source Code. Licensee will not disclose all or any part of the Source Code to any person except its employees as reasonably necessary to permit such employees to use the Source Code for the purposes explicitly permitted in this Agreement. Licensee may permit its employees to have access to the Source Code only on a need-to-know basis and only if prior to granting such access, each such employee has executed a non-disclosure agreement providing reasonable protection of SCT's trade secrets and other proprietary interests contained in the Source Code, and has been informed in writing of the non-disclosure obligations of Licensee and the employee under this Agreement.

(e) Software Necessary to Use the SCT Software. Licensee acknowledges and understands that in order to use any of the Major Systems, Licensee must maintain and have installed on the Equipment the Database Software. Licensee shall obtain a license to use the Database Software pursuant to the terms and conditions contained in the Database Licensor's then-current agreement(s). Licensee must also obtain the right to use and must maintain and have installed on the Equipment a COBOL Compiler compatible with the Equipment and the Database Software; specifically, if available for the Equipment, MicroFocus COBOL, either licensed directly from MicroFocus or from the Equipment vendor under a different product name. Licensee must also obtain the right to use and must maintain and have installed on the Equipment a "C" Compiler that is both compatible with the Equipment and the Database Software and has been approved in writing by SCT. Licensee shall identify the "C" compiler in a writing provided to SCT as soon as reasonably practicable for SCT's approval or disapproval. Licensee further acknowledges and understands that in order to use the BANNER Financial Aid Major System, Licensee must also maintain and have installed on the Equipment the INAS Software in order to perform need analysis calculations when using the BANNER Financial Aid Major System. Licensee shall obtain a license to use the INAS Software pursuant to the terms and conditions contained in the College Entrance Examination Board's then-current license agreement therefor.

(f) Intellectual Property Rights Notices. Licensee agrees to include the Intellectual Property Rights notice(s) provided by SCT in the code, or written on labels or containers of the SCT Software, or on the cover or title page of documentation, in any copy or part thereof made by Licensee. Licensee shall not modify or remove, in any manner, the Intellectual Property rights notice(s) provided by SCT in connection with the SCT Software.

4. Services.

(a) Implementation/Support. SCT agrees to perform the Implementation/Support services specified in Exhibit IS, which is attached to and incorporated in this Agreement by reference, on the terms and conditions contained in this Agreement, for the applicable fees set forth in Exhibit P. Licensee shall have the right to audiotape and/or videotape Implementation/Support training sessions, for Licensee's exclusive use in accordance with the terms and conditions of this Agreement. The parties shall jointly develop an SCT Software Implementation Plan, which shall include, *inter alia*, a timetable for implementation of the SCT Software, and SCT shall provide Licensee with Implementation/Support Services in accordance with such jointly developed Implementation Plan. The parties shall use their best efforts to adhere to the timetable established in the Implementation Plan, and, except as otherwise provided for in this Agreement or as may then

otherwise be agreed to by the parties, a party's failure to meet the timeframe commitments agreed to by such party as part of the Implementation Plan shall only be excused by the failure of the other party to perform a condition precedent to such first party's obligation of performance. The timetable set forth in the Implementation Plan shall thereupon be automatically extended by the length of time of the other party's delay in performance of such condition precedent.

(b) Consulting and Modification Services. Subject to the availability of SCT personnel to provide such services, at Licensee's written request, SCT agrees to provide to Licensee, at Licensee's written request, the services described in Exhibit CS, which is attached to and incorporated in this Agreement by reference, for the fees set forth in Exhibit CS and on the terms and conditions contained in this Agreement.

(c) Personnel Providing Services. SCT represents that the SCT personnel who provide services for Licensee pursuant to this Section 4 shall possess workmanlike skills in keeping with industry standards. Licensee shall have the right to disapprove any SCT personnel designated to provide such services in the event that Licensee reasonably determines that any such SCT personnel do not possess workmanlike skills in keeping with industry standards and has so advised SCT in a writing which details such deficiency. Thereupon SCT shall promptly replace such SCT personnel with other SCT personnel so possessing such workmanlike skills in keeping with industry standards, and shall, at its sole expense, repeat the relevant training or implementation component that was not provided in accordance with the requirements of this Section 4(c).

5. Delivery. SCT will use its best efforts to deliver the SCT Software to Licensee at the Location within thirty (30) days of the Effective Date. Two (2) copies of the SCT Software (including without limitation two (2) sets of documentation therefor) shall be delivered to Licensee. Subject to all terms and conditions of this Agreement (including without limitation the obligation to reproduce any proprietary or restrictive legends contained therein or marked thereon), Licensee shall have the right to make a reasonable number of copies of such documentation for Licensee's use pursuant to this Agreement. The date on which a Major System is first received by Licensee at the Location shall be the Delivery Date for that system.

6. Payment and Taxes.

(a) Payment. For the license of the SCT Software and the performance of the services described in Section 4(a), Licensee will pay SCT in accordance with Exhibit P, which is attached to and incorporated in this Agreement by reference. Reasonable travel, living, freight, and overnight delivery expenses actually incurred by SCT shall be in addition to the amounts set forth in Exhibit P and any other exhibit of this Agreement, and shall be billed as incurred. SCT shall use its best efforts to limit such expenses. By way of example and not limitation, SCT personnel will travel by coach fare and will book airfare fifteen (15) days in advance of whenever reasonably practical; will use Licensee-provided automobiles if available and if not, will share rental cars whenever reasonably practical; will stay in Licensee-provided housing whenever reasonably practical; and, to the extent that such a requirement does not present an unreasonable hardship to the SCT personnel providing such services, will arrange for SCT personnel to remain onsite for prescheduled Saturday implementation sessions. SCT shall in any instance provide Licensee with a detailed statement of such expenses with reasonable promptness after receipt of Licensee's written request therefor. Licensee shall pay each invoice under this Agreement by not later than thirty (30) days from the date of Licensee's receipt thereof. Any amounts not paid when due shall bear interest at a rate of interest per annum equal to the lesser of the prime rate established from time to time by Mellon Bank plus three (3%) percent or the highest rate permitted by law.

(b) Taxes. Licensee represents that it is a tax-exempt entity. Notwithstanding the foregoing, however, taxes, other than taxes based on SCT's net income or capital stock, imposed by any taxing authority and based upon or in any way relating to this Agreement, the SCT Software, the services provided or payments made under this Agreement shall be the responsibility of Licensee and shall be payable in addition to other fees and charges under this Agreement. Licensee may provide SCT, in lieu of paying any such tax required to be paid by Licensee, with a certificate of exemption in form and substance reasonably satisfactory to SCT; and Licensee may, if permitted by law, contest any such tax required to be paid by it under this Agreement, provided that Licensee has made prior arrangements reasonably satisfactory to SCT so that SCT will suffer no damage or injury as a result of such contest. Licensee, upon request by SCT, shall provide SCT with proof of payment, or exemption from payment, of any tax that Licensee would otherwise be required to pay under or in connection with this Agreement.

7. Warranty and Disclaimer of Warranty.

(a) Limited Warranty by SCT. SCT warrants to Licensee for a period of twenty-four (24) months after the Delivery Date of a Major System, that the then current unmodified Major System, as used by Licensee on the Equipment at the Location for its in-house computing operations, will operate in all material respects in accordance with the then-current Documentation for the Major System.

(b) Licensee's Remedy for Breach of Warranty. In the event of any breach of the foregoing warranty, SCT, at its own expense, will provide an avoidance procedure for or a correction of each such material defect that is documented by Licensee, as soon as is reasonably practicable. A defect is "documented" if Licensee has provided sufficient information for SCT to reproduce the defect on the then current unmodified Major System operating on a computer configuration which is identical to or compatible with the Equipment and which is in SCT's possession and under SCT's control. If, despite reasonable efforts, SCT is unable to provide an avoidance procedure for or a correction of a documented defect, Licensee may pursue its remedy at law to recover direct damages resulting from the breach of warranty, subject to the terms and conditions contained in this Agreement. These remedies are exclusive and are in lieu of all other remedies, and SCT's sole obligations in the event of any breach of warranty will be as stated above.

(c) Disclaimer of Warranty. Licensee agrees and understands that the warranty set forth above is made to Licensee exclusively and is in lieu of all other warranties, and that SCT MAKES NO OTHER WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, WITH REGARD TO THE SCT SOFTWARE OR ANY PARTS THEREOF, AND THAT SCT EXPLICITLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY AND OF FITNESS FOR A PARTICULAR PURPOSE. FURTHER, SCT EXPRESSLY DOES NOT WARRANT THAT THE SCT SOFTWARE OR ANY PARTS THEREOF, WILL BE ERROR FREE, WILL OPERATE WITHOUT INTERRUPTION OR WILL BE COMPATIBLE WITH ANY HARDWARE OR SOFTWARE (OTHER THAN THE LICENSEE ENVIRONMENT IDENTIFIED IN EXHIBIT IS) POSSESSED OR TO BE POSSESSED BY LICENSEE.

(d) Abrogation of Warranty. The warranty set forth above will be null and void if (i) notwithstanding any other provision of this Agreement, any person (including Licensee) attempts to correct or modify any of the SCT Software as delivered to Licensee, or (ii) Licensee refuses to implement modifications to the SCT Software that SCT may provide for the purpose of correction or improvement, whether or not required to be provided by SCT.

8. Confidential Information. The party receiving ("Recipient") any confidential information under this Agreement from the other party ("Owner") agrees: (i) to treat the Owner's confidential information as proprietary to the Owner; and (ii) that it will not knowingly disclose to any person or entity not a party to this Agreement, or use for its own or any such person's or entity's benefit, any confidential information of the Owner. In no event will the Recipient use less care to maintain the confidentiality of the Owner's confidential information than the Recipient uses to maintain the confidentiality of its own information of equal importance. The obligations set forth in this Section 8 are subject to the following definitions, terms and conditions:

(a) Definitions. Confidential information of Licensee includes non-public information and data regarding Licensee's administrative methods, administrative plans and data processing. Confidential information of SCT includes the SCT Software, algorithms, methods, techniques and processes revealed by the Source Code of the SCT Software, non-public information concerning SCT's business and the terms and provisions of this Agreement.

(b) Exceptions. Confidential information, whether or not described above, does not include information that: (i) is or becomes known to the public without fault or breach of the Recipient; (ii) the Owner regularly discloses to third parties without restriction on disclosure; or (iii) the Recipient receives from a third party without restriction on disclosure and without breach of a non-disclosure obligation.

(c) Survival of Obligations. Notwithstanding the termination of this Agreement, the non-disclosure and non-use obligations set forth above will remain in full force with respect to each item of confidential information for a period of ten (10) years after the first receipt of that item by the Recipient.

9. Indemnities.

(a) Indemnity by Licensee. Licensee agrees to indemnify SCT and hold it harmless against and from any claim, demand, action, proceeding, loss, liability, cost and expense (including without limitation court costs and reasonable fees of attorneys, accountants and other professionals) incurred or suffered by SCT as a result of any violation by Licensee of the obligations, restrictions or limitations in this Agreement.

(b) Indemnity by SCT. SCT will defend or settle, at its own expense, any action brought against Licensee to the extent that it is based on a claim that use of the SCT Software provided by SCT pursuant to this Agreement infringes any United States copyright of others, and SCT will pay any costs, damages and attorneys' fees finally awarded against Licensee in any such action attributable to any such claim; but such defense, settlements and payments are expressly conditioned on the following: (i) that SCT is notified promptly in writing by Licensee of any such claim; (ii) that SCT is granted in writing sole control of the defense of any such claim and of all negotiations for its settlement or compromise; (iii) that Licensee cooperates with SCT in a reasonable way to facilitate the settlement or defense of the claim; (iv) that the claim does not arise from modifications not authorized in writing by SCT or from the use or combination of products provided by SCT with items provided by Licensee or others; and (v) that should the SCT Software become, or in SCT's opinion be likely

to become, the subject of such a claim of infringement, then Licensee will permit SCT, at SCT's option and expense, (A) to procure for Licensee the right to continue using the same under the terms of this Agreement, or (B) to replace or modify the same so that it becomes non-infringing and substantially equivalent in function, or (C) to refund to Licensee the license fee paid to SCT by Licensee under this Agreement for the Major System giving rise to the liability, less a charge for use by Licensee based on straight line depreciation assuming a useful life of five (5) years. **THE FOREGOING IS SCT'S EXCLUSIVE OBLIGATION WITH RESPECT TO INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS.**

10. Term and Termination. This Agreement will continue in full force and effect except as follows:

(a) **Termination by SCT For Cause.** SCT will have the right to terminate this Agreement for cause if: (i) Licensee fails to honor the restrictions on disclosure and use of SCT's confidential information provided under this Agreement; (ii) Licensee infringes or participates in infringement of SCT's Intellectual Property Rights; (iii) Licensee fails to honor the limitations and restrictions on use of the SCT Software, or any part thereof, as provided in this Agreement; (iv) Licensee files a voluntary petition in bankruptcy or remains an involuntary petitioner in bankruptcy for a period exceeding ninety (90) days; or (v) Licensee breaches or fails to perform any other material term or condition of this Agreement.

(b) **Termination by Licensee For Cause.** Licensee will have the right to terminate this Agreement for cause if: (i) SCT fails to honor the restrictions on disclosure and use of Licensee's confidential information provided under this Agreement; or (ii) SCT breaches or fails to perform any other material term or condition of this Agreement.

(c) **Procedure for Termination For Cause.** Either party may terminate this Agreement for cause at any time while the event or condition giving rise to the right of termination for cause exists, by giving the other written notice describing that event or condition in reasonable detail. Upon receipt of that notice, the other party will have a period of thirty (30) days in which to cause that event or condition to be corrected or cured to the reasonable satisfaction of the party desiring termination. If the event or condition giving rise to the right of termination is not so corrected or cured within that period, this Agreement will terminate as of the end of that period automatically, without further act by any party. Notwithstanding the foregoing, however, in the event that Licensee files a voluntary petition in bankruptcy or remains an involuntary petitioner in bankruptcy for a period exceeding ninety (90) days, SCT shall have the right to terminate this Agreement immediately, without further action or delay, by providing Licensee with written notice of such termination.

(d) **Termination For Cause Without Prejudice to Other Rights and Remedies.** Termination of this Agreement for cause by either SCT or Licensee in accordance with the terms of this Agreement will be without prejudice to the terminating party's other rights and remedies under or in connection with this Agreement, both at law and in equity.

(e) **Termination Upon Non-Appropriation of Funds.** Licensee believes that sufficient funds can be obtained to pay all amounts due SCT under this Agreement and will use its best efforts to obtain, maintain and properly request and pursue funds from which payments under this Agreement may be made, including making provisions for such payments to the extent necessary in each budget submitted for the purpose of obtaining funding and using its best efforts to have such portion of the budget approved. It is Licensee's intent to make all payments due under this Agreement if funds are legally available therefor and in that regard Licensee represents and warrants to SCT that the SCT Software licensed under this Agreement is important to its proper, efficient and economic operation. In the event sufficient funds are not appropriated and budgeted or are otherwise legally unavailable to make payments to SCT for the SCT Software, then Licensee will promptly notify SCT of such fact by providing SCT with written notice thereof at SCT's corporate headquarters in Malvern, Pennsylvania. Thereupon, Licensee's license to use the SCT Software and SCT's obligations in connection therewith shall be deemed terminated, without further action by either party. Any such premature expiration effected pursuant to this Section 10(e) shall be subject to the provisions of Section 10(f) below. Nothing in this Section 10(e) will be construed so as to permit Licensee to terminate its obligations in connection with the SCT Software in order to acquire any other software or to allocate funds directly or indirectly to perform essentially the same application for which the software is being provided, including the development of similar software by Licensee itself. Upon Licensee's full compliance with the provisions of this Section 10(e), all amounts paid by Licensee to SCT as license fees for the SCT Software shall be retained by SCT as liquidated damages and not as a penalty.

(f) **Effect of Termination.** If this Agreement is properly terminated by either party, Licensee promptly will return to SCT or (at SCT's request) destroy all copies of the SCT Software, and will certify to SCT in writing, over the signature of a duly authorized representative of Licensee, that it has done so.

(g) **Survival of Obligations.** All obligations relating to non-use and non-disclosure of confidential information, indemnity, and the obligations of Licensee to respect SCT's Intellectual Property Rights will survive termination of this Agreement for any reason.

11. Notices. All notices and other communications required or permitted under this Agreement will be in writing and, except as otherwise provided in this Agreement, will be deemed given when delivered personally, sent by United States

registered or certified mail, return receipt requested, or sent by overnight courier to the address shown on the signature page hereof, or to such other place as the parties hereto from time to time may direct. A copy of all notices to SCT shall also be sent to the attention of SCT's General Counsel at SCT's address set forth on the signature page.

12. Force Majeure. Neither party to this Agreement will be liable to the other for any failure or delay in performance under this Agreement due to circumstances beyond its reasonable control including, without limitation, Acts of God, accident, labor disruption, acts, omissions and defaults of third parties, and official, governmental and judicial action not the fault of the party failing or delaying in performance.

13. Assignment. The benefits and burdens of each party under this Agreement will not be assignable without the prior written consent of the other party to this Agreement, and any attempt to assign them without that consent will be void. Notwithstanding the foregoing, SCT may assign this Agreement to its successor by merger or consolidation or to any person or entity that acquires all or substantially all of its capital stock or assets; and SCT may assign this Agreement in whole or in part to any person or entity to which it transfers any exclusive rights in the SCT Software.

14. No Waiver. No failure of either party to this Agreement to prosecute its rights with respect to any single or continuing breach of this Agreement will act as a waiver of the right of that party to later exercise any right or enforce any remedy granted under this Agreement with respect to that same or any other breach of this Agreement by the other party to this Agreement.

15. Choice of Law; Severability. This Agreement will be governed by and construed in accordance with the laws of the State of Idaho. If any provision of this Agreement is found invalid or unenforceable, it will be enforced to the maximum extent permissible, and the legality and enforceability of the other provisions of this Agreement will not be affected.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)

16. LIMITATIONS OF LIABILITY. SCT AND LICENSEE ACKNOWLEDGE AND AGREE THAT IN NO EVENT WILL SCT'S LIABILITY IN CONNECTION WITH THE SCT SOFTWARE, THE SERVICES PROVIDED UNDER THIS AGREEMENT, THIS LICENSE, OR ANY OTHER MATTER RELATING TO THIS AGREEMENT EXCEED THE AMOUNT ACTUALLY PAID TO SCT BY LICENSEE UNDER THIS AGREEMENT FOR THE LICENSE FEE FOR THE MAJOR SYSTEM GIVING RISE TO THE LIABILITY AND SCT WILL NOT BE LIABLE FOR ANY SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION LOSS OF PROFITS, LOSS OF DATA, AND LOSS OF REVENUES, EVEN IF INFORMED OF THE POSSIBILITY THEREOF IN ADVANCE. THESE LIMITATIONS APPLY TO ALL CAUSES OF ACTION IN THE AGGREGATE, INCLUDING WITHOUT LIMITATION BREACH OF CONTRACT, BREACH OF WARRANTY, SCT'S NEGLIGENCE, STRICT LIABILITY, MISREPRESENTATION, AND OTHER CAUSES OF ACTION BASED ON SIMILAR LEGAL THEORIES. SCT AND LICENSEE FURTHER ACKNOWLEDGE AND AGREE THAT THEY ARE ENTERING INTO THIS AGREEMENT ON THE UNDERSTANDING THAT THE FEES FOR THE SCT SOFTWARE AND THE SERVICES TO BE PROVIDED UNDER THIS AGREEMENT HAVE BEEN SET TO REFLECT THE FACT THAT LICENSEE'S REMEDIES, AND SCT'S LIABILITY, SHALL BE LIMITED AS EXPRESSLY SET FORTH IN THIS AGREEMENT, AND IF NOT SO LIMITED, THE FEES FOR THE SAME WOULD HAVE BEEN SUBSTANTIALLY HIGHER.

17. Entire Agreement. This Agreement sets forth the entire agreement between the parties with respect to the subject matter hereof, and all prior discussions, representations, proposals, offers and oral or written communications of any nature are entirely superseded hereby and extinguished by the execution of this Agreement. Any purchase order or similar document which may be issued by Licensee in connection with the SCT Software, the license thereof, the services provided, or any other matter relating to this agreement shall be for Licensee's internal purposes only and any terms and conditions which may be included in such purchase order or other document shall not modify in any manner any of the terms and conditions of this Agreement and shall not bind SCT in any manner and shall be completely ineffective and unenforceable against SCT, even if it is initialed, signed, or acknowledged by a representative of SCT. No modification hereof or waiver of any right under this Agreement will be effective unless it is evidenced in a writing executed by an authorized representative of each party to this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, through the signatures of their duly authorized representatives.

Effective Date: June 30, 1993

SCT SOFTWARE & RESOURCE
MANAGEMENT CORPORATION

By: 

Michael D. Chamberlain
President
Software & Technology Services
4 Country View Road
Malvern, PA 19355

UNIVERSITY OF IDAHO

By: 

Jerry Wallace
(Printed Name of Signatory)

Title: Francis V.P.

Moscow, Idaho 83843

EXHIBIT P**Payment Schedule**

Licensee's cost for the license of the SCT Software and the services rendered pursuant to this Agreement is as follows:

<u>Deliverable</u>	<u>Cost</u>
BANNER Student License Fee	\$142,275
BANNER Alumni License Fee	93,495
BANNER Financial Aid License Fee	105,655
BANNER Finance License Fee	121,950
BANNER Human Resources License Fee	101,625

Implementation/Support Services

<u>BANNER Student System</u> Twelve (12) person-weeks, at a rate of \$5,000 per person-week	\$60,000
<u>BANNER Alumni System</u> Five (5) person-weeks, at a rate of \$5,000 per person-week	\$25,000
<u>BANNER Financial Aid System</u> Eight (8) person-weeks, at a rate of \$5,000 per person-week	\$40,000
<u>BANNER Finance System</u> Ten (10) person-weeks, at a rate of \$5,000 per person-week	\$50,000
<u>BANNER Human Resources System</u> Ten (10) person-weeks, at a rate of \$5,000 per person-week	\$50,000

Payment of the license fee for each Major System shall be made by Licensee to SCT as follows: Thirty (30%) percent by not later than thirty (30) days after the Delivery Date of the applicable Major System; an additional twenty (20%) percent by not later than September 30, 1993; an additional twenty (20%) percent by not later than December 31, 1993; an additional twenty (20%) percent by not later than March 31, 1994; and the remaining ten (10%) percent by not later than June 30, 1994.

Implementation/Support Services (Exhibit IS) and Consulting Services (Exhibit CS) shall be invoiced monthly, as such services are rendered, together with expenses as otherwise provided for in the Agreement, and shall be paid by Licensee to SCT by not later than thirty (30) days from the date of Licensee's receipt of the invoice therefor.

EXHIBIT CS**Consulting Services****I. Generation of Specifications for Modifications to SCT Software**

A. Interview Licensee personnel to determine changes desired to be made to SCT Software as delivered by SCT.

B. Generate revised functional and technical specifications in a System Modification Requirements ("SMR") document, which will also contain cost and schedule estimates for SCT to implement such changes.

II. Modifications

SCT will modify and test the SCT Software to the extent proposed in any SMR document generated pursuant to the provisions of this Exhibit CS.

III. Rate - The following rates shall apply until September 30, 1994, after which time SCT may increase such rates upon thirty (30) days prior notice by not greater than ten percent (10%) per year:

Consulting, Implementation and Training Services	\$125/hr
Engagement Management Services	\$150/hr

EXHIBIT IS
Implementation/Support

I. Implementation/Support Services

SCT agrees, subject to the provisions of this Agreement and Licensee's timely performance of its obligations under this Agreement, to provide to Licensee the Implementation/Support services hereinafter described (the "Implementation Services").

A. Project Plan. SCT and Licensee shall develop a project plan which identifies SCT's and Licensee's responsibilities. Each Major System will be delivered in Source Code at the Location.

B. SCT Responsibilities. SCT shall provide Licensee with the number of person-weeks set forth in Exhibit P of user consulting and technical training in connection with the SCT Software. Additional time may be secured at SCT's then current rates therefor.

C. Licensee Responsibilities. Licensee is responsible for establishing overall project direction including assignment and direction of Licensee personnel involved in the project, providing a productive technical environment, and providing operational support to the implemented Major Systems at the completion of SCT's services.

Licensee will assign an overall project manager during the term of the project. Responsibilities of Licensee's project management personnel include daily access by SCT for project coordination, establishment and daily management of Licensee implementation plans, review of all SCT delivered documentation, coordination of project activities, support of resource requirements with Licensee's data processing department, management of production preparation activities in both technical and user areas, and coordination of the resolution of any changes in Licensee's policies or operating procedures.

Licensee will also designate at least one senior technical person for each Major System from its data processing staff to become knowledgeable and competent in supporting the SCT Software. SCT expects these individuals to participate in production preparation activities and SCT provided training. Licensee will also designate in each functional department a primary systems coordinator who is responsible for committing resources and for follow-up on outstanding issues.

II. Conditions

As a condition to SCT's obligation to provide the Implementation Services, Licensee agrees to provide the following hardware, software, and access to Licensee's facilities.

A. Software and Hardware. Licensee agrees to provide at the Location, at no cost to SCT, on or before the earliest Delivery Date, the software and hardware listed below (the "Licensee Environment");

- Equipment
- Database Software
- COBOL and "C" compilers as provided for in the Agreement
- INAS Software

Licensee will maintain current with the SCT-designated release of the systems software listed above. Dependent tailoring parameters between multiple vendor products will be specified by SCT.

B. Access to Licensee Environment and Licensee's Facilities. Licensee will provide such additional assistance to SCT as SCT may reasonably request for the purpose of rendering the Implementation Services. Without limitation of the foregoing, Licensee will provide SCT, as reasonably necessary for SCT to perform its obligations under this Agreement, with all of the following without charge: (i) the Licensee Environment, provided and maintained at Licensee's expense in good working order and in actual operation at all times at which SCT reasonably requests operation for the purpose of rendering the Implementation Services; (ii) the right for SCT to use the Licensee Environment (including all related software), either on Licensee's premises or remotely by telecommunication, at SCT's request; (iii) teleprocessing capabilities; (iv) other computer systems of Licensee; (v) full and free access to the Licensee Environment and to Licensee's offices; (vi) office equipment and services such as desks, chairs, word processors, telephone, copying and other equipment and services appropriate to accommodate SCT personnel; and (vii) a reasonable amount of space on Licensee's premises, including parking space, for SCT personnel.

III. Additional Support.

Licensee will provide, at its sole expense, electronic access to the Licensee Environment from any of SCT's facilities.

Until the Delivery Date and the completion of all modification work, if any, in addition to the Licensee Environment, Licensee will provide SCT reasonable dedicated address space in which to execute an on-line test environment. Licensee will also provide SCT with a reasonable amount of disk storage space. SCT will exercise reasonable care to minimize the use of machine time and disk space.

Remote access will be provided on a twenty-four-hour-per-day, seven-day-per-week basis if the computer and communications facilities are scheduled for operation and SCT usage does not degrade the normal production use of the computer in any material respect. All disk storage allocated to SCT will be on-line during these hours.

Licensee will reimburse SCT for telephone charges incurred in connection with accessing the Licensee Environment unless such charges are incurred by SCT in connection with SCT's warranty obligations under this Agreement.

SCT SOFTWARE TECHNICAL CURRENCY AGREEMENT

This Agreement is entered into by and between SCT Software & Resource Management Corporation ("SCT") and the University of Idaho ("Licensee") on June 30, 1993.

Background

SCT and Licensee have entered into a Software License and Services Agreement for the SCT Software (the "License Agreement"), and desire that SCT provide Maintenance and Enhancements for the SCT Software on the terms and conditions contained in this Agreement.

Accordingly, the parties agree as follows:

1. Certain Definitions.

(a) Definitions Contained in the License Agreement. The capitalized terms of this Agreement will have the same meanings ascribed to them in the License Agreement, except as such terms are otherwise defined in this Agreement.

(b) Additional Definitions. The following definitions shall also apply:

(i) "Maintenance" means using reasonable efforts to correct documented defects, as that term is defined in the License Agreement, in the SCT Software, provided that such defects are not the result of any changes made to the SCT Software (other than Improvements provided by SCT under this Agreement) or the Database Software.

(ii) "Enhancements" means changes to the SCT Software which increase the functionality of the SCT Software.

(iii) "SCT Software" means SCT's then current unmodified (other than Improvements provided by SCT under this Agreement) BANNER Student, BANNER Finance System (including without limitation the BANNER Finance System Investment Management Module), BANNER Alumni, BANNER Human Resources and Financial Aid Major Systems licensed by SCT to Licensee under the License Agreement.

(iv) "Major System" means any one of the systems of the SCT Software.

(v) "New Releases" means new editions of the SCT Software which represent changes from the previous releases of the SCT Software.

(vi) "Improvements" means, collectively, Maintenance, Enhancements and New Releases provided under this Agreement.

(vii) "Initial Term" means that period beginning on the date first set forth above and ending July 31, 1996, inclusive.

(c) Inconsistencies. If there are any inconsistencies between the definitions contained in this Agreement and the definitions contained in the License Agreement, the definitions contained in this Agreement shall apply.

2. Services.

(a) Types of Services. In consideration of Licensee's full payment to SCT of the amounts set forth in Section 3 below, and subject to the terms and conditions set forth in this Agreement, SCT, during the term of this Agreement, agrees to provide to Licensee Maintenance for, Enhancements of, and New Releases of, each Major System. Subject to the availability of SCT personnel, at Licensee's written request, SCT shall perform any installation, implementation, or other services in connection with the Maintenance, Enhancements, and New Releases provided by SCT under this Agreement, at SCT's then-current hourly rates. Without limiting the foregoing, however, prior to the expiration of the Initial Term, SCT shall provide Licensee with Grants and Contracts functionality as an Improvement to the BANNER Finance System, and electronic approval capability for salary and personnel actions as an Improvement to the BANNER Human Resources System, at no additional fee therefor (collectively, "Committed Functionality"). SCT reserves the unilateral right to define the scope of and the specifications for the Committed Functionality.

(b) Limitations. SCT's obligations under this Agreement will be limited to the then current release and the immediately preceding release of each Major System. All Improvements will be part of the Major System and subject to all of the terms and conditions of the License Agreement and this Agreement. SCT's obligations under this Agreement are further conditioned upon Licensee providing SCT, as reasonably necessary for SCT to perform its obligations under this

U. of Idaho STSBTCP 6/29/93 2:56 PM

Agreement, with all of the following without charge: (i) the Licensee Environment provided and maintained at Licensee's expense, in good working order and in actual operation at all times at which SCT reasonably requests access thereto for the purpose of rendering the services under this Agreement; (ii) the right for SCT to use the Licensee Environment (including all related software); (iii) remote electronic capabilities, if available from Licensee; (iv) access to other computer systems of Licensee; (v) access to Licensee's offices and personnel; and (vi) a reasonable amount of space on Licensee's premises, including parking space, for SCT personnel.

(c) Modifications Maintenance. Subject to the availability of SCT personnel, at Licensee's written request, SCT shall provide Maintenance in connection with any modifications made by SCT to the SCT Software (other than Improvements provided under this Agreement) at SCT's then-current hourly rates.

3. Payment and Taxes.

(a) Technical Currency Fees. For the Improvements provided by SCT under this Agreement, Licensee will pay SCT, on July 1, 1994, a fee equal to \$104,250, and on each July 1 thereafter during the term of this Agreement, a fee specified by SCT which will not be more than one hundred ten (110%) percent of the fee due under this Agreement on the immediately preceding July 1.

(b) Additional Costs. If SCT, in its reasonable judgment, determines that a suspected defect is attributable to a cause other than a documented defect, as that term is defined in the License Agreement, in the SCT Software, then Licensee shall pay SCT an additional amount for its work performed in connection therewith on a per-hour basis, at SCT's then-current hourly rates. Licensee will also reimburse SCT for all reasonable travel, living, freight, and overnight delivery expenses actually incurred by SCT. Such expenses shall be billed as incurred. SCT shall use its best efforts to limit such expenses. By way of example and not limitation, SCT personnel will travel by coach fare and will book airfare fifteen (15) days in advance of whenever reasonably practical; will use Licensee-provided automobiles if available and if not, will share rental cars whenever reasonably practical; will stay in will stay in Licensee-provided housing whenever reasonably practical; and, to the extent that such a requirement does not present an unreasonable hardship to the SCT personnel providing such services, will arrange for SCT personnel to remain onsite for prescheduled Saturday implementation sessions. SCT shall in any instance provide Licensee with a detailed statement of such expenses with reasonable promptness after receipt of Licensee's written request therefor. Licensee shall pay each invoice under this Agreement by not later than thirty (30) days from the date of Licensee's receipt thereof.

(c) Taxes. Licensee represents that it is a tax-exempt entity. Notwithstanding the foregoing, however, taxes, other than taxes based on SCT's net income or capital stock, imposed by any taxing authority and based upon or in any way relating to this Agreement, the Improvements or services provided, or payments made under this Agreement shall be the responsibility of Licensee and shall be payable in addition to other fees and charges under this Agreement. Licensee may provide SCT, in lieu of paying any such tax required to be paid by Licensee, with a certificate of exemption in form and substance reasonably satisfactory to SCT; and Licensee may, if permitted by law, contest any such tax required to be paid by it under this Agreement, provided that Licensee has made prior arrangements reasonably satisfactory to SCT so that SCT will suffer no damage or injury as a result of such contest. Licensee, upon request by SCT, shall provide SCT with proof of payment, or exemption from payment, of any tax that Licensee would otherwise be required to pay under or in connection with this Agreement.

(d) Late Charges. All amounts not paid when due shall bear interest at a rate of interest per annum equal to the lesser of the prime rate established from time to time by Mellon Bank, N. A., Philadelphia, Pennsylvania plus three (3%) percent or the highest rate permitted by law.

4. Term. The Initial Term of this agreement is for the period commencing on the date set forth on the first page of this Agreement and continuing until July 31, 1996. This Agreement shall thereafter be automatically extended for consecutive one (1) year periods unless either party notifies the other in writing of its intent not to continue this Agreement at least one year prior to the expiration of the then current term.

5. Disclaimer of Warranties. Licensee agrees and understands that except as expressly set forth in this Agreement SCT MAKES NO WARRANTIES WHATSOEVER, EXPRESSED OR IMPLIED, WITH REGARD TO ANY IMPROVEMENTS, AND THAT SCT EXPLICITLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. FURTHER, SCT EXPRESSLY DOES NOT WARRANT THAT THE SCT SOFTWARE OR ANY IMPROVEMENTS WILL BE USABLE BY LICENSEE IF THE SCT SOFTWARE HAS BEEN MODIFIED BY ANYONE OTHER THAN SCT, OR WILL BE ERROR-FREE, WILL OPERATE WITHOUT INTERRUPTION OR WILL BE COMPATIBLE WITH ANY HARDWARE OR SOFTWARE (OTHER THAN THE LICENSEE ENVIRONMENT) POSSESSED OR TO BE POSSESSED BY LICENSEE.

6. Termination. Either party will have the right to terminate this Agreement if the other party breaches or fails to perform any material term or condition of this Agreement. Either party, if it has a right of termination as provided above, may terminate this Agreement at any time while the event or condition giving rise to that right of termination exists, by giving the other written notice of that event or condition and describing that event or condition in reasonable detail. Upon receipt of that notice, the other party will have a period of thirty (30) days in which to cause that event or condition to be corrected or cured to the reasonable satisfaction of the party desiring termination. If the event or condition giving rise to the right of termination is not so corrected or cured within that period, this Agreement will terminate as of the end of that period automatically, without further act by any party. Notwithstanding the foregoing, however, in the event that Licensee files a voluntary petition in bankruptcy or remains an involuntary petitioner in bankruptcy for a period exceeding ninety (90) days, SCT shall have the right to terminate this Agreement immediately, without further action or delay, by providing Licensee with written notice of such termination. Termination of this Agreement by either party in strict accordance with the terms and conditions of this Agreement will be without prejudice to the terminating party's other rights and remedies under this Agreement, both at law and in equity.

7. Non-Appropriation of Funds. Licensee believes that sufficient funds can be obtained to pay all amounts due SCT under this Agreement and will use its best efforts to obtain, maintain and properly request and pursue funds from which payments under this Agreement may be made, including making provisions for such payments to the extent necessary in each budget submitted for the purpose of obtaining funding and using its best efforts to have such portion of the budget approved. It is Licensee's intent to make all payments due under this Agreement if funds are legally available therefor and in that regard Licensee represents and warrants to SCT that the Improvements are important to its proper, efficient and economic operation. In the event sufficient funds are not appropriated and budgeted or are otherwise legally unavailable to make payments to SCT for the Improvements, then Licensee will promptly notify SCT of such fact by providing SCT with written notice thereof at SCT's corporate headquarters in Malvern, Pennsylvania, and shall remit to SCT payment in full, prorated on a daily basis up to the effective date of termination, for the Improvements. Thereupon, SCT's obligations in connection with this Agreement shall be deemed terminated, without further action by either party. Nothing in this Section 7 will be construed so as to permit Licensee to terminate its obligations in connection with the Improvements in order to acquire any other software or services or to allocate funds directly or indirectly to perform essentially the same application for which the Improvements are being provided, including the provision of similar services by Licensee itself.

8. Notices. All notices and other communications required or permitted under this Agreement will be in writing and, except as otherwise provided in this Agreement, will be deemed given when delivered personally, sent by United States registered or certified mail, return receipt requested, or sent by overnight courier to the address shown on the signature page hereof, or to such other place as the parties hereto from time to time may direct. A copy of all notices to SCT shall also be sent to the attention of SCT's General Counsel at SCT's address set forth on the signature page.

9. Force Majeure. Neither party to this Agreement will be liable to the other for any failure or delay in performance under this Agreement due to circumstances beyond its reasonable control including, without limitation, Acts of God, accident, labor disruption, acts, omissions and defaults of third parties, and official, governmental and judicial action not the fault of the party failing or delaying in performance.

10. Assignment. The benefits and burdens of each party under this Agreement will not be assignable without the prior written consent of the other party to this Agreement, and any attempt to assign them without that consent will be void. Notwithstanding the foregoing, SCT may assign this Agreement to its successor by merger or consolidation or to any person or entity that acquires all or substantially all of its capital stock or assets; and SCT may assign this Agreement in whole or in part to any person or entity to which it transfers any exclusive rights in the SCT Software.

11. No Waiver. No failure of either party to this Agreement to prosecute its rights with respect to any single or continuing breach of this Agreement will act as a waiver of the right of that party to exercise later any right or enforce any remedy granted under this Agreement with respect to that same or any other breach of this Agreement by the other party to this Agreement.

12. Choice of Law; Severability. This Agreement will be governed by and construed in accordance with the laws of the Idaho. If any provision of this Agreement is found invalid or unenforceable, it will be enforced to the maximum extent permissible, and the legality and enforceability of the other provisions of this Agreement will not be affected.

[Remainder of page intentionally left blank]

13. **LIMITATIONS OF LIABILITY.** SCT AND LICENSEE ACKNOWLEDGE AND AGREE THAT IN NO EVENT WILL SCT'S LIABILITY IN CONNECTION WITH THE IMPROVEMENTS OR SERVICES PROVIDED UNDER THIS AGREEMENT, OR ANY OTHER MATTER RELATING TO THIS AGREEMENT, EXCEED THE AMOUNT ACTUALLY PAID TO SCT BY LICENSEE UNDER THIS AGREEMENT FOR THE IMPROVEMENTS FOR THE MAJOR SYSTEM GIVING RISE TO THE LIABILITY IN THE YEAR THAT SUCH LIABILITY ACTUALLY ARISES, AND SCT WILL NOT BE LIABLE FOR ANY SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION LOSS OF PROFITS, LOSS OF DATA, AND LOSS OF REVENUES, EVEN IF INFORMED OF THE POSSIBILITY THEREOF IN ADVANCE. THESE LIMITATIONS APPLY TO ALL CAUSES OF ACTION IN THE AGGREGATE, INCLUDING WITHOUT LIMITATION BREACH OF CONTRACT, BREACH OF WARRANTY, SCT'S NEGLIGENCE, STRICT LIABILITY, MISREPRESENTATION, AND OTHER CAUSES OF ACTION BASED ON SIMILAR LEGAL THEORIES. SCT AND LICENSEE FURTHER ACKNOWLEDGE AND AGREE THAT THEY ARE ENTERING INTO THIS AGREEMENT ON THE UNDERSTANDING THAT THE FEES FOR THE IMPROVEMENTS AND SERVICES TO BE PROVIDED UNDER THIS AGREEMENT HAVE BEEN SET TO REFLECT THE FACT THAT LICENSEE'S REMEDIES, AND SCT'S LIABILITY, SHALL BE LIMITED AS EXPRESSLY SET FORTH IN THIS AGREEMENT, AND IF NOT SO LIMITED, THE FEES FOR THE SAME WOULD HAVE BEEN SUBSTANTIALLY HIGHER.

14. **Entire Agreement.** This Agreement sets forth the entire agreement between the parties with respect to the subject matter hereof, and all prior discussions, representations, proposals, offers and oral or written communications of any nature are entirely superseded hereby and extinguished by the execution of this Agreement. Any purchase order or similar document which may be issued by Licensee in connection with the Improvements or the services provided under, or any other matter relating to, this agreement shall be for Licensee's internal purposes only and any terms and conditions which may be included in such purchase order or other document shall not modify in any manner any of the terms and conditions of this agreement and shall not bind SCT in any manner and shall be completely ineffective and unenforceable against SCT, even if it is initialed, signed, or acknowledged by a representative of SCT. No modification of, or waiver of any right under, this Agreement will be effective unless it is evidenced in a writing executed by an authorized representative of each party to this Agreement.

IN WITNESS WHEREOF, the parties to this Agreement have executed this Agreement through the signatures of their duly authorized representatives.

SCT SOFTWARE & RESOURCE
MANAGEMENT CORPORATION

By: 

Michael D. Chamberlain
President
4 Country View Road
Malvern, PA 19355

UNIVERSITY OF IDAHO

By: 

(Printed Name of Signatory)

Title: 

Moscow, Idaho 83843

REFERENCE - APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: V. FINANCIAL AFFAIRS

Subsection I Real and Personal Property and Services

April, 2002

I. Real and Personal Property and Services

3. Acquisition of Personal Property and Services

- a. Purchases of equipment, data processing software and equipment, and all contracts for consulting or professional services either in total or through time purchase or other financing agreements, between two hundred fifty thousand dollars (\$250,000) and five hundred thousand dollars (\$500,000) require prior approval by the executive director. The executive director must be expressly advised when the recommended bid is other than the lowest qualified bid. Purchases exceeding five hundred thousand dollars (\$500,000) require prior Board approval.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO

SUBJECT

The University of Idaho requests approval of an Internet2, commodity internet and data transport agreement with the Pacific Northwest GigaPoP (PNWGP).

REFERENCE

February 1993 The University of Idaho presented an information item to the Regents regarding plans for a computer and information technology upgrade. It incorporated a "Summary Strategic Plan for Academic and Administrative Computing Capability" which included a major systems goal to "develop and maintain a university communications infrastructure to support distributed voice, data, and video communications capability."

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policy & Procedures, Section V.I.3.a.

BACKGROUND

Since 1999, the University of Idaho has been a member of Internet2, a consortium of 204 research universities, government laboratories, and private sector vendors. Internet2 membership advances collaborative research and educational activities among higher education institutions throughout the United States. Initial seed funding to provide connection to Internet2 was provided under two grants—NSF High Performance Connection Award (1999) and an NSF EPSCoR Supplemental Award (1999). The University has since allocated resources to maintain the support for Internet2 along with commodity Internet services. Under contractual agreement, the Pacific Northwest GigaPoP (University of Washington) provides Internet2 and commodity internet services for the University of Idaho. DS3 service (45 Mbps) that provides data transport between the University of Idaho, Moscow and the PNWGP in Seattle has been contracted by the UI through ELI, Inc.

In the five-plus years since implementing the aggregated Internet2/commodity internet services, educational usage and research applications have utilized all available bandwidth on the DS3 circuit, requiring the UI ITS unit to expand bandwidth to support growing research and educational demand. In 2003, under leadership of the PNWGP, the University of Idaho became a participant in an NIH-funded project, Biomedical Research Information Network (BRIN) Lariat, to connect research universities in the Pacific Northwest to a high-performance network to support collaborative research and education among universities. Under the BRIN Lariat, the University of Idaho seeks authorization of the Board of Regents for a five-year contract agreement with the PNWGP that will enhance

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO - continued

access to Internet2, new National Lambda Rail (NLR) service, and commodity internet and will provide an OC48 data transport service (2.4 Gbps) contracted and managed by the PNWGP. The NIH award will subsidize the networking service available to the participating institutions, including the University of Idaho, for the five-year period.

DISCUSSION

The University of Idaho seeks to combine a contract for Internet2/commodity services and the contract for data transport (telecommunications) into a single contract for both services under an agreement with the Pacific Northwest GigaPoP. Contracts for the current internet and telecommunications services have expired in 2004, and the University of Idaho has been paying the PNWGP and ELI, Inc., monthly fees to continue services until contractual arrangements with the PNWGP could be completed. In April 2005, the University of Idaho signed a Letter of Intent (LOI) with the PNWGP to initiate a five-year (5) contractual arrangement for Internet2/commodity services and data transport (telecommunications services), pending satisfactory negotiations and approval of the Board of Regents. Under the new contractual agreement, the University of Idaho will be provided unlimited access to Internet2 and NLR, a new service to be added for research applications. In addition, commodity internet services will be increased from 45 Mbps to 100 Mbps for an increased contract price of \$38,400/year. In addition, the PNWGP will provide a 2.4 Gbps connection to a regional network, enhancing the power and the performance of the current telecommunication by nearly fifty times (50x), at the same cost (\$147,000/year) that the University of Idaho has been contracting for services from ELI, Inc. Under the terms of the contract, the UI will pay the PNWGP \$396,000/year for combined data transport (telecommunications) and Internet2/commodity internet services.

Based on systematic upgrading and replacement of core systems, the Information Technology Services (ITS) unit at the University of Idaho will upgrade core switches and routers to enhance security and to manage network traffic that are critical to the efficient and effective operation of the campus and wide area networks. The equipment costs for this upgrade is \$ 465,212. Funds have been allocated from within the ITS unit to support the technology and equipment upgrades.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO - continued

IMPACT

This contract allows the University of Idaho to meet the data transport requirements for research and education on the campus. The contract addresses both growth and demand for access to Internet2/NLR and commodity internet uses and provides for increased telecommunications/data transport needs that are projected for wide area network telecommunications requirements for five year contract period. The contract with the PNWGP assists the University of Idaho to contain costs at levels equivalent to prior contracts, but provides magnified usage and telecommunications enhancements. The total projected costs for the combined contracted services for the PNWGP is \$1,980,000 for the five-year contract. The contract will be funded from a combination of existing one-time carryforward funds and recurring technology-fee revenues.

STAFF COMMENTS AND RECOMMENDATIONS

As part of its internal budget reallocations, the UI has been setting aside revenues for past five years to pay for this upgrade. Staff had requested information related to how these project expenditures might affect other campus technology projects.

For the same annual cost, the UI will experience a 45X increase in bandwidth for their student, faculty and administrative data transmission needs.

Staff recommends approval of this item.

BOARD ACTION

A motion to approve the IP Transit Participant Internet and Data Transport Agreement, for the purchase of telecommunications bandwidth, between the Regents of the University of Idaho and Pacific Northwest Gigapop in the form presented to the Board at a cost not to exceed \$1,980,000, and to delegate signature authority with regard to such amendment to the University's Vice President for Finance and Administration.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

THIS PAGE INTENTIONALLY LEFT BLANK



**IP Transit
Participant Agreement (“Agreement”)**

Pacific Northwest Gigapop (“PNWGP”)
Attention Judy Brandon
1201 Third Avenue, 48th Floor
Seattle, WA 98101
206 727 9900

“UI”	University of Idaho
Contact	Harvey Hughett
Title	Executive Director, Information Technology Services
Address	Adm. 140
	University of Idaho
	Moscow, Idaho 83844-3155
Phone	208.885.7880
Fax	208.885.7539
Email	hughett@uidaho.edu

A. Background

Prof. Gwen Jacobs, PhD of Montana State University and Vice President Ronald Johnson, University of Washington, are respectively Principal Investigator (“PI”) and Co-Principal Investigator (“co-PI”) on a proposal submitted to National Institutes of Health (NIH). This award (U24 RR19743-01; BRIN Western Region Infonet; hereafter called the “Lariat Grant”) is to support the upgrading and/or creation of high bandwidth network connections for several Biomedical Research Infrastructure Network (BRIN) sites in the Pacific Northwest. These sites include: University of Alaska, University of Hawaii, University of Idaho (“UI”), Montana State University, University of Nevada-Reno and University of Wyoming.

Briefly and in the words of the NIH: "Biomedical Research Infrastructure Networks (BRIN) promote the development, coordination, and sharing of research resources and expertise that will expand the research opportunities and increase the number of competitive investigators in the IDeA-eligible states." (Idaho is an Institutional Development Award (IDeA) eligible state.)

PNWGP is the designated subcontractor on the Lariat Grant and is responsible for overseeing the expenditure of six (6) million dollars of the total awarded funds in ways that will meet the objectives of the grant proposal. In many cases, PNWGP will be the supplier of services, facilities and/or other resources. In other cases as determined by the PI and Co-PI, PNWGP will act as a buyer to supply the BRIN sites with the necessary high-end networking equipment needed to accomplish the goals of the grant. This six (6) million dollar portion of the overall grant is directed at upgrading the networking infrastructure to provide the researchers at the designated BRIN sites with access to high bandwidth network capacity in order to support their research and enable greater participation in network based

research endeavors and collaborations. The physical network links that are being implemented as part of the Lariat Grant are collectively referred to as "Lariat."

B. Recitals

UI is a BRIN site in Moscow, Idaho, and a user of both Internet2 and commodity Internet services, and is designated to receive a benefit from the Lariat Grant; and

PNWGP, a not-for-profit networking organization, is the point of presence for advanced networking services in the Pacific Northwest, and a provider of commodity Internet services, and, as a subcontractor for the Lariat program PNWGP will facilitate the acquisition of a high-bandwidth network connection for UI to major research and education networks (such as Internet2 and National LambdaRail).

UI and PNWGP, for good and valuable consideration, the receipt of which is hereby acknowledged, agree as follows:

C. PNWGP Services

1. PNWGP will commission and contract, with funds from the Lariat Grant, a 'high-bandwidth' connection between the selected vendor's point of presence ("POP") in Pullman, Washington, and the PNWGP POP in the Westin Building in Seattle, WA. The contract for this connection is referred to as the "Connection Agreement." PNWGP will acquire a connection for the University of Idaho that is 2Gbps or larger where the connection will be configured either as two (2) gigabit ethernet circuits or as an OC48, as determined by PNWGP, such determination to be made in consultation with University of Idaho ("Participant") and taking into account the most cost effective options available for the underlying infrastructure.

2. In the event that PNWGP's high-bandwidth connection vendor has provided favorable, negotiated consent to include the 'local loop' circuit (i.e., the circuit from the Pullman, Washington POP to the UI campus POP) in their contract, PNWGP will make every best effort to include this segment in the Connection Agreement. Otherwise, UI will be responsible for commissioning and contracting directly for this segment of the connection, and PNWGP will have no obligation to do so.

3. PNWGP will provide UI with Abilene/Internet2 plus Commodity Internet service. Abilene/Internet2 access requires that Participant be authorized by Internet2 to participate. Internet2 membership fees and Abilene connection fees from Internet2 are not included in the Fees, but will be paid by the Participant in a direct arrangement with Internet2. PNWGP will provide up to 100 Mbps of commodity Internet service on the provided circuit. Abilene/Internet2 use will be unmetered and Participant may use whatever portion of the circuit is not used for the commodity bandwidth. At UI's written request, PNWGP will provide to UI additional commodity internet service above the 100Mbps at PNWGP's then published rates.

4. PNWGP will provide:

- a) IP packet transfer, twenty-four (24) hours a day, seven (7) days a week (excepting planned outages and outages due to events beyond PNWGP's control). Packet transfers will be restricted

to those networks and/or organizations for which Participant has authorization. PNWGP has no control over the availability or quality of third party networks and/or organizations.

- b) Proactive monitoring of Participant's PNWGP connectivity twenty-four (24) hours a day, 365 days a year. The circuit from the PNWGP is monitored to the Participant-side demarc at Participant's router where the service is connected; monitoring will not be available for extended demarcs (beyond Participant's router) unless such extension has been approved in advance by PNWGP in writing.
- c) 24x7 telephone and email access to the PNWGP Network Operations Center for support associated with service affecting problems associated with Participant's circuits and Abilene/Internet2 plus Commodity Internet service.
- d) Up to four (4) hours of free technical support each calendar year, available during business hours by telephone or email.

D. Other Responsibilities Related to Implementation of the Services.

- 1. The Parties agree to keep each other informed regarding efforts that may have an impact on the other Party's negotiations, acquisition, or implementation of circuits, equipment, etc. associated with the Lariat implementation at UI.
- 2. UI will be responsible for upgrading its local campus network infrastructure to accommodate the increased bandwidth and capabilities provided by the new circuit. PNWGP will coordinate with the UI Network and Systems team on the timing of the installation of the connection and the installation of the campus technology to provide the connection.

E. Commencement of Service.

"Commencement of Service" is defined as the date on which Participant can send IP traffic through the PNWGP infrastructure from Participant's Moscow, ID campus border router. The Parties agree that they will make every reasonable effort to implement, coordinate, and test the connection and services to anticipate the Commencement of Services in a coordinated manner. The Parties furthermore agree not to cause unnecessary or avoidable delays in achieving the Commencement of Services.

F. Term and Early Termination.

- 1. The term of this Agreement will be for five years from the Commencement of Services or until the Connection Agreement terminates, whichever occurs first.
- 2. a) Either party may terminate this Agreement if the other party ("Breaching Party") fails to cure a breach of this Participant Agreement (other than a breach by Participant of the PNWGP Conditions of Use ("COU", as defined below)) within thirty (30) days following receipt of the non-breaching party's written notice of such breach, by providing written notice of termination to the Breaching Party within seven (7) days of the end of the cure period. Participant will be responsible to pay all Fees incurred up to the date of the initial breach notification.

- b) PNWGP may terminate this Agreement without advance notice if, in PNWGP's sole determination, Participant knowingly, or through Participant's gross negligence, fails to abide by or observe PNWGP's COU (as defined below). Participant will be responsible to pay all Fees on a prorated basis up until the date of termination. c) Upon written notice to PNWGP, Participant may terminate this Agreement without penalty should there be more than three (3) unplanned and unannounced network outages of six (6) hours or more each within a thirty (30) day period due to PNWGP's negligence.

G. Fees.

1. UI shall pay PNWGP \$396,000.00 annually ("Fees"). The Fees are for Internet2 and commodity Internet IP packet exchange through the PNWGP infrastructure.
2. The Fees do not include any University of Idaho-site connection equipment, connection from the Participant point of presence to the Pullman, WA point of presence, or other telecommunications carrier or other third party fees required to enable the connection into the Participant point of presence.

H. Billing; Payment; Late Payments.

- a) PNWGP will invoice annually beginning at the Commencement of Services.
- b) Invoices are due net thirty (30) days.
- c) PNWGP will add a finance charge to past due balances at a periodic rate of 1% per month or 12% annual percentage rate.

I. Conditions of Use ("COU").

Participant will not use the IP Transit access in such a manner that 1) jeopardizes the proper technical operation of the PNWGP network or infrastructure; 2) violates the Acceptable Use Policy ("AUP") or COU of an upstream PNWGP network provider available to Participant, as any such violation may be reported by that provider; 3) jeopardizes the transport services provided by the PNWGP to other participants; or 4) jeopardizes the reputation or the ability of either party to conduct business in a respected professional manner. Any such use of the IP Transit access shall be defined as a "Prohibited Activity." In the event of a Prohibited Activity, PNWGP will make reasonable best efforts to contact Participant's designated representatives to address the Prohibited Activity. Unless PNWGP determines, in its sole reasonable judgment, that damage to or jeopardy of resources (tangible or otherwise) required for providing service to other PNWGP participants is imminent, PNWGP will collaborate with Participant in connection with Participant's activities to cease and correct the Prohibited Activity; otherwise, PNWGP will have the right to take appropriate and reasonable corrective actions, including (without limitation) the suspension of the offending or threatening connection, as PNWGP may deem to be warranted.

J. Technical Configuration.

PNWGP may specify the choice of exterior routing protocol and router configuration details necessary to establish and maintain Participant's connectivity to the PNWGP infrastructure. In addition, PNWGP may request Participant to, and upon such request Participant shall, configure certain circuit parameters such as encapsulation and clock source on the Participant's attachment to the connection. The Participant shall implement these specified configurations and shall, if necessary, upgrade all Participant-provided hardware, software, and circuits to support these requirements.

PNWGP's ability to provide the IP transit access to Participant is contingent upon Participant's use of PNWGP-approved connectivity equipment and associated software at Participant's premises. Should Participant use equipment and associated software other than those approved by PNWGP, PNWGP will in no way be responsible or liable for any impairment in the quality of the IP transit access or the failure of it to function. Furthermore, Participant shall nonetheless be responsible for payment in full for such access.

K. Work Product.

Subject to any applicable Lariat Grant terms, or federal or state law, work product or any derivative of work product developed by PNWGP under this Agreement shall remain the exclusive property of PNWGP.

L. Warranty.

The IP Transit access is provided by PNSGP on an "as-is" and "as available" basis. PNWGP makes no warranty, whether express or implied, as to merchantability or that the delivery or operations of the IP Transit access shall be error free or uninterrupted.

M. Limitation of Liability.

PNWGP assumes no liability for Participant's use of, the IP Transit access. In no event will PNWGP be liable for any indirect, special, exemplary, incidental or consequential damages, including but not limited to lost revenues or other economic loss of any kind whatsoever, or lost data. In no event shall the total collective liability of PNWGP exceed the amount paid under this Agreement.

The IP Transit access must not be used in any hazardous environments requiring fail safe performance (such as: in the construction, operation or maintenance of nuclear facilities; online control of aircraft; aircraft navigation or communication systems; air traffic control; direct life support machines; or weapons systems) in which the failure of products could lead directly to death, personal injury, or severe physical or environmental damage. Participant hereby agrees that the use of the IP Transit access for any such application shall be at Participant's sole risk and expense.

N. Insurance.
General Requirements

1 PNWGP is required to carry the types and limits of insurance shown in this insurance clause, and to provide Participant with a Certificate of Insurance ("certificate"). Certificates shall be provided within seven (7) days of the signing of the contract by the Contractor. Certificates shall be executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements set forth below. All certificates shall provide for thirty (30) days' written notice to Participant prior to cancellation or material change of any insurance referred to therein

2 Additionally and at its option, Participant may request certified copies of required policies and endorsements. Such copies shall be provided within (10) ten days of the Participant's request.

3 All insurers shall have a Best's rating of A V or better and be licensed and admitted in Idaho. All policies required shall be written as primary policies and not contributing to nor in excess of any coverage Participant may choose to maintain. Failure to maintain the required insurance may result in termination of this Agreement at Participant's option.

4 All policies shall name Participant as Additional Insured. On the certificate, the Participant may be stated as: State of Idaho and the Regents of the University of Idaho. Certificates shall be mailed to: University of Idaho, Risk Management, P.O. Box 443162, Moscow, ID 83844-3162.

5 Failure of Participant to demand such certificate or other evidence of full compliance with these insurance requirements or failure of Participant to identify a deficiency from evidence that is provided shall not be construed as a waiver of PNWGP's obligation to maintain such insurance.

6 No Representation of Coverage Adequacy. By requiring insurance herein, Participant does not represent that coverage and limits will necessarily be adequate to protect PNWGP, and such coverage and limits shall not be deemed as a limitation on PNWGP's liability under the indemnities granted to Participant in this Agreement.

Required Insurance Coverage.

PNWGP shall at its own expense obtain and maintain:

1 Commercial General and Umbrella / Excess Liability Insurance. **PNWGP** shall maintain Commercial General Liability ("CGL") written on an occurrence basis and with a limit of not less than \$1,000,000 each occurrence and in the aggregate. If such CGL insurance contains a general aggregate limit, it shall apply separately by location and shall not be less than \$1,000,000. CGL insurance shall be written on standard ISO occurrence form (or a substitute form providing equivalent coverage) and shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury, and liability assumed under an **PNWGP** contract including the tort liability of another assumed in a business contract. Waiver of subrogation language shall be included. If necessary to provide the required limits, the Commercial General Liability policy's limits may be layered with a Commercial Umbrella or Excess Liability policy.

2 Commercial Auto Insurance. **PNWGP** shall maintain a Commercial Auto policy with a Combined Single Limit of not less than \$1,000,000; Underinsured and Uninsured Motorists limit of not less than \$1,000,000; Comprehensive; Collision; and a Medical Payments limit of not less than \$10,000. Coverage shall include Non-Owned and Hired Car coverage. Waiver of subrogation language shall be included.

3 Personal property. **PNWGP** shall purchase insurance to cover **PNWGP** 's personal property. In no event shall Institution be liable for any damage to or loss of personal property

sustained by PNWGP, even if such loss is caused by the negligence of Participant, its employees, officers or agents. Waiver of subrogation language shall be included.

4 **Workers' Compensation.** **PNWGP** shall maintain all coverage statutorily required of the **PNWGP**, and coverage shall be in accordance with the laws of Idaho. **PNWGP** shall maintain Employer's Liability with limits of not less than \$1,000,000.

5 **Professional Liability.** **PNWGP** shall maintain Professional Liability (Errors & Omissions) insurance on a claims made basis, covering claims made during the policy period and reported within three years of the date of occurrence. Limits of liability shall be not less than one million dollars (\$1,000,000).

In addition, PNWGP is responsible for the following: (a) PNWGP shall notify the University and the University's insurers in writing as soon as practicable after notice of an injury or a claim is received; (b) PNWGP shall cooperate completely with University and/or the University's insurers in the defense of such injury or claim; and (c) PNWGP shall take no steps (such as admission of liability) which will prejudice the defense or otherwise prevent the University from protecting the University's interest.

PNWGP shall maintain workers' compensation insurance in the amount of the statutory maximum and employer's liability insurance in the minimum amount of \$1,000,000 per occurrence and comply in all respects with all regulations concerning the employment of labor required by any duly constituted authority.

PNWGP shall maintain comprehensive general liability insurance covering personal injury and bodily injury, including death, and property damage, in the minimum amount of \$ _____ per occurrence.

PNWGP shall maintain professional liability (errors and omissions) insurance on a claims made basis in the minimum amount of \$ _____.

All insurance required hereunder shall be primary to University's and maintained in full force and effect in a company or companies reasonably satisfactory to University and shall be maintained at PNWGP's sole expense. All insurance required hereunder shall name "The State of Idaho and The Regents of the University of Idaho, its agents, its employees, and its assigns" as additional insureds and shall contain a clause requiring written notice to University thirty (30) days in advance of the cancellation, non-renewal, or material modification of said insurance as evidenced by return receipt of United States certified mail. Certificates of insurance *with copies of additional insured endorsements* shall be supplied contemporaneously with the execution and delivery of a final contract. Said certificates shall evidence compliance with all provisions of this section.

In addition, PNWGP is responsible for the following: (a) PNWGP shall notify the University and the University's insurers in writing as soon as practicable after notice of an injury or a claim is received; (b) PNWGP shall cooperate completely with University and/or the University's

insurers in the defense of such injury or claim; and (c) PNWGP shall take no steps (such as admission of liability) which will prejudice the defense or otherwise prevent the University from protecting the University's interest.

O. Indemnification.

1. PNWGP Indemnity

PNWGP shall indemnify, defend and hold the state of Idaho, and University and its governing board, employees, agents, and assigns harmless from and against any and all claims, losses, damages, injuries, liabilities and all costs, including attorneys fees, court costs and expenses and liabilities incurred in or from any such claim, arising from the negligence of PNWGP, or any of its agents, contractors, employees, invitees or guests.

2. Indemnity--By University.

Subject to the limits of liability specified in Idaho Code §§ 6-901 through 6-929, known as the Idaho Tort Claims Act, University shall indemnify and hold PNWGP, its directors, members, officers, employees, agents, successors and assigns, harmless from and/or against any and all claims, damages, costs, liabilities, and expenses (including reasonable attorneys fees) that may be suffered or incurred and that arise as a direct result of the University's possession, operations or performance under this Agreement and which are caused by the negligence of the University.

This indemnification does not apply to the extent such claims, damages, costs, liabilities, and expenses are the result of negligence acts, errors, omissions or fault on the part of Indemnitee, its agents or assigns.

PNWGP shall promptly notify the University of Idaho, Office of Administrative Affairs, ADO 201, Moscow, Idaho 83844 3168, of any such claim of which it has knowledge and shall cooperate fully with the University or its representatives in the defense of the same.

The University's liability coverage is provided through a self funded liability program administered by the Idaho Bureau of Risk Management. Limits of liability, and this indemnification, are \$500,000 Combined Single Limits, which amount is the University's limit of liability under the Idaho Tort Claims Act, this indemnification, and this Agreement. Evidence of financial responsibility will be provided upon request and will consist of a Certificate of Financial Responsibility listing indemnitees as additionally covered.

P. Exclusive IP Transit Access.

This Agreement is between UI and the PNWGP. Neither the IP Transit access described herein nor access to PNWGP-owned and operated equipment provided in support of the IP Transit access may be resold or donated to entities other than those legally affiliated with, and under the financial and administrative control of, UI.

Q. Force Majeure.

Neither party will be liable for delay or failure to perform its obligations hereunder for causes beyond its reasonable control and without the fault or negligence of the non-performing party. Such causes will include, but not be limited, to, uncontrollable strikes and labor disputes, acts of God or government, act of war, riot, terrorism or epidemic.

R. Independent Contractors.

Participant and PNWGP are independent contractors and neither party will act as the legal agent of the other or otherwise cause the other to incur liability in any manner whatsoever. Subject to the provisions of open public records and relevant privacy laws, the parties will not issue any news release, public announcement, or advertisement concerning the existence of this Agreement without the prior written approval of the other party.

S. Assignment.

Neither party shall assign or transfer this Agreement without prior written consent of the other party which consent shall not be unreasonably withheld.

U. Severability.

If any portion of this Agreement is determined to be invalid by a court of law, then the remaining sections will remain valid and in effect.

V. Waiver.

No waiver by either party of any delay, default or omission by the other party shall affect or impair the rights of the non-defaulting party in respect of any subsequent delay, default or omission of the same or different kind.

W. Notices.

All notices shall be sent to the parties at the addresses listed above, or to any such other address as a party may specify, by notice given in accordance with this section. Notices shall be deemed to have been received five (5) days after deposit when sent by registered or certified mail, postage prepaid and receipt requested.

X. Entire Agreement.

This Agreement sets forth the entire agreement between the parties on this subject. It incorporates and replaces all prior communications on this subject and, except where otherwise noted, cannot be amended except by a document in writing signed by a duly authorized representative of each party.

Y. Regents' approval.

This Agreement is subject to approval by the Regents of the University of Idaho, and if such approval is not granted this Agreement shall be void and neither party shall have any further obligations or liabilities hereunder.

Z. Nondiscrimination and Affirmative Action. (OFCCP REQUIRED)

1. PNWGP and its subcontractors shall not discriminate against any employee or applicant for employment in the performance of this Agreement, with respect to tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, sex, color, religion, age, status as disabled or a veteran, or physical or mental handicaps, national origin or ancestry. Breach of this covenant may be regarded as a material breach of this agreement. PNWGP certifies that it does not, and

will not maintain segregated facilities or accommodations on the basis of race, color, religion or national origin. Regarding any position for which an employee or an applicant is qualified, PNWGP agrees to take affirmative action to employ, train, advance in employment, and retain individuals in accordance with applicable laws and regulations including:

- a. For nondiscrimination based on race, color, religion, sex or national origin, this includes, but is not limited to, the U.S. Constitution, and Parts II and IV of Executive Order 11246, September 24, 1965 (30 FR 12319). PNWGP disputes related to compliance with its obligations shall be handled according to the rules, regulations, and relevant orders of the Secretary of Labor (See 41 CFR 60-1.1).
 - b. For nondiscrimination based on Disabled or Vietnam Veterans this includes, but is not limited to, the Vietnam Era Veterans Readjustment Assistance Act of 1972, as amended (38 U.S.C. 4012)(the Act); Executive Order 11701, January 24, 1973 (38 CFR 2675, January 29, 1973); and the regulations of the Secretary of Labor (41 CFR Part 60-250).
 - c. For nondiscrimination based on the Handicapped this includes, but is not limited to, Section 503 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 793)(the Act); Executive Order 11758, January 15, 1974; and the regulations of the Secretary of Labor (41 FR Part 60- 741).
 - d. For nondiscrimination based on Age this includes, but is not limited to, Executive Order 11141, February 12, 1964 (29 CFR 2477).
2. PNWGP shall include the terms of this clause in every subcontract or purchase order exceeding \$50,000 and shall act as specified by the Department of Labor to enforce the terms and implement remedies.

AA. Compliance with Rules, Regulations and Instructions.

The parties to this Agreement shall follow and comply with all terms of the Lariat Grant and all applicable federal, state and local laws, rules and regulations, including but not limited to FERPA. Violation of this provision may be considered a breach of the Agreement with no further duties arising hereunder, except that the party in violation may have the right to cure if allowed by the non-breaching party. Right to cure shall not be unreasonably denied.

BB. Additional Acts.

Except as otherwise provided herein, the parties to this Agreement shall perform, execute and/or deliver or cause to be performed, executed and/or delivered any and all such further acts, deeds and assurances as any party to this Agreement may reasonably require to consummate the transaction contemplated by this Agreement.

CC. Remedies.

Each party shall be entitled to all rights and remedies provided at law or in equity for breach of the terms of this Agreement and the right to receive reasonable attorney's fees and costs incurred in enforcing the terms of this Agreement. All remedies provided hereunder shall survive the termination of this Agreement.

DD. Audit.

For a period of three (3) years following completion of the services called for hereunder, Participant or its authorized representatives shall be afforded access at reasonable times to PNWGP's accounting records relating to the services set forth herein, including commodity internet services.

The undersigned for UI attests to be a duly authorized signatory to this Agreement on behalf of UI.

University of Idaho

Signature

Date

Name: David Chichester, Vice President for Finance and Administration
(*please print*)

Pacific Northwest Gigapop

Amy Philipson, Executive Director

Date

THIS PAGE INTENTIONALLY LEFT BLANK



**IP Transit
Participant Agreement (“Agreement”)**

Pacific Northwest Gigapop (“PNWGP”)
Attention Judy Brandon
1201 Third Avenue, 48th Floor
Seattle, WA 98101
206 727 9900

“UI”	University of Idaho
Contact	Harvey Hughett
Title	Executive Director, Information Technology Services
Address	Adm. 140
	University of Idaho
	Moscow, Idaho 83844-3155
Phone	208.885.7880
Fax	208.885.7539
Email	hughett@uidaho.edu

A. Background

Prof. Gwen Jacobs, PhD of Montana State University and Vice President Ronald Johnson, University of Washington, are respectively Principal Investigator (“PI”) and Co-Principal Investigator (“co-PI”) on a proposal submitted to National Institutes of Health (NIH). This award (U24 RR19743-01; BRIN Western Region Infonet; hereafter called the “Lariat Grant”) is to support the upgrading and/or creation of high bandwidth network connections for several Biomedical Research Infrastructure Network (BRIN) sites in the Pacific Northwest. These sites include: University of Alaska, University of Hawaii, University of Idaho (“UI”), Montana State University, University of Nevada-Reno and University of Wyoming.

Briefly and in the words of the NIH: "Biomedical Research Infrastructure Networks (BRIN) promote the development, coordination, and sharing of research resources and expertise that will expand the research opportunities and increase the number of competitive investigators in the IDeA-eligible states." (Idaho is an Institutional Development Award (IDeA) eligible state.)

PNWGP is the designated subcontractor on the Lariat Grant and is responsible for overseeing the expenditure of six (6) million dollars of the total awarded funds in ways that will meet the objectives of the grant proposal. In many cases, PNWGP will be the supplier of services, facilities and/or other resources. In other cases as determined by the PI and Co-PI, PNWGP will act as a buyer to supply the BRIN sites with the necessary high-end networking equipment needed to accomplish the goals of the grant. This six (6) million dollar portion of the overall grant is directed at upgrading the networking infrastructure to provide the researchers at the designated BRIN sites with access to high bandwidth network capacity in order to support their research and enable greater participation in network based

research endeavors and collaborations. The physical network links that are being implemented as part of the Lariat Grant are collectively referred to as "Lariat."

B. Recitals

UI is a BRIN site in Moscow, Idaho, and a user of both Internet2 and commodity Internet services, and is designated to receive a benefit from the Lariat Grant; and

PNWGP, a not-for-profit networking organization, is the point of presence for advanced networking services in the Pacific Northwest, and a provider of commodity Internet services, and, as a subcontractor for the Lariat program PNWGP will facilitate the acquisition of a high-bandwidth network connection for UI to major research and education networks (such as Internet2 and National LambdaRail).

UI and PNWGP, for good and valuable consideration, the receipt of which is hereby acknowledged, agree as follows:

C. PNWGP Services

1. PNWGP will commission and contract, with funds from the Lariat Grant, a 'high-bandwidth' connection between the selected vendor's point of presence ("POP") in Pullman, Washington, and the PNWGP POP in the Westin Building in Seattle, WA. The contract for this connection is referred to as the "Connection Agreement." PNWGP will acquire a connection for the University of Idaho that is 2Gbps or larger where the connection will be configured either as two (2) gigabit ethernet circuits or as an OC48, as determined by PNWGP, such determination to be made in consultation with [University of Idaho \("Participant"\)](#) and taking into account the most cost effective options available for the underlying infrastructure.

2. In the event that PNWGP's high-bandwidth connection vendor has provided favorable, negotiated consent to include the 'local loop' circuit (i.e., the circuit from the Pullman, Washington POP to the UI campus POP) in their contract, PNWGP will make every best effort to include this segment in the Connection Agreement. Otherwise, UI will be responsible for commissioning and contracting directly for this segment of the connection, and PNWGP will have no obligation to do so.

3. PNWGP will provide UI with Abilene/Internet2 plus Commodity Internet service. Abilene/Internet2 access requires that Participant be authorized by Internet2 to participate. Internet2 membership fees and Abilene connection fees from Internet2 are not included in the Fees, but will be paid by the Participant in a direct arrangement with Internet2. PNWGP will provide up to 100 Mbps of commodity Internet service on the provided circuit. Abilene/Internet2 use will be unmetered and Participant may use whatever portion of the circuit is not used for the commodity bandwidth. At UI's written request, PNWGP will provide to UI additional commodity internet service above the 100Mbps at PNWGP's then published rates.

4. PNWGP will provide:

- a) IP packet transfer, twenty-four (24) hours a day, seven (7) days a week (excepting planned outages and outages due to events beyond PNWGP's control). Packet transfers will be restricted

to those networks and/or organizations for which Participant has authorization. PNWGP has no control over the availability or quality of third party networks and/or organizations.

- b) Proactive monitoring of Participant's PNWGP connectivity twenty-four (24) hours a day, 365 days a year. The circuit from the PNWGP is monitored to the Participant-side demarc at Participant's router where the service is connected; monitoring will not be available for extended demarcs (beyond Participant's router) unless such extension has been approved in advance by PNWGP in writing.
- c) 24x7 telephone and email access to the PNWGP Network Operations Center for support associated with service affecting problems associated with Participant's circuits and Abilene/Internet2 plus Commodity Internet service.
- d) Up to four (4) hours of free technical support each calendar year, available during business hours by telephone or email.

D. Other Responsibilities Related to Implementation of the Services.

- 1. The Parties agree to keep each other informed regarding efforts that may have an impact on the other Party's negotiations, acquisition, or implementation of circuits, equipment, etc. associated with the Lariat implementation at UI.
- 2. UI will be responsible for upgrading its local campus network infrastructure to accommodate the increased bandwidth and capabilities provided by the new circuit. PNWGP will coordinate with the UI Network and Systems team on the timing of the installation of the connection and the installation of the campus technology to provide the connection.

E. Commencement of Service.

"Commencement of Service" is defined as the date on which Participant can send IP traffic through the PNWGP infrastructure from Participant's Moscow, ID campus border router. The Parties agree that they will make every reasonable effort to implement, coordinate, and test the connection and services to anticipate the Commencement of Services in a coordinated manner. The Parties furthermore agree not to cause unnecessary or avoidable delays in achieving the Commencement of Services.

F. Term and Early Termination.

- 1. The term of this Agreement will be for five years from the Commencement of Services or until the Connection Agreement terminates, whichever occurs first.
- 2. a) Either party may terminate this Agreement if the other party ("Breaching Party") fails to cure a breach of this Participant Agreement (other than a breach by Participant of the PNWGP Conditions of Use ("COU", as defined below)) within thirty (30) days following receipt of the non-breaching party's written notice of such breach, by providing written notice of termination to the Breaching Party within seven (7) days of the end of the cure period. Participant will be responsible to pay all Fees incurred up to the date of the initial breach notification.

- b) PNWGP may terminate this Agreement without advance notice if, in PNWGP's sole determination, Participant knowingly, or through Participant's gross negligence, fails to abide by or observe PNWGP's COU (as defined below). Participant will be responsible to pay all Fees on a prorated basis up until the date of termination. ~~that would otherwise be paid to complete this Agreement should Participant breach PNWGP's COU.~~
- c) Upon written notice to PNWGP, Participant may terminate this Agreement without penalty should there be more than three (3) unplanned and unannounced network outages of six (6) hours or more each within a thirty (30) day period due to PNWGP's negligence.

G. Fees.

1. UI shall pay PNWGP \$396,000.00 annually ("Fees"). The Fees are for Internet2 and commodity Internet IP packet exchange through the PNWGP infrastructure.
2. The Fees do not include any University of Idaho-site connection equipment, connection from the Participant point of presence to the Pullman, WA point of presence, or other telecommunications carrier or other third party fees required to enable the connection into the Participant point of presence.

H. Billing; Payment; Late Payments.

- a) PNWGP will invoice annually beginning at the Commencement of Services.
- b) Invoices are due net thirty (30) days.
- c) PNWGP will add a finance charge to past due balances at a periodic rate of 1% per month or 12% annual percentage rate.

I. Conditions of Use ("COU").

Participant will not use the IP Transit access in such a manner that 1) jeopardizes the proper technical operation of the PNWGP network or infrastructure; 2) violates the Acceptable Use Policy ("AUP") or COU of an upstream PNWGP network provider available to Participant, as any such violation may be reported by that provider; 3) jeopardizes the transport services provided by the PNWGP ~~the resources of other PNWGP to other participants; as reported by those participants;~~ or 4) jeopardizes the reputation or the ability of either party to conduct business in a respected professional manner. Any such use of the IP Transit access shall be defined as a "Prohibited Activity." In the event of a Prohibited Activity, PNWGP will make reasonable best efforts to contact Participant's designated representatives to address the Prohibited Activity. Unless PNWGP determines, in its sole reasonable judgment, that damage to or jeopardy of resources (tangible or otherwise) required for providing service to other PNWGP participants is imminent, PNWGP will collaborate with Participant in connection with Participant's activities to cease and correct the Prohibited Activity; otherwise, PNWGP will have the right to take appropriate and reasonable corrective actions, including (without limitation) the suspension of the offending or threatening connection, as PNWGP may deem to be warranted[N1].

J. Technical Configuration.

PNWGP may specify the choice of exterior routing protocol and router configuration details necessary to establish and maintain Participant's connectivity to the PNWGP infrastructure. In addition, PNWGP may request Participant to, and upon such request Participant shall, configure certain circuit parameters such as encapsulation and clock source on the Participant's attachment to the connection. The Participant shall

implement these specified configurations and shall, if necessary, upgrade all Participant-provided hardware, software, and circuits to support these requirements.

PNWGP's ability to provide the IP transit access to Participant is contingent upon Participant's use of PNWGP-approved connectivity equipment and associated software at Participant's premises. Should Participant use equipment and associated software other than those approved by PNWGP, PNWGP will in no way be responsible or liable for any impairment in the quality of the IP transit access or the failure of it to function. Furthermore, Participant shall nonetheless be responsible for payment in full for such access.

K. Work Product.

Subject to any applicable Lariat Grant terms, or federal or state law, work product or any derivative of work product developed by PNWGP under this Agreement shall remain the exclusive property of PNWGP.

L. Warranty.

~~PNWGP warrants that~~ the IP Transit access is provided by PNSGP on an "as-is" and "as available" basis, ~~without warranties of any kind, and~~ PNWGP makes no warranty, whether express or implied, ~~including without limitation warranties of~~ as to merchantability, fitness for a particular purpose, or that the delivery or operations of the IP Transit access shall be error free or uninterrupted. ~~No advice or information given by PNWGP, its affiliates, agents, representatives or contractors, or their respective employees shall create a warranty.~~

M. Limitation of Liability.

PNWGP assumes no liability for Participant's ~~connectivity to, or~~ use of, the IP Transit access. In no event will PNWGP be liable for any indirect, special, exemplary, ~~punitive~~, incidental or consequential damages, including but not limited to lost revenues or other economic loss of any kind whatsoever, or lost data. In no event shall the total collective liability of PNWGP exceed the amount paid under this Agreement.

The IP Transit access must not be used in any hazardous environments requiring fail safe performance (such as: in the construction, operation or maintenance of nuclear facilities; online control of aircraft; aircraft navigation or communication systems; air traffic control; direct life support machines; or weapons systems) in which the failure of products could lead directly to death, personal injury, or severe physical or environmental damage. Participant hereby agrees that the use of the IP Transit access for any such application shall be at Participant's sole risk and expense.

N. Insurance.

General Requirements

1 PNWGP is required to carry the types and limits of insurance shown in this insurance clause, and to provide Participant with a Certificate of Insurance ("certificate"). Certificates shall be provided within seven (7) days of the signing of the contract by the Contractor. Certificates shall be executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements set forth below. All certificates shall provide for thirty (30) days' written notice to Participant prior to cancellation or material change

of any insurance referred to therein

2 Additionally and at its option, Participant may request certified copies of required policies and endorsements. Such copies shall be provided within (10) ten days of the Participant's request.

3 All insurers shall have a Best's rating of AV or better and be licensed and admitted in Idaho. All policies required shall be written as primary policies and not contributing to nor in excess of any coverage Participant may choose to maintain. Failure to maintain the required insurance may result in termination of this Agreement at Participant's option.

4 All policies shall name Participant as Additional Insured. On the certificate, the Participant may be stated as: State of Idaho and the Regents of the University of Idaho. Certificates shall be mailed to: University of Idaho, Risk Management, P.O. Box 443162, Moscow, ID 83844-3162.

5 Failure of Participant to demand such certificate or other evidence of full compliance with these insurance requirements or failure of Participant to identify a deficiency from evidence that is provided shall not be construed as a waiver of PNWGP's obligation to maintain such insurance.

6 No Representation of Coverage Adequacy. By requiring insurance herein, Participant does not represent that coverage and limits will necessarily be adequate to protect PNWGP, and such coverage and limits shall not be deemed as a limitation on PNWGP's liability under the indemnities granted to Participant in this Agreement.

Required Insurance Coverage.

PNWGP shall at its own expense obtain and maintain:

1 Commercial General and Umbrella / Excess Liability Insurance. **PNWGP** shall maintain Commercial General Liability ("CGL") written on an occurrence basis and with a limit of not less than \$1,000,000 each occurrence and in the aggregate. If such CGL insurance contains a general aggregate limit, it shall apply separately by location and shall not be less than \$1,000,000. CGL insurance shall be written on standard ISO occurrence form (or a substitute form providing equivalent coverage) and shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury, and liability assumed under an **PNWGP** contract including the tort liability of another assumed in a business contract. Waiver of subrogation language shall be included. If necessary to provide the required limits, the Commercial General Liability policy's limits may be layered with a Commercial Umbrella or Excess Liability policy.

2 Commercial Auto Insurance. **PNWGP** shall maintain a Commercial Auto policy with a Combined Single Limit of not less than \$1,000,000; Underinsured and Uninsured Motorists limit of not less than \$1,000,000; Comprehensive; Collision; and a Medical Payments limit of not less

than \$10,000. Coverage shall include Non-Owned and Hired Car coverage. Waiver of subrogation language shall be included.

3 Personal property. PNWGP shall purchase insurance to cover PNWGP 's personal property. In no event shall Institution be liable for any damage to or loss of personal property sustained by PNWGP, even if such loss is caused by the negligence of Participant, its employees, officers or agents. Waiver of subrogation language shall be included.

4 Workers' Compensation. **PNWGP** shall maintain all coverage statutorily required of the **PNWGP**, and coverage shall be in accordance with the laws of Idaho. **PNWGP** shall maintain Employer's Liability with limits of not less than \$1,000,000.

5 Professional Liability. **PNWGP** shall maintain Professional Liability (Errors & Omissions) insurance on a claims made basis, covering claims made during the policy period and reported within three years of the date of occurrence. Limits of liability shall be not less than one million dollars (\$1,000,000).

In addition, PNWGP is responsible for the following: (a) PNWGP shall notify the University and the University's insurers in writing as soon as practicable after notice of an injury or a claim is received; (b) PNWGP shall cooperate completely with University and/or the University's insurers in the defense of such injury or claim; and (c) PNWGP shall take no steps (such as admission of liability) which will prejudice the defense or otherwise prevent the University from protecting the University's interest.

PNWGP shall maintain workers' compensation insurance in the amount of the statutory maximum and employer's liability insurance in the minimum amount of \$1,000,000 per occurrence and comply in all respects with all regulations concerning the employment of labor required by any duly constituted authority.

PNWGP shall maintain comprehensive general liability insurance covering personal injury and bodily injury, including death, and property damage, in the minimum amount of \$ _____ per occurrence.

PNWGP shall maintain professional liability (errors and omissions) insurance on a claims made basis in the minimum amount of \$ _____.

All insurance required hereunder shall be primary to University's and maintained in full force and effect in a company or companies reasonably satisfactory to University and shall be maintained at PNWGP's sole expense. All insurance required hereunder shall name "The State of Idaho and The Regents of the University of Idaho, its agents, its employees, and its assigns" as additional insureds and shall contain a clause requiring written notice to University thirty (30) days in advance of the cancellation, non-renewal, or material modification of said insurance as evidenced by return receipt of United States certified mail. Certificates of insurance *with copies of additional insured endorsements* shall be supplied contemporaneously with the execution and

delivery of a final contract. Said certificates shall evidence compliance with all provisions of this section.

In addition, PNWGP is responsible for the following: (a) PNWGP shall notify the University and the University's insurers in writing as soon as practicable after notice of an injury or a claim is received; (b) PNWGP shall cooperate completely with University and/or the University's insurers in the defense of such injury or claim; and (c) PNWGP shall take no steps (such as admission of liability) which will prejudice the defense or otherwise prevent the University from protecting the University's interest.

O. Indemnification.

1. PNWGP Indemnity

PNWGP shall indemnify, defend and hold the state of Idaho, and University and its governing board, employees, agents, and assigns harmless from and against any and all claims, losses, damages, injuries, liabilities and all costs, including attorneys fees, court costs and expenses and liabilities incurred in or from any such claim, arising from the negligence of PNWGP, or any of its agents, contractors, employees, invitees or guests.

2. Indemnity--By University.

Subject to the limits of liability specified in Idaho Code §§ 6-901 through 6-929, known as the Idaho Tort Claims Act, University shall indemnify and hold PNWGP, its directors, members, officers, employees, agents, successors and assigns, harmless from and/or against any and all claims, damages, costs, liabilities, and expenses (including reasonable attorneys fees) that may be suffered or incurred and that arise as a direct result of the University's possession, operations or performance under this Agreement and which are caused by the negligence of the University.

This indemnification does not **apply to the extent** such claims, damages, costs, liabilities, and expenses are the result of negligence acts, errors, omissions or fault on the part of Indemnatee, its agents or assigns.

PNWGP shall promptly notify the University of Idaho, Office of Administrative Affairs, ADO 201, Moscow, Idaho 83844 3168, of any such claim of which it has knowledge and shall cooperate fully with the University or its representatives in the defense of the same.

The University's liability coverage is provided through a self funded liability program administered by the Idaho Bureau of Risk Management. Limits of liability, and this indemnification, are \$500,000 Combined Single Limits, which amount is the University's limit of liability under the Idaho Tort Claims Act, this indemnification, and this Agreement. Evidence of financial responsibility will be provided upon request and will consist of a Certificate of Financial Responsibility listing indemnitees as additionally covered.

P. Exclusive IP Transit Access.

This Agreement is between UI and the PNWGP. Neither the IP Transit access described herein nor access to PNWGP-owned and operated equipment provided in support of the IP Transit access may be resold or donated to entities other than those legally affiliated with, and under the financial and administrative control of, UI.

Q. Force Majeure.

Neither party will be liable for delay or failure to perform its obligations hereunder for causes beyond its reasonable control and without the fault or negligence of the non-performing party. Such causes will include, but not be limited, to, uncontrollable strikes and labor disputes, acts of God or government, act of war, riot, terrorism or epidemic.

R. Independent Contractors.

Participant and PNWGP are independent contractors and neither party will act as the legal agent of the other or otherwise cause the other to incur liability in any manner whatsoever. Subject to the provisions of open public records and relevant privacy laws, the parties will not issue any news release, public announcement, or advertisement concerning the existence of this Agreement without the prior written approval of the other party.

S. Assignment.

Neither party shall assign or transfer this Agreement without prior written consent of the other party ~~except that PNWGP may assign this Agreement to any entity created to assume the administrative control and technical functions of the PNWGP.~~which consent shall not be unreasonably withheld.

~~T. Governing Law.~~

~~Disputes arising out of this Agreement shall be resolved by Court action. If any legal proceeding is instituted between the parties in the courts of the County of Latah, state of Idaho, or in the courts of County of King, state of Washington, each of the parties agrees to submit to the jurisdiction of such courts. It is further agreed that this Agreement shall be governed by the laws of the state of Washington as an agreement to be performed within such state.~~

U. Severability.

If any portion of this Agreement is determined to be invalid by a court of law, then the remaining sections will remain valid and in effect.

V. Waiver.

No waiver by either party of any delay, default or omission by the other party shall affect or impair the rights of the non-defaulting party in respect of any subsequent delay, default or omission of the same or different kind.

W. Notices.

All notices shall be sent to the parties at the addresses listed above, or to any such other address as a party may specify, by notice given in accordance with this section. Notices shall be deemed to have been received five (5) days after deposit when sent by registered or certified mail, postage prepaid and receipt requested.

X. Entire Agreement.

This Agreement sets forth the entire agreement between the parties on this subject. It incorporates and replaces all prior communications on this subject and, except where otherwise noted, cannot be amended except by a document in writing signed by a duly authorized representative of each party.

Y. Regents' approval.

This Agreement is subject to approval by the Regents of the University of Idaho, and if such approval is not granted this Agreement shall be void and neither party shall have any further obligations or liabilities hereunder.

Z. Nondiscrimination and Affirmative Action. (OFCCP REQUIRED)

1. PNWGP and its subcontractors shall not discriminate against any employee or applicant for employment in the performance of this Agreement, with respect to tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, sex, color, religion, age, status as disabled or a veteran, or physical or mental handicaps, national origin or ancestry. Breach of this covenant may be regarded as a material breach of this agreement. PNWGP certifies that it does not, and will not maintain segregated facilities or accommodations on the basis of race, color, religion or national origin. Regarding any position for which an employee or an applicant is qualified, PNWGP agrees to take affirmative action to employ, train, advance in employment, and retain individuals in accordance with applicable laws and regulations including:

- a. For nondiscrimination based on race, color, religion, sex or national origin, this includes, but is not limited to, the U.S. Constitution, and Parts II and IV of Executive Order 11246, September 24, 1965 (30 FR 12319). PNWGP disputes related to compliance with its obligations shall be handled according to the rules, regulations, and relevant orders of the Secretary of Labor (See 41 CFR 60-1.1).
- b. For nondiscrimination based on Disabled or Vietnam Veterans this includes, but is not limited to, the Vietnam Era Veterans Readjustment Assistance Act of 1972, as amended (38 U.S.C. 4012)(the Act); Executive Order 11701, January 24, 1973 (38 CFR 2675, January 29, 1973); and the regulations of the Secretary of Labor (41 CFR Part 60-250).
- c. For nondiscrimination based on the Handicapped this includes, but is not limited to, Section 503 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 793)(the Act); Executive Order 11758, January 15, 1974; and the regulations of the Secretary of Labor (41 FR Part 60- 741).
- d. For nondiscrimination based on Age this includes, but is not limited to, Executive Order 11141, February 12, 1964 (29 CFR 2477).

2. PNWGP shall include the terms of this clause in every subcontract or purchase order exceeding \$50,000 and shall act as specified by the Department of Labor to enforce the terms and implement remedies.

AA. Compliance with Rules, Regulations and Instructions.

The parties to this Agreement shall follow and comply with all terms of the Lariat Grant and all applicable federal, state and local laws, rules and regulations, including but not limited to FERPA. Violation of this provision may be considered a breach of the Agreement with no further duties arising hereunder, except that the party in violation may have the right to cure if allowed by the non-breaching party. Right to cure shall not be unreasonably denied.

BB. Additional Acts.

Except as otherwise provided herein, the parties to this Agreement shall perform, execute and/or deliver or cause to be performed, executed and/or delivered any and all such further acts, deeds and assurances as any party to this Agreement may reasonably require to consummate the transaction contemplated by this Agreement.

CC. Remedies.

Each party shall be entitled to all rights and remedies provided at law or in equity for breach of the terms of this Agreement and the right to receive reasonable attorney's fees and costs incurred in enforcing the terms of this Agreement. All remedies provided hereunder shall survive the termination of this Agreement.

DD. Audit.

For a period of three (3) years following completion of the services called for hereunder, Participant or its authorized representatives shall be afforded access at reasonable times to PNWGP's accounting records relating to the services set forth herein, ~~in order to audit all charges for the services~~ including commodity internet services.

The undersigned for UI attests to be a duly authorized signatory to this Agreement on behalf of UI.

University of Idaho

Signature

Date

Name: David Chichester, Vice President for Finance and Administration
(please print)

Pacific Northwest Gigapop

Amy Philipson, Executive Director

Date

REFERENCE - APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES

SECTION: V. FINANCIAL AFFAIRS

Subsection I: Real and Personal Property and Services

April, 2002

3. Acquisition of Personal Property and Services

- a. Purchases of equipment, data processing software and equipment, and all contracts for consulting or professional services either in total or through time purchase or other financing agreements, between two hundred fifty thousand dollars (\$250,000) and five hundred thousand dollars (\$500,000) require prior approval by the executive director. The executive director must be expressly advised when the recommended bid is other than the lowest qualified bid. Purchases exceeding five hundred thousand dollars (\$500,000) require prior Board approval.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO

SUBJECT

The University of Idaho requests approval to contract with Lamont Digital Systems, Inc., for television cable services for on-campus housing.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.I.3.a.

BACKGROUND

In fall 2004, the University of Idaho and Washington State University, working through UI's Purchasing Services, issued a Request for Proposals (RFP) and hired Elert & Associates, a consulting firm, to: (1) conduct a comprehensive on-campus housing cable television needs assessment; (2) develop an RFP for television cable services for on-campus housing; and (3) assist in the evaluation and selection of RFP responses.

The goals of the RFP process were to select a company to: (1) Secure a turnkey broadband communications system infrastructure utilizing existing coaxial cable system where possible and installing fiber optics cable only as required; (2) Connect and utilize a campus announcement system (marquee channel) and movie playback system to all outlets; (3) Provide a system capable of growth with a 60-channel capability and expansion to 800 MHz built in; and (4) Secure a source of programming.

Three companies responded to the RFP. A University Cable TV RFP Response Review Committee comprised of representatives from Information Technology Services, Facilities, University Residences, and Purchasing reviewed the proposals. Elert and Associates also reviewed the proposals and conducted reference checks for all of the firms. Based on a comprehensive review and analysis by the committee and Elert and Associates, Campus TeleVideo (Lamont Digital Systems, Inc.) was selected as the vendor. Campus TeleVideo was the low bidder for the cable television services, with a 35-40% savings over the prices offered by other respondents.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO - continued

DISCUSSION

The documents pertinent to this approval item are as follows:

Attachment 1	University of Idaho Agreement Number UI-583
Appendix A	Campus TeleVideo Turn-Key System
Appendix B	Campus TeleVideo Programming Service
Appendix C	Campus TeleVideo Channel Line-up
Attachment 2	Request for Proposals (copies available from Board office upon request)
Attachment 3	Campus TeleVideo's RFP response (copies available from Board office upon request)
Attachment 4	University of Idaho General Terms and Conditions

The University's current agreement for cable television services is with Adelphia, and that agreement will terminate on June 30, 2005. The new agreement with Campus TeleVideo will provide service beginning July 1, 2005.

Under the agreement, Campus TeleVideo will provide, install, and maintain the necessary equipment and infrastructure to provide cable television services to the UI residence halls and graduate student residences. The one-time cost for the equipment and installation is \$66,619. Maintenance and FCC testing fees are included for years 1 and 2 and are assessed beginning at \$8,000/year in year 3. The cost for programming services is estimated at \$91,759 in year 1 based on service to over 1,500 outlets, with a cost escalation rate capped at 6% per year for the duration of the agreement.

IMPACT

The estimated cost impact of the agreement with Campus TeleVideo by year is as follows:

	Equip/Install	Programming	Maint / FCC	Total
Year 1	66,619	91,759	0	158,378
Year 2	0	97,082	0	97,082
Year 3	0	102,759	8,000	110,759
Year 4	0	108,791	8,000	116,791
Year 5	0	115,179	8,000	123,179

The equipment and installation costs will be funded from existing university residences repair and replacement (R&R) account balances. Ongoing programming and maintenance fees will be funded from university residences annual operating revenues, and the cost of cable TV services is included in the housing rates paid by residents each semester.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO - continued

STAFF COMMENTS AND RECOMMENDATIONS

An extensive amount of technical and other information has been provided with this agenda item.

Staff has reviewed this agenda item and recommends approval.

BOARD ACTION

A motion to approve the University of Idaho Agreement Number UI-583 between the Regents of the University of Idaho and Lamont Digital Systems, Inc., in the form presented to the Board and to delegate signature authority with regard to such agreement to the University's Vice President for Finance and Administration.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

REFERENCE - APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: V. FINANCIAL AFFAIRS

Subsection I: Real and Personal Property and Services

April, 2002

I. Real and Personal Property and Services

3. Acquisition of Personal Property and Services

- a. Purchases of equipment, data processing software and equipment, and all contracts for consulting or professional services either in total or through time purchase or other financing agreements, between two hundred fifty thousand dollars (\$250,000) and five hundred thousand dollars (\$500,000) require prior approval by the executive director. The executive director must be expressly advised when the recommended bid is other than the lowest qualified bid. Purchases exceeding five hundred thousand dollars (\$500,000) require prior Board approval.

UNIVERSITY OF IDAHO
AGREEMENT NUMBER UI-583

The University of Idaho (hereinafter called the University) hereby awards to Lamont Digital System, Inc. d.b.a Campus TeleVideo ("Contractor") (hereinafter called the Contractor) Agreement number UI-583 to furnish a Residence Hall Television System to the University, as specified in the Request for Proposals issued September 21, 2004 by Elert and Associates, in accordance with the terms and conditions of the Request for Proposals.

This Agreement is supplemented by a) the Request for Proposals; b) Campus TeleVideo's response dated October 21, 2004; and c) University of Idaho General Terms and Conditions, which have been agreed to by the parties and by this reference are made a part hereof as though fully set forth herein. To the extent such terms, conditions, or provisions may be in conflict or be inconsistent, their order of authority shall be as follows: 1) University of Idaho Agreement Number UI-583; 2) the Request for Proposals; 3) Campus TeleVideo's response dated October 21, 2004; and 4) University of Idaho General Terms and Conditions.

1.1 NOTICES

Any notice under this Agreement shall be in writing and be delivered in-person, delivery service, certified mail with return receipt requested, or by facsimile. All notices shall be addressed to the parties at the following addresses or at such other addresses as the parties may from time to time direct in writing:

the University:	University of Idaho Purchasing Services PO Box 444350 415 West Sixth Street Moscow, Idaho 83844-4350 Attn.: Linda Hart Phone: (208) 885-3601 Fax: (208) 885-3607
-----------------	---

the Contractor:	Campus TeleVideo 3145 Geary Avenue No 304 San Francisco, CA 94118-3316 Attn: Brian Rosenblatt Phone: (415) 668-6642 Fax: (818) 761-2248
-----------------	--

Any notice shall be deemed to have been given on the earlier of: (a) actual delivery or refusal to accept delivery, (b) the date of mailing by certified mail, or (c) the day facsimile delivery is verified. Actual notice, however and from whomever received, shall always be effective.

1.2 GENERAL SCOPE OF WORK

The University is desirous of implementing a turn-key broadband communications systems infrastructure (the “Television System”) to provide optimal television programming for its Moscow campus.

1.3 DEFINITIONS

The following terms shall have the following meanings, as used in this Agreement:

1.3.1 Turn-Key System. The Turn-Key System, as used in this Agreement, includes the materials and equipment covered by the Pricing Summary Page for Part A of Exhibit B; including installation; configuration; balancing; testing; provision of documentation; training client in use and basic troubleshooting.

1.3.2 Equipment. Equipment means the equipment necessary for the University to receive the Satellite Programming Services (defined in section 1.4 herein) and local off-air programming, including, among other things, cable, conduit, wiring, antennas, converters, set top units, access cards, remote controls, modulators and other electronic equipment.

1.3.3 Property. Property shall mean those University locations in which the University’s satellite television system and all of University’s outlets are located and identified in Section 2.1 herein.

1.3.4 Satellite Programming Services. Satellite Programming Services shall mean those programming services selected pursuant to this Agreement and more particularly identified in Section 2.3 herein.

1.3.5 Installation Work. Installation Work means the installation work described in Section 2.4 herein.

1.3.6 Outlet Count. Subject to Section 2.3, Outlet Count shall mean the total number of cable drops connected to the satellite master antenna television system (“SMATV”), as set forth in Section 4.1.5 herein.

1.3.7 Existing System. Existing System means the existing video transmission and cable distribution facilities and telephone wiring and cable on the Property.

2. TECHNICAL SCOPE OF WORK

The scope of work to be provided by the Contractor to the University is set forth in detail in:

- Exhibit B hereto, under the heading “Technical Scope of Work”; and
- Exhibit A hereto, under the heading “Detailed Specifications”.

Generally, the scope of work shall include, but is not limited to, the following:

2.1 Property: The following University properties will be provided Satellite Programming Services under this agreement:

- All Moscow Campus Residence Halls
- Graduate Student Housing
- All Moscow Campus Classrooms and Offices to be determined under the terms of Addendum No. 2, Section 8.7 Other Features (“Campus TeleVideo is extending free programming to all classrooms and administrative offices”)

2.2 Equipment: The Contractor will install on the Moscow Campus the headend equipment needed to support the Satellite Programming Services (the “Equipment”), as more particularly described in:

- RFP Response Exhibit B hereto, under the heading “Technical Scope of Work”;
- RFP Response Exhibit B hereto, Appendix A, under the heading “Major Equipment Specifications;” and
- RFP Exhibit A hereto, Section 5, “Detailed Specifications.”

2.3 Programming Services: The Contractor will provide those programming services specifically set forth in the “Proposed Lineup” in Appendix “C” attached hereto and incorporated herein by this reference, or as subsequently determined by mutual agreement of the parties and attached hereto as an amendment (the “Satellite Programming Services”). The parties on an annual basis, or more frequently if warranted, will jointly review the Satellite Programming Services to address any concerns, discuss availability of new programming, if applicable, or any other matters deemed appropriate by the parties in an effort to assure continued satisfaction.

2.4 Installation Work: As more particularly described in RFP response (i) Part A of the “Technical Scope of Work” in Exhibit B, (ii) Appendix A to Exhibit B, “Major Equipment Specifications”, and (iii) Section 5 of Exhibit A, “Detailed Specifications”, the Contractor will build the necessary infrastructure for the Television System with the headend located in the designated area of broadcast operations at, utilize the existing internal broadband distribution facilities in the residence halls for distribution of the programming services from the headend, and secure a contract for the purchase and delivery of designated instructional and entertainment programming services from the local cable company or a satellite management vendor or other third party provider (collectively, the “Installation Work”). The Installation Work must be

completed to the reasonable satisfaction of the University in accordance with the terms and conditions of this Agreement and RFP response Exhibits A and B (including the Contractor's "System Acceptance Technical Criteria" in Exhibit B and Section 4.8 of Exhibit A), and the system must operate in conformance with the manufacturer's published specifications for a period of thirty (30) days prior to the University's acceptance of the Television System provided that variances in performance of the Equipment that the parties in the reasonable exercise of their judgment mutually agree are minor and do not materially affect the operation of the System as a whole shall not affect or postpone the University's acceptance of or obligations to pay for the Equipment; and provided further that the Contractor shall not be responsible to correct any defects or deficiencies in the Television System that are attributable to the Existing System.

2.5 Completion Date for Deliverables: The Contractor shall complete the Installation Work and Satellite Programming Services shall become fully operational effective June 30, 2005. Per RFP response Section 3.4 of Exhibit A, if the Contractor fails to provide a complete operational system by the specified date, the Contractor shall pay liquidated damages of \$500 per workday until the system is fully operational, provided that the Contractor shall not be responsible for the payment of any liquidated damages to the extent that a delay is attributable to an "Event of Force Majeure" as defined in Section 13.27 or to the acts or omissions of the University and provided further that the Contractor's maximum liability for liquidated damages under this Section shall be limited to \$50,000.

3. TERM; OPTION TO RENEW

The term of this Agreement shall commence upon the later of or the date of the last signature of the parties on this Agreement (the "Commencement Date"), and shall continue for five (5) years from the first day on which programming services are initiated (the "Term"). The Agreement may be renewed for up to two (2) additional five (5) year terms (each a "Renewal Term") at the option of the University upon written notice provided by the University to the Contractor and subject to the mutual agreement of the parties as to the pricing and other terms and conditions that will apply during the applicable Renewal Term.

4. FEES

4.1 Amounts Payable. For all Equipment and Satellite Programming Services provided to the University under this Agreement, the University agrees to pay the Contractor as outlined below:

4.1.1 Recurring Programming Charges: After the first year of the Term, the Contractor may provide for an annual programming increase by passing along the programmer's increase, if any, and if implemented, such annual increase will be 6% per year as reflected in Appendix B and shall occur in August of each year of the Term. The Contractor is further obligated to pass along any programmer's decreases in programming prices. The University retains the right to change any channels for any

reason upon sixty (60) days notice, or replace any channel that incurs a programming increase with a channel of equal or lesser cost, upon which the programming rate will be adjusted accordingly.

4.1.2 Recurring Equipment Charges: For the hardware equipment necessary to receive, process and deliver programming services to the University headend for distribution, including maintenance and FCC performance/proof/certification requirements provided under this Agreement, the University will pay the Contractor, three times per year (see Appendix B) for a total annual fee as identified in RFP response Section 8.2 for Part B of Exhibit B. The Contractor will invoice the University for these charges and the University will remit these payments concurrently with the programming service payments under Section 4.1.1.

4.1.3 Sale of Equipment: The University will purchase the Turn-key System at a price not to exceed \$93,099 including the service Warranty and FCC testing in years 3, 4, and 5 of the this contract, as more particularly described on the Pricing Summary Page Appendix A. The Contractor shall invoice the University for the Equipment and payment shall be remitted by the University when the Equipment is delivered, installed and operational.

4.1.3.1 Additional Equipment: The University may also elect to purchase additional equipment from the Contractor, with the scope and other particulars of that purchase to be determined by the mutual agreement of the parties.

4.1.4 Maintenance Charges: Urgent Dispatch response time will be four (4) hours. Maintenance Fees, defined in Section 6.2 herein, may increase annually after the second year of the Term for changes in the Consumer Price Index, such increase not to exceed ten percent (10%) per year. The Contractor must provide the University with sixty (60) days prior written notification of such increases. For maintenance services not covered under the Maintenance Warranty, defined in Section 6.2.1 herein, the University shall be billed the Contractor's time and material rates in effect at such time. The Contractor will provide the University with written notice of the Contractor's current time and material rates upon execution of this Agreement, and shall further provide the University with sixty (60) days prior written notification of any increases to these time and material rates. For Purposes of this Agreement, the University may demand Urgent Dispatch when there is a significant disruption of programming services, defined as loss of five or more channels lasting more than four (4) hours, which is attributable to a failure of Equipment supplied by the Contractor; provided that in the event of a loss of a lesser number of channels, the parties shall endeavor in good faith to agree upon a reasonable response period that is commensurate with the nature of the outage.

4.1.5 Outlet count: The number of active outlets based upon actual student occupancy numbers based on residential facilities that are serviced on the 10th day of class of each semester and the first Monday of June for Summer Session. The University shall notify

the Contractor as soon as practical as to the active outlet number for each payment period.

4.1.6 *Invoices.* All invoices submitted to the University for payment shall include information outlining the specific services and/or equipment charged, and the applicable time period, and shall be addressed to the individual listed in section 26 herein.

4.2 Late Fee. Failure to pay any invoice balance in full within sixty (60) days of invoice receipt will result in interest accruing at a rate of 1.0% per month (or the maximum rate allowed by law) on the unpaid balance over sixty (60) days past due, prorated daily, until the balance is paid in full.

4.3 Taxes. Prices do not include taxes, duties, fees, surcharges or the like imposed upon the provision of Satellite Programming Services, including, without limitation, sales, use, excise, or personal property taxes. To the extent that any such taxes are payable, the University agrees to pay all taxes, duties, fees, surcharges or the like applicable by law.

4.4 Billing questions. Queries regarding billing statements should be directed to the Contractor's Contract Manager. Queries must be raised within sixty (60) days of the date of receipt of the statement on which the error or problem appeared. Undisputed portions of the statement must be paid within sixty (60) days to avoid late fees.

5. GENERAL DELIVERY AND INSTALLATION TERMS

5.1 Installation. The Contractor shall install the Equipment in a good and workmanlike manner in accordance with the specifications, procedures and schedule set out in Section 2 herein.

5.2 Retention of Title. All Equipment is and shall remain the Contractor's property unless the university is purchasing Equipment. If the University is purchasing Equipment, Equipment is and shall remain the Contractor's property until the University's acceptance of the Television System and payment in full as set forth in Section 4 herein.

5.3 Permits. The Contractor shall coordinate all construction permits and licenses on behalf of the University. The University shall assist the Contractor in obtaining these permits and licenses.

5.4 Access and facilities. Upon reasonable notice from the Contractor, the University shall provide the Contractor with access to the Property and such other facilities as may be necessary to carry out its obligations under this Agreement, including without limitation, secure, environmentally controlled space for installation and operation of the Equipment at the location in the Property (including the roof) and appropriate power and communication facilities. Upon reasonable notice from the Contractor, the University shall give the Contractor reasonable access

to vertical and horizontal risers, shafts and conduit on the Property for the Contractor to install, operate, maintain, repair, and replace Equipment as required to provide the services contemplated under this Agreement. The University shall provide electricity for the Equipment. All Contractor access to University facilities and property is subject to University supervision and reasonable denial of access for legal, safety or policy and procedure reasons.

5.5 Working Hours. The Contractor shall perform the Installation Work during normal business hours of 8:00 a.m. to 5:00 p.m., Monday through Friday, except for holidays of the Contractor, unless the Contractor and the University mutually agree differently. The Contractor shall take care not to interrupt the operations of the University as far as reasonably possible and shall endeavor to provide advance notice of two (2) days of anticipated disruption. Upon reasonable notice to the University, the Contractor will have reasonable access to the Property to perform the maintenance services required by this Agreement seven (7) days a week, twenty-four (24) hours per day as necessary to maintain the system in proper working order, subject to University reasonable denial of access for legal, safety or policy and procedure reasons.

5.6 Existing System. The Contractor may use and maintain the Existing System. The University shall be responsible for ensuring that the Existing System performs at generally accepted industry levels and according to manufacturer's specifications. The University shall be responsible for the repair or replacement of any defects in the Existing System not caused by the Contractor.

5.7 Use of Subcontractors. The Contractor may use subcontractors to install, maintain, replace, operate and/or remove Equipment. The subcontractor shall be directly responsible to the Contractor.

5.8. Change order procedures. Any additional work shall be subject to written agreement by the parties and may take the form of an amendment to this Agreement.

5.9 Restrictions. In addition to complying with any manufacturer's restriction on use, the University shall not use any equipment that causes frequency interference; move alter or change any Equipment; connect, directly or indirectly, additional television sets or other devices to the Equipment; or authorize or permit any person to engage in any of the foregoing acts. Any tampering or other unauthorized modifications to the integrated receiver decoder access card by a University employee or agent may result in and subject the University to legal action.

The University is not responsible for the actions of its residents, but it will inform residents that they may not use any equipment that causes frequency interference; move alter or change any Equipment; connect, directly or indirectly, additional television sets or other devices to the Equipment; or authorize or permit any person to engage in any of the foregoing acts, and that any tampering or other unauthorized modifications to the integrated receiver decoder access card by them may result in and subject them to legal action, expulsion from the residence halls, and/or disciplinary action by the University.

5.10 Testing and Acceptance. After the Installation Work is completed, a quality assurance and performance test shall be conducted by the Contractor for system compliance and functionality, in accordance with the “System Acceptance Technical Criteria” in Exhibit B, and Section 4.8 in Exhibit A.

6. SERVICE AND MAINTENANCE TERMS AND CONDITIONS

6.1 Satellite Programming Services

6.1.1 *Resell, Retransmit or Rebroadcast:* The University shall not resell, retransmit or rebroadcast any Satellite Programming Services and shall take reasonable efforts to ensure that (i) each active outlet located on the Property, but no other rooms, areas or units located at such Property, receives Satellite Programming Services; (ii) Satellite Programming Services are provided to the occupants of the Property as a convenience of occupancy and without separate charge; (iii) the occupants of the Property do not resell Satellite Programming Services; and (iv) the occupants of the Property do not make any modification, addition, or deletion to any of the Satellite Programming Services.

6.1.2 *Local origination Channels:* The University is responsible for all content of the local origination channels.

6.2 Maintenance Services

6.2.1 *Maintenance Warranty:* All new equipment or material purchased by the University and installed by the Contractor under this Agreement comes with a two (2) year Maintenance Warranty, including labor, at no cost to the University. The Contractor will repair or replace any Contractor installed equipment that fails to meet or comply with manufacturer's specifications during this two (2) year warranty period. For year three of the Term of this Agreement, the University shall pay \$4,000 (see Appendix A) for the Maintenance Warranty, and the fee for the Maintenance Warranty for years four and five of the term shall not increase by more than ten percent (10%) per year. The Contractor shall invoice the University and the University shall remit payment of the Maintenance Warranty fee on or before the first day of the annual period to which it applies. The service that will be provided under this Maintenance Warranty will include such adjustments, repairs, replacement of components as are made necessary by normal use of the system as outlined above. **Losses or damage caused by University abuse, acts of god, vandalism, unauthorized alteration, or repair of the equipment by anyone other than the Contractor or contractor-authorized University employees, lightning, fire, water, freezing and other abnormal conditions are not covered under the Maintenance Warranty and are the responsibility of the University.** Upon reasonable notice to the University, the Contractor will have reasonable access, subject to University's reasonable denial of access for legal, safety or policy and procedure, to the Property seven days a week, 24 hours per day as necessary to maintain the system in proper working order. This Agreement does not include repair services for or replacement of the Existing System or any other equipment or material not installed by the Contractor, including televisions, VCRs, cable, fiber, etc.

6.2.2 *Preventative Maintenance Services:* The Contractor will conduct end-of-line level analysis on the CATV system quarterly. Based on this analysis, the Contractor will

balance the system to achieve design parameters. The Contractor will provide the University with documentation in the form of a quarterly report.

6.2.3 Annual FCC Testing and Certifications: The Contractor will provide CLI (Cumulative Leakage Index) testing on the system as mandated by the FCC due to the use of aeronautical channels. The entire system must be monitored on a quarterly basis with an on-going program of detecting any and all leaks. The Contractor will maintain a log of all activities concerning this work as required by the FCC. Testing is based on a calendar year with a final test conducted in December to determine PASS or FAIL status. The Contractor will submit proper documentation to the FCC (form 320) at the conclusion of the final test. During the course of each test any leak over 20 microvolts per meter must be repaired. Repairs needing other attention not covered by the Maintenance Warranty or any manufacturer's warranty will be invoiced to the University separately for time and material. The Contractor will provide the University with documentation in the form of an annual report; the Contractor will provide Proof of Performance testing on the system once a year to determine the amount of distortion and noise generated within the system. This test will provide an analysis of the integrity of the system and determine if any corrective or maintenance issues should be addressed. The Contractor will provide documentation in the form of a report. This FCC required testing shall be performed by the Contractor on the equipment purchased by the University at no cost to the University for the first two years of this Agreement. After two years, the University shall pay (see Appendix A) per year for this testing for the remaining Term. The Contractor shall invoice the University for these amounts after the tests have been performed, and the University shall remit each payment within forty-five (45) days of receipt of invoice.

6.2.4 Corrective Maintenance Services: The Contractor will provide standard equipment repair service for defective components deemed inoperable by the University or the Contractor ("Standard Dispatch"). The Contractor will dispatch a Support Engineer within four (4) hours upon notification by the University to troubleshoot, diagnose and repair the system ("Urgent Dispatch"). The University will be invoiced separately for Standard Dispatch and Urgent Dispatch services (including labor, expenses, material and equipment) if such services are outside the Maintenance Warranty and/or manufacturer's warranty, and such services shall be billed at the Contractor's time and material rates in effect at such time. The Contractor will provide re-authorizations of satellite receivers, where applicable, via the Contractor's toll free number.

6.2.5 Customer Service; Client Training: The Contractor will provide the University with a twenty-four (24) hour Customer Service toll-free telephone response line for maintenance calls and inquiries. It is understood and agreed that the Contractor will only respond to maintenance calls originated by the appropriate University staff contacts and not individual residents or other users of the programming services. The University will provide the Contractor with a list of the authorized staff representatives. The University will provide its residents with a University telephone number to call and report

maintenance issues or inquiries. The Contractor will provide University staff with training for minor repairs and troubleshooting of the system, as more particularly described in the “Campus TeleVideo Training Program” in RFP response Exhibit B.

7. OPTIONAL SERVICES

7.1 Alternate Apartments. The University shall have the opportunity to request, pursuant to this Agreement, additional installation services, internet service, and Satellite Programming Services for other University apartments. If the University so chooses, the parties shall execute a mutual signed addendum to this Agreement governing the terms and conditions regarding installation and provision of services for these locations.

7.2 Additional Options. The University reserves the right, at a later date, to investigate the viability of adding Other Features as identified in RFP response Section 8.7 of Exhibit B.

7.3 University-WSU Interconnect. The University reserves the right, at a later date, to consider the University-WSU Interconnect as identified in RFP response Section 8.7 of Exhibit B. Also, the implementation of a Campus Movie Service will be explored.

8. RIGHT TO AUDIT BOOKS AND RECORDS

The Contractor and/or its representatives shall have the right to inspect and audit the Property and/or the University’s books and other records (whether or not such books and records are retained at the Property), for purposes of verifying and ensuring outlet information, technical quality standards, and any other information reasonably requested under this Agreement. The University and/or its representatives shall have the right to inspect or audit the Contractor’s books and records, and any other information reasonably requested of the Contractor, for purposes of verifying the Contractor’s compliance with the terms and conditions of this Agreement.

9. OPTION TO PURCHASE CONTRACTOR EQUIPMENT UPON EXPIRATION/TERMINATION

Upon the expiration of the Term or any Renewal Term of this Agreement, or upon the earlier termination of this Agreement as provided for above, the University shall have the option to purchase any and all Contractor-owned equipment that has been installed to make the Television System operational and/or receive the Satellite Programming Services. The University shall pay the fair market value of the equipment, as agreed upon by the University and the Contractor, or if the parties cannot agree on a fair market value, then as established by an independent auditor selected by the University. If the University chooses not to purchase Contractor equipment pursuant to this provision, the Contractor shall remove said equipment from the University

property within thirty (30) days of the expiration or effective date of termination of this Agreement and restore the premises to their previous condition, normal wear and tear excepted. If not so removed, the equipment shall become the property of the University to be disposed of in the University's sole discretion.

10. INSURANCE

10.1 ~~Workers Compensation Insurance~~

~~The Contractor shall maintain workers' compensation insurance in the amount of the statutory maximum and employer's liability insurance of at least one million dollars (\$1,000,000) and comply in all respects with regulations concerning the employment of labor required by any duly constituted authority having legal jurisdiction over the area in which the work is performed.~~

10.2 ~~Comprehensive General Liability Insurance~~

~~The Contractor shall maintain such comprehensive general liability insurance (including broad form contractual liability, products, and completed operations) in the amount of at least one million dollars (\$1,000,000) covering personal injury, bodily injury, and property damage.~~

10.3 ~~Comprehensive Automobile Liability Insurance~~

~~The Contractor shall maintain Comprehensive Automobile Liability Insurance, including owned, non-owned, and hired vehicles, in the amount of one million dollars (\$1,000,000) covering personal injury, bodily injury, and property damage.~~

10.1 INSURANCE - General Requirements

10.1.1 Contractor is required to carry the types and limits of insurance shown in this insurance clause, and to provide Institution with a Certificate of Insurance ("certificate"). Certificates shall be provided within seven (7) days of the signing of the contract by the Contractor. Certificates shall be executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements set forth below. All certificates shall provide for thirty (30) days' written notice to Institution prior to cancellation or material change of any insurance referred to therein

10.1.2 Additionally and at its option, Institution may request certified copies of required policies and endorsements. Such copies shall be provided within (10) ten days of the Institution's request.

10.1.3 All insurers shall have a Best's rating of AV or better and be licensed and

admitted in Idaho. All policies required shall be written as primary policies and not contributing to nor in excess of any coverage Institution may choose to maintain. Failure to maintain the required insurance may result in termination of this Agreement at Institution's option.

10.1.4 All policies shall name Institution as Additional Insured. On the certificate, the Institution may be stated as: State of Idaho and the Regents of the University of Idaho. Certificates shall be mailed to: University of Idaho, Risk Management, P.O. Box 443162, Moscow, ID 83844-3162.

10.1.5 Failure of Institution to demand such certificate or other evidence of full compliance with these insurance requirements or failure of Institution to identify a deficiency from evidence that is provided shall not be construed as a waiver of Contractor's obligation to maintain such insurance.

10.1.6 No Representation of Coverage Adequacy. By requiring insurance herein, Institution does not represent that coverage and limits will necessarily be adequate to protect Contractor, and such coverage and limits shall not be deemed as a limitation on Contractor's liability under the indemnities granted to Institution in this Lease.

10.3 Required Insurance Coverage.

Contractor shall at its own expense obtain and maintain:

10.2.1 Commercial General and Umbrella / Excess Liability Insurance. Contractor shall maintain Commercial General Liability ("CGL") written on an occurrence basis and with a limit of not less than \$1,000,000 each occurrence and in the aggregate. If such CGL insurance contains a general aggregate limit, it shall apply separately by location and shall not be less than \$1,000,000. CGL insurance shall be written on standard ISO occurrence form (or a substitute form providing equivalent coverage) and shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury, and liability assumed under an Contractor contract including the tort liability of another assumed in a business contract. Waiver of subrogation language shall be included. If necessary to provide the required limits, the Commercial General Liability policy's limits may be layered with a Commercial Umbrella or Excess Liability policy.

10.2.2 Commercial Auto Insurance. Contractor shall maintain a Commercial Auto policy with a Combined Single Limit of not less than \$1,000,000; Underinsured and Uninsured Motorists limit of not less than \$1,000,000; Comprehensive; Collision; and a Medical Payments limit of not less than \$10,000. Coverage shall include Non-Owned and Hired Car coverage. Waiver of subrogation language shall be included.

10.2.3 Personal property. Contractor shall purchase insurance to cover Contractor's personal property. In no event shall Institution be liable for any damage to or loss of personal property

sustained by Contractor, even if such loss is caused by the negligence of Institution, its employees, officers or agents. Waiver of subrogation language shall be included.

10.2.4 Workers' Compensation. Contractor shall maintain all coverage statutorily required of the Contractor, and coverage shall be in accordance with the laws of Idaho. Contractor shall maintain Employer's Liability with limits of not less than \$100,000 / \$500,000 / \$100,000.

10.2.4 Professional Liability. Contractor shall maintain Professional Liability (Errors & Omissions) insurance on a claims made basis, covering claims made during the policy period and reported within three years of the date of occurrence. Limits of liability shall be not less than one million dollars (\$1,000,000).

11. PERFORMANCE AND PAYMENT BOND

The Contractor shall also produce a performance bond and payment bond in the amount of 100% of the awarded proposal amount for Part A of Exhibit B to secure the successful performance of its obligations hereunder.

12. INSTALLATION WARRANTIES

12.1 The Installation Work Warranties

All Installation Work performed by the Contractor shall be guaranteed to be free from defects in workmanship and material, normal wear and tear excepted, for a period of thirty (30) days from the date of completion of the Installation Work ("Installation Warranty Period"). Defects in workmanship that occur during the Installation Warranty Period shall be corrected by the Contractor at its expense provided the Contractor receives written notice of the defect from the University during the Installation Warranty Period.

12.2 System Warranty

The Contractor warrants and represents that the Television System will operate as intended and as proposed by the Contractor in Exhibit B for the duration of the term of this Agreement, including any extensions thereto, subject to the University's payment of the Warranty Maintenance fee as and when required under Section 6.2.1 and subject further to the University's obligation to repair and/or otherwise correct any defects or deficiencies in the Existing System.

13. GENERAL CONTRACTUAL TERMS AND CONDITIONS

13.1 Agreement Terms and Conditions

The submission of a proposal herein constitutes the agreement of any Proposer that any Agreement to be drawn as the result of an award herein shall be prepared by the University and shall include at a minimum, all terms and conditions set forth in this RFP. The submission of a proposal shall further constitute the agreement of each Proposer that it will not insist on the use of standard contract agreements, documents, or forms, and that it waives any demand for the use of its standard agreements.

13.2 Assignment

No assignment of this Agreement or of any right accruing under this Agreement shall be made, in part or in whole, by Contractor without the written consent of the University. Notwithstanding any assignment, Contractor shall remain fully liable on this Agreement and shall not be released from performing any of the terms, covenants, and conditions of this Agreement.

13.3 Termination for Convenience

The University may terminate this Agreement, in whole or in part, at any time by written notice to the Contractor. The Contractor shall be paid its reasonable costs, including reasonable close-out costs and a reasonable profit on work performed up to the time of termination. The Contractor shall promptly submit its termination claim for payment. If the Contractor has any property in its possession belonging to the University, the Contractor will account for the same and dispose of it in the manner the University directs.

13.4 Termination for Default

If the Contractor does not deliver the materials in accordance with the Contract delivery schedule, or if the Contract is for services and the Contractor fails to perform in the manner called for in the Contract, or if the Contractor fails to comply with any other provisions of the Contract, the University may terminate this Contract for default. Termination shall be effected by serving on the Contractor a notice of termination setting forth the manner in which the Contractor is in default. The Contractor will be paid a reasonable price for materials delivered and accepted, or services performed in accordance with the manner of performance set forth in the Contract.

13.5 Indemnification

Contractor shall indemnify, defend and hold the University and the State of Idaho harmless from and against any and all claims, losses, damages, injuries, liabilities and all costs, including attorneys fees, court costs and expenses and liabilities incurred in or from any such claim, arising from any breach or default in the performance of any obligation on Contractor's part to be performed under the terms of this Agreement, or arising from any act, negligence or the failure to act of Contractor, or any of its agents, subcontractors, employees, invitees or guests. Contractor, upon notice from the University, shall defend the University at Contractor's expense by counsel reasonably satisfactory to the University. Contractor, as a material part of the consideration of the University, hereby waives all claims in respect thereof against the University.

Contractor shall: (a) notify the University in writing as soon as practicable after notice of an injury or a claim is received; (b) cooperate completely with the University and/or the University's insurers in the defense of such injury or claim; and (c) take no steps such as admission of liability which would prejudice the defense or otherwise prevent the University from protecting the University's interests.

This clause shall survive the termination of this Agreement.

13.6 Applicable Law and Forum

This Agreement shall be construed in accordance with, and governed by the laws of the State of Idaho. Any legal proceeding related to this Agreement shall be instituted in the courts of the county of Latah, state of Idaho, and Contractor agrees to submit to the jurisdiction of such courts.

13.7 Laws, Regulations and Permits

The Contractor shall give all notices required by law and comply with all applicable Federal, State, and local laws, ordinances, rules and regulations relating to the conduct of the work. The Contractor shall be liable for all violations of the law in connection with work furnished by the Contractor, including the Contractor's subcontractors.

13.8 General Quality

All of the Contractor's work shall be performed with the highest degree of skill and completed in accordance with the Agreement Documents.

13.9 Proof of Compliance with Agreement

In order that the University may determine whether the Contractor has complied with the requirements of the Agreement Documents, the Contractor shall, at any time when requested, submit to the University properly authenticated documents or other satisfactory proofs as to compliance with such requirements.

13.10 Payment and Acceptance

Except as otherwise provided herein, payments shall be due and payable within (30) days after acceptance of such goods or services or after receipt of properly completed invoice, whichever is later. No advance payment shall be made for goods or services furnished pursuant to this Agreement.

13.11 Continuation During Disputes

The Contractor agrees that notwithstanding the existence of any dispute between the parties, insofar as possible under the terms of the Agreement to be entered into, each party will continue to perform the obligations required of it during the continuation of any such dispute, unless enjoined or prohibited by any court.

13.12 Severability

If any term or condition of this Agreement or the application thereof to any person(s) or circumstances is held invalid, such invalidity shall not affect other terms, conditions or applications which can be given effect without the invalid term, condition or application; to this end the terms and conditions of this Agreement are declared severable.

13.13 Integration

This Agreement constitutes the entire Agreement between the parties. No change thereto shall be valid unless in writing communicated in the stipulated manner, and signed by the University and the Contractor.

13.14 Binding Effect

This Agreement is for the benefit only of the parties hereto and shall inure to the benefit of and bind the parties hereto and their respective heirs, legal representatives, successors, and assigns.

13.15 Appropriations Clause

If the term of this Agreement is longer than one year, the University's obligations and liabilities hereunder are subject to the appropriation of funds from the State of Idaho, which appropriation shall be in the State of Idaho's sole discretion, from revenues legally available to the University for the ensuing fiscal year for the purposes of this Agreement. If the State of Idaho does not appropriate the funds for the purpose of this Agreement, the Agreement shall terminate and neither party shall have any further obligations hereunder.

13.16 IRS Section 501(c)(3) and Section 115 Considerations

If any provision of this Agreement may cause the University to lose its status as an Internal Revenue Code Section 501(c)(3) corporation, this Agreement shall be voidable. In the alternative, at the sole option of the University, the offending provision(s) shall be modifiable such that the provision(s) will no longer cause the University to lose its status as a 501(c)(3) corporation. The terms of the modification shall be subject to agreement in writing by all parties.

13.17 Compliance with Governor's Executive Order

In the event any provision of this Agreement shall cause the University to be in violation of any of the Governor of Idaho's Executive Orders, then this Agreement shall be voidable at the sole option of the University.

13.18 Non-use of Names and Trademarks

Contractor shall not use the name, trade name, trademark, or other designation of the University, or any contraction, abbreviation, or simulation any of the foregoing, in any advertisement or for any commercial or promotional purpose (other than in performing under this Agreement) without the University's prior written consent in each case.

13.19 Risk of Loss

Until all improvements, equipment, or goods to be provided under this Agreement are installed on property owned or controlled by University and working properly, Contractor shall bear all risks of all loss or damage to the improvements, equipment, or goods, excluding loss or damage caused by acts, omissions, or negligence of the University. Once all improvements, equipment, or goods to be provided under this Agreement are installed on property owned or controlled by University and working properly, the risk of all loss or damage shall be borne by University, excluding loss or damage caused by acts, omissions, or negligence of the Contractor.

13.20 Contractor Representations

Contractor represents and warrants the following: (a) that it is financially solvent, able to pay its debts as they mature, and possessed of sufficient working capital to provide the equipment and goods, complete the services, and perform its obligations required hereunder; (b) that it is able to furnish any of the plant, tools, materials, supplies, equipment, and labor required to complete the services required hereunder and perform all of its obligations hereunder and has sufficient experience and competence to do so; (c) that it is authorized to do business in Idaho, properly licensed by all necessary governmental and public and quasi-public authorities having jurisdiction over it and the services, equipment, and goods required hereunder, and has or will obtain all licenses and permits required by law; and (d) that it has visited the site of the project and familiarized itself with the local conditions under which this Agreement is to be performed.

13.21 Regents' Approval

This Agreement may be subject to approval by the Regents of the University of Idaho, and if it is and if such approval is not granted this Agreement shall be void and neither party shall have any further obligations or liabilities hereunder.

13.22 Survival of Terms

The terms and provisions hereof, and all documents being executed hereunder, if any, including, without limitation, the representations and warranties, shall survive this Agreement and shall remain in full force and effect thereafter.

13.23 Headings

The headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation hereof.

13.24 Additional Acts

Except as otherwise provided herein, in addition to the acts and deeds recited herein and contemplated to be performed, executed and/or delivered by the parties, the parties hereby agree

to perform, execute and/or deliver or cause to be performed, executed and/or delivered any and all such further acts, deeds and assurances as any party hereto may reasonably require to consummate the transaction contemplated hereunder.

13.25 Time of Essence

All times provided for in this Agreement, or in any other document executed hereunder, for the performance of any act will be strictly construed, time being of the essence.

13.26 Waiver

No covenant, term or condition or the breach thereof shall be deemed waived, except by written consent of the party against whom the waiver is claimed, and any waiver of the breach of any covenant, term or condition shall not be deemed to be a waiver of any other covenant, term or condition herein. Acceptance by a party of any performance by another party after the time the same shall have become due shall not constitute a waiver by the first party of the breach or default of any such covenant, term or condition unless otherwise expressly agreed to by the first party in writing.

13.27 Force Majeure

Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefore, governmental restrictions, governmental regulations, governmental controls, enemy or hostile governmental action, civil commotion, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform (except for financial ability), shall excuse the performance, except for the payment of money, by such party for a period equal to any such prevention, delay or stoppage.

13.28 No Joint Venture

Nothing contained in this Agreement shall be construed as creating a joint venture, partnership, or agency relationship between the parties.

13.29 Information True and Correct

All documents, agreements and other information provided to the University by Contractor or which Contractor has caused to be provided to the University are true and correct in all respects and do not omit to state any material fact or condition required to be stated, necessary to make the statement or information not misleading, and there are no other agreements or conditions with respect thereto.

13.30 Nondiscrimination and Affirmative Action. (OFCCP REQUIRED)

A. Contractor and its subcontractors, agents and affiliates shall not discriminate against any employee or applicant for employment in the performance of this Agreement, with respect to tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, sex, color, religion, age, status as disabled or a veteran, or physical or mental handicaps, national origin or ancestry. Breach of this covenant may be regarded as a material breach of this agreement. Contractor certifies that it does not, and will not maintain segregated facilities or accommodations on the basis of race, color, religion or national origin. Regarding any position for which an employee or an applicant is qualified, Contractor agrees to take affirmative action to employ, train, advance in employment, and retain individuals in accordance with applicable laws and regulations including:

1. For nondiscrimination based on race, color, religion, sex or national origin, this includes, but is not limited to, the U.S. Constitution, and Parts II and IV of Executive Order 11246, September 24, 1965 (30 FR 12319). Contractor disputes related to compliance with its obligations shall be handled according to the rules, regulations, and relevant orders of the Secretary of Labor (See 41 CFR 60-1.1).
2. For nondiscrimination based on Disabled or Vietnam Veterans this includes, but is not limited to, the Vietnam Era Veterans Readjustment Assistance Act of 1972, as amended (38 U.S.C. 4012)(the Act); Executive Order 11701, January 24, 1973 (38 CFR 2675, January 29, 1973); and the regulations of the Secretary of Labor (41 CFR Part 60-250).
3. For nondiscrimination based on the Handicapped this includes, but is not limited to, Section 503 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 793)(the Act); Executive Order 11758, January 15, 1974; and the regulations of the Secretary of Labor (41 FR Part 60- 741).
4. For nondiscrimination based on Age this includes, but is not limited to, Executive Order 11141, February 12, 1964 (29 CFR 2477).

B. Contractor shall include the terms of this clause in every subcontract or purchase order exceeding \$50,000 and shall act as specified by the Department of Labor to enforce the terms and implement remedies.

13.31 Confidentiality

The parties hereto agree that the terms and conditions of this Agreement shall be held in confidence except as required by or for applicable disclosure laws, financing sources, enforcement of the Agreement, mergers and acquisitions, or as otherwise mutually agreed by the Parties, and such agreement shall not be withheld unreasonably.

13.32 University's Rules, Regulations, and Instructions

Contractor will follow and comply with all rules and regulations of the University and the reasonable instructions of University personnel. The University reserves the right to require the removal of any worker it deems unsatisfactory for any reason.

14. ENTIRE AGREEMENT

This Agreement constitutes the entire Agreement between the parties. No change thereto shall be valid unless communicated in writing in the stipulated manner and signed by the University and the Contractor.

The effective date of this Agreement is _____.

University of Idaho

Lamont Digital Systems, Inc.

David Chichester
V.P. for Finance and Administration

SIGN _____
PRINT _____

DATE _____

TITLE _____
DATE _____

Appendix A University of Idaho – Campus-Tele-Video Turn-Key System

The below includes all components and system including installation and warranty to offer local origination and distribution of television programming to defined Residence Halls and Graduate Student Residence outlets. The elements shall be inclusive of fiber transmitters/receivers/splitters. All necessary travel and expenses are included as this is a turn-key project and no other add-on cost is included. This includes the cost for all required maintenance, parts and FCC certification as per RFP specifications.

Idaho Wallace to LLC BOM

1	Amplifier	QRF	QRAM870-33-GP	\$960.00	\$960.00
1	Receiver	QRF	QFON870F48GPIW	\$815.00	\$815.00
1	Amplifier	QRF	QDAXS870-33GP	\$960.00	\$960.00
1	TV's	Panasonic	CT1389VYD	\$300.00	\$300.00
		Blonder			
1	Modulator	Tongue	AM60-550	\$625.00	\$625.00
2	Wic Boxes			\$189.00	\$378.00
1	Transmitter	PCT	PCT-FTX3R-14AS	\$3,440.00	\$3,440.00
4	Patch Cords	Fiberdyne	3MSCUPC	\$26.25	\$105.00
1	Optical Coupler	Fiberdyne	F34-82044-33	\$669.00	\$669.00
2000	6 Strand Fiber			\$0.37	\$740.00
	Misc.				
1	cables/connectors			\$2,137.00	\$2,137.00
1	Labor to Install			\$5,365.00	\$5,365.00
					\$16,494.00

8.5 Pricing Summary Page for “Other Costs”

1. 4 Amplifiers
 2. 3 Direction Couplers
 3. 3 Lie Splitters
 4. Associated Cables and Connectors
- Total Cost \$3,125

\$17,000 for L - band solution for Targhee, Steel and Graduate Student Residence (GSR)

Campus-Televideo will provide, at no cost, to the University of Idaho 150 (one for each cable tv outlet in GSR, Steel and Targhee) Direct TV satellite receiver boxes for the L-band solution for the full duration of the contract period. University of Idaho is responsible for returning boxes to Campus-Televideo in good condition, normal wear and tear excepted.

No to exceed \$30,000 for “Home-run cable” installation at GSR and necessary cabling at Steel House in order to proper reception of Cable TV to each outlet via the L-band.

Year 1 and 2 Maintenance Costs/Warranty is included.

\$4,000 year 3 Maintenance costs, after two year warranty

Maximum Maintenance/Warranty Escalation for years 4 & 5 10% above previous year

Annual FCC testing is included

\$4,000 Annual FCC testing, years 3, 4, & 5, per year

\$66,619 Total cost for labor and material of turn-key distribution system (including warranty and testing for first two year) and an additional \$4,000 per year Warranty and \$4,000 per year FCC testing (plus possible escalation) in years 3, 4, & 5.

Appendix B University of Idaho – Campus-Tele-Video Programming Service

Term	Equipment/month 12 months per year	Programming Cost per Outlet 6% annual escalation	Programming /month to serve 1538 outlets 9 months per year	Programming/month to serve 1300 outlets 3 months per year	Total Cost/Yr.
Year 1	\$2,162*	\$5.05	\$7,766.90	\$6,565.00	91,759.10
Year 2	\$2,162*	\$5.35	\$8,228.30	\$6,955.00	97,081.70
Year 3	\$2,162*	\$5.67	\$8,720.46	\$7,371.00	102,759.14
Year 4	\$2,162*	\$6.01	\$9,243.38	\$7,813.00	108,791.42
Year 5	\$2,162*	\$6.37	\$9,797.06	\$8,281.00	115,178.54

*The above Equipment/month rate includes the additional \$720 per year (\$30 a month each for *WB – KSKN and UPN – KWUP* x 12 months, equals \$720 a year combined) total for equipment rental..

As listed above CTV guarantees that programming increases will be the 6% reflected in the above rate schedule and will not increase more than 6% increase over the previous year. The University of Idaho has the opportunity to change the programming line-up at anytime.

Hardware cost lease will not change during the five years. The Equipment price per month provides the hardware to receive, process and deliver programming services to the University of Idaho headend for distribution including maintenance, FCC performance/proof/certification requirements.

The monthly cost or programming per outlet beyond (added to) the number of outlets specified:
Programming/outlet: \$5.05 (plus 6% increase per year) for residential (Residence Hall rooms/lounges and Apartment units) and, as per section “8.7 Other Features” of the Campus-Televideo RFP responses Campus TeleVideo is providing free programming to all offices, classrooms, administrative areas.

Programming/month: The number of outlets per month for the “9 months per year” will be determined based upon the official 10 count for the Fall and Spring semesters and reported to Campus Televideo within two weeks after the 10th day of each semester. The number of outlets per month for the “3 months per year” will be determined based upon anticipated summer school and summer conference occupancy and reported to Campus Televideo with two weeks after the start of the summer semester. Campus-Televideo will bill the University of Idaho three times a year: October 15, February 15 and June 15.

Appendix C University of Idaho – Campus-Tele-Video Channel Line-Up

Programming Budget is \$5.05 per outlet

University Package \$2.38 per outlet

ABC Family	Game Show Network
A&E	History
American Movie Classic	Lifetime
Animal Planet	MSNBC
Bloomberg	MTV
BET	MTV2
Cartoon	NFL Network
CNBC	Nickelodeon
CNN	TBS
CNN Headline News	Tech TV
Comedy Central	The Learning Channel
Court TV	TNT
CSPAN	Sci-Fi
CSPAN2	SPIKE
College Sports TV	Discovery
E! Entertainment	USA
FOX NEWS	VH1
F/X	VH1 Classic
TV Land	WE
The Weather Channel	

ESPN Package \$2.66 per outlet (must carry all channels)

ESPN	ESPN News
ESPN2	ESPN Classic

Local Programming Package \$.01 per outlet

CBS – KREM	
ABC – KXLY	<i>Option: WB – KSKN (add \$30 per mo for equip)</i>
NBC – KHQ	<i>Option: UPN – KWUP(add \$30 per mo for equip)</i>
PBS – KSPS	
FOX – KAYU	
KUID	
Local Channel 8	

Programming Cost per outlet per month \$5.05 per outlet, plus \$30/\$360 per year per month for equipment lease for each of WB-KSKN and UPN-KWUP all outlets total.

Total Programming Cost \$5.05 Per Outlet, plus \$720 annually for equipment lease for WB-KSKN and UPN-KWUP. University of Idaho has the opportunity to change the programming line-up at anytime.

TAB 7
ATTACHMENT 2

Copies of this document available from
Board Office upon request

**Washington State University and University
of Idaho**

Residence Hall Television System Project RFP

October 6, 2004

Prepared by:

Dave Kaun



Elert & Associates
651-430-2772
www.elert.com

5-17-05

TAB 7
ATTACHMENT 3

Copies of this document available from
Board Office upon request

**Washington State University and University
of Idaho**

Residence Hall Television System Project RFP

CAMPUS TELEVIDEO

ORIGINAL

UNIVERSITY OF IDAHO
GENERAL TERMS AND CONDITIONS

1. THIS ORDER EXPRESSLY LIMITS ACCEPTANCE TO THE TERMS AND CONDITIONS STATED HEREIN. ALL ADDITIONAL OR DIFFERENT TERMS PROPOSED BY CONTRACTOR ARE OBJECTED TO AND ARE HEREBY REJECTED, UNLESS OTHERWISE PROVIDED FOR IN WRITING BY THE PURCHASING MANAGER, UNIVERSITY OF IDAHO.
2. CHANGES: No alteration in any of the terms, conditions, delivery, price, quality, quantity or specifications of this order will be effective without the written consent of the University of Idaho Department of Purchasing Services.
3. PACKING: No charges will be allowed for special handling, packing, wrapping, bags, containers, etc., unless otherwise specified.
4. DELIVERY: For any exceptions to the delivery date as specified on the order, Contractor shall give prior notification and obtain approval thereto from the University of Idaho Department of Purchasing Services. With respect to delivery under this order, time is of the essence and order is subject to termination for failure to deliver within the timeframe specified in this order.
5. SHIPPING INSTRUCTIONS: Unless otherwise instructed, all goods are to be shipped prepaid and allowed, FOB Destination.
6. ORDER NUMBERS: Agreement order numbers or purchase order numbers shall be clearly shown on all acknowledgments, shipping labels, packing slips, invoices, and on all correspondence.
7. REJECTION: All goods, materials, or services purchased herein are subject to approval by the University of Idaho. Any rejection of goods, materials, or services resulting from nonconformity to the terms, conditions or specifications of this order, whether the goods are held by the University of Idaho or returned, will be at Contractor's risk and expense.
8. QUALITY STANDARDS: Brand names, models, and specifications referenced in herein are meant to establish a minimum standard of quality, performance, or use required by the University. No substitutions will be permitted without written authorization of the University of Idaho Department of Purchasing Services.
9. WARRANTIES: Contractor warrants that all products delivered under this order shall be new, unless otherwise specified, free from defects in material and workmanship, and shall be fit for the intended purpose. All products found defective shall be replaced by the Contractor upon notification by the University of Idaho. All costs of replacement, including shipping charges, are to be borne by the Contractor.
10. PAYMENT, CASH DISCOUNT: Invoices will not be processed for payment nor will the period of computation for cash discount commence until receipt of a properly completed invoice or invoiced items are received and accepted, whichever is later. If an adjustment in payment is necessary due to damage or dispute, the cash discount period shall commence on the date final approval for payment is authorized. Payment shall not be considered late if a check or warrant is available or mailed within the time specified.
11. LIENS, CLAIMS AND ENCUMBRANCES: Contractor warrants and represents that all the goods and materials delivered herein are free and clear of all liens, claims or encumbrances of any kind.
12. TERMINATION: In the event of a breach by Contractor of any of the provisions of this Agreement, the University of Idaho reserves the right to cancel and terminate this Agreement forthwith upon giving written notice to the Contractor. Contractor shall be liable for damages suffered by the University of Idaho resulting from Contractor's breach of Agreement.

13. **TRADEMARKS:** Contractor shall not use the name, trade name, trademark, or any other designation of the University, or any contraction, abbreviation, adaptation, or simulation of any of the foregoing, in any advertisement or for any commercial or promotional purpose (other than in performing under this Agreement) without the University's prior written consent in each case.
14. **SAVE HARMLESS:** Contractor shall protect, indemnify, and save the University of Idaho and the State of Idaho harmless from and against any damage, cost or liability, including reasonable attorney's fees, for any or all injuries to persons or property arising from acts or omissions of Contractor, its employees, or subcontractors, howsoever caused.
15. **OSHA REGULATIONS:** Contractor guarantees all items, or services, meet or exceed those requirements and guidelines established by the Occupational Safety and Health Act.
16. **TAXES:** The University of Idaho is exempt from payment of Idaho State Sales and Use Tax. In addition, the University is generally exempt from payment of Federal Excise Tax under a permanent authority from the District Director of the Internal Revenue Service. Exemption certificates will be furnished as required upon written request by Contractor. If Contractor is required to pay any taxes incurred as a result of doing business with the University of Idaho, it shall be solely responsible for the payment of those taxes. If Contractor is performing public works construction, it shall be responsible for payment of all sales and use taxes.
17. **BINDING EFFECT:** This Agreement is for the benefit only of the parties hereto and shall inure to the benefit of and bind the parties and their respective heirs, legal representatives, successors and assigns.
18. **ASSIGNMENTS:** No Agreement, order, or any interest therein shall be transferred by Contractor to any other party without the approval in writing of the Purchasing Manager, University of Idaho. Transfer of an Agreement without approval may cause the rescission of the transferred Agreement at the option of the University of Idaho.
19. **WAIVER:** No covenant, term or condition, or the breach thereof, shall be deemed waived, except by written consent of the party against whom the waiver is claimed, and any waiver of the breach of any covenant, term, or condition herein. Acceptance by a party of any performance by another party after the time the same shall have become due shall not constitute a waiver by the first party of the breach or default unless otherwise expressly agreed to in writing.
20. **FORCE MAJEURE:** Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes thereof, governmental restrictions, governmental regulations, governmental controls, enemy or hostile governmental action, civil commotion, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform (except for financial ability), shall excuse the performance by such party for a period equal to any such prevention, delay or stoppage.
21. **NO JOINT VENTURE:** Nothing contained in this Agreement shall be construed as creating a joint venture, partnership, or employment or agency relationship between the parties.
22. **PRICE WARRANTY FOR COMMERCIAL ITEMS:** Contractor warrants that prices charged to the University of Idaho are based on Contractor's current catalog or market prices of commercial items sold in substantial quantities to the general public and prices charged do not exceed those charged by Contractor to other customers purchasing the same item in like or comparable quantities.

23.NONDISCRIMINATION: Contractor represents and agrees that it will not discriminate in the performance of this Agreement or in any matter directly or indirectly related to this Agreement on the basis of race, sex, color, religion, national origin, disability, ancestry, or status as a Vietnam veteran. This non-discrimination requirement includes, but is not limited to, any matter directly or indirectly related to employment. Breach of this covenant may be regarded as a material breach of Agreement.

24.UNIVERSITY REGULATIONS: Contractor shall follow and comply with all rules and regulations of the University and the reasonable instructions of University personnel.

25.GOVERNING LAW: This Agreement shall be construed in accordance with, and governed by the laws of the State of Idaho. Any legal proceeding related to this Agreement shall be instituted in the courts of the county of Latah, state of Idaho, and Contractor agrees to submit to the jurisdiction of such courts.

THIS PAGE INTENTIONALLY LEFT BLANK

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO

SUBJECT

The University of Idaho requests approval to extend the line of credit agreement with the Idaho Research Foundation (IRF), Inc.

REFERENCE

April 1988	Regents authorized the UI Bursar to loan up to \$200,000 of working capital to the IRF from non-appropriated funds.
------------	---

APPLICABLE STATUTE, RULE, OR POLICY

N/A

BACKGROUND

The Idaho Research Foundation, Inc., was established as the technology transfer arm of the University of Idaho. It operates under contract with the University as the University's exclusive technology transfer agent.

The IRF facilitates the commercial development and public use of technology developed by UI researchers. The IRF obtains patents and licenses them to private industry in return for royalties, which are shared with the inventors under University policy. IRF licensees include large and small companies worldwide, and a growing number of entrepreneurial ventures in and around the Pacific Northwest.

In order to cover front-end costs for obtaining patents and copyrights, negotiating technology transfers, preparing contracts, and initiating research projects, the IRF has used working capital loaned from the non-appropriated funds of the University.

This summer President White plans to engage a review of the IRF looking at best practices in the technology transfer area. The financial relationship between the University and the IRF is among the areas that will be evaluated as part of the review.

DISCUSSION

On January 17, 2002, the University executed a Line of Credit Agreement with the IRF for a line of credit up to \$200,000, with all outstanding principal and interest due by June 30, 2005. The attached Line of Credit Agreement (Attachment 1, incorporating Attachment 2 by reference) replaces the current agreement and extends the due date to June 30, 2006. To date, draws totaling \$126,000 have been taken by the IRF under the terms of the original agreement.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO - continued

All interest has been paid in accordance with the agreement. The University is asking for the line of credit agreement to be extended for one year with the stipulation that no additional draws will be made in this extension period (see Section 2.1 of the Agreement). This will allow the IRF to continue operating during the review process.

IMPACT

This agreement will allow the UI and the IRF to maintain their current financial arrangement until the President's review of the IRF is completed.

STAFF COMMENTS AND RECOMMENDATIONS

Staff has reviewed the agenda item, including the original 1988 agenda item, and believes the University's request to extend repayment is prudent in light of other ongoing institutional financial reviews. Staff has requested information from the University regarding the amount of interest paid by the IRF to the UI to date, and how the IRF will repay the outstanding amount if granted the extension.

Staff recommends approval.

BOARD ACTION

A motion to approve the Line of Credit Agreement between the Regents of the University of Idaho and the Idaho Research Foundation, Inc., in the form presented to the Board and to delegate signature authority with regard to such agreement to the University's Vice President for Finance and Administration.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

LINE OF CREDIT AGREEMENT

This Line of Credit Agreement (“**Agreement**”) is made and effective as of July 1, 2005 by and between The Regents of the University of Idaho, a body politic and corporate organized and existing under the laws of the State of Idaho (“**Lender**”) and Idaho Research Foundation, Inc., an Idaho nonprofit corporation (“**Borrower**”).

ARTICLE 1

PURPOSE

1.1 Cash Flow. In order to aid in the success of Borrower and its support of Lender’s mission, Lender desires to provide cash flow support to Borrower with a line of credit.

1.2 Line of Credit. The line of credit shall be up to, but shall not exceed, a total of \$200,000 and may be drawn upon quarterly.

1.3 Additional Terms. This Agreement is subject to and affected by the terms of that certain letter agreement dated January 17, 2002 between Borrower, Business and Accounting Services, and Research and Graduate Studies.

1.4 Agreement. In consideration of the mutual covenants and agreements set forth in this Agreement, Borrower and Lender hereby covenant, contract, and agree to the terms and conditions set forth in this Agreement.

ARTICLE 2

LINE OF CREDIT

2.1 Commitment. Subject to the terms hereof, Lender agrees to loan to Borrower such funds as Borrower may request from time to time during the term of this Agreement. Borrower, by and through its director, shall request an advance by delivering a written request to Lender’s Vice President for Research. Such requests shall occur not more frequently than one (1) time per calendar quarter. Lender shall advance the funds properly requested pursuant to the terms of this Agreement within a reasonable time after the request. This is a revolving line of credit and Borrower may receive advances up to Two Hundred Thousand (\$200,000) or any lesser amount; provided that such lesser amounts are in increments of One Thousand Dollars (\$1,000). At no time shall the aggregate principal amount of all advances to Borrower exceed Two Hundred Thousand Dollars (\$200,000). As a revolving line of credit, Borrower may reborrow any advances that have been repaid. Notwithstanding the provisions of

section 1.2 and this section of the Agreement, no further advances may be made after July 1, 2005.

2.2 Method of Making Loan. Advances requested by Borrower shall be evidenced by Revolving Line of Credit Note ("**Note**") in the form attached hereto as Exhibit "A" and made a part hereof. Borrower shall execute and deliver the Note to Lender simultaneously with the execution and delivery of this Agreement. Lender shall record and track all advances made and interest earned and, for the convenience of the Borrower upon Borrower's request, provide statements to Borrower of all amounts due under the Note. Such statements shall be considered correct and conclusively binding on Borrower, unless Borrower notifies Lender and provides Lender with an accounting that proves Lender's manifest error.

2.3 Interest Rate. Interest on the outstanding principal balance shall be payable at the fixed interest rate of five (5%) per annum from the date the Lender's check is delivered to Borrower. Interest on the outstanding balance shall be calculated on the basis of a 365/366-day year, counting the actual number of days elapsed.

2.4 Payment. All interest accrued on the outstanding balance of the Note during the calendar quarter in which the advance is made shall be due and payable on the last business day of the following calendar quarter. Thereafter, all interest accrued on the outstanding balance of the Note attributable to that draw shall be due and payable on the last business day of each following calendar quarter. All principal and interest due on all outstanding advances shall be due and payable not later than June 30, 2006.

2.5 Prepayment. Borrower may prepay the Note in whole or in part at any time without penalty.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES

3.1 Good Standing. Borrower represents and warrants to Lender that Borrower has been duly organized and is validly existing under the laws of the State of Idaho and has all power and authority to consummate the transactions contemplated by this Agreement including the execution, delivery and/or approval of all documents and agreements referred to herein or therein.

3.2 No Default. Borrower represents and warrants to Lender that the execution and delivery of this Agreement and the Note, and the application of the proceeds of the Note do not and will not conflict with or result in the breach of any of the terms, conditions or provisions of, or constitute a default under, any existing law, court or administrative regulation, decree or order, or any other agreement, indenture,

mortgage, lease or instrument by which Borrower or any of its respective property is or may be bound.

3.3 Authority. Borrower represents and warrants to Lender that Borrower has duly authorized all necessary action to be taken by it for the execution and delivery of this Agreement and the issuance of the Note.

3.4 Pending Litigation. Borrower represents and warrants to Lender that there is no action, suit, proceeding, inquiry, or investigation at law in equity or before or by any court or administrative body pending or, to the knowledge of Borrower, threatened against or affecting Borrower, or to the knowledge of Borrower, any meritorious basis therefore, wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition of the Borrower, or the transactions contemplated by this Agreement, or would have an adverse effect on the validity or enforceability of the Note or any agreement or instrument by which Borrower is or may be bound or in any way adversely affect the existence or powers of Borrower.

3.5 No Default. Borrower represents and warrants to Lender that Borrower is not in breach of or in default under any existing law, court or administrative regulation, decree or order, or any other agreement, indenture, mortgage, lease, sublease or other instrument to which Borrower is a party or by which it or its property is or may be bound and no event has occurred or is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default thereunder, in either case in any manner or to enough extent which could have a material adverse effect on the financial condition of the Borrower, or the transactions contemplated by this Agreement, or have an adverse effect on the validity or enforceability in accordance with their respective terms of the Note, or in any way adversely affect the existence or powers of Borrower.

ARTICLE 4

DEFAULTS

4.1 Events of Default. The occurrence of any one or more of the following events will constitute an event of default hereunder:

- a) Borrower's failure to pay when due any installment of principal or interest or fee payable hereunder or under the Note.
- b) Borrower's failure to observe or perform any other obligation to be observed or performed by it hereunder or under the Note.
- c) Borrower's failure to observe or perform any obligation to be performed by it under the Note between Borrower and any third party.

- d) Any financial statement, representation, warranty, or certificate made or furnished by Borrower to Lender in connection with this Agreement, or as inducement to Lender enter into this Agreement, or any separate statement or document to be delivered hereunder to Lender, is materially false, incorrect or incomplete when due.
- e) If Borrower admits its inability to pay its debts as they mature, or shall make an assignment for the benefit of its creditors.
- f) The filing of proceedings in bankruptcy, or for reorganization of Borrower or for the readjustment of any of its respective debts, under the Bankruptcy Code, as amended, or any part thereof, or under any other laws, whether state or federal, for the relief of debtors, now or hereafter existing.
- g) If a receiver or trustee be appointed for Borrower or for any substantial part of its assets, or if any proceedings be instituted for the dissolution or the full or partial liquidation of Borrower.

4.2 Termination of Advances. Immediately and without notice upon the occurrence of any event of default specified in Paragraph 4.1, or at any time during the continuance of such default, Lender may, at its option, terminate all further advances under this Agreement.

4.3 Acceleration. Upon the occurrence of any event of default as specified in Paragraph 4.1 above, or at any time during the continuance of such event, Lender may give Borrower notice of the default or defaults complained of. Any such notice of default must be in writing and must specify the default or defaults complained of. In the event Borrower fails to cure such default or defaults within fifteen (15) days of the date the written notice of default is given to Borrower, Lender may, at its option, without further notice to Borrower, declare all obligations incurred under this Agreement, including, but not limited to, the obligations under the Note to be at once due and payable.

4.4 Remedies. After the acceleration, as provided for in Paragraph 4.3, Lender shall have, in addition to the rights and remedies given it by this Agreement and the Note, all rights and remedies allowed by all applicable laws.

ARTICLE 5

GENERAL PROVISIONS

5.1 Construction. The provisions of this Agreement, the Note or other evidence of liability for said liability held by the Lender, shall be construed as

complementary to each other. Nothing herein contained shall prevent Lender from enforcing any document in accordance with its respective terms.

5.2 Further Assurance. From time to time, Borrower will execute and deliver to Lender such additional documents and will provide such additional information as Lender may reasonably require to carry out the terms of this Agreement and be informed of Borrower's status and affairs.

5.3 Enforcement and Waiver by Lender. Lender shall have the right at all times to enforce the provisions of this Agreement and the Note in strict accordance with the terms hereof and thereof, notwithstanding any conduct or custom on the part of Lender in refraining from so doing at any time or times. The failure of Lender at any time or times to enforce its rights under such provisions, strictly in accordance with the same, shall not be construed as having created a custom in any way or manner modified or waived the same. All rights and remedies of Lender are cumulative and concurrent and the exercise of right or remedy shall not be deemed a waiver or release of any other right or remedy.

5.4 Expenses of Lender. Borrower will, on demand, reimburse Lender for all reasonable fees and expenses, including the reasonable fees and expenses of legal counsel for Lender, incurred by Lender in connection with the enforcement of this Agreement and the Note and the collection or attempted collection of the Note, whether any default is ultimately cured or whether Lender is obligated to pursue its remedies hereunder, including such fees and expenses incurred before legal action, during the pendency of any such legal action and continuing to all such fees and expenses in connection with any appeal to higher courts arising out of transactions associated herewith, except that if litigation is instituted and Borrower is the prevailing party in such litigation, Borrower, rather than Lender, shall be entitled to recover its reasonable attorney's fees and costs of suit. The obligations of this section shall survive the making of this Agreement and the Note, including any documents or amendments subsequently executed.

5.5 Notices. Any notices or consents required or permitted by this Agreement shall be in writing and shall be deemed, delivered, or given, where delivered in person or when deposited in the U.S. Mail, certified mail, postage prepaid, return receipt requested, or sent by telegraph. Notices shall be addressed as follows, unless such address is changed by written notice hereunder:

If to Lender	The Regents of the University of Idaho Attn: Vice President for Finance and Administration PO Box 443145 Moscow, ID 83844-3145
If to Borrower	Idaho Research Foundation Inc. Morrill Hall #414

PO Box 443003
Moscow, ID 83844-3003

5.6 Binding Effect, Assignment and Entire Agreement. This Agreement shall insure to the benefit of, and shall be binding upon, the respective successors and permitted assigns of the parties hereto. Borrower has no right to assign any of the rights or obligations hereunder without the prior written consent of Lender. This Agreement, and the documents executed and delivered pursuant hereto, constitute the entire agreement between the parties and may be amended only by a writing signed on behalf of each party.

5.7 Severability. If any provision of this Agreement shall be held invalid under any applicable laws, such invalidity shall not affect any other provision of this Agreement that can be given effect without the invalid provision and, to this end, the provisions hereof are severable.

IN WITNESS WHEREOF, the parties to this Agreement have duly executed this Agreement, as of the day and year first above written.

LENDER:

BORROWER:

The Regents of the University of Idaho,
a body politic and corporate organized
and existing under the laws of the State
of Idaho

Idaho Research Foundation, Inc.
an Idaho non-profit corporation.

By: _____
David Chichester
Vice President for Finance
and Administration

By: _____
John Simko
President

EXHIBIT A

REVOLVING LINE OF CREDIT NOTE

\$126,000

July 1, 2005

For value received, **IDAHO RESEARCH FOUNDATION, INC.**, an Idaho non-profit corporation ("**Borrower**"), promises to pay to the order of **THE REGENTS OF THE UNIVERSITY OF IDAHO**, a body politic and corporate organized and existing under the laws of the State of Idaho, ("**Lender**"), in lawful money of the United States of America, the principal amount of **ONE HUNDRED TWENTY SIX THOUSAND AND NO/100 DOLLARS** (\$126,000), or such portion thereof as from time to time may be outstanding, at the times provided in the Agreement (as hereinafter defined).

Borrower also promises to pay interest on the unpaid principal amount hereof until such amount shall be paid in full in like money to Lender from the date of each advance of principal made pursuant to the Agreement at the rates and the times provided in the Agreement.

If this Note becomes due and payable on a Saturday, Sunday, or legal holiday under the laws of the State of Idaho, the maturity hereof shall be the immediately preceding business day.

This Note is the Revolving Line of Credit Note referred to in that certain Line of Credit Agreement of even date herewith ("**Agreement**"), between Borrower and Lender, and is entitled to the benefits and is subject to the provisions and definitions thereof.

Portions of this Note may be prepaid in whole or in part without penalty or premium as provided in the Agreement. All payments received by the Lender on this Note shall be applied as provided in the Agreement.

In the event of any default in the payment of any interest or principal, or any part thereof, it shall be optional with the legal holder of this Note to declare the entire principal and accrued interest sum hereof due and payable (after notice as provided in the Agreement), and proceedings may at once be instituted for the enforcement and collection of the same by law.

In the event of any default pursuant to the Agreement which authorizes the acceleration of the maturity of this Note, the Lender or the holder of this Note, at its option, may declare the whole immediately due and payable, upon the sending of the notices and upon expiration of the grace periods provided in the Agreement (if any).

Any default under this Note or in the due, prompt and complete performance or observance of any covenant, agreement or obligation of the Borrower contained in the Agreement or in any other agreement pertaining hereto, after giving effect to the curative periods herein or therein provided, shall, at the option of the holder hereof, be

ATTACHMENT 1

deemed a default on all notes, obligations and liabilities of each and all of the parties liable hereon to the holder hereof, whether now existing or hereafter arising; and any default under any other note, obligation or liability of any party liable hereon to the holder hereof, whether now existing or hereafter arising, after giving effect to any curative periods herein or therein provided, shall, at the option of the holder hereof, be deemed a default on this Note.

The Borrower agrees to pay all reasonable attorneys' fees and other expenses incurred by the Lender in the enforcement of any of its rights hereunder, whether the default is ultimately cured or whether the Lender is obligated to pursue its legal remedies, including such expenses incurred prior to the institution of legal action, during the pendency of such legal action and continuing to include all such expenses incurred in connection with any appeal to higher courts arising out of legal proceedings to enforce Borrower's obligations hereunder.

The makers, sureties, guarantors and endorsers of this Note jointly and severally waive presentment for payment, protest, notice of protest and of nonpayment of this Note. The Borrower agrees that failure of the Lender or of any holder of this Note to exercise any option or remedy hereunder shall not constitute a waiver of the right to exercise the same in the event of a later default.

This note shall be governed and construed in accordance with the laws of the State of Idaho.

IDAHO RESEARCH FOUNDATION, INC.,
an Idaho non-profit corporation

By:_____

Name:_____

Title:_____

**University of Idaho**Business and Accounting Services
Moscow, Idaho 83844-3131

208-885-6538

FAX 208-885-5752

January 17, 2002

Dr. Charles R. Hatch
Vice President, Research and Graduate Studies
P.O. Box 443003
Moscow, Idaho 83844

Re: Guaranty of Line of Credit Agreement

Dear Dr. Hatch:

This letter will serve to confirm the agreement between the University of Idaho's Office of Research, the University of Idaho's Business and Accounting Services and the Idaho Research Foundation, Inc. ("**Foundation**") with respect to that certain Line of Credit Agreement ("**Agreement**") and revolving line of credit evidenced by the Revolving Line of Credit Note ("**Note**").

The Foundation provides substantial benefits to the Office of Research and the University of Idaho and serves public purposes. In recognition of those benefits and purposes, the Regents of the University of Idaho ("**University**"), through Business and Accounting Services, is willing to extend a line of credit to the Foundation pursuant to the Agreement. As further inducement to the University for making the loan, the Office of Research will make any payments under the Note not timely made by the Foundation. In the event the Foundation does not make any payment under the Note when due or otherwise comply with the Agreement, the Office of Research, acting through its Vice President for Research and Graduate Studies, at the request of Business and Accounting Services, will immediately transfer funds from its budget to Business and Accounting Services to cure any defaults of the Foundation.

The transfer of funds from the Office of Research to Business and Accounting Services will not relieve the Foundation from any amounts due and owing under the Agreement or Note. Furthermore, interest shall continue to accrue on all amounts due as though the Office of Research had not made any payment to Business and Accounting Services.

Except to the extent the Foundation is not relieved of its obligations or debt under the Agreement or Note, this is a guaranty from the Office of Research to Business and Accounting Services. The Office of Research unconditionally guarantees to Business and Accounting Services the payment when due of all amounts which Foundation may owe, or may hereafter

Dr. Charles R. Hatch
January 17, 2002
Page 2

owe, to the University, together with any and all renewals, extensions of time or modifications to the Note or Agreement, including interest on such amounts.

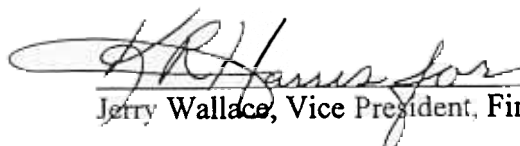
The University may from time to time extend the time of payment, renew or modify any of the obligations of the Foundation to the University guaranteed hereby, and waive any right or remedy available to the University, all without notice to or consent of the Office of Research. The liability of the Office of Research shall remain at all times undiminished, unreleased and undischarged by any action or inaction of the University until payment in full by the Foundation of all the indebtedness guaranteed hereby. The Office of Research agrees that this is an absolute and continuing guaranty. Upon full payment of all principal and interest amounts due under the Note and Agreement, Business and Accounting Services will transfer back to the Office of Research any amounts advanced pursuant to this letter agreement.

The Office of Research hereby waives presentment, demand, protest and notice of default with respect to the obligations of the Foundation.

This letter agreement contains the entire agreement of the parties hereto with respect to the subject matter herein. By its signature below, the Office of Research agrees with the terms of this letter agreement.

Very truly yours,

OFFICE OF BUSINESS AND ACCOUNTING SERVICES




Jerry Wallace, Vice President, Finance & Administration

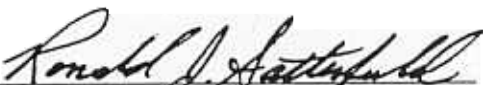
AGREED AND ACCEPTED:

ACKNOWLEDGED:

OFFICE OF RESEARCH

IDAHO RESEARCH FOUNDATION, INC.

By: 
Name: Charles R Hatch
Its: Vice President for Research

By: 
Name: Ronald J. Scottfield
Its: Director of Technology Licensing

05011.0102.623184.1

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION / AGENCY AGENDA
IDAHO STATE UNIVERSITY

SUBJECT

Idaho State University (ISU) requests approval to purchase, and the University of Idaho (UI) requests approval to sell, a maintenance building located at the University Place - Idaho Falls campus.

APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.I.1 and V.I.2.

BACKGROUND

ISU purchased University Place in Idaho Falls from the University of Idaho Foundation, Inc., in the fall of 2004. Due to timing constraints, a 30 x 45 foot maintenance building owned by UI was excepted from the sale. An appraisal has been completed; the appraised value of the property in question has been determined to be \$51,300.

DISCUSSION

Concurrent with the transfer of ownership of the University Place – Idaho Falls, maintenance employees formerly employed by UI have transferred employment to ISU, which is now performing maintenance for the entire campus. This building is needed for continued maintenance of the grounds and buildings at University Place – Idaho Falls. ISU and UI request approval and the authority to enter into a purchase agreement for the transfer of ownership of the maintenance building described herein. The proposed purchase price is the appraised value of \$51,300.

DOCUMENTS

Documents related to the proposed transactions, provided as attached exhibits, are as follows:

Attachment A	Purchase Agreement (with Exhibits A through F)
Attachment B	Appraisal

IMPACT

The proposed purchase price is the appraised value of \$51,300 and will be paid by ISU from a combination of state and local funds.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION / AGENCY AGENDA
IDAHO STATE UNIVERSITY - continued

STAFF COMMENTS AND RECOMMENDATIONS

The timing constraints mentioned above resulted from the University of Idaho Foundation's desire for a prompt sale of University Place in Idaho Falls. Idaho State University has submitted proper documentation, including an appraisal, relating to this project.

Staff recommends approval.

BOARD ACTION

A motion to allow Idaho State University and the University of Idaho to enter into a purchase agreement for the transfer of ownership of a structure commonly referred to as the University Place Maintenance Building, on the University Place – Idaho Falls campus. Signature authority for completing this transaction is granted to the President of Idaho State University and the Vice President for Finance and Administration at the University of Idaho.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT, made as of the date last written below the signatures of the parties (the "Effective Date") by and between the Board of Trustees of Idaho State University and the Board of Regents of the University of Idaho ("U of I"), as delegated to the respective representatives of Idaho State University ("Buyer") and the University of Idaho ("Seller").

RECITALS

WHEREAS, ISU recently purchased from the University of Idaho Foundation, Inc., the land known as the University Place - Idaho Falls consisting of approximately 23 acres along with the Tingey Building situated on such land; and

WHEREAS, the University of Idaho retained ownership of a maintenance building located on the land purchased by ISU; and

WHEREAS, the University Place - Idaho Falls site and the location of the maintenance building are depicted in Exhibit "A" attached hereto and incorporated herein; and

WHEREAS, Concurrent with the transfer of ownership of the land described above, the maintenance employees previously employed by the U of I, transferred employment to ISU; and

WHEREAS, ISU now conducts all maintenance on the grounds and in the buildings at University Place - Idaho Falls; and

WHEREAS, an appraisal of the maintenance building has been completed, the appraisal indicating the fair market value of said building being \$51,300; and

WHEREAS, ISU has need of said maintenance building in order to continue maintaining the grounds and buildings at University Place - Idaho Falls; and

WHEREAS, the University of Idaho currently leases the land underneath the maintenance shed pursuant to a Site Lease entered into on October 21, 2004 between the University of Idaho Foundation, as Landlord, and the University of Idaho, as Tenant, which lease was assigned to Idaho State University upon its purchase of the 23 acres known as University Place.

NOW THEREFORE, in consideration of the payment of the Purchase Price as hereinafter set forth, Buyer and Seller agree as follows:

1. Purchase.

Seller hereby agrees to sell and Buyer agrees to purchase a 30' x 45' maintenance building, including the fixtures, heating system and all other appurtenances thereto, located at University Place - Idaho Falls, the legal description for which is set forth in Exhibit "B", and which is depicted in Exhibits C and D, attached hereto and incorporated herein, (the "Subject Property"), in accordance with the terms and conditions hereinafter set forth.

2. Purchase Price.

The total Purchase Price for the Subject Property is the sum of Fifty One Thousand Three Hundred Dollars (\$51,300.), payable in cash or its equivalent at closing.

3. Property Sold As-Is.

The provisions of this Section 3 shall survive closing. Buyer is purchasing the Subject Property in "As Is" condition with all faults including both latent and patent defects.

4. Buyer's Conditions.

Notwithstanding the execution of this Agreement, Buyer may terminate this Purchase Agreement as set forth below unless each of the following conditions have been met or Buyer has waived the conditions:

Title.

Seller shall convey the Subject Property via a Quitclaim Deed in the form attached hereto as Exhibit "E", conveying all its right, title and interest in the Subject Property.

Physical Condition.

Buyer has inspected the Subject Property, or shall do so prior to closing, and by submitting this Purchase Agreement for Board approval, Buyer represents that it is satisfied that there is no information relating to the Subject Property that materially and adversely affects the Subject Property.

Governmental Approval.

All permits and approvals required by the appropriate public or governmental agency, entity or authority (including the State Board of Education) to permit the transfer of the Subject Property have been obtained.

5. Closing.

The Parties agree that closing shall be informal and shall occur on or before the fifteenth day after Board approval and the other conditions set forth in Section 4 are satisfied. Buyer shall provide Seller a check in the amount of the Purchase Price as set forth in Section 2 and Seller shall provide Buyer a Quitclaim Deed as set forth in Section 4. No other formalities shall be required.

6. Costs; Taxes.

Buyer shall pay the cost of the appraisal and for recording the Deed. No taxes or other fees are due and owing with respect to the Subject Property.

7. Seller's Warranties.

Seller hereby warrants and represents that, to the best of Seller's knowledge, for the benefit of Buyer the following, both of the date hereof and as of the closing:

Authority.

Seller has received authority from the Board of Regents of the University of Idaho to enter into and complete the transaction described herein.

Liens; Actions; Litigation.

There are no liens nor are there any pending special assessments, regulatory or condemnation actions against the Subject Property or any part thereof, nor has Seller received any written notice of such actions being contemplated. There is no litigation or other proceeding pending or threatened in writing against Seller which would adversely affect the Subject Property or its operation.

8. Site Lease.

As noted in the Recitals herein, at the time ISU (Buyer) purchased the land known as University Place - Idaho Falls from the University of Idaho Foundation, the University of Idaho (Seller) retained ownership of the maintenance building (the "Subject Property") along with its interest in a "head house" and "green house". This Purchase Agreement shall extinguish all of Seller's right, title and interest in the maintenance building (Subject Property), but Seller's interest in the said head house and green house shall continue as set forth in the Sit Lease, Exhibit "F".

9. Entire Agreement.

This Contract, together with the exhibits attached hereto, contains the entire agreement between the parties hereto and supersedes all prior understandings and agreements, oral or written, with respect to the subject matter hereof. The provisions of this Contract shall be

construed as a whole and not strictly for or against any party, and may not be modified or amended in any manner excepted by an instrument in writing signed by both Buyer and Seller.

10. Governing Law.

This Contract shall be governed by and construed in accordance with the laws of the State of Idaho.

11. Counterpart.

This Contract may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute a single instrument, and shall be effective upon execution of one or more of such counterparts by each of the parties hereto. Signature and acknowledgment pages may be detached from individual counterparts and attached to a single or multiple original(s) in order to form a single or multiple original(s) of this document.

EXECUTED as of the date last written below.

BUYER:

SELLER:

IDAHO STATE UNIVERSITY

UNIVERSITY OF IDAHO

Richard L. Bowen, President

David Chichester
Interim Vice President for Finance

DATE: _____

DATE: _____

Approved and authority to execute delegated to respective institutional representatives by the Board of Trustees of Idaho State University and the Board of Regents of the University of Idaho the ____ day of _____, 2005.

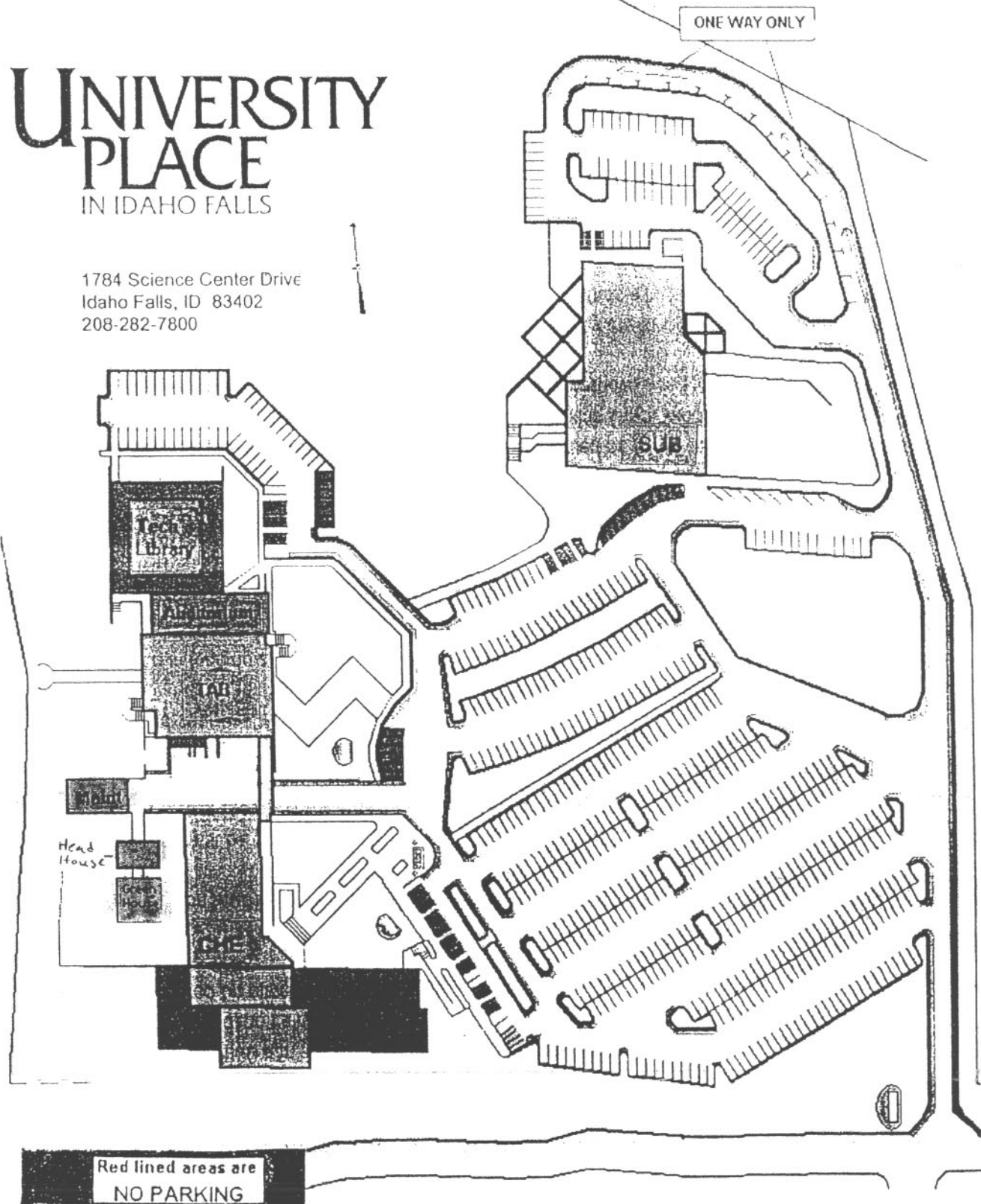
List of Exhibits

- Exhibit "A" University Place - Idaho Falls Site Description
- Exhibit "B" Legal Description of Subject Property
- Exhibit "C" Photographs of Subject Property
- Exhibit "D" Floor Plan of Subject Property
- Exhibit "E" Quitclaim Deed
- Exhibit "F" Site Lease

Wells -
Well House

UNIVERSITY PLACE IN IDAHO FALLS

1784 Science Center Drive
Idaho Falls, ID 83402
208-282-7800



HARPER - LEAVITT ENGINEERING, INC.

CIVIL & STRUCTURAL ENGINEERING, MATERIALS TESTING & LAND SURVEYING

800 W. Judicial St. • P.O. Box 866
Blackfoot, Idaho 83221
(208) 785-2977
Fax (208) 785-2990

985 N. Capital Ave • P.O. Box 50691
Idaho Falls, Idaho 83405
(208) 524-0212
Fax (208) 524-0229

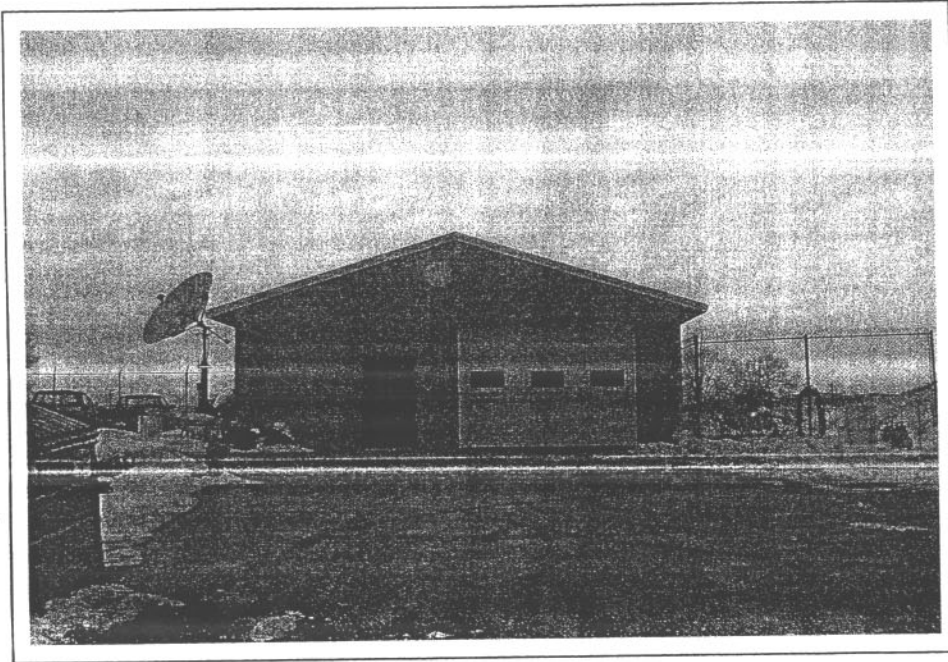
ISU Maintenance Building
Job No.: 20503.1064
February 23, 2005
CGS

Part of Section 12, Township 2 North, Range 37 East, B.M., Bonneville County, Idaho
described as:

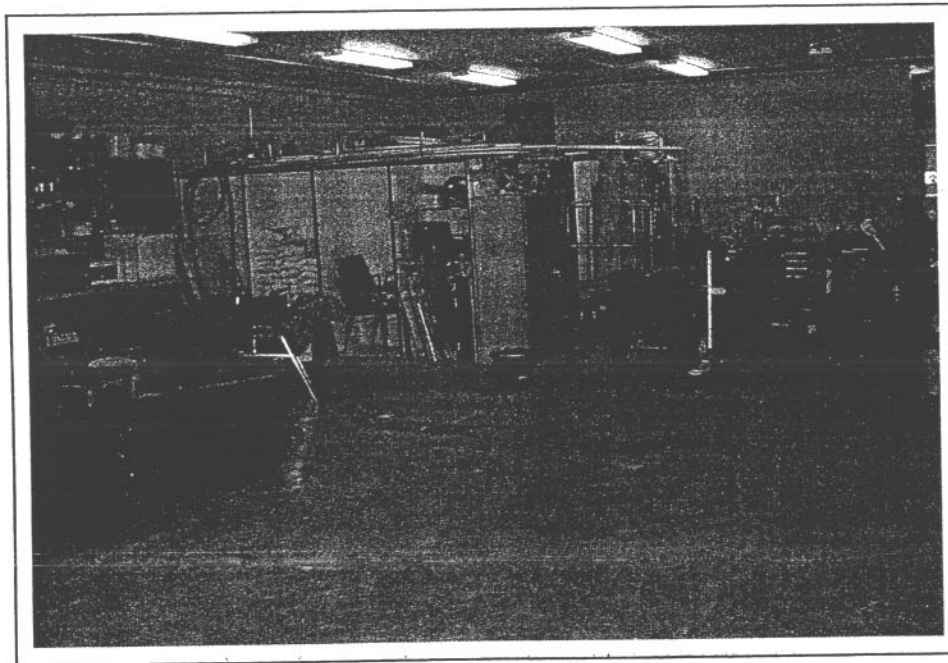
Beginning at a point that is N 00°11'20" E 2247.98 feet along the north-south center
section line of said Section 12 and N 89°48'40" W 241.04 feet from the S 1/4 corner of
said Section 12 and running thence N 86°22'43" W 45.00 feet; thence N 03°32'49" E
34.20 feet; thence S 86°22'43" E 45.00 feet; thence S 03°32'49" W 34.20 feet to the
point of beginning.

Parcel contains 1,539 square feet.

SUBJECT PHOTOGRAPHS

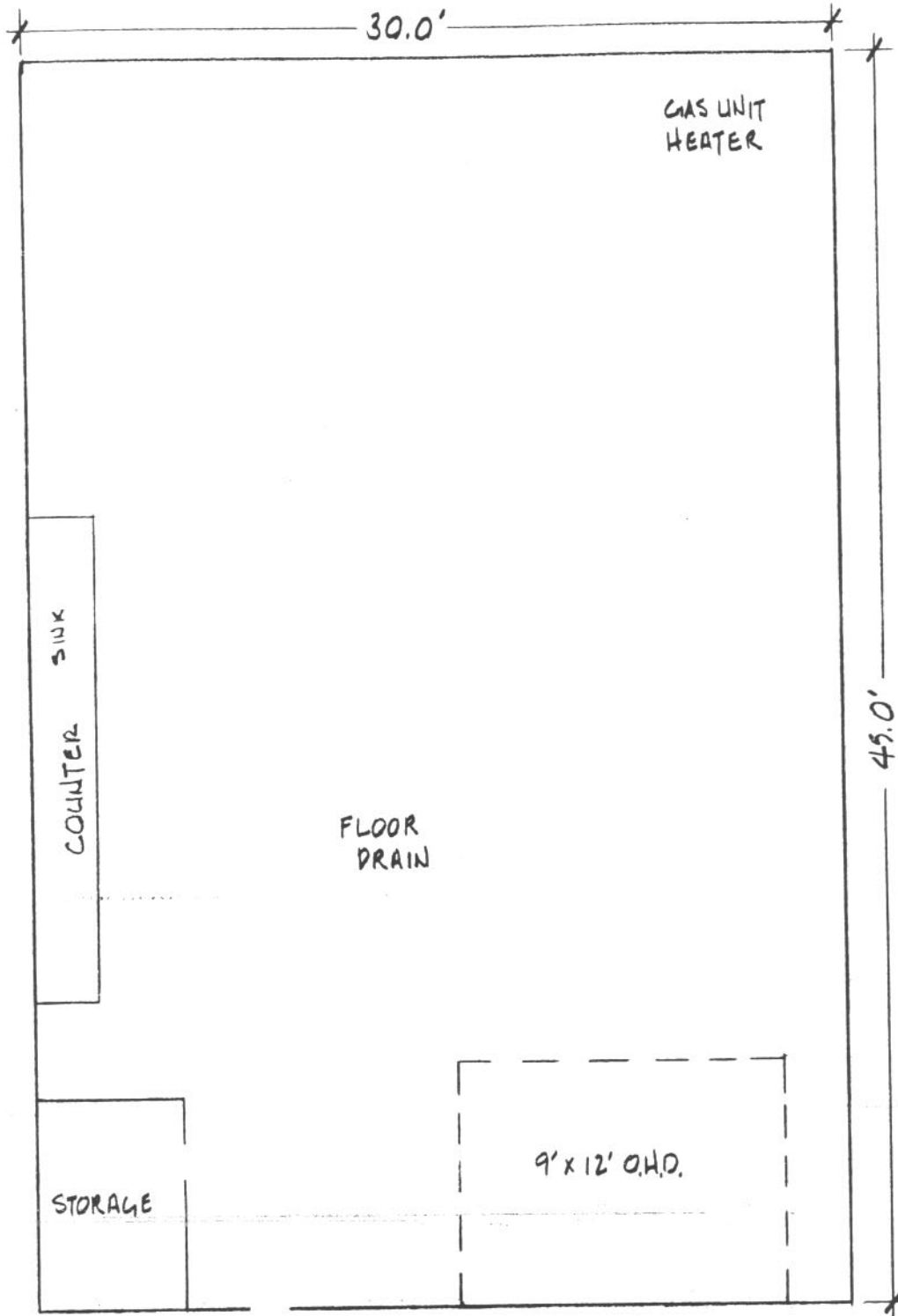


Subject Exterior



Interior Shop

FLOOR PLAN



QUITCLAIM DEED

THIS DEED, made the ____ day of _____, 2005, BETWEEN the University of Idaho as authorized by the Regents of the University of Idaho, a body politic and corporate, City of Moscow, State of Idaho, herein called party of the first part and Idaho State University as authorized by the Board of Trustees of Idaho State University, City of Pocatello, State of Idaho, herein called the party of the second part.

WITNESSETH, that the party of the first part, in consideration of fifty-one thousand three hundred dollars (\$51,300), lawful money of the United States, and other valid consideration, paid by the party of the second part, does hereby remise, release and quitclaim unto the party of the second part, and their heirs, successors and assigns forever.

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the

Part of Section 12, Township 2 North, Range 37 East, B.M., Bonneville County, Idaho described as:

Beginning at a point that in N 00°11'20" E 2247.98 feet along the north-south center section line of said Section 12 and N 89°48'40" W 241.04 feet from the S 1/4 corner of said Section 12 and running thence N 86°22'43" W 45.00 feet; thence N 03°32'49" E 34.20 feet; thence S 86°22'43" E 45.00 feet; thence S 03°32'49" W 34.20 feet to the point of beginning.

Parcel contains 1,539 square feet.

TOGETHER with all right, title and interest of the party of the first part in the above described premises; together with the appurtenances and all the estate and rights of the party of the first part in and to said premises.

TO HAVE AND TO HOLD the premises herein granted unto the party of the second part, and their heirs or successors and assigns forever.

IN WITNESS WHEREOF, the party of the first part has duly executed this deed the day and year first above written.

David Chichester
Interim Vice President for Finance

University of Idaho

State of Idaho)
)ss
County of Latah)

On this ____ day of _____, in the year 2005, before me personally appeared,
David Chichester, known or identified to me to be the Interim Vice President for Finance and
whose name is subscribed to the within instrument, and acknowledged to me that he executed the
same on behalf of the University of Idaho.

Notary Public for Idaho
Residing in _____
My commission expires _____

SITE LEASE

THIS SITE LEASE is entered into as of the 21st day of October 2004, by and between the UNIVERSITY OF IDAHO FOUNDATION, INC. an Idaho nonprofit corporation ("Landlord") and the BOARD OF REGENTS OF THE UNIVERSITY OF IDAHO, a state educational institution and body corporate organized and existing pursuant to the Constitution and laws of the State of Idaho ("Tenant"). This agreement is hereinafter referred to as the "Site Lease".

RECITALS

A. Landlord is the owner of certain real property described in Exhibit A, attached hereto and incorporated by this reference, which real property being a parcel of land consisting of approximately 21.94 acres more or less as depicted on the Record of Survey dated May 11, 2004, and recorded on July 28, 2004, as Instrument No. 1159628, records of Bonneville County, Idaho, and as depicted on Exhibit A-1 attached hereto and incorporated by this reference collectively and commonly known and identified as University Place in Idaho Falls (the "Campus"), upon or about which are located certain improvements constructed by the Tenant generally known and identified as a greenhouse, a well head house and a maintenance shed as depicted on Exhibit A-2 attached hereto and incorporated by this reference (the "Improvements"). Landlord desires to lease the ground situated underneath the Improvements depicted in Exhibit A-2 (the "Premises"), to the Tenant for the purpose constructing, operating, maintaining, repairing, replacing and removing the Improvements used for (or in support of) educational and research purposes associated with the Tenant's role and mission as described in Section 2.0 of the "Supplemental Agreement between Idaho State University and the University of Idaho for the Delivery of Educational Services in Idaho Falls" dated October 21, 2004 (hereinafter referred to as the "Supplemental Agreement" and attached as Exhibit B); and

B. Tenant previously constructed (with the permission of the Landlord and at Tenant's expense) and presently owns and operates the Improvements located on the Premises.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. **Recitals:** The parties acknowledge the foregoing Recitals are true and are incorporated into this Site Lease as if set forth in full.

2. **Premises:** Landlord hereby leases to Tenant, subject to the conditions expressed herein, that certain ground located in Bonneville County, Idaho, specifically situated underneath the Improvements depicted in Exhibit A-2, and together with a non-exclusive right for vehicular and pedestrian and ingress and egress over and across all roads, walkways within the Campus owned by the Landlord (excluding any public rights of way), all of which as they may exist from time to time, sufficient to provide reasonable access to and from, and parking for the reasonable use of the Premises. As used herein the term "Premises" refers solely to the ground, excluding the Improvements or any buildings or improvements to be constructed thereon from time to time during the term of this Site Lease.

3. **Term:** The Term of this Site Lease shall be a period commencing on the date hereof and expiring September 30, 2103, unless earlier terminated pursuant to paragraph 9 hereof.

4. **Rent:** The Premises are leased to the Tenant for one dollar for the term of this Site Lease.

5. **Development:** Tenant shall have the right to raze, remodel, and reconstruct the Improvements on the Premises in accordance with the 1998 Agreement between Idaho State University and the University of Idaho for Delivery of Educational Services in Idaho Falls and the Supplemental Agreement.

6. **Reversion of Buildings and Improvements:** Upon termination of this lease all buildings, Improvements, and other appurtenances to the Premises shall be deemed to be part of the Premises and shall revert to the Landlord and shall become the sole and absolute property of the Landlord upon termination. Tenant shall be entitled to no compensation for any value attributed to the buildings or Improvements reverting to the Landlord under the terms of this Site Lease. Tenant may remove Tenant's personal property from the Premises.

7. **Permanent Easements:** At the Tenant's request or as may be reasonably required, the Landlord shall grant to public entities, public service corporations, or to the Tenant such rights-of-way, utility, or other permanent easements on, over or through the Premises and adjacent property owned by Landlord for telephone, electricity, water, sanitary or storm sewers or both, site drainage and for other utilities and municipal or special district services necessary or appropriate to serve Improvements constructed thereon by Tenant.

8. **Right to Assign:** Tenant shall not assign this Site Lease or sublet the Premises, or any part or portion thereof, without the prior written consent of the Landlord. Tenant hereby consents to the conveyance of the Landlord's real property interests in the Campus to the Trustees of Idaho State University; however conveyance of the Landlord's ownership interest in the Campus to any other party shall require the consent of the Tenant. Upon sale of the property on which the Premises are located, Landlord shall be released from any and all obligations or duties arising under this Site Lease. In the event that the Landlord's rights and obligations hereunder are assigned to a third party or the Premises are sold to a new owner, the Landlord shall cause such successor in interest to expressly assume in writing all of Landlord's duties and obligations pursuant to this Lease.

9. **Optional Termination:** Prior to September 30, 2103, Tenant shall have the right, in its unilateral discretion, to terminate this Lease upon sixty (60) days written notice to Landlord. Reversion of buildings and improvements in the event of optional termination shall be in accordance with Section 6 of this Site Lease and reversion shall occur on the date noticed for optional termination.

10. **Utilities and Taxes:** Tenant agrees to pay all real estate taxes and assessments (should property be subject to any such taxes and assessments), and shall pay for all utilities required by the Tenant for the use of the Premises.

11. **Insurance and Indemnification:** Landlord and Tenant have liability coverage provided through a self-funded program administered by the Idaho State Office of Insurance Management. Both parties agree that Tenant does not have to provide a certificate of insurance or additional insured endorsements. Any and all costs for claims, damages and other expenses incurred in or from any obligation to be performed under the Agreement by the Tenant or Landlord, or arising out of any act, negligence or omission of the Tenant or Landlord will remain the responsibility of the party whose actions gave rise to the claim.

12. **Hazardous/Materials:** In the event any hazardous materials are found to exist in or under the Premises prior to the date of this Site Lease in violation of any environmental laws or if any appropriate government agency or authority requires testing to determine whether any hazardous materials are in violation of any environmental laws, Landlord, at Landlord's cost and expense, shall cause such testing to be performed and shall cause any such hazardous materials to be removed, remediated or abated in compliance with all environmental laws. Landlord hereby agrees to indemnify, defend, and hold Tenant harmless from and against any and all claims, damages, liabilities, costs, expenses (including reasonable attorneys' fees), causes of action and judgments arising out of or related to hazardous materials existing in, or under the premises prior to the date of this Site Lease. As used herein, the term "environmental laws" shall mean the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended (CERCLA) the Resource Conservation Recovery Act, as amended (RCRA), the Federal Water Pollution Control Act, the Clean Air Act and any similar local, state or federal law, rule, ordinance or regulation. As used herein, the term "hazardous materials" shall mean any hazardous substance, pollutants, contaminants, or other hazardous waste or toxic substances defined in any environmental laws including, without limitation, petroleum and petroleum products, asbestos and asbestos containing materials, PCBs and urea-formaldehyde. Tenant agrees to abate all asbestos and asbestos containing materials in the existing buildings located on the Premises required by law and prior to their demolition by a licensed asbestos abatement contractor in accordance with all applicable environmental laws and furnish the Landlord an asbestos abatement certificate upon completion. In the event Tenant placed the hazardous materials in violation of any environmental laws on the Premises prior to the date of the Site Lease, Tenant shall assume the responsibilities assigned to the Landlord in this Section.

Tenant shall not, nor shall it allow others to, accumulate, use, or store on the Premises materials classified as hazardous, biomedical or toxic waste except in compliance with all state, federal, or local laws, rules or regulations. Tenant shall comply with any lawful order by an entity reposed with authority to regulate the use, accumulation, storage or disposal of hazardous waste. Tenant shall not be responsible for any of such materials placed on the Premises by or through the Landlord prior to or during this Site Lease.

13. **Zoning/Building Restrictions:** This Site Lease is subject to all applicable zoning ordinances and restrictions and all limitations of record, and is subject to any and all easements for public utilities of record. Landlord warrants that such ordinances, restrictions, limitations and easements do not prevent the use of the Premises as provided for in the Supplemental Agreement.

14. **Waste and Nuisance Prohibited:** Tenant shall comply, during the term of this Site Lease, with all applicable laws affecting the Premises, the violation of which might result in any penalty assessed upon the Landlord or forfeiture of the Landlord's title to the Premises. Tenant shall not commit, or suffer to be committed, any waste on the Premises or improvements, or any nuisance.

15. **Remedies and Forbearance/Waivers:** No delay or omission on the part of the Landlord or Tenant to exercise any right or power granted herein shall impair any such right or power nor shall be construed as a waiver thereof, and every such right or power may nevertheless be exercised.

16. **Officials, Agents, and Employees Not Personally Liable:** It is agreed that in no event shall any official, officer, employee or agent of the Tenant, nor any official, officer, employee

or agent of the Landlord be in any way personally liable or responsible for any covenant or agreement herein contained, whether expressed or implied, nor for any statement, representation or warranty made herein or in any way connected with this Site Lease.

17. **Quiet Enjoyment:** Landlord covenants that the Tenant shall have the peaceful and quiet enjoyment of the Premises for the term of the Site Lease.

18. **Right of Entry:** Tenant shall permit the Landlord and the agents and employees of the Landlord to enter into and upon the Premises at all reasonable times for the purpose of inspecting the same for compliance with the terms of this Site Lease; provided, however, that Landlord shall first give twenty four (24) hours written notice of its desire to inspect the Premises and such inspection shall be accompanied by a designated representative of the Tenant. Such notice for right of entry and inspection procedures shall not apply during an emergency in which such notice is impractical and Landlord's access to the Premises is necessary for preservation of life and/or property.

19. **Default:** In the event Landlord shall at any time deem Tenant to be in breach of this Site Lease, Landlord shall promptly notify Tenant, in writing, stating specifically the nature of any such alleged breach. Tenant shall not be deemed to be in default hereunder unless Tenant fails to commence to cure any such default within ninety (90) calendar days after its receipt of such written notice and to diligently proceed to cure such default within a reasonable time. In the event of default Landlord shall have all rights and remedies provided by law.

20. **Attorney Fees and Costs:** In the event that either party to this Site Lease shall enforce any of the provisions hereof in any action at law or in equity the prevailing party to such litigation shall be entitled to recover from the other party or parties all costs and expenses, including reasonable attorney fees, incurred therein.

21. **Integration:** This Site Lease embodies the entire agreement regarding the disposition of the rights associated with the Premises and represents the understanding of the parties relating to the subject matter herein and supersedes all prior understandings relating thereto. This Site Lease shall not be modified except in writing signed by all parties to be bound.

22. **Execution of Documents:** The parties agree that they shall sign or cause to be signed all documents necessary to the effectuation of this Site Lease or any of the provisions herein.

23. **Warranty of Title:** Landlord warrants to Tenant that it has the power and authority to enter into this Site Lease and that the execution, delivery of this Site Lease and the performance of the contractual obligations set forth herein are not in violation of any federal, state, or local statute, ordinance, rule or regulation and that no consents not already obtained are required.

24. **Notices:** All notices under this Site Lease shall be in writing and shall be deemed to have been duly given on the date of service if served personally on the party to whom notice is to be given, or on the date of mailing if mailed to the party to whom notice is to be given by registered or certified United States mail, postage prepaid, and properly addressed as follows:

If to the Tenant: Regents of the University of Idaho
Attn: Vice President for Finance and Administration
University of Idaho
Moscow ID 83844-3168

If to the Landlord: University of Idaho Foundation, Inc
Attn: Executive Director
PO Box 443150
Moscow ID 83844-3150

The addresses provided above may be changed and additional addresses or notices may be specified from time to time by notice given in writing in accordance with this Section.

25. **Binding Effect:** This Site Lease shall be binding upon and shall inure to the benefit of the heirs, personal representatives, successors and assigns of the parties.

26. **Severability:** If any term or provision of this Site Lease or the application of it to any person or entity or circumstances shall to any extent be invalid or unenforceable, the remainder of this Site Lease or the application of such term or provision to persons, entities or circumstances, other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Site Lease shall be valid and shall be enforced to the extent permitted by law.

27. **Headings:** Section headings contained herein are for convenience and reference and are not intended to define or limit the scope of any provisions of this Site Lease.

28. **Counterparts:** This Site Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

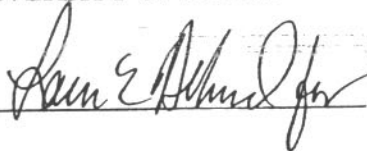
29. **Time of the Essence:** Time is of the essence of this Site Lease, and of each and every covenant, term, condition, and provisions thereof.

30. **Recording Copy:** Either party may, at its option and expense, record this Site Lease.

IN WITNESS WHEREOF, the parties have caused this Site Lease to be executed effective as of the day and year first above written.

TENANT:

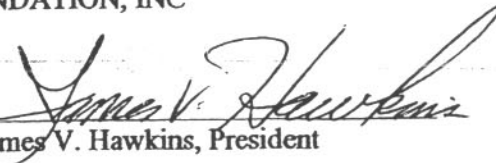
REGENTS OF THE
UNIVERSITY OF IDAHO

By 

SITE LEASE - Page 5
103562

LANDLORD:

UNIVERSITY OF IDAHO
FOUNDATION, INC

By 
James V. Hawkins, President

05180.0023 782690.1

EXHIBIT A

Real Property Description

Lot 11 and 12, Section 12, Township 2 North, Range 37 East of the Boise Meridian, Bonneville County, Idaho.

Less and Excepting:

Beginning at a point on the East bank of the Snake River which bears South 31°12'43" West 771.32 feet from the Center One-Quarter corner of Section 12, Township 2 North, Range 37 East, Boise Meridian, Bonneville County, Idaho; running thence South 89°52'00" East 101.59 feet; thence North 0°01'12" West 48.69 feet; thence North 19°09'04" West 34.02 feet; thence North 24°18'12" East 72.29 feet; thence North 05°43'14" West 50.38 feet; thence North 03°30'22" East 77.80 feet; thence South 86°35'11" East 28.53 feet; thence North 03°34'41" East 113.18 feet; thence North 0°17'24" West 126.51 feet; thence North 05°14'36" West 169.74 feet; thence North 11°21'28" East 74.42 feet; thence North 01°38'49" West 118.68 feet; thence North 00°23'55" East 131.89 feet; thence North 34°04'37" East 66.30 feet; thence North 06°03'04" East 116.72 feet; thence North 15°30'06" West 47.58 feet; thence North 62°58'40" West 107.67 feet to a point on the East Bank of the Snake River, thence the following 14 courses along the said East Bank, South 25°12'33" West 31.66 feet, South 15°30'06" East 77.32 feet, South 06°03'04" West 72.73 feet, South 34°04'37" West 71.61 feet, South 00°23'55" West 163.94 feet, South 01°38'49" East 109.07 feet, South 11°21'28" West 77.61 feet, South 05°14'36" East 186.12 feet, South 07°17'24" East 125.15 feet, South 03°41'10" East 102.31 feet, South 03°34'41" West 162.50 feet, South 24°18'12" West 151.21 feet, South 19°09'04" East 65.88 feet and South 10°01'12" East 22.80 feet to the point of beginning.

11	74.42	N11°21'57"E
12	118.68	N01°38'20"W
13	131.89	N00°24'24"E
14	66.30	N34°05'06"E
15	116.72	N06°03'33"E
16	49.11	N15°29'37"W
(R2)	47.58	N15°29'37"W
(R1)	22.11	N89°54'18"W
17	22.85	N89°54'20"W

N 89°52'15" E
(R)N 89°52'15" E
(R4)N 89°52'14" E

15.94 ACRES

BONNEVILLE LAND & TITLE
POLICY # 106 001403
TRACT 2

FND 1/2" IR
NO CAP

10.40 ACRES

Record of Survey
Inst. No. 934398

CENTER SEC 12
FOUND ALUM. CAP
CR&F INST. NO.
746699

Alliance Title & Escrow
Order No. 3030408971
Exhibit "A"

21.94 ACRES

10' UTILITY
EASEMENT
INST. #1014986

8' EASEMENT
INST. #854186

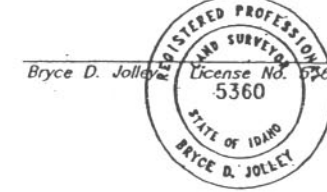
8' EASEMENT
INST. #854186

EXHIBIT A-1

KEEPER OFFICE
PARK ADD.
INST. NO. 548275

SURVEYORS CERTIFICATE

I, Bryce D. Jolley, a Registered Professional Land Surveyor in the State of Idaho do hereby certify that this plot is an accurate representation of the survey completed under my supervision.



Bryce D. Jolley Date

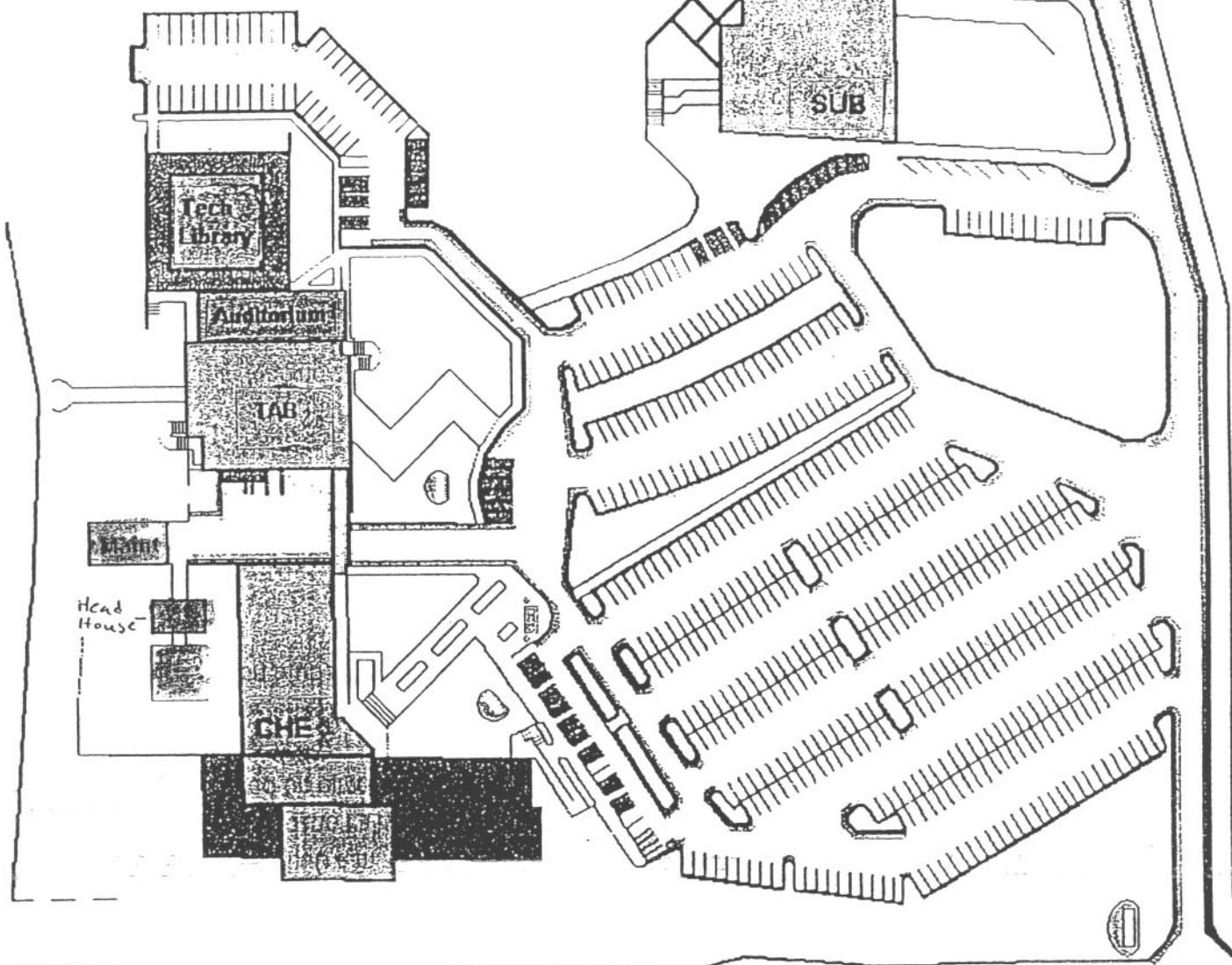
HE	RECORD OF SURVEY		
	TRUSTEES OF ISU		
	SEC. 12, T. 2 N, R. 37 E.B.M.		
	HARPER-LEAVITT ENGINEERING, INC. PROFESSIONAL ENGINEERS AND LAND SURVEYORS		
800 W. Audubon P.O. Box 814 Boise, Idaho 83721 (208) 785-2977 Fax (208) 785-2990	905 N. Capitol Ave. P.O. Box 30421 Idaho Falls, Idaho 83403 (208) 524-6212 Fax (208) 524-6212	JOB NO.: 04-079 DATE: 5/11/04 DRWN. BY: S.A.J. CHECKED BY: R.D.J.	SHEET 1 OF

Wells -
Well House

ONE WAY ONLY

UNIVERSITY PLACE IN IDAHO FALLS

1784 Science Center Drive
Idaho Falls, ID 83402
208-282-7800



Red lined areas are
NO PARKING

EXHIBIT A-2

SUMMARY REPORT OF APPRAISAL

MAINTENANCE SHOP BUILDING

Behind the Fred H. Tingey Administration Building
1776 Science Center Drive
Idaho Falls, Idaho 83402

PREPARED FOR

Mr. Ken Prolo

Vice President for Financial Services & Bursar
Idaho State University
Campus Box 8219
Pocatello, Idaho

M. BRENT THOMPSON, MAI
MEL J. SAVAGE, TRAINEE

THOMPSON & ASSOCIATES

REAL ESTATE APPRAISERS • CONSULTANTS

101 PARK AVENUE, IDAHO FALLS, ID 83402, TEL. (208) 524-5440, FAX NO. (208) 524-5441

February 1, 2005

PROPERTY: MAINTENANCE SHOP BUILDING
Behind Fred H. Tingey Admin Building
1776 Science Center Drive
Idaho Falls, Idaho

Mr. Ken Prolo
Vice President for Financial Services & Bursar
Idaho State University
Campus Box 8219
Pocatello, Idaho 83209-8219

Dear Mr. Prolo:

At your request, we have examined the property above described and completed this Limited Appraisal which is made in conformance with the Uniform Standards of Professional Appraisal Practice, and Code of Professional Ethics of the Appraisal Institute. Based on the inspection of the property, the investigation and analyses undertaken, and subject to assumptions and limiting conditions contained within the report, we have formed the following opinion as to the Market Value of the Fee Simple Estate Interest of the above referenced real property.

OPINION OF MARKET VALUE "As Is": \$51,300

DATE OF VALUATION "As Is": January 26, 2005

The report following summarizes the identification of the property, the assumptions and limiting conditions, pertinent facts about the area and the subject property, comparable data, the results of the investigations and analyses and reasoning leading to the conclusions set forth.



Mel Savage

Mel J. Savage, Trainee
Certified Appraiser Trainee No. RT-971

M. Brent Thompson

M. Brent Thompson, MAI
Idaho Certified Appraiser No. CGA-30

M. BRENT THOMPSON, MAI
CHARLES K. THOMPSON, MAI

MEL J. SAVAGE, TRAINEE

TABLE OF CONTENTS

Preface

Transmittal Letter	
Table of Contents	
Summary of Salient Facts and Conclusions	i
Introduction	
Purpose and Function of the Appraisal	iv
Interest Appraised	iv
Report Format	iv
Scope of the Appraisal	iv
Definition of Market Value	v
Assumptions and Limiting Conditions	vi
Regional Map	viii
Area Map	ix
Photographs	x
Floor Plan	xii

Data, Analyses and Conclusions

Valuation	1
---------------------	---

Addenda

Market Data Map	A
Area Sales Data Sheets	B
Standards, Conditions and Restrictions	H
Appraiser Qualifications	J

SUMMARY OF SALIENT FACTS

Property Location: Behind the Fred H. Tingey Administration Building
Idaho Falls, Idaho

Date of Valuation: January 26, 2005

Date of Inspection: January 26, 2005

2004 Real Estate Tax Assessment: Property not subject to ad valorem taxation.

City Description: 50,730 population community with about a 1.5% projected annual growth rate and an agricultural, government, and tourism based economy. Outlook is for a stable, slightly expanding economy with some near term cyclical fluctuations in employment as a result of changes in scope of projects at the INEL. Economic diversification efforts are underway by community groups and commercial development in the city continues at a relatively strong rate.

Neighborhood Description: Stable, mixed use and transitional district located at the north Idaho Falls city limits. The neighborhood consists of a secondary commercial and professional area extending generally along Fremont Avenue/East River Road, from the U.S. Highway 20 interchange north about one mile. Developments consist of a limited number of commercial businesses in the south part of the neighborhood, with larger private and government-owned offices throughout the neighborhood. Most of these offices are related to operations of the Department of Energy and its subcontractors. Individual suburban residences, primarily associated with agricultural tracts, and scattered rural subdivisions are developed further north along East River Road. Several of these subdivisions are associated with the Sage Lakes golf course, located about one mile north of the subject.

SUMMARY OF SALIENT FACTS (cont.)

Neighborhood Description (cont.): The University Place campus, which includes the subject and facilities of both Idaho State University and University of Idaho, is located in the northerly part of the neighborhood. Freeman Park, a large city park is located adjacent south of the subject.

The neighborhood will likely to continue to experience a slow rate of growth and development of professional and residential developments, with some type of expansion of the University Place campus on property adjacent north of the subject. Commercial development will likely occur at an even slower rate. Development in the neighborhood is enabled in part by the primary city sewer and water lines located in East River Road which were installed as part of the Sage Lakes golf course/Fairway Estates subdivision development.

Site Description:

The subject is located on a larger parcel which is an irregular tract of gently rolling topography, containing a stipulated total of 26.19 acres. It was originally primarily idle/riparian land along the Snake River. Access is adequate via Science Center Drive, a tertiary paved city street terminating at the boundary common to the larger educational facility and Freeman Park. At the direction of the client, valuation of the subject is of the building improvements only. Location on the larger University Place site provides adequate access to allow normal utility of the maintenance shop building

Zoning of the subject is RP-A, Residence Zone (low density), and allows the current and most probable future uses of the subject facility as a maintenance shop attendant to the school administrative and classroom facility. Flood Zone Map No. 160029 0005 B, dated October 15, 1982, Zone C - area of minimal flooding. The property is located within a seismic special studies zone (2 B), and the community has adopted a seismic element to its general plan.

SUMMARY OF SALIENT FACTS (cont.)

Building Description:

Single level maintenance/shop building of simple rectangular design, containing 1,350 square feet gross building area. The shop area is entirely open with the exception of an 8' x 5' storage area. The building is of wood frame construction, with a stucco overlay over ½" Dura Board, with factory painted steel roofing. It has a rebar reinforced concrete floor with a sediment/oil sump drain, and 10 foot ceiling heights.

The interior of the building is sheetrocked over ½" plywood with fluorescent lighting and an overhead gas unit heater. It has one 9' x 12' electric operated overhead door, and one metal personnel door. The building was constructed in 1998, and overall construction quality and condition is considered average to good. Remaining economic life is estimated at about 30 years.

Statement of Ownership:

The subject is existing construction on land owned by the Idaho State University in excess of five years. There is no sales information of the property which would have an influence on the market value of the subject.

Market Background:

The city continues to experience a moderate rate of growth and development in all sectors with some recent acceleration of development in the residential market. Light industrial development of shops and warehouses has accelerated in the last ten years from a former near static rate of growth in this sector, however, these types of developments in the vicinity of the subject are occurring at only a moderate rate.

Highest and Best Use:

Continued operation as a maintenance shop building.

Reconciled Estimate of Market Value "As Is":

\$51,300 (Building only)

INTRODUCTION

The purpose of the appraisal is to estimate the Market Value of the Fee Simple Estate interest of the subject real property. **The function of the appraisal** is to assist with a purchase decision by Idaho State University, the client and intended user of the report.

A **Fee Simple Estate** is one of absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat¹.

This is a **summary appraisal report** which is intended to comply with the reporting requirements set forth under Standards Rule 2-2 (B) of the Uniform Standards of Professional Appraisal Practice. As such, it presents only summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop an opinion of value of the subject property. Supporting documentation is retained in the appraiser's file.

The scope of the appraisal is limited to development of only the Direct Sales Comparison Approach, at the request of the client. The valuation process includes a preliminary collection and analysis of data consisting of social, economic, governmental and environmental factors which may affect the value of the property. Specific data relative to the valuation of the subject property includes information regarding the subject site and improvements obtained from an inspection of the property by the appraiser. The local market was researched for improved property sales, and other financial parameters which are relevant to the analyses developed. Primary market data collected was from buyers, sellers, and brokers with direct knowledge of the transactions.

¹The Dictionary of Real Estate Appraisal, Fourth Edition, pg. 113.

DEFINITION OF MARKET VALUE

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimuli. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) Buyer and seller are typically motivated;
- (2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
- (3) A reasonable time is allowed for exposure in the open market;
- (4) Payment is made in terms of cash in U.S. dollars, or in terms of financial arrangements comparable thereto; and
- (5) The price represents the normal consideration for the property sold unaffected by special or creative financing, or sales concessions granted by anyone associated with the sale.²

²SOURCE: Federal Reserve System under 12 CFR 225, Subpart G, Appraisals, 225.62, definitions [f].

ASSUMPTIONS AND LIMITING CONDITIONS

The appraisal is subject to the following assumptions and limiting conditions:

1. This appraisal report is prepared for the sole and exclusive use of Idaho State University, the client and intended user(s) of the report. Neither all nor any part of the contents of this report may be conveyed to any person or entity, other than the appraiser's client, directly or via any means including, but not limited to advertising, solicitation materials, public relations, news, sales or other media without the express written consent and approval of the appraiser, particularly as to valuation conclusions, the identity of the appraiser or firm with which the appraiser is connected, or any reference to the Appraisal Institute or the MAI designation. Further, the appraiser assumes no obligation, liability, or accountability to any third party. If this report is conveyed to anyone but the client, client shall make such party aware of all the assumptions and limiting conditions of the assignment.
2. That the term Market Value as herein used, is as defined above. Any other terms of sale or compensation could possibly have an impact on the estimate of value. Note that the opinion of Use Value is not necessarily related to market value.
3. That the date of value to which the opinions expressed in this report apply is set forth in the transmittal letter. The appraiser assumes no responsibility for economic or physical factors occurring at a later date which may affect the opinions herein stated.
4. That no opinion is intended to be expressed for legal matters or considerations beyond that ordinarily employed by real estate appraisers; property title is assumed to be good and marketable, free of defects, and clear of all liens and encumbrances, easements and restrictions, except those specifically discussed in the report.
5. Ownership data and the legal description were obtained from the client, Bonneville County records and other sources deemed reliable. The property is appraised assuming responsible ownership and competent management and available for its highest and best use.
6. That no engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area were taken from sources considered reliable, and no encroachment of real property improvements is assumed to exist.
7. That maps, plats and exhibits included herein were prepared by the appraiser based on data presumed to be reliable and are for illustration only, as an aid in visualizing matters discussed within the report. The floor plans included in the report are derived from the best blueprints available to the appraiser. Significant changes have been noted on the plans; multiple other changes made to the building over the years are not illustrated in detail.
8. That no opinion is expressed as to the value of subsurface oil, gas, or other mineral rights and that the property is not subject to surface entry for the exploration or removal of such materials, except as expressly stated.

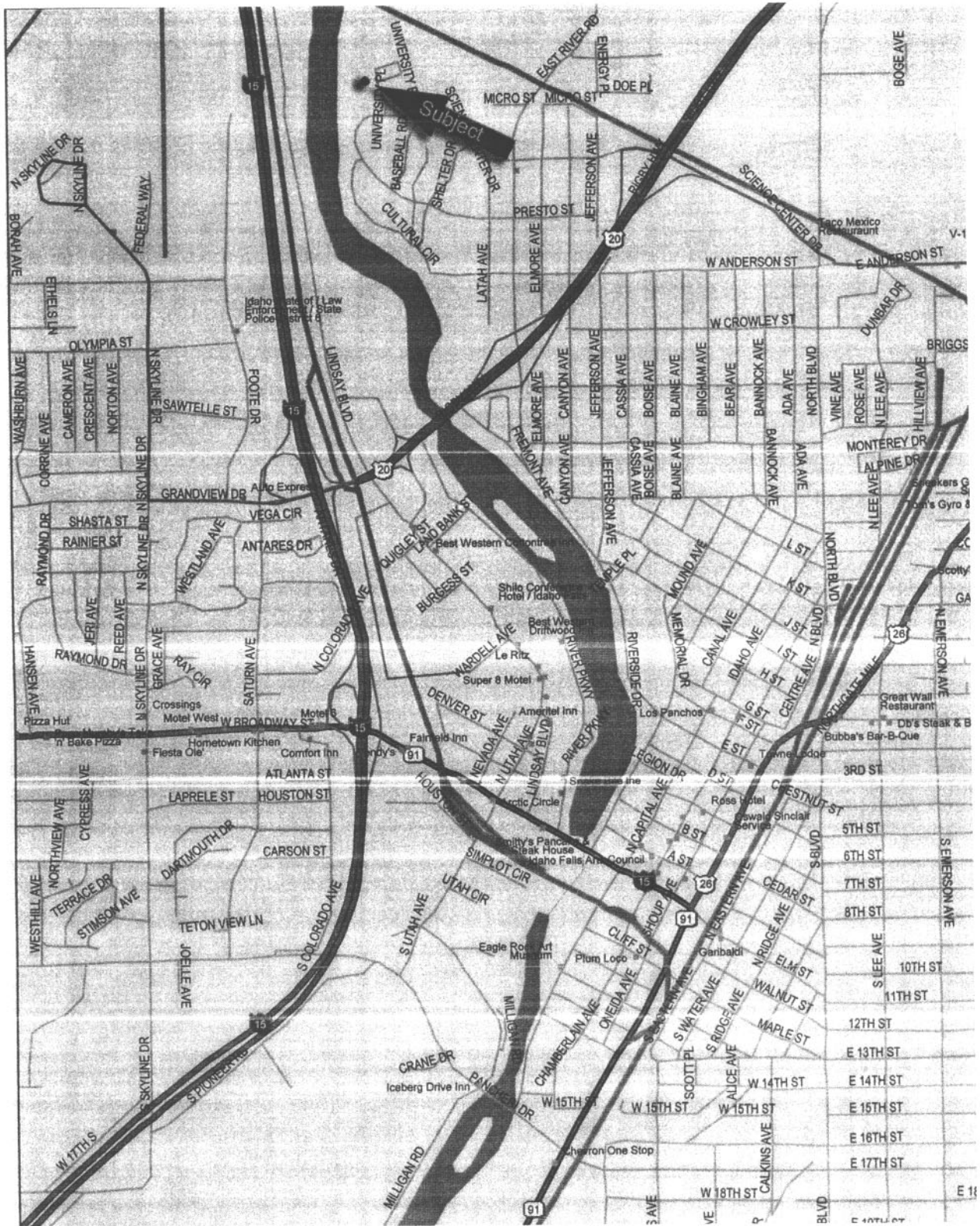
ASSUMPTIONS AND LIMITING CONDITIONS (cont.)

9. That the appraiser has personally inspected the subject property and observed no obvious evidence of structural deficiencies, hidden defects or unapparent subsurface conditions which would render it more or less valuable. The appraiser is not a property inspector. This report should not be relied upon to disclose any conditions present in the subject property. The appraisal report does not guarantee that the property is free of defects. A professional property inspection is recommended. Unless otherwise stated, it is assumed that the improvements comply with applicable federal, state and local environmental regulations and laws, and building codes, and that occupancy permits have been obtained and are in effect.
10. That testimony or attendance in court or at any other hearing is not required by reason of rendering this appraisal unless such arrangements are made a reasonable time in advance.
11. That no consideration has been given in this appraisal to personal property, equipment and/or furnishings which may be located on the property.
12. That the existence of hazardous material(s), which may or may not be present on or near the subject property, the presence of which may have an effect on market value, was not observed by the appraiser, and that the appraiser's value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. The appraiser is not qualified to detect the presence, if any, of such substances and no responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. Determination of the presence of hazardous waste and/or toxic materials would require investigation by a qualified expert in the field of environmental assessment. An August 1992 Environmental Audit by Morrison Knudsen Corporation indicated that there were no significant environmental considerations at that time. The client should consider the necessity of a Phase I environmental assessment.
13. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. I have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since I have no direct evidence relating to this issue, I did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.
14. At the direction of the client, valuation of the subject is of the building improvements only.

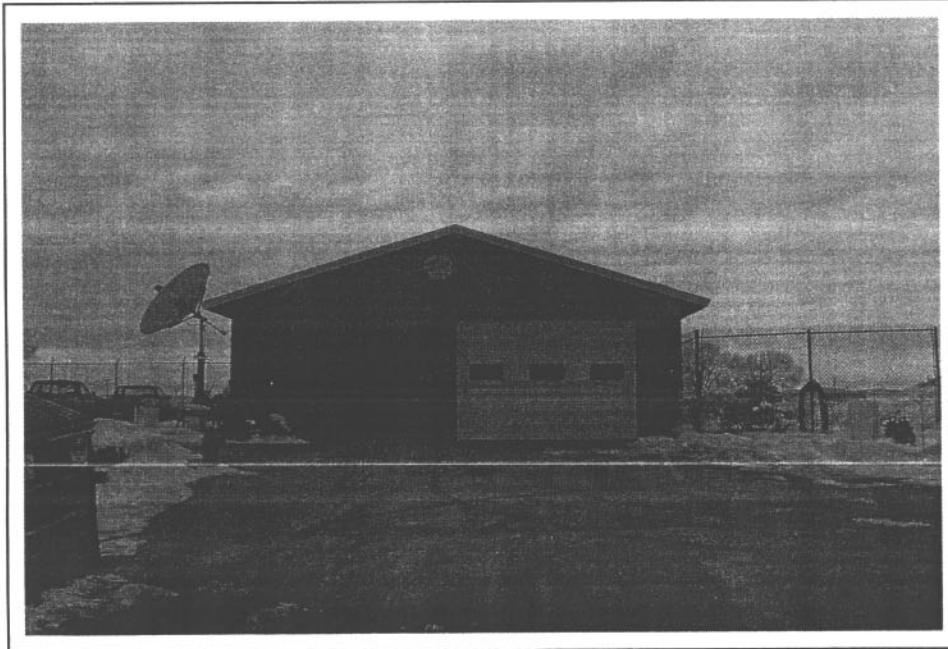
REGIONAL MAP



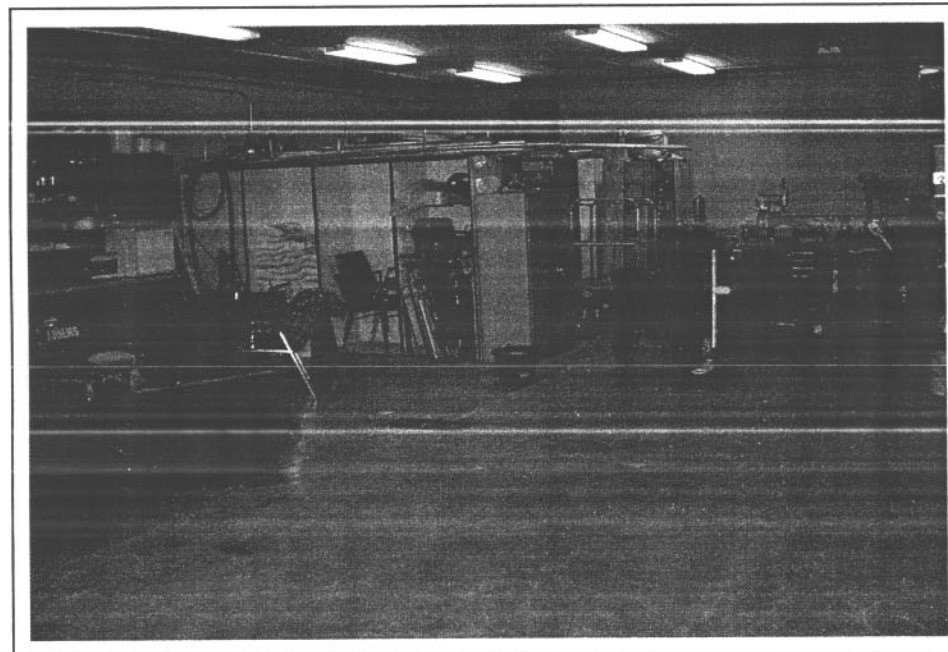
AREA MAP



SUBJECT PHOTOGRAPHS

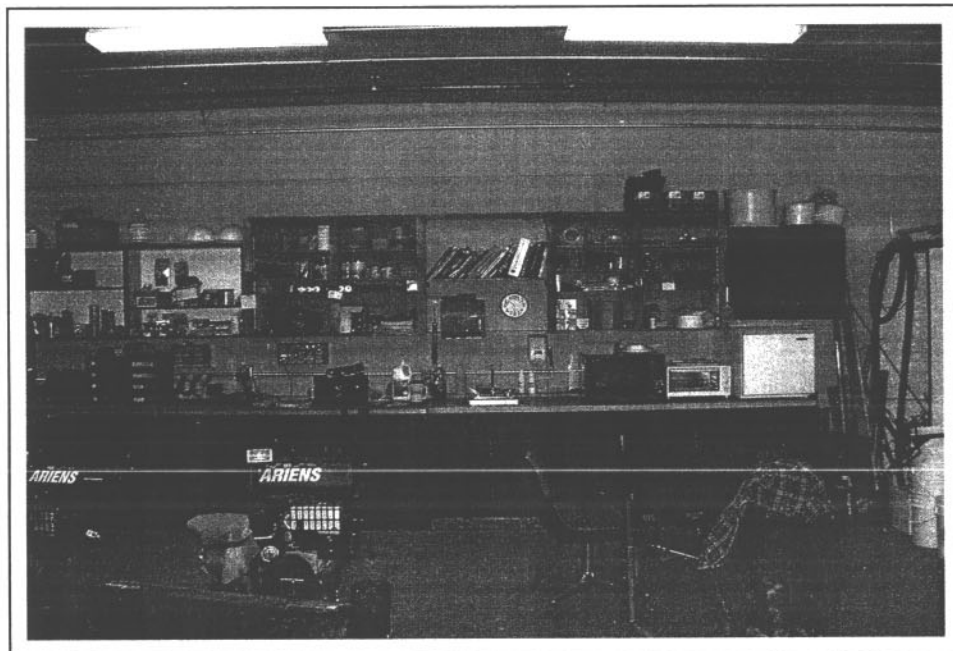


Subject Exterior

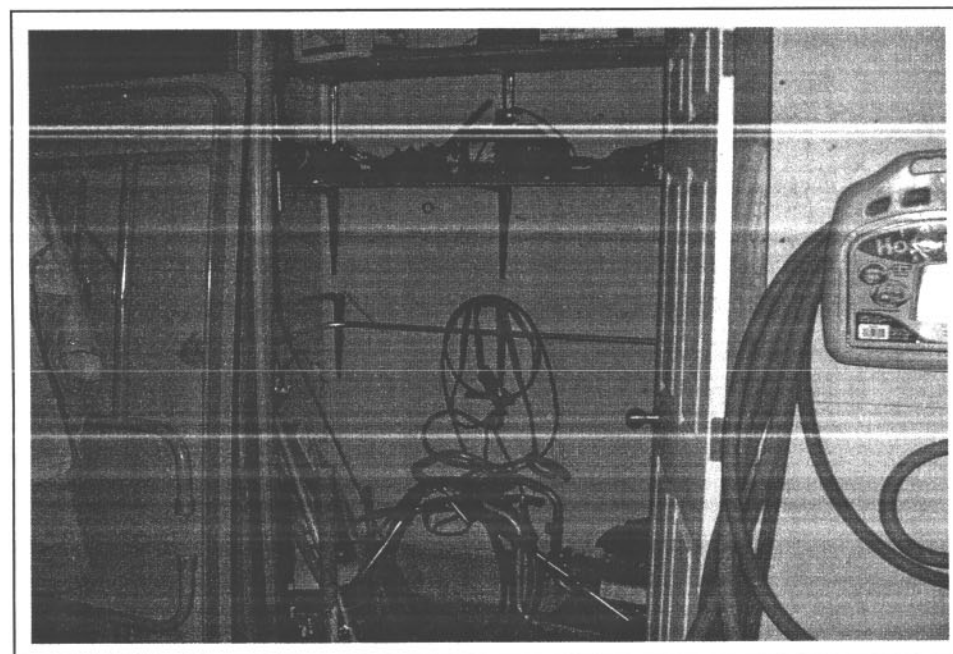


Interior Shop

SUBJECT PHOTOGRAPHS

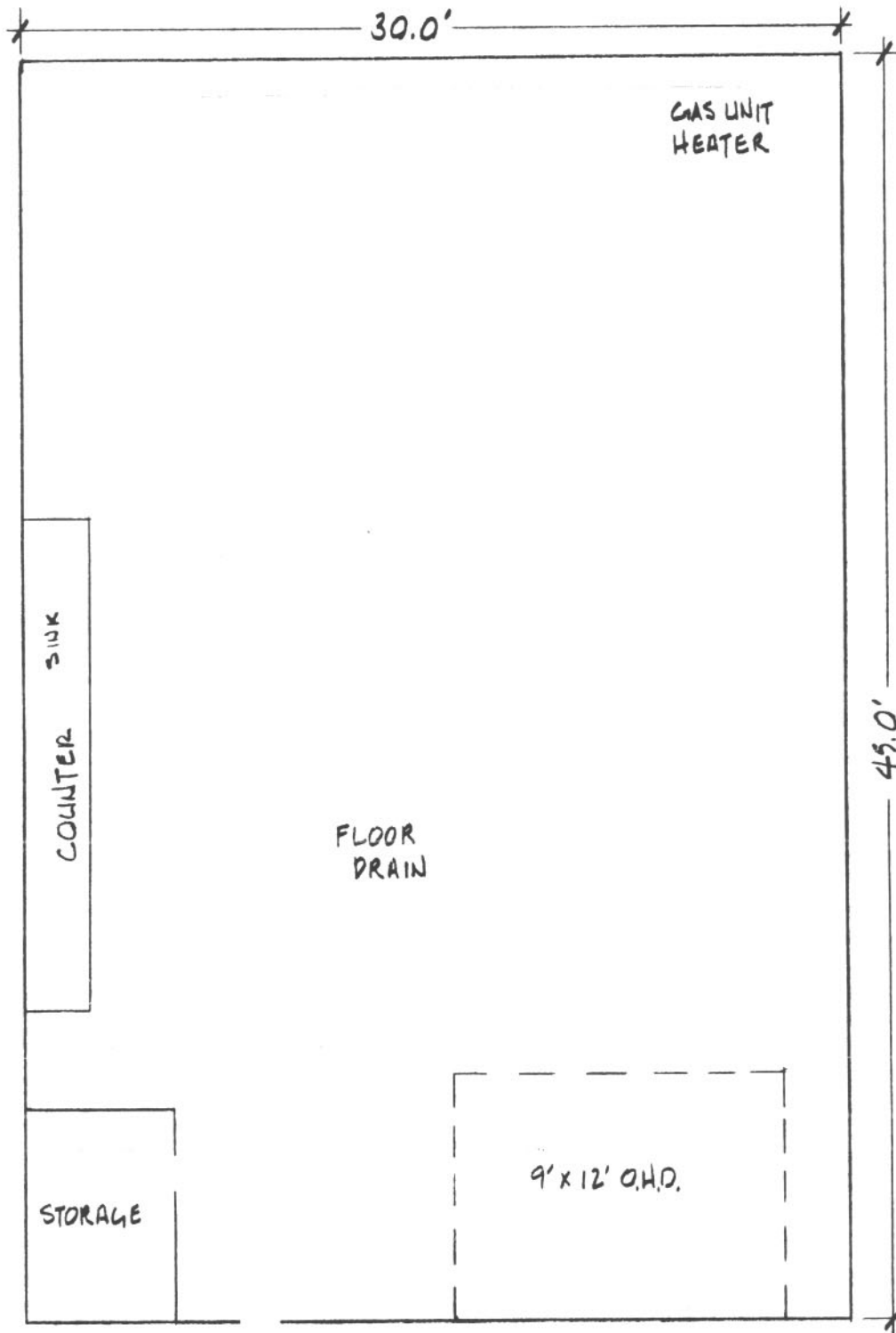


Interior Shop



Storage

FLOOR PLAN



VALUATION

This approach is based on the assumption that an informed purchaser will pay no more for a property than the cost of acquiring an existing property with the same utility. Using this approach, market value is estimated by comparing the sale prices of recent transactions involving properties similar to the property being appraised. Any dissimilarities are resolved with appropriate adjustments. These differences may pertain to time, age, construction, condition, layout, size, or external factors. This approach first developed by comparing the subject to general purpose industrial/shop buildings which have sold in the community in the recent past on a building only rate basis. These buildings typically are of average design and construction. The comparable sales are summarized in the following chart.

SALES SUMMARY - INDUSTRIAL BUILDINGS

Reference: Sales Data Sheets in Addendum

NO.	SALE DATE	O'ALL \$/SQ. FT. GBA	BLDG SQ. FT. SIZE	YEAR BUILT	CONSTR. QUALITY	CONDITION	\$/SQ. FT. BLDG.	LAND: BLDG. RATIO	CAP RATE	EGIM
S	2004	N/A	1,350	1998	Av-Good	Good	N/A	8.0:1	N/A	N/A
1	2004	\$62.50	3,600	1999	Average	Average	\$50.00	18.1:1	N/A	N/A
2	2000	\$34.78	7,188	1994	Average	Good/Fair	\$29.91	6.5:1	N/A	N/A
3	2002	\$33.16	9,800	1994	Average	Good	\$28.57	2.5:1	.093	N/A
4	2004	\$43.18	5,500	1990	Average	Good	\$37.27	5.8:1	N/A	N/A
5	2001	\$37.11	3,500	1990	Average	Good	\$28.57	12.4:1	N/A	N/A
6	2004	\$50.00	4,000	1998	Average	Average	\$34.50	24.0:1	.095	7.97

Definitions:

GBA -	Gross Building Area (excluding basements)
O'ALL \$/SQ. FT. GBA -	The cash equivalent price of the entire property divided by the gross building area.
\$/SQ. FT. BLDG -	The ascribed value of the building divided by the gross building area.
CAP RATE -	Indicated Overall Capitalization Rate
EGIM -	Effective Gross Income Multiplier

VALUATION (cont.)

General Sales Characteristics:

Date: Price movement in the market between date of sale and date of appraisal is not significant. Only moderate adjustments are indicated for Sale Nos. 3 and 4.

Rate: \$/sq. ft. is the common unit of comparison. For this analysis, the comparison basis is the building rate.

Size: Significant differences in building sizes may require adjustment. There is usually an inverse relationship between price rate and size. The size of the subject building is considerably smaller than most of the sales surveyed.

Type: Buildings are compared on the basis of reasonably similar use designs. The sales surveyed are typically of similar design and of good to average quality construction.

Construction: Similar construction standards and methods having comparable costs have close value relationships but age is a more significant consideration.

Age and Condition: Buildings selected for comparison are similar in this category unless noted and specifically weighted for differences.

Location: Valuation is of the building improvements only. Location of the subject is considered appropriate for the current and most probable future uses in conjunction with, and for maintenance of the University Place buildings, indicating no measurable obsolescence. Otherwise, the adjustment for location would be related to the site value which is not a consideration, as directed by the client.

Cash Equivalency: Many real estate sales are currently carried on private contracts at varying rates of interest and loan terms while other sales are for cash. Inherent in the definition of Market Value is the concept of a cash sale or its equivalent. The terms of the comparable sales are all adjusted to typical loan terms which are then indicative of current cash value.

Adjustments to the sales are summarized in the following chart, and are made from the Sale Property to the Subject Property. Thus, inferior features of the sale require positive or upward adjustments and, conversely, superior features require negative or downward adjustments.

VALUATION (cont.)

SALES ADJUSTMENT CHART - SHOP BUILDINGS

Reference: Sales Data Sheets in Addendum

NO.	RATE PER SQ. FT.	TIME ADJUST MENT	TIME ADJUSTD RATE	OTHER FEATURE ADJUSTMENTS				TOTAL ADJUST MENT	INDI- CATED RATE
				LOCATION	AGE AND CONDITION	FEATURES/ OFFICE	SIZE/ OTHER		
1	\$50.00	0.00	\$50.00	0.00	0.00	-15.00	7.50	\$-7.50	\$42.50
2	\$29.91	2.50	\$32.41	0.00	3.00	-4.50	7.50	\$6.00	\$38.41
3	\$28.57	1.00	\$29.57	0.00	3.00	-8.25	8.50	\$3.25	\$32.82
4	\$37.27	0.00	\$37.27	0.00	3.75	-7.50	7.50	\$3.75	\$41.02
5	\$28.57	2.25	\$30.82	0.00	3.00	-6.00	4.50	\$1.50	\$32.32
6	\$34.50	0.00	\$34.50	0.00	3.50	-9.50	5.25	\$-0.75	\$33.75

Adjustment Categories:

Rate: The rate per square foot of gross building area is used as the unit of comparison for this property class.

Time: An adjustment is made for these buildings since the date of sale if indicated. Only moderate adjustments are indicated for Sale Nos. 2, 3 and 5.

Time Adjusted Rate: The price rate is first adjusted for time before making the remaining adjustments to the subject.

Quality Construction: An adjustment is made for the original quality of construction. Construction features such as concrete ultra form or steel frame construction is superior to the wood framed structure of the subject, indicating downward adjustments, respectively.

Age and Condition: The subject was built in 1998 and is in average to good condition. The adjustment is made by a comparison from the sale property to the subject.

VALUATION (cont.)

Features/Offices: These features are adjusted based on the individual characteristics of the respective sales. The subject has 10' ceiling heights, inferior to the 12' to 16' ceiling heights of the respective sales, indicating downward adjustments, respectively. The subject also has no office area, the sales surveyed generally have office space from 5% to 46% of gross building area, superior to that of the subject, indicating downward adjustments, respectively.

Size: There is usually an inverse relationship between price rate and size. The size of the subject building is considerably smaller than most of the sales surveyed.

Total Adjustment: This is the total of the applicable adjustments made after the building price rate has been adjusted for time, if necessary.

Indicated Rate: This is the per square foot rate indicated by each sale using the matched pairing technique when possible. Subsequently, the several indicated rates are correlated to a concluded rate for the subject based on the degree of comparability in relation to the subject, with greater weight given those considered most applicable.

Conclusions:

The range of adjusted rates indicated for the subject is between \$32.32 and \$42.50 per square foot on a building rate basis. In arriving at a concluded estimate of value for the subject, primary consideration is given to the more recently closed sales of building Nos. 1, 4, and 6. Secondary consideration is given to the remainder of the sales. In conclusion, the economic building rate for the subject is estimated at just above the midpoint of the range of the more recent transactions, or at \$38.00 per square foot. Summary calculations are shown below.

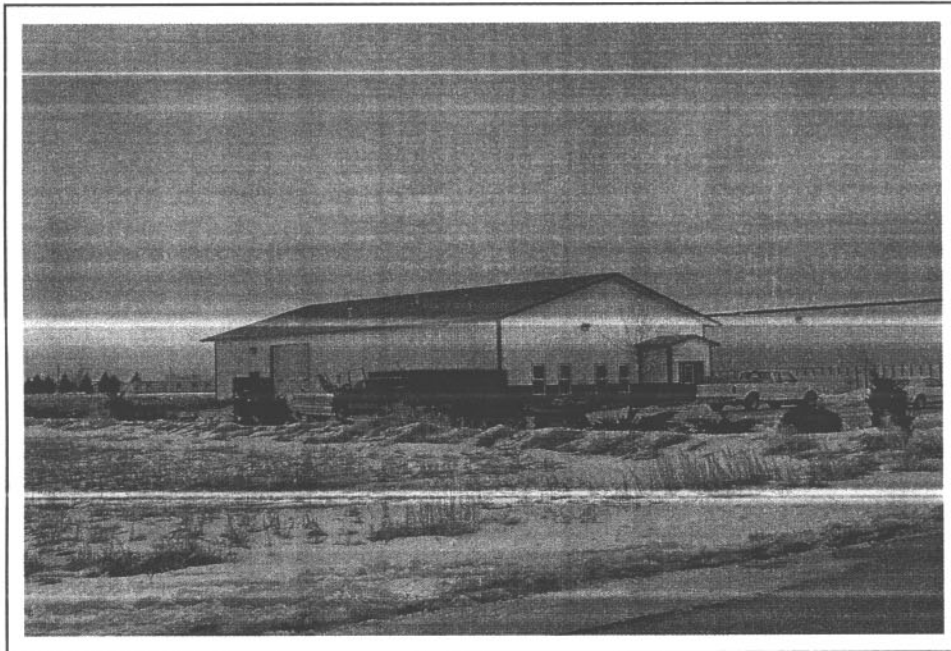
Calculations - Building Rate Analysis:

1,350 sq. ft. @ \$38.00 per sq. ft. =

Total Indicated Value:

\$51,300





Comparable
Building Sale
No. 1

INDUSTRIAL BUILDING SALE NO. 1

BUILDING NAME: Structural Panel Systems
Address: 2240 West Heyrend Way. North side of West Heyrend Way.
City: Idaho Falls, Idaho
BUYER: Aphrodite LLC SELLER: John Saucerman
PRICE: \$225,000 DATE: December 2004
Terms: Cash

LEGAL DESCRIPTION: Lot 17, Block 1, Heyrend Industrial Park Division 2.

BUILDING DESCRIPTION:

Size: 3,600 sq. ft. 80' x 45'
Construction: Wood frame with 14' eave heights, factory painted steel siding and roofing.
Average condition.
Year Built: About 1999
Layout/Finishes: Industrial type shop and office building, with about 30% office space. The layout consists of 2,388 square feet of open shop space and about 1,212 square feet of office and reception area. Primarily exposed structural surfaces in the shop with "vanilla" office finishes of average quality.

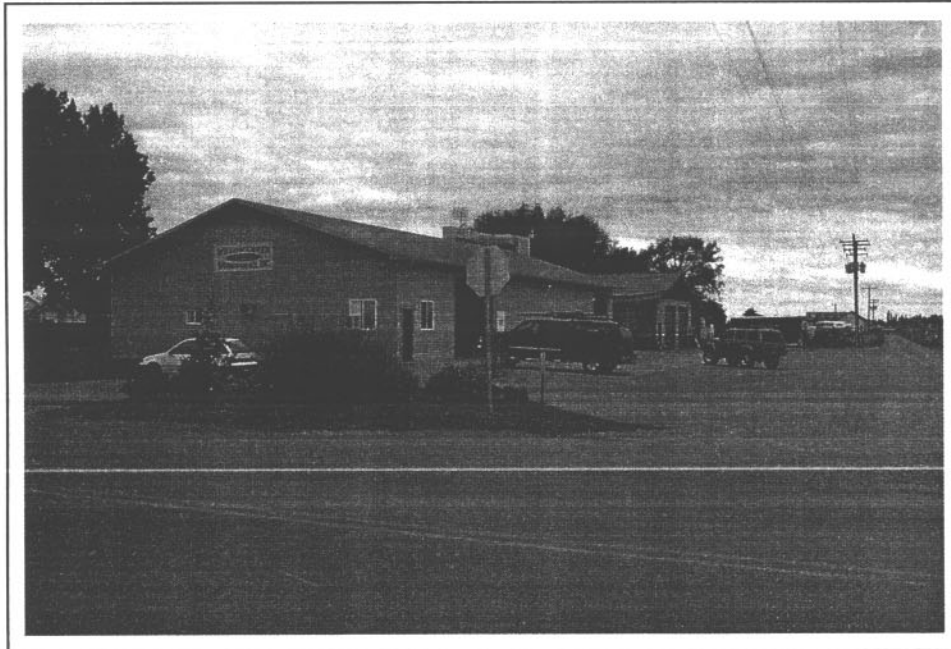
LAND DESCRIPTION:

Size: 1.5 acres. 120' x 545'
Location: Heyrend Industrial Park
Shape: A rectangular parcel with no developmental limitations due to shape or size.
Access: Frontage street
Site: A generally level parcel at street grade. Paved parking with average landscaping. Typical city utilities are connected to the site. Private
Zoning: C-2, Commercial. Existing zoning is appropriate for most probable uses of the property.

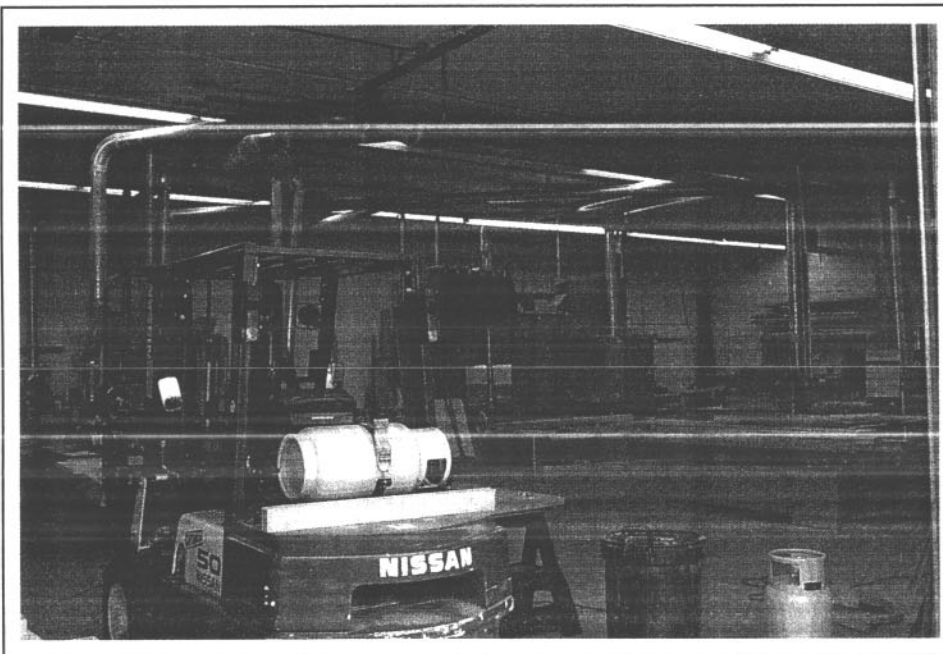
AMOUNT ASCRIBED TO BUILDINGS:	\$180,000	POTENTIAL GROSS INCOME:	N/A
Rate/Sq. Ft.:	\$50.00	Vacancy And Collection Loss:	(N/A)
AMOUNT TO LAND:	\$36,000	EFFECTIVE GROSS INCOME:	N/A
Rate/Acre:	\$24,000	Operating (Ratio) Expenses (N/A):	(N/A)
AMOUNT ASCRIBED TO SITE IMPROVEMENTS:	\$9,000	NET OPERATING INCOME (NOI):	N/A
		CAPITALIZATION RATE:	N/A
OVERALL RATE PER SQ. FT.:	\$62.50	EGIM:	N/A

COMMENTS:

Building was vacant at time of sale. Structural Panel Systems was leasing a building in the Telford Industrial Park, prior to this purchase. W.D. 1172355 Recorded 12/13/04.



Comparable
Building Sale
No. 2



Comparable
Building Sale
No. 2

INDUSTRIAL BUILDING SALE NO. 2

BUILDING NAME: Willowcreek Workworks
Address: 4012 & 4025 East Lincoln Road. North side, about 1/2 mile east of the Ammon Lincoln Road.
City: Idaho Falls, Idaho
BUYER: D&J Enterprises, LLC SELLER: Robert Dunkley
PRICE: \$250,000 DATE: April 2000
Terms: Cash

LEGAL DESCRIPTION: Metes and bounds in the SW 1/4 SE 1/4 Section 11, T 2 N, R 38 EBM

BUILDING DESCRIPTION:

Size: 7,188 sq. ft. Irregular
Construction: Wood frame and siding main building with gable wood truss roof with asphalt shingles and about 12' ceiling heights. About 5% offices with adequate heat and lighting. Cinderblock and wood gable truss roof with asphalt shingles, adequate heat and lighting and about 12' ceiling heights. Good/Fair condition.
Year Built: About 1994
Layout/Finishes: Front corner office, open shop in the main building. Detached shop with central partition. Average "vanilla" office finishes, fire taped sheetrock walls and ceilings in the shop areas.

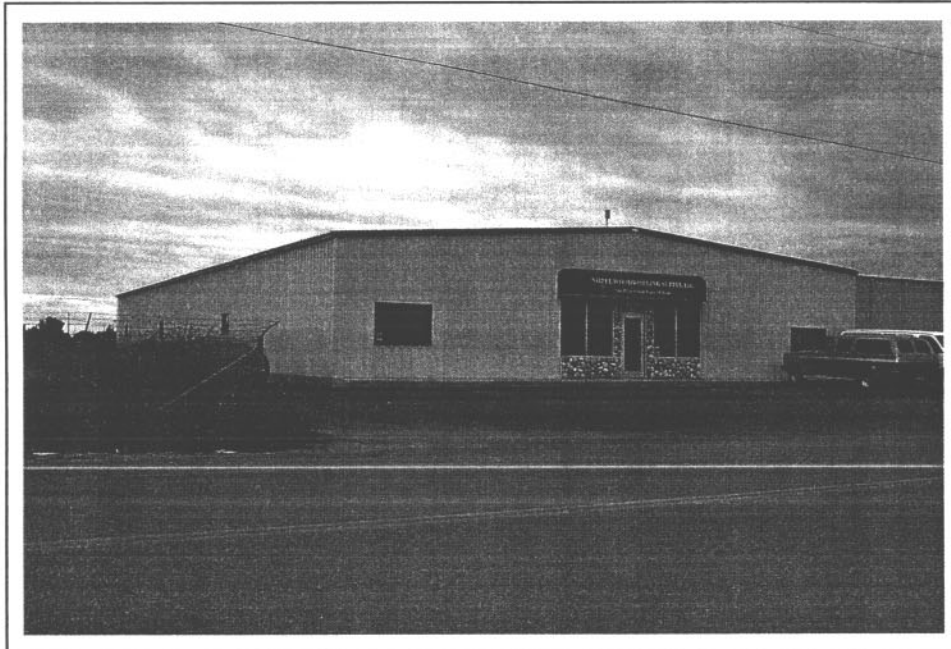
LAND DESCRIPTION:

Size: 1.1 acres. 156 ff x 304'
Location: About 1/2 mile east of Lincoln in a part built-up mixed residential/industrial district.
Shape: A rectangular parcel with minimal developmental limitations due to shape.
Access: Direct from Lincoln Road.
Site: A generally level parcel at street grade. Paved and gravel parking with some average landscaping. Typical rural utilities are connected to the site; well and septic system.
Zoning: GC, General Commercial. Existing zoning is appropriate for most probable uses of the property.

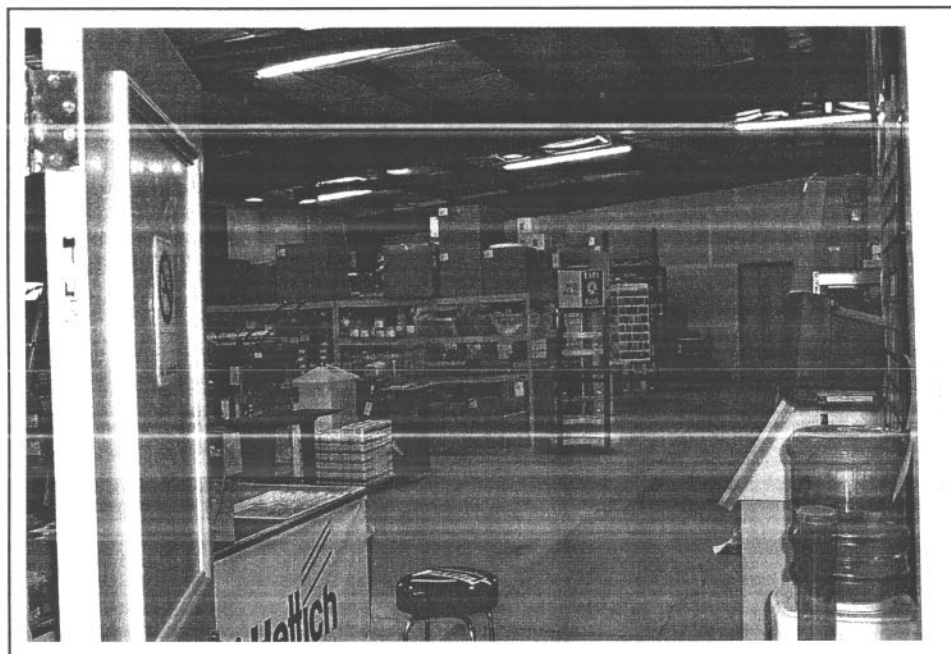
AMOUNT ASCRIBED TO BUILDINGS:	\$215,000	POTENTIAL GROSS INCOME:	N/A
Rate/Sq. Ft.:	\$29.91	Vacancy And Collection Loss:	(N/A)
AMOUNT TO LAND:	\$20,000	EFFECTIVE GROSS INCOME:	N/A
Rate/Acre:	\$18,520	Operating (Ratio) Expenses (N/A):	(N/A)
AMOUNT ASCRIBED TO SITE IMPROVEMENTS:	\$15,000	NET OPERATING INCOME (NOI):	N/A
		CAPITALIZATION RATE:	N/A
OVERALL RATE PER SQ. FT.:	\$34.78	EGIM:	N/A

COMMENTS:

Originally built for Artistry in Oak and leased by Dunkley. Buyer state that the rear shop was in poor condition, requiring some rehabilitation, built a connecting cover between the buildings, and also installed a french drain in the drive area. Allocated rates to the two buildings would be about \$40.00 to the main building, and about \$11.90 to the rear shop. W.D. 1022742 recorded 5/18/00.



Comparable
Building Sale
No. 3



Comparable
Building Sale
No. 3

INDUSTRIAL BUILDING SALE NO. 3

BUILDING NAME: Former Anderson Millworks
Address: 2435 East Iona Road. North side, just west of Hitt Road.
City: Idaho Falls, Idaho

BUYER: Robert Shipley **SELLER:** Kenneth Anderson

PRICE: \$330,000 **DATE:** November 2002

Terms: \$30,000 down, balance carried on contract @ 7% for 25 years

LEGAL DESCRIPTION: Lot 2, Block 1, Intermountain Addition, Bonneville County, Idaho

BUILDING DESCRIPTION:

Size: 9,800 sq. ft. about 80' x 123'

Construction: Pre-engineered steel frame and steel siding and roofing with slab on grade floor, 14' ceilings, and about 12% office and simple retail display area. Good lighting and front HVAC, gas heating in warehouse; two 16' x 18' overhead doors. Good condition.

Year Built: About 1994

Layout/Finishes: Front office/display area with rear open warehouse, and two lavs. Average to good "vanilla" interior finishes with exposed structure and fire-taped sheetrock in the warehouse.

LAND DESCRIPTION:

Size: .6 acres. 130 ff x 186'

Location: Light industrial district about one mile north of the city limits, between the Yellowstone Highway and Hitt Road.

Shape: A rectangular parcel with no developmental limitations due to shape or size.

Access: Direct from Iona Road.

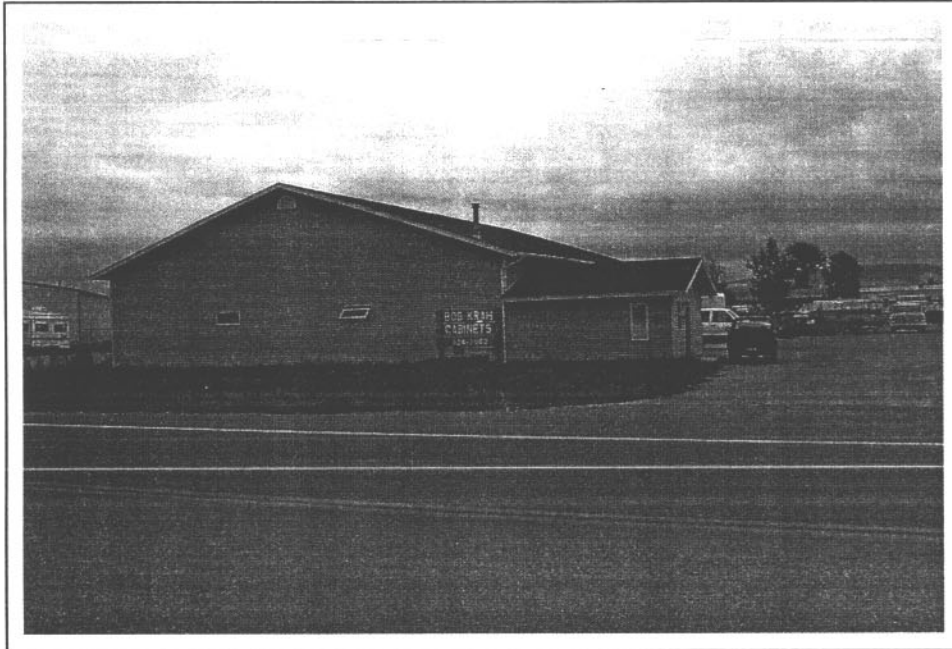
Site: A generally level parcel at street grade. Paved parking, rural utilities are connected to the site, including well and septic system.

Zoning: C-2, General Commercial. Existing zoning is appropriate for most probable uses of the property.

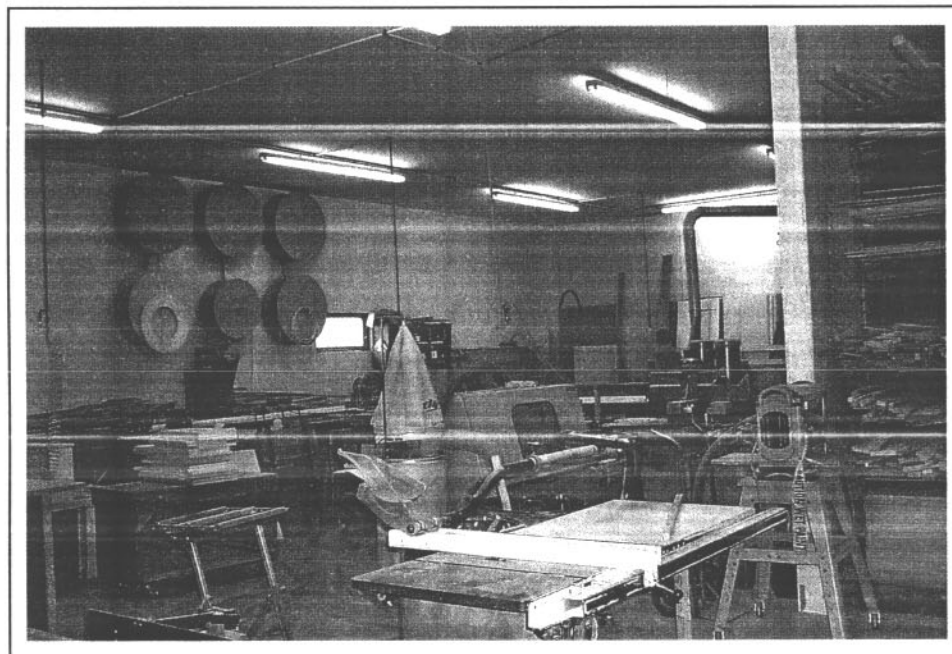
AMOUNT ASCRIBED TO BUILDINGS:	\$280,000	POTENTIAL GROSS INCOME:	N/A
<i>Rate/Sq. Ft.:</i>	\$28.57	<i>Vacancy And Collection Loss:</i>	(N/A)
AMOUNT TO LAND:	\$25,000	EFFECTIVE GROSS INCOME:	N/A
<i>Rate/Acre:</i>	\$45,000	<i>Operating (Ratio) Expenses (N/A):</i>	(N/A)
AMOUNT ASCRIBED TO SITE IMPROVEMENTS:	\$25,000	NET OPERATING INCOME (NOI):	\$30,360
		CAPITALIZATION RATE:	.093
OVERALL RATE PER SQ. FT.:	\$33.16	EGIM:	N/A

COMMENTS:

Newer warehouse/office building of standard design and average to good quality construction. Part of the building was leased prior to sale, and the NOI and cap rate are projected from this part building rent. W.D. 1096157 recorded 11/27/02. Cash equivalency adjustment (CEA) of -\$5,000 discounts the below market contract to return a typical rate.



Comparable
Building Sale
No. 4



Comparable
Building Sale
No. 4

INDUSTRIAL BUILDING SALE NO. 4

BUILDING NAME: Krah Custom Cabinets
Address: 5364 North Yellowstone Highway. North side, just west of Beech's Corner
City: Idaho Falls, Idaho

BUYER: John Christensen **SELLER:** Robert Krah
PRICE: \$237,500 **DATE:** May 2004
Terms: Cash

LEGAL DESCRIPTION: Metes and bounds in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ Section 35, T 3 N, R 38 EBM

BUILDING DESCRIPTION:

Size: 5,500 sq. ft. About 55' x 100'
Construction: Wood frame and steel siding, with slab on grade floor and low gable asphalt roof, with about 8% offices. Adequate heat and lighting. Good condition.
Year Built: About 1990
Layout/Finishes: Small front office, with two insulated shop areas. Good finishes in the office, with sheetrock walls and ceilings in the shop areas.

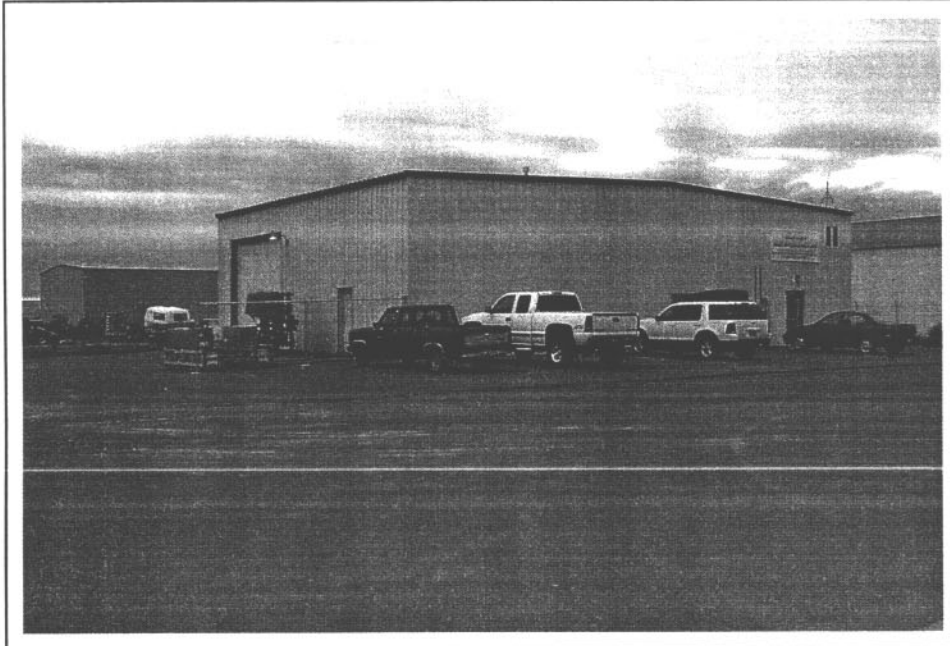
LAND DESCRIPTION:

Size: .7 acres. 130 ff 255', less right of way
Location: About 3 miles north of Idaho Falls.
Shape: A rectangular parcel with no developmental limitations due to shape or size.
Access: Direct from the highway.
Site: A generally level parcel at street grade. Gravel parking, well and septic systems.
Zoning: C-2, Commercial. Existing zoning is appropriate for most probable uses of the property.

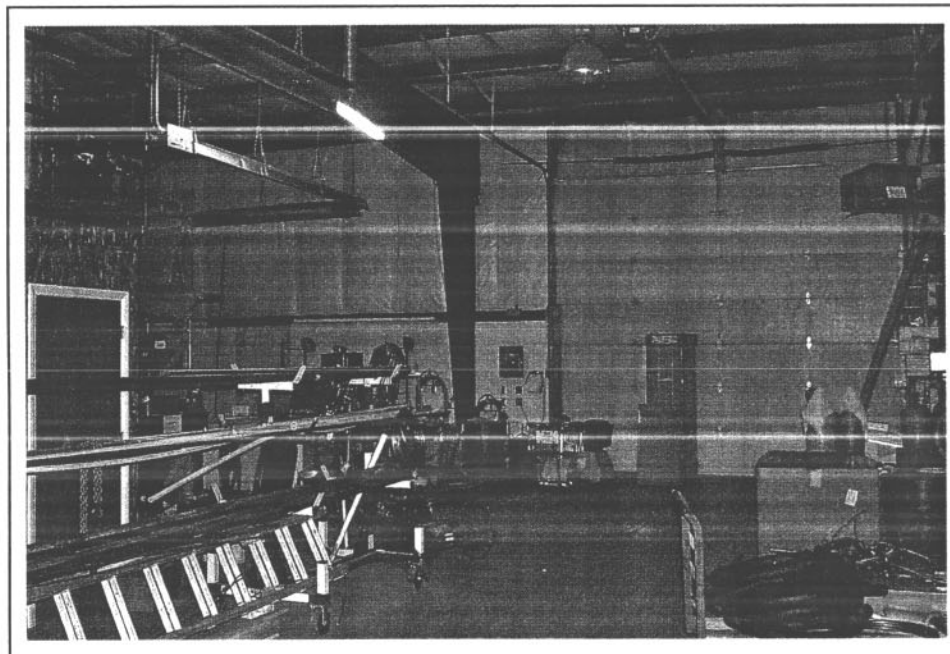
AMOUNT ASCRIBED TO BUILDINGS:	\$205,000	POTENTIAL GROSS INCOME:	N/A
<i>Rate/Sq. Ft.:</i>	\$37.27	<i>Vacancy And Collection Loss:</i>	(N/A)
AMOUNT TO LAND:	\$22,500	EFFECTIVE GROSS INCOME:	N/A
<i>Rate/Acre:</i>	\$30,800	<i>Operating (Ratio) Expenses (N/A):</i>	(N/A)
AMOUNT ASCRIBED TO SITE IMPROVEMENTS:	\$10,000	NET OPERATING INCOME (NOI):	N/A
		CAPITALIZATION RATE:	N/A
OVERALL RATE PER SQ. FT.:	\$43.18	EGIM:	N/A

COMMENTS:

Purchased by a cabinet shop operator from a longer term cabinet maker. Building has a good location on the highway, and is of contemporary design for this use, but lower ceilings limit it somewhat for other uses. W.D. 1150469 recorded.



Comparable
Building Sale
No. 5



Comparable
Building Sale
No. 5

INDUSTRIAL BUILDING SALE NO. 5

BUILDING NAME: Kenyon Refrigeration
Address: 1244 Kohler Way. South side of the street, east of Haroldsen Drive.
City: Idaho Falls, Idaho

BUYER: Kenyon Wold **SELLER:** B&C Leasing
PRICE: \$129,900 **DATE:** February 2001
Terms: Cash

LEGAL DESCRIPTION: Center part of Lot 1 Block 3, Telford Park

BUILDING DESCRIPTION:

Size: 3,500 sq. ft. 50' x 70'
Construction: Pre-engineered steel frame, insulated building with 16' ceiling height, about 5% front office and lav, with warehouse storage in the rear and side. Good shop lighting and radiant shop heat with office HVAC. Good condition.
Year Built: About 1990
Layout/Finishes: Front office and lav, rear and side warehouse with 14' x 14' insulated overhead door. "Vanilla" office finishes and exposed surfaces in shop area.

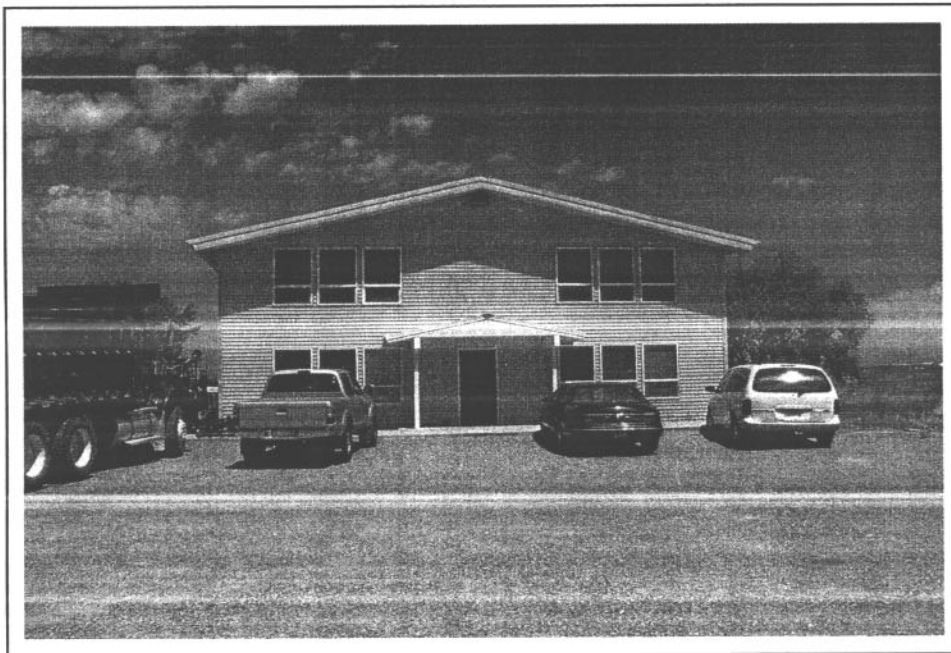
LAND DESCRIPTION:

Size: 1.0 acres. About 189 ff on Kohler Way x 231'
Location: Light industrial park, Telford subdivision, just beyond the north city limits Idaho Falls.
Shape: A rectangular parcel with no developmental limitations due to shape or size.
Access: Direct from Kohler Way.
Site: A generally level parcel at street grade. Typical rural utilities are connected to the site.
Zoning: I&M-1. Existing zoning is appropriate for most probable uses of the property.

AMOUNT ASCRIBED TO BUILDINGS:	\$100,000	POTENTIAL GROSS INCOME:	N/A
<i>Rate/Sq. Ft.:</i>	\$28.57	<i>Vacancy And Collection Loss:</i>	(N/A)
AMOUNT TO LAND:	\$24,900	EFFECTIVE GROSS INCOME:	N/A
<i>Rate/Acre:</i>	\$24,900	<i>Operating (Ratio) Expenses (N/A):</i>	(N/A)
AMOUNT ASCRIBED TO SITE IMPROVEMENTS:	\$5,000	NET OPERATING INCOME (NOI):	N/A
		CAPITALIZATION RATE:	N/A
OVERALL RATE PER SQ. FT.:	\$37.11	EGIM:	N/A

COMMENTS:

Typical office/shop building in an established light industrial subdivision just north of the city limits. Common water and private septic system. Buyer subsequently added offices and another lav. W.D. 1041424 recorded 3/26/2001.



Comparable
Building Sale
No. 6

INDUSTRIAL BUILDING SALE NO. 6

BUILDING NAME: Hampton Equipment

Address: 4289 North Yellowstone Highway.

City: Idaho Falls, Idaho

BUYER: B.C. Investment

SELLER: Doug Hampton

PRICE: \$200,000

DATE: July 2004

Terms: Cash

LEGAL DESCRIPTION: 2.2 Acres of the E $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$, Section 3, T 2 N, R 38 EBM, Bonneville County, Idaho.

BUILDING DESCRIPTION:

Size: 4,000 sq. ft. 100' x 40'

Construction: Wood frame with 16' eave heights, vinyl siding and factory painted steel roofing. Average condition.

Year Built: About 1998

Layout/Finishes: Industrial type shop and office building, with about 46% office space on two levels. The layout consists of 2,800 square feet of open shop space, about 1,200 square feet of rentable partitioned office area on the main level, and about 1,200 square feet of rentable open office area on the second level. Primarily exposed structural surfaces in the shop with "vanilla" office finishes of average quality.

LAND DESCRIPTION:

Size: 2.2 acres. Irregular

Location: About 2 miles north of the city limits.

Shape: Somewhat rectangular with 227 ff on North Yellowstone.

Access: Direct from North Yellowstone.

Site: Level with storage compound. Gravel with partial chain link fencing around the site.

Zoning: I&M-1. Existing zoning allows the current and most probable future uses of the property as a light industrial or shop building.

AMOUNT ASCRIBED TO BUILDINGS:	\$138,000	POTENTIAL GROSS INCOME:	\$26,400
Rate/Sq. Ft.:	\$34.50	Vacancy And Collection Loss:	(\$1,320)
AMOUNT TO LAND:	\$59,000	EFFECTIVE GROSS INCOME:	\$25,080
Rate/Acre:	\$27,000	Operating (Ratio) Expenses (22%):	(\$6,000)
AMOUNT ASCRIBED TO SITE IMPROVEMENTS:	\$3,000	NET OPERATING INCOME (NOI):	\$19,080
		CAPITALIZATION RATE:	.095
OVERALL RATE PER SQ. FT.:	\$50.00	EGIM:	7.97

COMMENTS:

Hampton Equipment, general purpose shop and office building of average quality. Building is to continue to be occupied by the seller.

APPRAISER'S STATEMENT
of
CERTIFICATION OF STANDARDS AND CONDITIONS

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in the report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the *Uniform Standards of Professional Appraisal Practice*.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- I have made a personal inspection of the property that is the subject of this report.
- No one other than the person(s) signing the report rendered significant professional appraisal assistance in arriving at the analyses, opinions, and conclusions concerning real estate set forth in the report.
- As of the date of this report, I have completed the continuing education program of the Appraisal Institute.




M. Brent Thompson, MAI

APPRAISER'S STATEMENT
of
CERTIFICATION OF STANDARDS AND CONDITIONS

The undersigned certifies that, except as otherwise stated in this appraisal report:

- The undersigned has inspected the subject property; that to the best of my knowledge and belief, the statements of fact contained in this report, upon which the analyses, opinions and conclusions expressed herein are based, are true and correct.
- This report sets forth all the assumptions and limiting conditions affecting my personal, impartial, and unbiased professional analyses, opinions and conclusions contained in this report.
- The appraiser has no personal bias with respect to the parties involved in the appraisal. The appraiser has no interest in the property and compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- The appraisal was not based on a requested minimum valuation, a specific valuation, predetermined results, or approval of a loan.
- No one other than the person(s) signing the report rendered significant professional appraisal assistance in arriving at the analyses, opinions and conclusions concerning real estate set forth in the report.
- This report has been made in conformity with and is subject to requirements of the Uniform Standards of Professional Appraisal Practice.



Mel J. Savage, Trainee

APPRAISER QUALIFICATIONS

M. Brent Thompson, MAI

Education and Vocational Experience:

1. Graduated Cum Laude University of Idaho, 1976; B.S. Degree in Business, Major in Management; three years architectural design and construction management.
2. Six years experience commercial, multi-family and industrial construction management.

Appraisal Experience:

1. Full time appraiser since 1980 and owner of Thompson & Associates since 2000.
2. Major clients:

<i>Bonneville Power Administration</i>	<i>Circle K Corporation</i>	<i>Rocky Mountain Pizza Huts, Inc.</i>
<i>Zions First National Bank</i>	<i>First Security Bank of Idaho</i>	<i>U-Haul International</i>
<i>United States Forest Service</i>	<i>EG&G Idaho, Inc.</i>	<i>General Services Administration</i>
<i>Bonneville County Commission</i>	<i>Westmark Federal Credit Union</i>	<i>Lockheed, Idaho</i>
<i>Idaho Transportation Department</i>	<i>U. S. Postal Service</i>	<i>Department of Energy</i>
<i>Wells Fargo Bank</i>	<i>Grand Targhee Resort</i>	<i>East Idaho Federal Credit Union</i>
<i>Cyprus Minerals Corporation</i>	<i>Northwest Pipeline Company</i>	<i>J. R. Simplot Co.</i>
<i>U. S. Justice Department</i>	<i>Key Bank of Idaho</i>	<i>Bank of Commerce</i>
<i>Federal Deposit Insurance Corp.</i>	<i>Jackson Hole Ski Corporation</i>	<i>Bank of Eastern Idaho</i>
<i>Washington Federal Savings</i>	<i>Morrison-Knudsen Co., Inc.</i>	<i>Ireland Bank</i>
<i>Chevron, USA</i>	<i>Kaiser Engineers, Inc.</i>	<i>Department of Justice</i>
<i>Small Business Administration</i>	<i>Cities of Idaho Falls, St. Anthony</i>	<i>Intermountain Gas Co.</i>
<i>Resolution Trust Corporation</i>	<i>Chubbuck, Pocatello, Rigby</i>	<i>Utah Power & Light</i>
<i>Farm Credit Services</i>	<i>School Districts 91 & 93</i>	<i>Idaho Power Co.</i>
<i>U. S. Bank</i>	<i>Various attorneys</i>	<i>Anderson Lumber Co.</i>

3. Property Classes and Interests Appraised:
 - a. Land Classes - Commercial, industrial, agricultural, potential residential subdivision.
 - b. Improvements Classes - Motels/hotels, multi and single-family residential, medical clinics, offices, apartments, shopping centers, congregate care facilities, auto dealerships, retail stores, restaurants, industrial manufacturing, industrial agricultural, warehouses.
 - c. Ownership Interests - Fee simple estate, leased fee estates, leasehold estates, temporary and permanent easements, rights of way, foreclosures, feasibility studies, value in use.
4. Member, Appraisal Institute; MAI designation awarded May, 1986.
5. Idaho State Certified Real Estate Appraiser #30.
6. Qualified as Expert Witness in Federal Bankruptcy and Idaho State District Courts.
7. Authored "Using Word Perfect as a Database", Quarterly Byte - Spring 1993.
8. Instructor, General Real Estate Appraiser Review Seminar
9. Assistant Regional Member, Review and Counseling Division - Appraisal Institute
10. Regional Representative - Appraisal Institute
11. President, Southern Idaho Chapter, Appraisal Institute - 1990

APPRAISER QUALIFICATIONS

Mel J. Savage, Associate Member of the Appraisal Institute

Education and Professional Experience:

1. Graduated Idaho State University, 1996; Bachelors Degree in Business Administration, Major in Finance.
2. Six years experience as an INEEL Project Control Engineer, conducting cost, schedule, and budget analysis with performance measurement reporting.
3. Registered Appraiser Trainee with the State of Idaho, RT-971. Associate Member of the Appraisal Institute, seeking MAI designation.

Appraisal Institute Education:

1. Appraisal Principles - Course 110. Successful completion of 36 hour course and 3 hour exam, 2003.
2. Appraisal Procedures - Course 120. Successful completion of 36 hour course and 3 hour exam, 2003.
3. Standards of Professional Practice (USPAP), Part A - Course 410. Successful completion of 14 hour course and 1 hour exam, 2003.
4. Basic Income Capitalization - Course 310. Successful completion of 36 hour course and 3 hour exam, 2004.
5. Business Practices and Ethics - Course 420. Successful completion of 7 hour course and 1 hour exam, 2004.

Appraisal Experience:

1. Full time appraiser for Thompson & Associates since April 2003.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

REFERENCE – APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: V. FINANCIAL AFFAIRS

Subsection: I. Real and Personal Property and Services

April 2002

I. Real and Personal Property and Services

1. Authority

- a. The Board may acquire, hold, and dispose of real and personal property pursuant to Article IX, Section 2 and Article IX, Section 10, Idaho Constitution, pursuant to various sections of Idaho Code.
- b. Leases of office space or classroom space by any institution, school or agency except the University of Idaho are acquired by and through the Department of Administration pursuant to Section 67-5708, Idaho Code.
- c. All property that is not real property must be purchased consistent with Sections 67-5715 through 67-5737, Idaho Code, except that the University of Idaho may acquire such property directly and not through the Department of Administration. Each institution, school and agency must designate an officer with overall responsibility for all purchasing procedures.
- d. Sale, surplus disposal, trade-in, or exchange of property must be consistent with Section 67-5722, Idaho Code, except that the University of Idaho may dispose of such property directly and not through the Department of Administration.
- e. If the executive director finds or is informed that an emergency exists, he or she may consider and approve a purchase or disposal of equipment or services otherwise requiring prior Board approval. The institution, school or agency must report the transaction in the Business Affairs and Human Resources agenda at the next regular Board meeting together with a justification for the emergency action.

2. Acquisition of Real Property

- a. Any interest in real property acquired for the University of Idaho must be taken in the name of the Board of Regents of the University of Idaho.
- b. Any interest in real property acquired for any other institution, school or agency under the governance of the Board must be taken in the name of the state of Idaho by and through the State Board of Education.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

I

- c. This does not preclude a foundation or other legal entity separate and apart from an institution, school or agency under Board governance from taking title to real

property in the name of the foundation or other organization for the present or future benefit of the institution, school or agency. (See Section V.E.)

- d. Acquisition of an option, lease, or any other present or future interest in real property by or on behalf of an institution, school or agency requires prior Board approval if the term of the lease exceeds five (5) years or if the cost exceeds two hundred fifty thousand dollars (\$250,000) annually.

- e. Appraisal.

An independent appraiser must be hired to give an opinion of fair market value before an institution, school or agency acquires fee simple title to real property.

- f. Method of sale - exchange of property.

The Board will provide for the manner of selling real property under its control, giving due consideration to Section 33-601(4), applied to the Board through Section 33- 2211(5), and to Chapter 3, Title 58, Idaho Code. The Board may exchange real property under the terms, conditions, and procedures deemed appropriate by the Board.

- g. Execution.

All easements, deeds, and leases excluding easements, deeds, and leases delegated authority granted to the institutions, school and agencies must be executed and acknowledged by the president of the Board or another officer designated by the Board and attested to and sealed by the secretary of the Board as being consistent with Board action.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION / AGENCY AGENDA
LEWIS-CLARK STATE COLLEGE

SUBJECT

Lewis-Clark State College requests approval to purchase property.

APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.I.2.

BACKGROUND

The Campus Master Plan indicates the long-range need for the college to acquire additional property near campus which will eventually be used for expansion and/or parking. The property listed below is directly across the street from the campus on the southwest corner.

	Appraisal <u>Price</u>	Purchase <u>Price</u>
Property: 1004 4 th Street, Lewiston	\$160,000	\$160,000

DISCUSSION

The property will become a rental unit for the college until a further need is developed.

IMPACT

The purchase price of \$160,000 is in line with the appraised value and will be taken from institutional reserves. Rental income generated will offset purchase price.

STAFF COMMENTS AND RECOMMENDATIONS

An appraisal was conducted, and can be found as Attachment 1 along with a map of the college as Attachment 2. The house is near the LCSC campus, making it valuable to the college as a rental unit. For this reason the purchase amount is at the appraised value. Monthly revenue will equal the potential investment income.

Staff has reviewed the proposed purchase and recommends approval.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION / AGENCY AGENDA
LEWIS-CLARK STATE COLLEGE - continued

BOARD ACTION

A motion to approve the purchase of real property located at 1004 4th Street in Lewiston, Idaho, for a total amount of \$160,000, and to delegate signature authority in regard to such transaction to the Vice President for Administrative Services at Lewis-Clark State College.

Moved by _____ Seconded by _____ Carried Yes _____ No _____



APPRAISAL OF REAL PROPERTY

LOCATED AT:

1004 4th St
RAND TRACT SUBDIVISION; LOT 11 & 12, BLOCK 11
LEWISTON, ID 83501-2728

FOR:

LEWIS-CLARK STATE COLLEGE
ADMINISTRATIVE SERVICES, 500 8TH AVENUE, LEWISTON, ID

AS OF:

4/26/2005

BY:

JOSEPH W. SCOTT
WESTERN APPRAISALS
1014 MAIN STREET
LEWISTON, ID 83501
(208) 746-9891

Summary Appraisal Report

UNIFORM RESIDENTIAL APPRAISAL REPORT

File No. RL5302

SUBJECT	Property Address		1004 4th St				City			LEWISTON			State		ID		Zip Code			83501-2728																																																																																																														
	Legal Description		RAND TRACT SUBDIVISION; LOT 11 & 12, BLOCK 11												County			NEZ PERCE																																																																																																																
	Assessor's Parcel No.		RPL123001011AA				Tax Year			2004			R.E. Taxes \$			1,377.92			Special Assessments \$			0.00																																																																																																												
	Borrower		LCSC				Current Owner			MONA HUBENTHAL REVOCABLE TRUST				Occupant:		<input checked="" type="checkbox"/> Owner		<input type="checkbox"/> Tenant		<input type="checkbox"/> Vacant																																																																																																														
	Property rights appraised		<input checked="" type="checkbox"/> Fee Simple		<input type="checkbox"/> Leasehold		Project Type		<input type="checkbox"/> PUD		<input type="checkbox"/> Condominium (HUD/VA only)		HOA \$			N/A			/Mo.																																																																																																															
	Neighborhood or Project Name		N/A				Map Reference			35-A				Census Tract			9904.00																																																																																																																	
	Sale Price \$		160,000		Date of Sale		9/1/2005		Description and \$ amount of loan charges/concessions to be paid by seller										0																																																																																																															
	Lender/Client		LEWIS-CLARK STATE COLLEGE				Address												ADMINISTRATIVE SERVICES, 500 8TH AVENUE, LEWISTON, ID																																																																																																															
	Appraiser		JOSEPH W. SCOTT				Address												WESTERN APPRAISAL 1014 MAIN STREET, LEWISTON, ID 83501																																																																																																															
	Location		<input checked="" type="checkbox"/> Urban		<input type="checkbox"/> Suburban		<input type="checkbox"/> Rural		Predominant occupancy		Single family housing PRICE \$(000)		AGE (yrs)		Present land use %		Land use change																																																																																																																	
Built up		<input checked="" type="checkbox"/> Over 75%		<input type="checkbox"/> 25-75%		<input type="checkbox"/> Under 25%		<input checked="" type="checkbox"/> Owner 85%		45		Low 1		One family 80%		<input checked="" type="checkbox"/> Not likely <input type="checkbox"/> Likely																																																																																																																		
Growth rate		<input type="checkbox"/> Rapid		<input checked="" type="checkbox"/> Stable		<input type="checkbox"/> Slow		<input type="checkbox"/> Tenant		350		High 100		2-4 family 7%		<input type="checkbox"/> In process																																																																																																																		
Property values		<input type="checkbox"/> Increasing		<input checked="" type="checkbox"/> Stable		<input type="checkbox"/> Declining		<input checked="" type="checkbox"/> Vacant (0-5%)		Predominant				Multi-family 5%		To: _____																																																																																																																		
Demand/supply		<input checked="" type="checkbox"/> Shortage		<input type="checkbox"/> In balance		<input type="checkbox"/> Over supply		<input type="checkbox"/> Vac.(over 5%)		130		45		Commercial 3%																																																																																																																				
Marketing time		<input checked="" type="checkbox"/> Under 3 mos.		<input type="checkbox"/> 3-6 mos.		<input type="checkbox"/> Over 6 mos.								Vacant 5%																																																																																																																				
NEIGHBORHOOD	Note: Race and the racial composition of the neighborhood are not appraisal factors.																																																																																																																																	
	Neighborhood boundaries and characteristics: THE BOUNDARIES ARE CLEARWATER RIVER TO THE NORTH, LEWISTON ORCHARDS TO THE SOUTH, OLD GUN CLUB ROAD TO THE EAST, SNAKE RIVER AND CLARKSTON TO THE WEST. THE NEIGHBORHOOD IS SINGLE FAMILY AND SOME MULTI-FAMILY WITH VARIOUS AGES, STYLES, SIZES, AND ACRES.																																																																																																																																	
	Factors that affect the marketability of the properties in the neighborhood (proximity to employment and amenities, employment stability, appeal to market, etc.):																																																																																																																																	
	THE SUBJECT IS LOCATED IN LEWISTON ACROSS THE STREET FROM LEWIS-CLARK STATE COLLEGE, SURROUNDED PRIMARILY BY SINGLE FAMILY RESIDENTS WITH SOME MULTI-FAMILY AND SPOT COMMERCIAL ALONG RESIDENTIAL ARTERIAL STREETS. EMPLOYMENT, SCHOOLS, AND SHOPPING ARE A SHORT COMMUTE AWAY. MAJOR EMPLOYERS INCLUDE POTLATCH CORP., BLOUNT, AND SAINT JOSEPH'S REGIONAL MEDICAL CENTER. EMPLOYMENT IS STABLE AND CONSISTENT WITH NATIONAL ECONOMIC SITUATION. THERE ARE NO APPARENT ADVERSE FACTORS WHICH AFFECT MARKETABILITY. A LIMITED PUBLIC TRANSIT SYSTEM BEGAN OPERATION IN JANUARY 2002.																																																																																																																																	
	Market conditions in the subject neighborhood (including support for the above conclusions related to the trend of property values, demand/supply, and marketing time -- such as data on competitive properties for sale in the neighborhood, description of the prevalence of sales and financing concessions, etc.):																																																																																																																																	
	THE NUMBER OF SALES HAVE INCREASED SLIGHTLY IN THE PAST YEAR DUE TO LOW INTEREST RATES AND VALUES REMAIN CONSISTENT EVEN WITH A SHORTAGE OF HOMES FOR SALE IN THE MARKET AREA. MLS STATISTICS INDICATE AN AVERAGE MARKET OF 80 DAYS WITH SALES AT 99.00% OF LIST. INTEREST RATES ARE NEAR 6% FOR A 30 YEAR FIXED RATE MORTGAGE. MANY ARE REFINANCING THEIR CURRENT HOMES AND FIRST TIME BUYERS HAVE A STRONG INCENTIVE TO ENTER THE MARKET. NEW CONSTRUCTION CONTINUES AT A STABLE LEVEL.																																																																																																																																	
PUD	Project Information for PUDs (If applicable) - - Is the developer/builder in control of the Home Owners' Association (HOA)? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A																																																																																																																																	
	Approximate total number of units in the subject project										N/A										Approximate total number of units for sale in the subject project										N/A																																																																																																			
SITE	Dimensions										100' X 142'										Topography										LEVEL																																																																																																			
	Site area										14,200 SQ FT (0.33 ACRES)										Corner Lot										<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No																																																																																																			
	Specific zoning classification and description										R2 - LOW DENSITY RESIDENTIAL (7,500 SF MIN)										Shape										RECTANGULAR																																																																																																			
	Zoning compliance										<input checked="" type="checkbox"/> Legal <input type="checkbox"/> Legal nonconforming (Grandfathered use) <input type="checkbox"/> Illegal <input type="checkbox"/> No zoning										Drainage										APPEARS ADEQUATE																																																																																																			
	Highest & best use as improved:										<input checked="" type="checkbox"/> Present use <input type="checkbox"/> Other use (explain)										View										LOCAL																																																																																																			
	Utilities										Public Other										Off-site Improvements										Type Public Private										Landscaping										ADEQUATE COVER																																																																															
	Electricity										<input checked="" type="checkbox"/> OVERHEAD										Street										ASPHALT										<input checked="" type="checkbox"/> <input type="checkbox"/>										Driveway Surface										CONCRETE																																																																					
	Gas										<input checked="" type="checkbox"/>										Curb/gutter										CONCRETE										<input checked="" type="checkbox"/> <input type="checkbox"/>										Apparent easements										TYPICAL UTILITY																																																																					
	Water										<input checked="" type="checkbox"/>										Sidewalk										CONCRETE										<input checked="" type="checkbox"/> <input type="checkbox"/>										FEMA Special Flood Hazard Area										<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No																																																																					
	Sanitary sewer										<input checked="" type="checkbox"/>										Street lights										ELECTRIC										<input checked="" type="checkbox"/> <input type="checkbox"/>										FEMA Zone										C Map Date										1/20/1982																																																											
Storm sewer										<input checked="" type="checkbox"/>										Alley										GRAVEL										<input checked="" type="checkbox"/> <input type="checkbox"/>										FEMA Map No.										1601040003B																																																																						
Comments (apparent adverse easements, encroachments, special assessments, slide areas, illegal or legal nonconforming zoning use, etc.):																				NO APPARENT																																																																																																														
ADVERSE EASEMENTS OR ENCROACHMENTS WERE NOTED.																																																																																																																																		
DESCRIPTION OF IMPROVEMENTS	GENERAL DESCRIPTION										EXTERIOR DESCRIPTION										FOUNDATION										BASEMENT										INSULATION																																																																																									
	No. of Units										ONE										Foundation										PRD CONCRETE										Slab										NO										Area Sq. Ft.										1,055										Roof										<input type="checkbox"/>																																							
	No. of Stories										1 STY										Exterior Walls										BRICK										Crawl Space										PART										% Finished										1,055 FIN										Ceiling										UNK/AVG										<input checked="" type="checkbox"/>																													
	Type (Det./Att.)										DETACHED										Roof Surface										COMP SHINGLES										Basement										PART										Ceiling										DRYWALL										Walls										UNK/AVG										<input checked="" type="checkbox"/>																													
	Design (Style)										SPLIT-LEVEL										Gutters & Dwnspts.										PAINTED METAL										Sump Pump										NO										Walls										PNL, DW, CONC										Floor										<input type="checkbox"/>																																							
	Existing/Proposed										EXISTING										Window Type										WOOD										Dampness										NONE OBSERVED										Floor										VINYL, TILE, CPT										None										<input type="checkbox"/>																																							
	Age (Yrs.)										1928										Storm/Screens										MIX										Settlement										NONE OBSERVED										Outside Entry										YES										Unknown										<input type="checkbox"/>																																							
	Effective Age (Yrs.)										40-50										Manufactured House										NO										Infestation										NONE OBSERVED																																																																															
	ROOMS										Foyer										Living										Dining										Kitchen										Den										Family Rm.										Rec. Rm.										Bedrooms										# Baths										Laundry										Other										Area Sq. Ft.									
	Basement																																																		1										1										1										1/2										1																				1,055																			
Level 1																				1										1										1																				1																				2										2																														1,553										
Level 2																																																																																																																																		
Finished area above grade contains:										6 Rooms;										2 Bedroom(s);										2 Bath(s);										1,553 Square Feet of Gross Living Area																																																																																										
INTERIOR										Materials/Condition										HEATING										GFA/CAC										KITCHEN EQUIP.										ATTIC										AMENITIES										CAR STORAGE: 1+ GAR/ATT																																																												
Floors										CARPET, HARDWOOD/AVG										Type										F A										Refrigerator										<input type="checkbox"/>										None										<input type="checkbox"/>										Fireplace(s) #										1 FRPL										<input checked="" type="checkbox"/>										None										<input type="checkbox"/>										
Walls										PLASTER, WOOD/AVG										Fuel										GAS										Range/Oven										<input checked="" type="checkbox"/>										Stairs										<input type="checkbox"/>										Patio										3 CONCRETE										<input checked="" type="checkbox"/>										Garage										# of cars										
Trim/Finish										WOOD/AVG										Condition										AVG										Disposal										<input checked="" type="checkbox"/>										Drop Stair										<input type="checkbox"/>										Deck										NONE										<input type="checkbox"/>										Attached										1+										
Bath Floor										VINYL/AVG										COOLING										CAC										Dishwasher										<input checked="" type="checkbox"/>										Scuttle										<input checked="" type="checkbox"/>										Porch										NONE										<input type="checkbox"/>										Detached										N/A										
Bath Wainscot										LAMINATE/AVG										Central										YES										Fan/Hood										<input checked="" type="checkbox"/>										Floor										<input type="checkbox"/>										Fence										WOOD, CHN LNK										<input checked="" type="checkbox"/>										Built-In										N/A										
Doors										WOOD/AVG										Other										N/A										Microwave										<input type="checkbox"/>										Heated										<input type="checkbox"/>										Pool										NONE										<input type="checkbox"/>										Carport										N/A										
																				Condition										AVG										Washer/Dryer										<input type="checkbox"/>										Finished										<input type="checkbox"/>										UGSS										<input checked="" type="checkbox"/>										Driveway										2																				
COMMENTS	Additional features (special energy efficient items, etc.): ENERGY FEATURES HAVE BEEN UPGRADED FOR A HOUSE OF THIS AGE AND STYLE. THE SUBJECT HAS A GAS FORCED-AIR FURNACE AND CENTRAL AIR CONDITIONING AND A FIREPLACE IN THE LIVING ROOM. THE MAIN LEVEL HAS A LAUNDRY SHOOT TO THE BASEMENT.																																																																																																																																	
	Condition of the improvements, depreciation (physical, functional, and external), repairs needed, quality of construction, remodeling/additions, etc.: NO APPARENT																																																																																																																																	
	FUNCTIONAL OR EXTERNAL LOSS NOTED. THE SUBJECT HAS HAD UPDATING IN THE KITCHEN AND BATHROOMS. THE MASTER BEDROOM HAS PINE TUNG AND GROOVE WOOD ON THE CEILING AND WALLS. THE MAIN LEVEL HAS A LIVING ROOM WITH A FIREPLACE, FAMILY ROOM, KITCHEN, DINING ROOM, BEDROOM, AND BATHROOM. THE BASEMENT IS COMPLETELY FINISHED WITH A FAMILY ROOM, LAUNDRY ROOM, RECREATION ROOM, HALF BATHROOM, AND BEDROOM. THE ROOF IS NEAR THE END OF ITS USEFUL LIFE.																																																																																																																																	
	Adverse environmental conditions (such as, but not limited to, hazardous wastes, toxic substances, etc.) present in the improvements, on the site, or in the immediate vicinity of the subject property.: NO ADVERSE CONDITIONS WERE NOTED AT TIME OF INSPECTION.																																																																																																																																	

Valuation Section

UNIFORM RESIDENTIAL APPRAISAL REPORT

File No. RL5302

COST APPROACH

ESTIMATED SITE VALUE		= \$	40,000	Comments on Cost Approach (such as, source of cost estimate, site value, square foot calculation and for HUD, VA and FmHA, the estimated remaining economic life of the property): SITE VALUE BASED ON REVIEW OF RECENT LAND SALES. COST DEVELOPED FROM MARSHALL AND SWIFT COST MANUAL. VERIFIED BY APPRAISER'S FILES AND LOCAL COST DATA. PHYSICAL DEPRECIATION IS BASED ON AGE/LIFE METHOD ADJUSTED FOR LOCAL MARKET. PLEASE SEE ATTACHED SKETCH FOR HOUSE DIMENSIONS.
ESTIMATED REPRODUCTION COST-NEW-OF IMPROVEMENTS:				
Dwelling	1,553 Sq. Ft. @\$ 66.35	= \$	103,042	
	1,055 Sq. Ft. @\$ 30.90	=	32,600	
APPLIANCES, PATIOS, FIREPLACE		=	7,526	
Garage/Carport	432 Sq. Ft. @\$ 22.00	=	9,504	
Total Estimated Cost New		= \$	152,672	
Less	Physical Functional External			
Depreciation	61,069	= \$	61,069	
Depreciated Value of Improvements		= \$	91,603	
"As-is" Value of Site Improvements UGSS, CONC DRIVEWAY		= \$	12,500	
INDICATED VALUE BY COST APPROACH		= \$	144,103	

SALES COMPARISON ANALYSIS

ITEM	SUBJECT	COMPARABLE NO. 1		COMPARABLE NO. 2		COMPARABLE NO. 3	
1004 4TH STREET		410 5TH AVENUE		301 KARIN COURT		1608 17TH AVENUE	
Address LEWISTON, ID		LEWISTON, ID		LEWISTON, ID		LEWISTON, ID	
Proximity to Subject		0.37 miles		0.66 miles		0.95 miles	
Sales Price		\$ 160,000	\$ 139,300	\$ 160,000	\$ 169,000		
Price/Gross Living Area		\$ 103.03	\$ 84.07	\$ 111.89	\$ 80.13		
Data and/or Verification Source		OWNER INSPECTION	MLS LISTING AGENT	MLS LISTING AGENT	MLS LISTING AGENT		
VALUE ADJUSTMENTS		DESCRIPTION	DESCRIPTION + (-)\$ Adjust.	DESCRIPTION + (-)\$ Adjust.	DESCRIPTION + (-)\$ Adjust.		
Sales or Financing Concessions			FHA	FHA	CASH		
Date of Sale/Time			7/6/2004	3/25/2005	2/28/2005		
Location		LEWISTON	LEWISTON	LEWISTON	LEWISTON		
Leasehold/Fee Simple		FEE SIMPLE	FEE SIMPLE	FEE SIMPLE	FEE SIMPLE		
Site		0.33 ACRES	0.14 ACRES +15,000	0.38 ACRES	0.24 ACRES +5,000		
View		LOCAL	LOCAL	AVERAGE PLUS -2,500	LOCAL		
Design and Appeal		SPLIT-LEVEL	1 STY/BSMT	1 STY/BSMT	2 STY/BSMT		
Quality of Construction		AVERAGE	AVERAGE	AVERAGE	AVERAGE PLUS -5,000		
Age		1928 EFF1960	1923 EFF1960	1959	1910 EFF1960		
Condition		AVERAGE	AVERAGE	AVERAGE	AVERAGE		
Above Grade		Total Bdrms Baths	Total Bdrms Baths	Total Bdrms Baths	Total Bdrms Baths		
Room Count		6 2 2	6 3 2	6 3 2	8 3 1.5	+600	
Gross Living Area		1,553 Sq. Ft.	1,657 Sq. Ft. -1,700	1,430 Sq. Ft. +2,000	2,109 Sq. Ft. -8,900		
Basement & Finished		1,055	1,064 0	1,430 -1,900	832 +1,100		
Rooms Below Grade		1,055 FIN	532 FIN +3,700	1,430 FIN -2,600	450 FIN +4,200		
Functional Utility		AVERAGE	AVERAGE	AVERAGE	AVERAGE		
Heating/Cooling		GFA/CAC	GFA/CAC	GFA/CAC	GFA/CAC		
Energy Efficient Items		AVERAGE	AVERAGE	AVERAGE	AVERAGE		
Garage/Carport		1+ GAR/ATT	2 GAR/DET -1,500	2 CPT/ATT +1,500	NONE +3,500		
Porch, Patio, Deck, Fireplace(s), etc.		PATIOS 1 FRPL	CV POR, PATIO, DECK 1 FRPL	DECK 2 FRPL -1,000	CV POR,PAT,GAZEBO 1 FRPL		
Fence, Pool, etc.		FENCE	FENCE	NONE +500	FENCE, POOL -6,000		
Extra Amenities		UGSS	UGSS	UGSS	UGSS		
Net Adj. (total)			+ - \$ 15,500	+ - \$ 4,000	+ - \$ 5,500		
Adjusted Sales Price of Comparable			Net 11.1 % Gross 15.7 % \$ 154,800	Net 2.5 % Gross 7.5 % \$ 156,000	Net 3.3 % Gross 20.3 % \$ 163,500		
Comments on Sales Comparison (including the subject property's compatibility to the neighborhood, etc.): THE SUBJECT IS A SPLIT-LEVEL HOUSE WITH A PARTIAL BASEMENT COMPLETELY FINISHED. THE PROPERTY HAS AN OVERSIZED ONE CAR GARAGE, UNDERGROUND SPRINKLER SYSTEM, AND FENCE. THE HOUSE SITS ON TWO C LOTS. THESE THREE SALES ARE THE ONLY HOUSES THAT COMPARE WITH THE SUBJECT PROPERTY. SALE 1 IS THE MOST SIMILAR IN SIZE, AGE, AND AMENITIES TO THE SUBJECT. THE LOT IS INFERIOR IN SIZE. SALE 2 IS A NEWER HOUSE AND SUPERIOR IN SIZE WITH AN EXTRA FIREPLACE. THE PROPERTY LACKS ENCLOSED CAR STORAGE A FENCE. THE LOT IS SIMILAR IN SIZE WITH A LIMITED VIEW OF THE VALLEY. SALE 3 IS AN OLDER HOUSE THAT IS SUPERIOR IN GROSS SIZE AND COMPLETELY REMODELED. 1992. THE PROPERTY HAS AN IN-GROUND POOL BUT LACKS CAR STORAGE. THE LOT IS INFERIOR IN SIZE. EQUAL CONSIDERATION IS GIVEN TO ALL SALES.							
ITEM	SUBJECT	COMPARABLE NO. 1		COMPARABLE NO. 2		COMPARABLE NO. 3	
Date, Price and Data Source, for prior sales within year of appraisal		NONE KNOWN		NONE KNOWN		NONE KNOWN	
Analysis of any current agreement of sale, option, or listing of subject property and analysis of any prior sales of subject and comparables within one year of the date of appraisal: NO SALE OF THE SUBJECT IN THE LAST 3 YEARS. THE SUBJECT IS LISTED THROUGH RAY J. WHITE FOR \$160,000 WITH 14 DAYS ON THE MARKET. LCSC HAS A SALES AGREEMENT WITH SELLER FOR \$160,000. SUBJECT HAD A SECOND OFFER OF \$165,000 BUT REJECTED BY SELLER. SALES COMPARISONS HAVE NOT RESOLD IN THE PAST Y							
INDICATED VALUE BY SALES COMPARISON APPROACH						\$ 160,000	
INDICATED VALUE BY INCOME APPROACH (if Applicable)		Estimated Market Rent \$ N/A /Mo. x Gross Rent Multiplier N/A = \$ N/A					

RECONCILIATION

This appraisal is made ☒ "as is" ☐ subject to the repairs, alterations, inspections or conditions listed below ☐ subject to completion per plans & specifications.

Conditions of Appraisal: NO PERSONAL PROPERTY CONSIDERED FOR FINAL VALUE INDICATION. THIS APPRAISAL HAS BEEN COMPLETED TO TAKE PLACE OF THE PRIOR APPRAISAL THAT NEEDED THE SALES AGREEMENT INFORMATION THAT WAS NOT PROVIDED TO THE APPRAISER BY LISTING AGENT.

Final Reconciliation: MOST WEIGHT PLACED ON THE COMPARABLE SALES AS THIS APPROACH BEST DEPICTS WHAT THE BUYERS AND SELLERS ARE CURRENTLY DOING IN THE MARKET. SECONDARY WEIGHT PLACED ON THE COST APPROACH WITH LIMITED SALES AVAILABLE. THE INCOME APPROACH NOT UTILIZED AS SINGLE FAMILY RESIDENTIAL ARE NOT TYPICALLY PURCHASED FOR THE CREATION OF AN INCOME STREAM.

The purpose of this appraisal is to estimate the market value of the real property that is the subject of this report, based on the above conditions and the certification, contingent and limiting conditions, and market value definition that are stated in the attached Freddie Mac Form 439/FNMA form 1004B (Revised 6/93).

I (WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE REAL PROPERTY THAT IS THE SUBJECT OF THIS REPORT, AS OF 4/26/2005

(WHICH IS THE DATE OF INSPECTION AND THE EFFECTIVE DATE OF THIS REPORT) TO BE \$ 160,000

APPRaiser:	SUPERVISORY APPRAISER (ONLY IF REQUIRED):
Signature Joseph W. Scott	Signature <input type="checkbox"/> Did <input type="checkbox"/> Did Not
Name JOSEPH W. SCOTT	Name Inspect Property
Date Report Signed May 16, 2005	Date Report Signed
State Certification # State	State Certification # State
Or State License # LRA #1269 State ID	Or State License # State

Freddie Mac Form 70 6/93

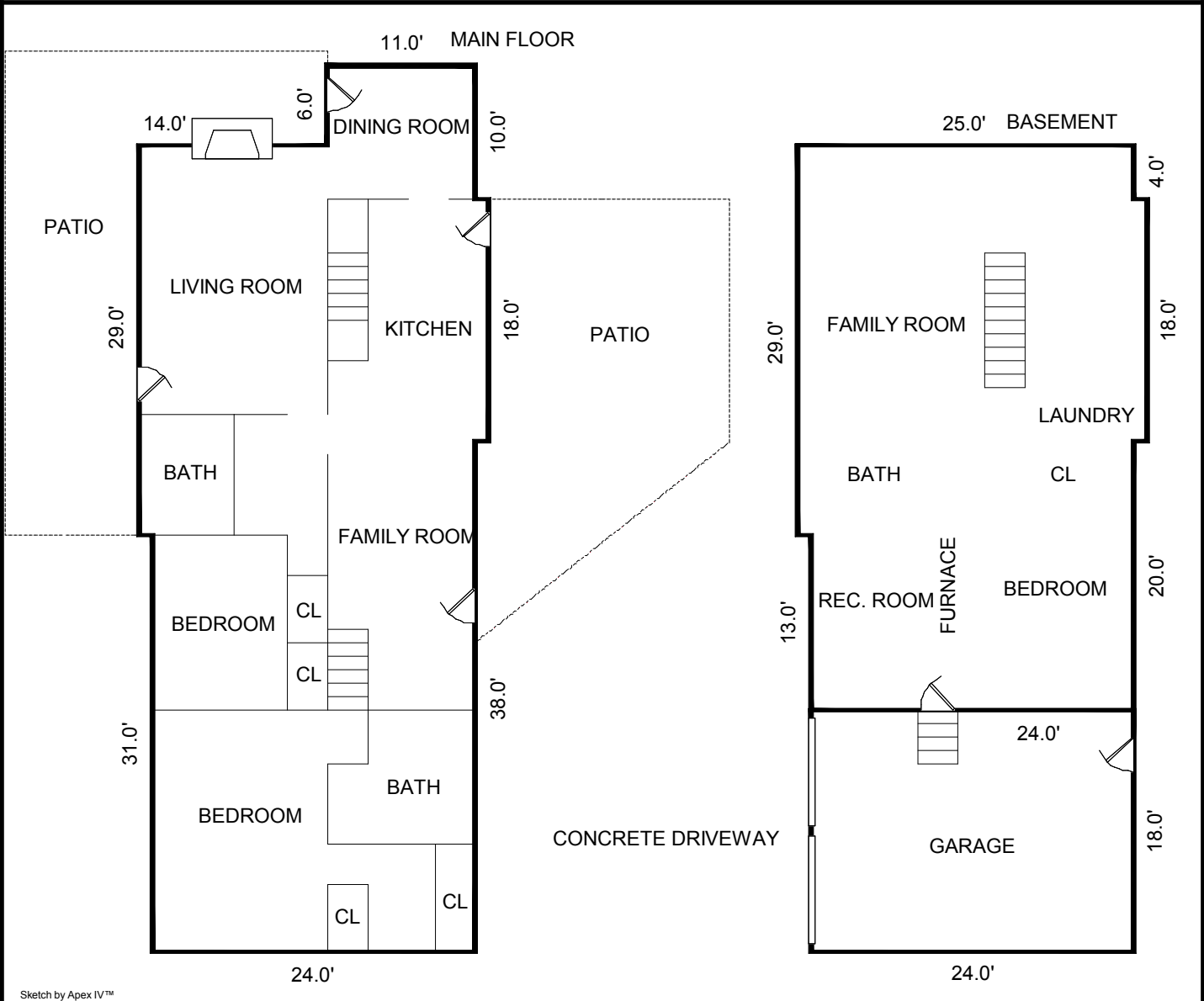
PAGE 2 OF 2

Fannie Mae Form 1004 6-93

Form UA2 — "TOTAL for Windows" appraisal software by a la mode, inc. — 1-800-ALAMODE

Building Sketch (Page - 1)

Borrower/Client LCSC			
Property Address 1004 4th St			
City LEWISTON	County NEZ PERCE	State ID	Zip Code 83501-2728
Lender LEWIS-CLARK STATE COLLEGE			



Sketch by Apex IV™

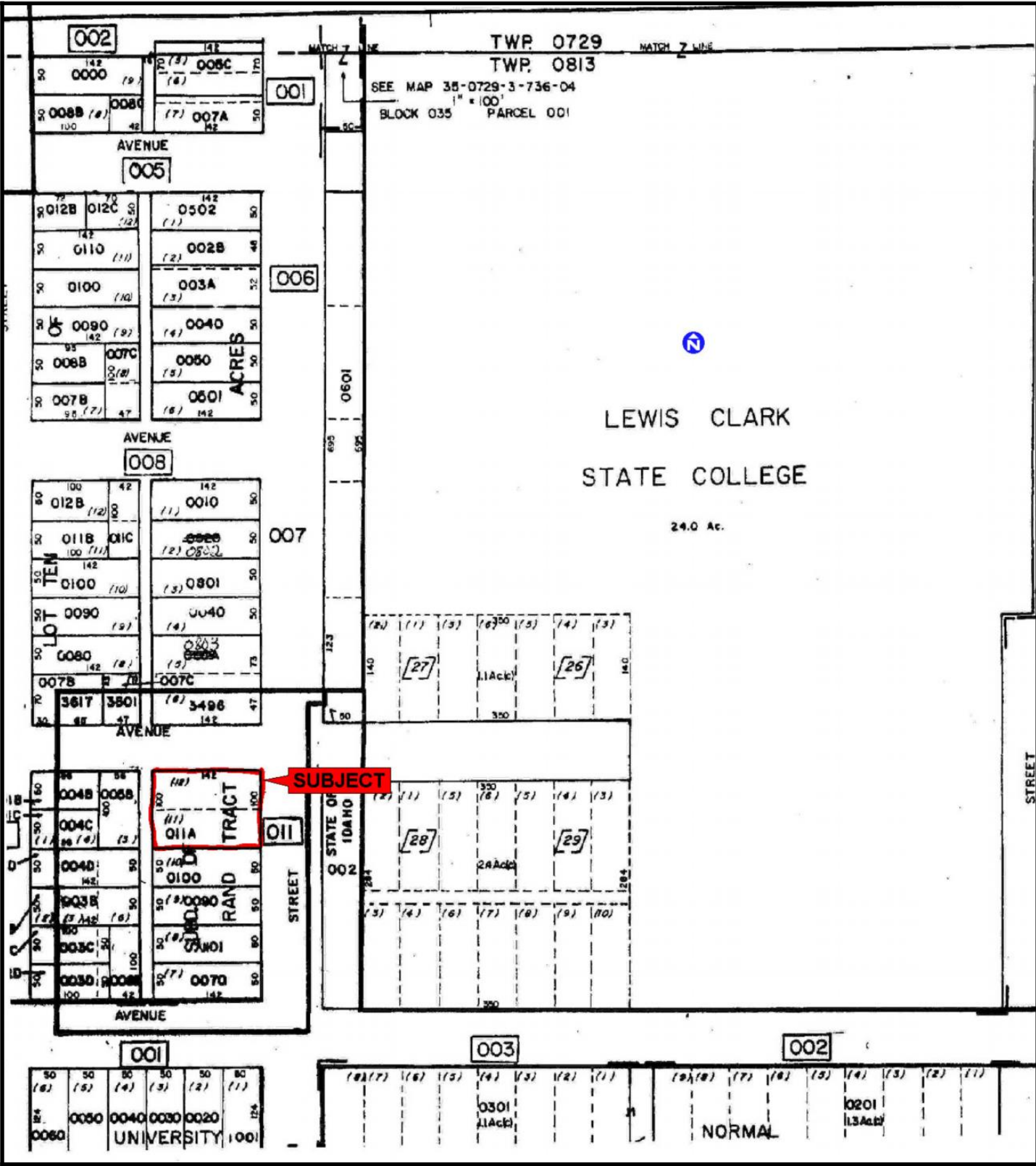
Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Size	Net Totals
GLA1	First Floor	1553.00	1553.00
BSMT	Basement	1055.00	1055.00
P/P	Patio	458.00	
	Patio	466.50	924.50
GAR	Garage	432.00	432.00
TOTAL LIVABLE (rounded)			1553

LIVING AREA BREAKDOWN			
Breakdown			Subtotals
First Floor			
1.0	x	18.0	18.00
25.0	x	29.0	725.00
6.0	x	11.0	66.00
24.0	x	31.0	744.00
4 Calculations Total (rounded)			1553

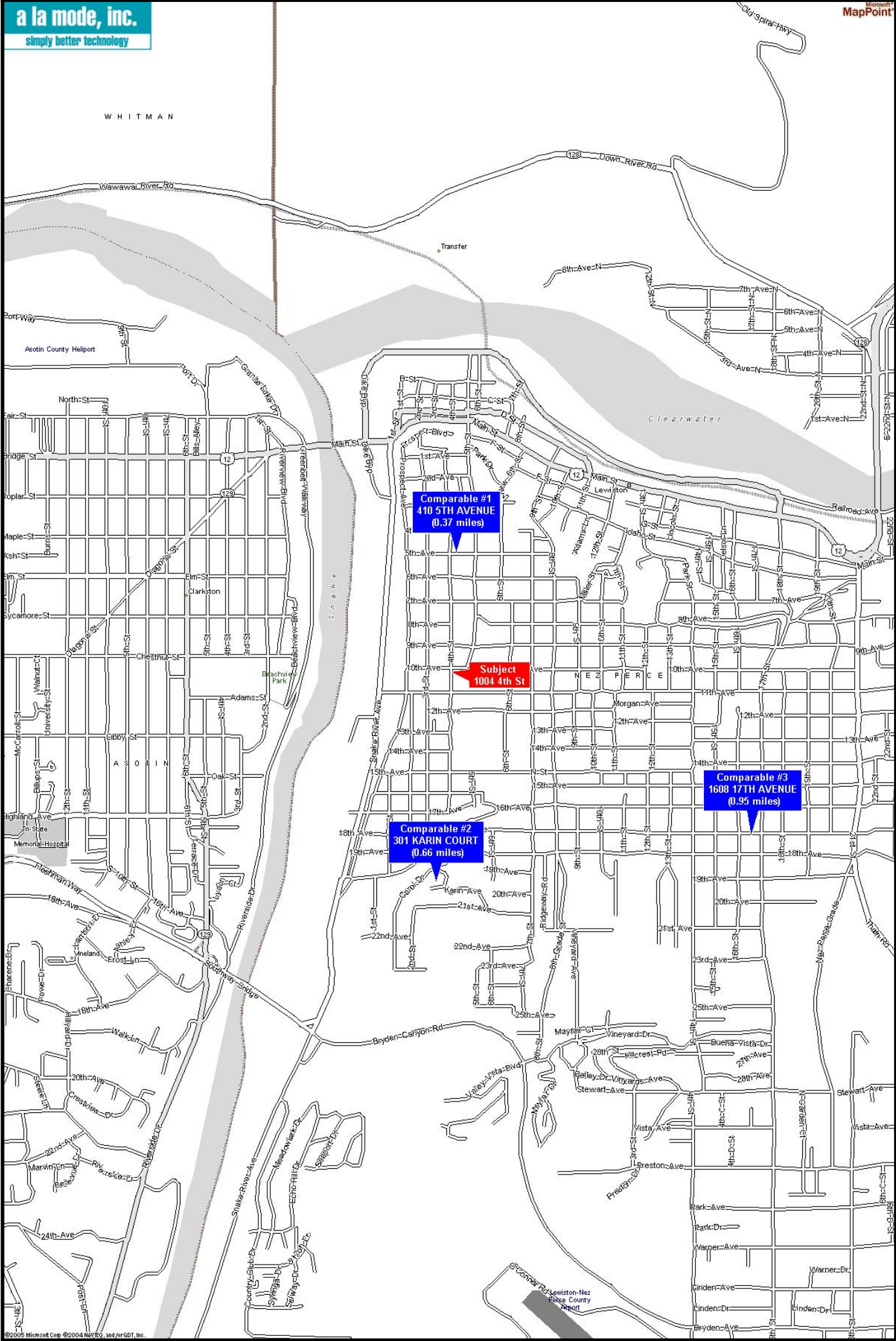
Plat Map

Borrower/Client LCSC			
Property Address 1004 4th St			
City LEWISTON	County NEZ PERCE	State ID	Zip Code 83501-2728
Lender LEWIS-CLARK STATE COLLEGE			



Location Map

Borrower/Client LCSC			
Property Address 1004 4th St			
City LEWISTON	County NEZ PERCE	State ID	Zip Code 83501-2728
Lender LEWIS-CLARK STATE COLLEGE			



Subject Photo Page

Borrower/Client LCSC				
Property Address 1004 4th St				
City LEWISTON	County NEZ PERCE	State ID	Zip Code	83501-2728
Lender LEWIS-CLARK STATE COLLEGE				

Subject Front

1004 4TH STREET	
Sales Price	160,000
Gross Living Area	1,553
Total Rooms	6
Total Bedrooms	2
Total Bathrooms	2
Location	LEWISTON
View	LOCAL
Site	0.33 ACRES
Quality	AVERAGE
Age	1928 EFF1960



Subject Rear



Subject Street



Comparable Photo Page

Borrower/Client LCSC			
Property Address 1004 4th St			
City LEWISTON	County NEZ PERCE	State ID	Zip Code 83501-2728
Lender LEWIS-CLARK STATE COLLEGE			

Comparable 1

410 5TH AVENUE	
Prox. to Subject	0.37 miles
Sale Price	139,300
Gross Living Area	1,657
Total Rooms	6
Total Bedrooms	3
Total Bathrooms	2
Location	LEWISTON
View	LOCAL
Site	0.14 ACRES
Quality	AVERAGE
Age	1923 EFF1960

Comparable 2

301 KARIN COURT	
Prox. to Subject	0.66 miles
Sale Price	160,000
Gross Living Area	1,430
Total Rooms	6
Total Bedrooms	3
Total Bathrooms	2
Location	LEWISTON
View	AVERAGE PLUS
Site	0.38 ACRES
Quality	AVERAGE
Age	1959

Comparable 3

1608 17TH AVENUE	
Prox. to Subject	0.95 miles
Sale Price	169,000
Gross Living Area	2,109
Total Rooms	8
Total Bedrooms	3
Total Bathrooms	1.5
Location	LEWISTON
View	LOCAL
Site	0.24 ACRES
Quality	AVERAGE PLUS
Age	1910 EFF1960

MULTI-PURPOSE SUPPLEMENTAL ADDENDUM
FOR FEDERALLY RELATED TRANSACTIONS

Western Appraisal (208)746-9891

Borrower/Client LCSC
Property Address 1004 4th St
City LEWISTON County NEZ PERCE State ID Zip Code 83501-2728
Lender LEWIS-CLARK STATE COLLEGE

This Multi-Purpose Supplemental Addendum for Federally Related Transactions was designed to provide the appraiser with a convenient way to comply with the current appraisal standards and requirements of the Federal Deposit Insurance Corporation (FDIC), the Office of the Comptroller of Currency (OCC), The Office of Thrift Supervision (OTS), the Resolution Trust Corporation (RTC), and the Federal Reserve.

This Multi-Purpose Supplemental Addendum is for use with any appraisal. Only those statements which have been checked by the appraiser apply to the property being appraised.

PURPOSE & FUNCTION OF APPRAISAL

The purpose of the appraisal is to estimate the market value of the subject property as defined herein. The function of the appraisal is to assist the above-named Lender in evaluating the subject property for lending purposes. This is a federally related transaction.

EXTENT OF APPRAISAL PROCESS

- The appraisal is based on the information gathered by the appraiser from public records, other identified sources, inspection of the subject property and neighborhood, and selection of comparable sales within the subject market area. The original source of the comparables is shown in the Data Source section of the market grid along with the source of confirmation, if available. The original source is presented first. The sources and data are considered reliable. When conflicting information was provided, the source deemed most reliable has been used. Data believed to be unreliable was not included in the report nor used as a basis for the value conclusion.
- The Reproduction Cost is based on MARSHALL AND SWIFT ADJUSTED FROM APPRAISER'S FILES AND LOCAL DATA. supplemented by the appraiser's knowledge of the local market.
- Physical depreciation is based on the estimated effective age of the subject property. Functional and/or external depreciation, if present, is specifically addressed in the appraisal report or other addenda. In estimating the site value, the appraiser has relied on personal knowledge of the local market. This knowledge is based on prior and/or current analysis of site sales and/or abstraction of site values from sales of improved properties.
- The subject property is located in an area of primarily owner-occupied single family residences and the Income Approach is not considered to be meaningful. For this reason, the Income Approach was not used.
- The Estimated Market Rent and Gross Rent Multiplier utilized in the Income Approach are based on the appraiser's knowledge of the subject market area. The rental knowledge is based on prior and/or current rental rate surveys of residential properties. The Gross Rent Multiplier is based on prior and/or current analysis of prices and market rates for residential properties.
- For income producing properties, actual rents, vacancies and expenses have been reported and analyzed. They have been used to project future rents, vacancies and expenses.

SUBJECT PROPERTY OFFERING INFORMATION

- According to OWNER & LISTING AGENT the subject property:
- has not been offered for sale in the past: 30 days 1 year 3 years.
 - is currently offered for sale for \$ 160,000 .
 - was offered for sale within the past: 30 days 1 year 3 years for \$.
 - Offering information was considered in the final reconciliation of value.
 - Offering information was not considered in the final reconciliation of value.
 - Offering information was not available. The reasons for unavailability and the steps taken by the appraiser are explained later in this addendum.

SALES HISTORY OF SUBJECT PROPERTY

- According to OWNER the subject property:
- Has not transferred in the past twelve months. in the past thirty-six months. in the past 5 years.
 - Has transferred in the past twelve months. in the past thirty-six months. in the past 5 years.
 - All prior sales which have occurred in the past are listed below and reconciled to the appraised value, either in the body of the report or in the addenda.
- | Date | Sales Price | Document # | Seller | Buyer |
|------|-------------|------------|--------|-------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

FEMA FLOOD HAZARD DATA

- Subject property is not located in a FEMA Special Flood Hazard Area.
 - Subject property is located in a FEMA Special Flood Hazard Area.
- | Zone | FEMA Map/Panel # | Map Date | Name of Community |
|------|------------------|-----------|-------------------|
| C | 1601040003B | 1/20/1982 | |
- The community does not participate in the National Flood Insurance Program.
 - The community does participate in the National Flood Insurance Program.
 - It is covered by a regular program.
 - It is covered by an emergency program.

☒CURRENT SALES CONTRACT

☐The subject property is currently not under contract.

☐The contract and/or escrow instructions were not available for review. The unavailability of the contract is explained later in the addenda section.

☒The contract and/or escrow instructions were reviewed. The following summarizes the contract:

Contract Date	Amendment Date	Contract Price	Seller
4/20/2005	9/1/2005	160,000	HUBENTHAL

☒The contract indicated that personal property was not included in the sale.

☐The contract indicated that personal property was included. It consisted of _____ Estimated contributory value is \$ _____.

☒Personal property was not included in the final value estimate.

☐Personal property was included in the final value estimate.

☒The contract indicated no financing concessions or other incentives.

☐The contract indicated the following concessions or incentives: _____.

☐If concessions or incentives exist, the comparables were checked for similar concessions and appropriate adjustments were made, if applicable, so that the final value conclusion is in compliance with the Market Value defined herein.

☒MARKET OVERVIEW

Include an explanation of current market conditions and trends.

1 - 3 _____ months is considered a reasonable marketing period for the subject property based on _____

MULTIPLE LISTING STATISTICS. EXPOSURE TIME IS CURRENTLY EQUAL TO MARKET TIME.

☒ADDITIONAL CERTIFICATION

The Appraiser certifies and agrees that:

(1) The analyses, opinions and conclusions were developed, and this report was prepared, in conformity with the Uniform Standards of Professional Appraisal Practice ("USPAP"), except that the Departure Provision of the USPAP does not apply.

(2) Their compensation is not contingent upon the reporting of predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

(3) This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

☒ADDITIONAL (ENVIRONMENTAL) LIMITING CONDITIONS

The value estimated is based on the assumption that the property is not negatively affected by the existence of hazardous substances or detrimental environmental conditions unless otherwise stated in this report. The appraiser is not an expert in the identification of hazardous substances or detrimental environmental conditions. The appraiser's routine inspection of and inquiries about the subject property did not develop any information that indicated any apparent significant hazardous substances or detrimental environmental conditions which would affect the property negatively unless otherwise stated in this report. It is possible that tests and inspections made by a qualified hazardous substance and environmental expert would reveal the existence of hazardous substances or detrimental environmental conditions on or around the property that would negatively affect its value.

☒ADDITIONAL COMMENTS

THIS ANALYSIS IS A COMPLETE APPRAISAL PRESENTED IN A SUMMARY REPORT IN ACCORDANCE WITH STANDARDS RULE 2-2(b).

☒APPRAISER'S SIGNATURE & LICENSE/CERTIFICATION

Appraiser's Signature Joseph W. ScottEffective Date 4/26/2005Date Prepared May 16, 2005

Appraiser's Name (print) JOSEPH W. SCOTTPhone # 208-746-9891

State ID☒License☐Certification # LRA #1269Tax ID # 82-0480131

☐CO-SIGNING APPRAISER'S CERTIFICATION

☐The co-signing appraiser has personally inspected the subject property, both inside and out, and has made an exterior inspection of all comparable sales listed in the report. The report was prepared by the appraiser under direct supervision of the co-signing appraiser. The co-signing appraiser accepts responsibility for the contents of the report including the value conclusions and the limiting conditions, and confirms that the certifications apply fully to the co-signing appraiser.

☐The co-signing appraiser has not personally inspected the interior of the subject property and:

☐has not inspected the exterior of the subject property and all comparable sales listed in the report.

☐has inspected the exterior of the subject property and all comparable sales listed in the report.

☐The report was prepared by the appraiser under direct supervision of the co-signing appraiser. The co-signing appraiser accepts responsibility for the contents of the report, including the value conclusions and the limiting conditions, and confirms that the certifications apply fully to the co-signing appraiser with the exception of the certification regarding physical inspections. The above describes the level of inspection performed by the co-signing appraiser.

☐The co-signing appraiser's level of inspection, involvement in the appraisal process and certification are covered elsewhere in the addenda section of this appraisal.

☐CO-SIGNING APPRAISER'S SIGNATURE & LICENSE/CERTIFICATION

Co-Signing Appraiser's Signature _____Effective Date _____Date Prepared _____

Co-Signing Appraiser's Name (print) _____Phone # _____

State _____☐License☐Certification # _____Tax ID # _____

Page 2 of 2

Form MPA3 — "TOTAL for Windows" appraisal software by a la mode, inc. — 1-800-ALAMODE

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

* Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgement.

STATEMENT OF LIMITING CONDITIONS AND APPRAISER’S CERTIFICATION

CONTINGENT AND LIMITING CONDITIONS: The appraiser’s certification that appears in the appraisal report is subject to the following conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser’s determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
5. The appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
6. The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
7. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
8. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
9. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.
10. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser’s identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower; the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser’s prior written consent. The appraiser’s written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.

APPRAISER’S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to, or more favorable than, the subject property, I have made a negative adjustment to reduce the adjusted sales price of the comparable and, if a significant item in a comparable property is inferior to, or less favorable than the subject property, I have made a positive adjustment to increase the adjusted sales price of the comparable.
2. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withheld any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.
3. I stated in the appraisal report only my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the contingent and limiting conditions specified in this form.
4. I have no present or prospective interest in the property that is the subject to this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or the estimate of market value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property.
5. I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.
6. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.
7. I performed this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place as of the effective date of this appraisal, with the exception of the departure provision of those Standards, which does not apply. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report, unless I have otherwise stated in the reconciliation section.
8. I have personally inspected the interior and exterior areas of the subject property and the exterior of all properties listed as comparables in the appraisal report. I further certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject site, or on any site within the immediate vicinity of the subject property of which I am aware and have made adjustments for these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them. I have also commented about the effect of the adverse conditions on the marketability of the subject property.
9. I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. If I relied on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, I have named such individual(s) and disclosed the specific tasks performed by them in the reconciliation section of this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in the report; therefore, if an unauthorized change is made to the appraisal report, I will take no responsibility for it.

SUPERVISORY APPRAISER’S CERTIFICATION: If a supervisory appraiser signed the appraisal report, he or she certifies and agrees that: I directly supervise the appraiser who prepared the appraisal report, have reviewed the appraisal report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser’s certifications numbered 4 through 7 above, and am taking full responsibility for the appraisal and the appraisal report.

ADDRESS OF PROPERTY APPRAISED: 1004 4th St, LEWISTON, ID 83501-2728

APPRAISER:

Signature: Joseph W. Scott
Name: JOSEPH W. SCOTT
Date Signed: May 16, 2005
State Certification #: _____
or State License #: LRA #1269
State: ID
Expiration Date of Certification or License: 12/22/2005

SUPERVISORY APPRAISER (only if required):

Signature: _____
Name: _____
Date Signed: _____
State Certification #: _____
or State License #: _____
State: _____
Expiration Date of Certification or License: _____

☐ Did ☐ Did Not Inspect Property

APPRAISER’S EXPERIENCE AND QUALIFICATIONS

NAME: JOSEPH W. SCOTT **HOME ADDRESS:** 1424 16TH AVENUE
LEWISTON, ID 83501
Western Appraisals
1014 Main Street
Lewiston, Idaho 83501
Phone: (208) 746-9891
Fax: (208) 746-9895

EDUCATION:

Lewiston High School - 1988
Lewis-Clark State College – 1990 to 1992 – Ag-business/Criminal Justice curriculum
Appraisal Institute Courses:
110 Appraisal Principles – 2003
120 Appraisal Procedures – 2003
410 National USPAP – 2003
Seminars:
Appraising the Tough Ones: Case Studies in Complex Residential Valuation - 2004


EMPLOYMENT:

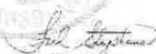
2002 to Present: Western Appraisals – Fee appraisals – residential, agriculture properties in Idaho and Washington.
2001 to 2002: Schaub Ranch – Operations Manager – 2,000 acres, dryland farm producing wheat and barley.
2000 to 2001: Rollaway Skating Rink – Manager.
1994 to 2000: Sheffels Company – Operator – 10,000 acres, dryland/irrigated farm producing wheat and barley.
1992 to 1994: McGregor Company – Operator – Farm Chemical/Fertilizer Plant.
1990 to 1992: Lewiston Grain Growers – General labor – Seed Plant.
1987 to present: Family Farm – John L. Scott.

Bureau of Occupational Licenses
Department of Self Governing Agencies
The person named has met the requirements for licensure and is entitled
under the laws and rules of the State of Idaho to operate as a(n):
LICENSED RESIDENTIAL APPRAISER

JOSEPH W SCOTT
1424 16TH AVE
LEWISTON ID 83501

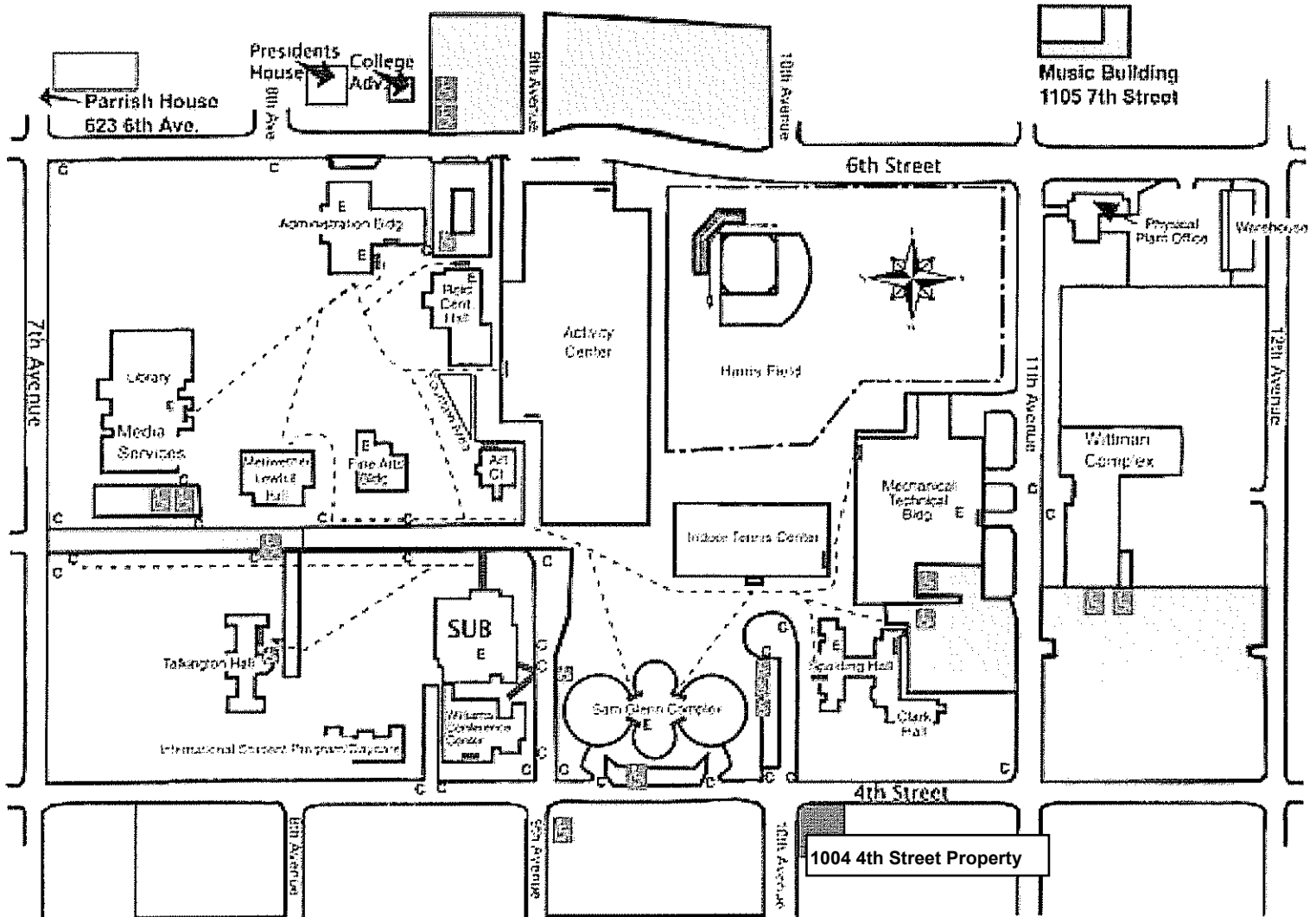
 LRA-1269 12/22/2005
Chief, B.O.L. Number Expires

STATE OF WASHINGTON
STATE LICENSED REAL ESTATE APPRAISER

JOSEPH WARREN SCOTT
1424 16TH AVENUE
LEWISTON ID 83501

CERT/LIC NO. 1600852 EXP. DATE 12/22/2006
 Director

LEWIS-CLARK STATE COLLEGE

Lewiston, Idaho



Shaded Areas: Parking C: Curb Cut E: Elevator ♿: Disabled Parking ➡: Entrance Ramp / Access

--- Recommended Wheel Chair Access

Produced by LCSC Printing Technology students

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

REFERENCE – APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: V. FINANCIAL AFFAIRS
Subsection: I. Real and Personal Property and Services

April 2002

I. Real and Personal Property and Services

1. Authority

- a. The Board may acquire, hold, and dispose of real and personal property pursuant to Article IX, Section 2 and Article IX, Section 10, Idaho Constitution, pursuant to various sections of Idaho Code.
- b. Leases of office space or classroom space by any institution, school or agency except the University of Idaho are acquired by and through the Department of Administration pursuant to Section 67-5708, Idaho Code.
- c. All property that is not real property must be purchased consistent with Sections 67-5715 through 67-5737, Idaho Code, except that the University of Idaho may acquire such property directly and not through the Department of Administration. Each institution, school and agency must designate an officer with overall responsibility for all purchasing procedures.
- d. Sale, surplus disposal, trade-in, or exchange of property must be consistent with Section 67-5722, Idaho Code, except that the University of Idaho may dispose of such property directly and not through the Department of Administration.
- e. If the executive director finds or is informed that an emergency exists, he or she may consider and approve a purchase or disposal of equipment or services otherwise requiring prior Board approval. The institution, school or agency must report the transaction in the Business Affairs and Human Resources agenda at the next regular Board meeting together with a justification for the emergency action.

2. Acquisition of Real Property

- a. Any interest in real property acquired for the University of Idaho must be taken in the name of the Board of Regents of the University of Idaho.
- b. Any interest in real property acquired for any other institution, school or agency under the governance of the Board must be taken in the name of the state of Idaho by and through the State Board of Education.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

- c. This does not preclude a foundation or other legal entity separate and apart from an institution, school or agency under Board governance from taking title to real property in the name of the foundation or other organization for the present or future benefit of the institution, school or agency. (See Section V.E.)
- d. Acquisition of an option, lease, or any other present or future interest in real property by or on behalf of an institution, school or agency requires prior Board approval if the term of the lease exceeds five (5) years or if the cost exceeds two hundred fifty thousand dollars (\$250,000) annually.
- e. Appraisal.

An independent appraiser must be hired to give an opinion of fair market value before an institution, school or agency acquires fee simple title to real property.

- f. Method of sale - exchange of property.

The Board will provide for the manner of selling real property under its control, giving due consideration to Section 33-601(4), applied to the Board through Section 33- 2211(5), and to Chapter 3, Title 58, Idaho Code. The Board may exchange real property under the terms, conditions, and procedures deemed appropriate by the Board.

- g. Execution.

All easements, deeds, and leases excluding easements, deeds, and leases delegated authority granted to the institutions, school and agencies must be executed and acknowledged by the president of the Board or another officer designated by the Board and attested to and sealed by the secretary of the Board as being consistent with Board action.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION / AGENCY AGENDA
LEWIS-CLARK STATE COLLEGE

SUBJECT

Lewis-Clark State College requests approval to sell one-third interest in a 200 acre property.

APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.I.1.

BACKGROUND

The property was given to LCSC in 2001. Lewis-Clark State College shares a one-third interest in the 200 acres with two other parties. It has been decided that it is in LCSC's best interest to sell its portion. LCSC's share of the appraised value is \$55,833 but due to the reasonable 5% discount for fractional interest in the property, the agreed selling price is \$53,153.

	<u>Appraisal Price</u>	<u>Selling Price</u>
Property: 1/3 Interest in 200 acres 2.5 miles NE Reubens and 8 miles NW of Craigmont, ID	\$55,833	\$53,153

DISCUSSION

The property currently takes in \$2,860.50 in rent each year and pays out \$266.43 in taxes for a yearly net profit of \$2,594.07. The return on investment is less than 5% each year and could be better invested in rental units etc. for LCSC.

IMPACT

The selling price of \$53,153 is in line with the market value. Loss of rental income will be offset with reinvesting of the proceeds of the sale.

STAFF COMMENTS AND RECOMMENDATIONS

A purchase and sale agreement can be found at Attachment 1. Staff has reviewed the proposed purchase and recommends approval

BOARD ACTION

A motion to approve the sale of Lewis-Clark State College's one-third interest in 200 acres located near Reubens and Craigmont, Idaho pursuant to the purchase and sale agreement in the form presented to the Board, and to delegate signature authority in regard to all documents related to such transaction, including the warranty deed, to the Vice President for Administrative Services at Lewis-Clark State College.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

THIS PAGE INTENTIONALLY LEFT BLANK

PURCHASE AND SALE AGREEMENT

THIS AGREEMENT, made and entered into this _____ day of May 2005, by and between LUKE LOWE and DEBBIE LOWE, husband and wife, hereinafter referred to as "BUYERS"; and STATE OF IDAHO, BY AND THROUGH THE STATE BOARD OF EDUCATION AS BOARD OF TRUSTEES FOR LEWIS-CLARK STATE COLLEGE, hereinafter referred to as "SELLER,"

WITNESSETH:

Subject to the conditions hereinafter set forth, Buyers hereby agree to purchase and Seller hereby agrees to sell the Seller's undivided one-third (1/3) interest as a tenant-in-common in that certain real property, situate in Nez Perce County, Idaho, and more particularly described as follows, to wit:

The South One-Half of the Northwest Quarter (S $\frac{1}{2}$ NW $\frac{1}{4}$) and the North One-Half of the Southwest Quarter (N $\frac{1}{2}$ SW $\frac{1}{4}$) of Section Twenty (20) and the Southeast Quarter of the Southwest Quarter (SE $\frac{1}{4}$ SW $\frac{1}{4}$) of Section Nineteen (19), all in Township Thirty-Five (35) North, Range One (1), W.B.M.

Subject to the conditions hereinafter set forth, Buyers hereby agree to pay unto Seller, as purchase price for Seller's interest in said property, the sum of Fifty-Three Thousand One Hundred Fifty Three Dollars (\$53,153), which purchase price shall be paid in cash upon closing.

The parties further covenant and agree as follows:

I.

Within ten (10) days of the date hereof, Seller will furnish to Buyers a commitment for title insurance issued by Land Title of Nez Perce County, Inc. Buyers

shall have a period of ten (10) days after receipt of a copy of the commitment for title insurance to and including the time of closing, whichever is shorter, to object to the state of Seller's title and to any special exception contained therein. If Buyers object to Seller's title or to an exception contained in the commitment for title insurance, Seller shall have a period of ten (10) days in which to cause the exception to be removed and Seller agrees to use its best efforts to remove any such exceptions. If Seller fails to remove any exceptions objected to by Buyers within said ten- (10-) day period or such longer period as may be mutually agreeable to the parties, then, and in such event, if Buyers continue to object to the exception, either party may terminate this Agreement by giving written notice of termination to the other and to the closing agent. If Buyers fail to timely object to any exception contained in the title commitment as provided above, Buyers will be deemed to have waived any objection and to have accepted the state of title to the property as evidenced by the commitment.

II.

On or before the date of closing, Seller shall execute and deliver to closing agent a Warranty Deed conveying title to Seller's interest in the premises, subject only to those special exceptions contained in the title commitment which are accepted by Buyers as provided in Paragraph I. On or before the date of closing, Buyers shall deposit the purchase price and Buyers' share of the closing costs with closing agent. Following closing, Seller shall cause Land Title of Nez Perce County, Inc., to issue an owner's title insurance policy at Seller's expense, insuring fee simple title in Buyers in accordance with the commitment, as accepted by Buyers.

III.

The date of closing shall be on or before the 1st day of July 2005. Closing shall occur at Land Title of Nez Perce County, Inc., which company shall act as closing agent. The closing fee of the closing agent and the cost of preparing this Agreement and the Warranty Deed shall be split equally between Buyers and Seller. Taxes for the year 2005 shall be paid by Buyers and Seller shall not be entitled to receive any rent for the 2005 crop year. The recording fees for the Warranty Deed shall be paid by Buyer.

IV.

This Agreement and the obligation of Seller to sell hereunder is subject to the approval of this Agreement by the Idaho State Board of Education and the authorization of Seller's sale of its interest in the property upon the terms of this Agreement on or before June 20, 2005. In the event the Idaho State Board of Education fails to approve and authorize the sale on the terms herein set out on or before June 20, 2005, either party may terminate this Agreement and any obligation of either party hereunder by giving written notice of termination to the other party.

V.

Buyers shall have possession of the property on the date of closing.

VI

If, after satisfaction or waiver of all contingencies, Buyers shall fail to close this transaction, then Seller may, at its option, upon five (5) days' written notice to Buyers, elect to exercise either of the following:

- (a) Terminate this Agreement, retain possession of the property and recover from Buyers the cost of the commitment for title insurance required under Paragraph I and all other reasonable expenses incurred by Seller in connection with this sale, or

(b) To enforce this Agreement in any manner provided by law or in equity or to sue for damages for any breach thereof.

If, after satisfaction or waiver of all contingencies, Seller shall fail to close this transaction, then Buyers may, at their option, on five (5) days' written notice to Seller, elect to exercise either of the following:

(a) Terminate this Agreement, or

(b) To enforce this Agreement in any manner known at law or in equity, or to sue for damages for any breach thereof.

VII.

Buyers acknowledges that this Agreement and the other documents prepared in connection with this sale have been prepared by Clements, Brown & McNichols, P.A., attorneys at law, Lewiston, Idaho, who are the attorneys for Seller and do not represent Buyers in this transaction. Buyers are agreeing to pay one-half (½) of the attorneys' fees incurred by Seller for the preparation of sale documents pursuant to an agreement between Buyers and Seller. Buyers have either had their own attorney review the sale documents or have been given this opportunity but have declined to do so.

VIII.

It is further understood and agreed by and between the parties hereto that should any suit be instituted by either of the parties to enforce any term, covenant or condition of this agreement on the part of the other to be performed or to recover damage for the breach thereof, the prevailing party in such suit shall be entitled to receive from the losing party a reasonable amount of attorneys' fees to be fixed by the court having jurisdiction thereof and taxed as costs in such suit.

IX.

This agreement is binding upon the heirs, executors, administrators, successors and assigns of the respective parties hereto.

X.

This Agreement is binding upon the heirs, executors, administrators, successors and assigns of the respective parties hereto.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first above written.

LUKE LOWE

DEBBIE LOWE

BUYERS

STATE OF IDAHO, BY AND THROUGH THE
STATE BOARD OF EDUCATION AS BOARD
OF TRUSTEES FOR LEWIS-CLARK STATE
COLLEGE

BY _____
RONALD E. SMITH, Vice President
of Administrative Services of Lewis-Clark
State College.

SELLER

STATE OF I D A H O)
 : ss.
 County of NEZ PERCE)

On this _____ day of May 2005, before me, the undersigned, a notary public in and for the State of Idaho, personally appeared RONALD E. SMITH, known to me or identified to me to be the Vice President of Administrative Services of Lewis-Clark State College, the entity that executed the within and foregoing instrument and acknowledged to me that such entity executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

 Notary Public in and for the State of Idaho
 Residing at _____
 My Commission Expires: _____

STATE OF I D A H O)
 : ss.
 County of NEZ PERCE)

On this _____ day of May 2005, before me, the undersigned, a notary public in and for the State of Idaho, personally appeared RONALD E. SMITH, known to me or identified to me to be the Vice President of Administrative Services of Lewis-Clark State College, the entity that executed the within and foregoing instrument and acknowledged to me that such entity executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

 Notary Public in and for the State of Idaho
 Residing at _____
 My Commission Expires: _____

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

REFERENCE – APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: V. FINANCIAL AFFAIRS

Subsection: I. Real and Personal Property and Services

April 2002

I. Real and Personal Property and Services

1. Authority

- a. The Board may acquire, hold, and dispose of real and personal property pursuant to Article IX, Section 2 and Article IX, Section 10, Idaho Constitution, pursuant to various sections of Idaho Code.
- b. Leases of office space or classroom space by any institution, school or agency except the University of Idaho are acquired by and through the Department of Administration pursuant to Section 67-5708, Idaho Code.
- c. All property that is not real property must be purchased consistent with Sections 67-5715 through 67-5737, Idaho Code, except that the University of Idaho may acquire such property directly and not through the Department of Administration. Each institution, school and agency must designate an officer with overall responsibility for all purchasing procedures.
- d. Sale, surplus disposal, trade-in, or exchange of property must be consistent with Section 67-5722, Idaho Code, except that the University of Idaho may dispose of such property directly and not through the Department of Administration.
- e. If the executive director finds or is informed that an emergency exists, he or she may consider and approve a purchase or disposal of equipment or services otherwise requiring prior Board approval. The institution, school or agency must report the transaction in the Business Affairs and Human Resources agenda at the next regular Board meeting together with a justification for the emergency action.

THIS PAGE INTENTIONALLY LEFT BLANK

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION / AGENCY AGENDA
COLLEGE AND UNIVERSITIES

SUBJECT

Presentation of College and Universities' 2005-2006 student health insurance coverage plans

REFERENCE

January 24, 2005 Report to the Board regarding the feasibility of a statewide Student Health Insurance Plan

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section III.P.16 and Section V.R.3.b.

BACKGROUND

Each institution negotiates with insurance carriers to provide health insurance for students. The result of those negotiations are presented on the following pages.

DISCUSSION

Student health insurance is mandatory for full-time fee paying students that have no insurance coverage, per Board policy. Each campus has different rates because coverage is negotiated independently.

FISCAL IMPACT

Student health insurance becomes a contract between the student and vendor. The institutions are not obligated to make payment to the vendor.

STAFF COMMENTS AND RECOMMENDATIONS

While not directly related to this annual agenda item, it is noted above in "Reference", that the Board was presented with a discussion, including advantages and disadvantages, of a statewide student health insurance plan in January 2005. The report contained in this agenda item is annual in nature, and would occur regardless of the ongoing discussion and research regarding a potential statewide plan.

Board members will note the substantial cost increases being experienced at each institution, ranging from 13.8% at the University of Idaho to 100% at Lewis-Clark State College. These increases are being caused by a combination of utilization and inflationary trends. Institutional representatives will be available to respond to Board member questions.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION / AGENCY AGENDA
COLLEGE AND UNIVERSITIES - continued

BOARD ACTION

There has been continuing discussion regarding the need for specific Board approval of the individual contracts. Some institutional representatives believe the contracts are pass-through agreements, with funding coming from premiums (paid by students). This office believes there is, in fact, a contractual agreement between the institutions and the insurance provider, and that the source of funding is ancillary to the main issue of approval of a contract.

There is a motion attached to each institution's cover sheet to allow for Board approval.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY

SUBJECT

Student Health Insurance Plan (SHIP) Renewal 2005-2006
Report of New Student Health Insurance Rates

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section III.P.16 and Section V.R.3.b.

BACKGROUND

Boise State University offers the SHIP insurance as an option to students without adequate health insurance coverage. In compliance with SBOE policy, participation is mandatory unless the student provides appropriate evidence of alternative coverage. Students are automatically enrolled in the plan (or waive the requirement) as they register each semester. The contract with Collegiate Risk Management, Inc. requires annual negotiation to adjust rates for health care costs and claims experience.

DISCUSSION

The benefit package offered by this plan provides for the relevant student needs for specialty, hospital in-patient and emergency health care services. The high utilization of services reflects the success of the SHIP program, which offers a safety net of pooled risk coverage for existing health care needs and services to students without alternative coverage.

Boise State University is concerned about the rising costs associated with health care and will continue to research options for reducing that cost, including the feasibility of shifting the SHIP program to a partially self-funded financial model or collaborating with our sister institutions to investigate a less expensive program option. This analysis will involve consultation with insurance industry experts, Idaho insurance regulators and colleagues from peer institutions that have implemented alternative models. The overall goals are to maximize the value received from student's health insurance premium dollars by containing or reducing long-term premium levels and out-of-pocket costs while offering the appropriate levels of health benefits coverage.

Boise State University worked with Collegiate Risk Management, Inc. (CRM) evaluating quotes from three (3) different underwriters during the process. Plan specifics were evaluated to determine how best to minimize the premium increases. The resulting premium represents a compromise between plan benefits and premium increases.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY - continued

IMPACT

Boise State University has negotiated with Collegiate Risk Management, Inc. (CRM) a student health insurance rate of \$453.00 per semester for the 2005-2006 academic year. This rate is a \$75.00 increase, or 19.8% over the current rate. This increase is due to both medical inflationary trending of 11-17% and the high utilization of health resources by enrolled students. Student's total health care claims costs are projected to total 110% of premium revenue collected for the current policy year - i.e., for every \$100 of premium revenue collected, students are incurring \$110 of health service claims expense.

STAFF COMMENTS AND RECOMMENDATIONS

Staff has reviewed this item and recommends approval.

BOARD ACTION

A motion to authorize Boise State University to renew the contract with CRM, Inc. to provide student health insurance for 2005-2006 at a rate of \$453.00 per full-time student per semester.

Moved by _____ Seconded by _____ Carried Yes_____ No_____

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION / AGENCY AGENDA
IDAHO STATE UNIVERSITY

SUBJECT

Renewal of Idaho State University's student health insurance coverage for FY2005-2006.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section III.P.16 and Section V.R.3.b.

BACKGROUND

Following the bid process for FY2004-2005, the bid for Idaho State University's student health insurance carrier was awarded to Academic Risk Management, underwritten by ACE American Insurance Company.

DISCUSSION

Effective for the Fall Semester, 2005, the premium for full-time students will increase to \$390.00 per semester, an 18.1% increase from the previous years' premium of \$330.00. Changes to the policy include:

1. Change coinsurance to eighty percent (80%) in-network and sixty percent (60%) out-of-network.
2. Add \$100 co-payment to the outpatient emergency room benefit.
3. Club sports paid as any other injury up to the plan maximum of \$50,000.
4. All International students taking one or more credits will be required to purchase the plan without ability to waive. ISEP and Fulbright students are exempt from this requirement.

Student health insurance is mandatory for full-time fee paying students that have no insurance coverage. The deductible will be \$250 per academic year, which is waived if the student goes to the campus Student Health Center. Coverage is 80% in-network and 60% out-of-network with a maximum benefit of \$50,000 per occurrence. Vocational Education students pay \$160.00 per session for five sessions per year.

IMPACT

\$0.00. The student health insurance contract does not obligate the University for payment to the contractor.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION / AGENCY AGENDA
IDAHO STATE UNIVERSITY - - continued

STAFF COMMENTS AND RECOMMENDATIONS

Staff has reviewed this item and recommends approval.

BOARD ACTION

A motion to authorize Idaho State University to continue the contract with Academic Risk Management, Inc. to provide student health insurance for 2005-2006 at a rate of \$390.00 per full-time student per semester.

Moved by _____ Seconded by _____ Carried Yes_____ No_____

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION/AGENCY AGENDA
UNIVERSITY OF IDAHO

SUBJECT

Report to the Board on the Student Health Insurance Plan (SHIP) Renewal for 2005-2006.

REFERENCE

June 2004 The Regents approved a renewal of the University of Idaho's contract with Mega Life and Health Insurance Company.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies and Procedures, Section III.P.16 and Section V.R.3.b.

BACKGROUND

The University of Idaho has successfully negotiated a renewal of the contract (now in year three) with The Mega Life and Health Insurance Company. The existing contract with Mega Life began with the August 26, 2003 through August 22, 2004 contract year and provides for the University of Idaho to renew the contract for four (4) additional years.

DISCUSSION

The University continues to be in compliance with the health insurance policies adopted by the State Board of Education and the University. At the University of Idaho, all degree-seeking undergraduate or graduate students physically enrolled for classes or completing other required degree work within the State of Idaho, and enrolled in eight (8) credit hours at the UI Centers; or four (4) credit hours at the Moscow campus were required to carry health insurance as a condition of enrollment. The health insurance enrollment requirement for international students was continued regardless of degree-seeking status or credit hours.

The 2004-2005 academic year continued a successful transition for the Student Health Program on the Moscow campus. Delivery of primary care services was outsourced three years ago to Moscow Family Medicine, a local physicians group, and continues to be very successful. Significant improvements in scope of services, advances in technology (e.g., Student Health Services at the University of Idaho is one of the few student health programs in the nation to utilize an electronic medical records system), and student/dependent user satisfaction have been achieved during the first several years of the contract. The University of Idaho is providing outstanding services at a health fee cost well below our peer institutions as a result of this outsourcing arrangement. Savings have been achieved through increased provider productivity and the ability of Moscow Family Medicine to interface with the personal health insurance for students who choose to waive participation in the University's student health insurance program.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO - continued

We are now completing our second year with a psychiatrist on staff and find that utilization of his time is very high. He sees 8 to 12 patients daily and regularly consults with Moscow Family Medicine and UI Counseling and Testing Center Staff. It is worth noting that we are one of only a few universities of our size to employ a psychiatrist in the student health program.

The University of Idaho has successfully negotiated year three of our contract with The Mega Life and Health Insurance Company, pending approval of the State Board of Education. Features of this proposal include the following:

Although the monthly cost for the program is increasing from \$75.83 to \$86.33 (13.8%) we have been able to maintain a program that provides outstanding coverage, and one that students can rely on for their sole source of health insurance protection. Our program also complies with national standards for student health insurance benefits endorsed by the American College Health Association – see http://www.acha.org/info_resources/stu_health_ins.pdf.

- The proposal allows the University to work with its own claims administrator, AmeriBen/IEC Group, of Portland, Oregon and Boise, Idaho. This will be our first year with Ameriben/IEC Group, a firm selected as a result of a RFP process this spring. We feel that having our claims administrator in the same time zone will better serve our students who may need to contact the administrator during business hours.
- Our arrangement continues to include self-funding of a significant portion of the claims liability (e.g., prescription drug claims dispensed through our on-campus Student Health Pharmacy and our primary care funding arrangement with Moscow Family Medicine). Self-funding these services/benefits allows the University to provide a much more fiscally efficient program.

Relative to ACHA's standards, the University of Idaho's program continues to operate with no pre-existing condition exclusion. Our policy provides a lifetime maximum benefit of \$1,000,000. Several important adjustments are being made to the program to encourage utilization of health care resources and to achieve appropriate balance between benefits provided and out-of-pocket costs for covered persons who utilize services:

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO - continued

— The in-network coinsurance remains at 80%, and the annual 100% payment threshold remains at \$20,000.

— The co-payment provision will be increased for emergency room care. Students and dependents will pay a \$200 co-payment for each emergency room visit. The co-payment will not be applicable toward the \$250 one-time annual deductible. The reason for this change is to encourage policyholders to choose primary care as a first choice of provider rather than emergency room care.

— Pharmacy staff has been reduced at the Student Health Pharmacy. During the hours when Student Health Services is open and a pharmacist is not in the facility only pre-packaged medications are available.

— Our statewide network of participating providers contracted to the UI SHIP program has now grown from 209 in May 2004 to a total of 541 providers in May 2005. They are located in the Moscow, Boise and Coeur d'Alene areas.

The changes for the student health program for the 2005-2006 academic year are being implemented, in large part, because of the success achieved over the past three years from the redesign of our student health program. Over 700 students transitioned off of their parental/personal health insurance coverage to join our student health insurance program in the fall of 2001. An additional 1,000 students became insured under our program for the fall of 2002 as a result of the SBOE's adoption of the health insurance requirement. However, we experienced a downtrend of over 400 participants in the 2004-2005 academic year. Today, nearly 3,500 students obtain health insurance through the University of Idaho's program.

Many parents and students continue to inform the University that our program provides an assurance of quality coverage at a cost that is increasingly favorable compared to the contributions required to maintain their employer-sponsored health insurance coverage. National reports indicate that student health insurance programs that provide high quality coverage are becoming increasingly valuable to students and parents because of the cost shifting that is occurring among employer-sponsored health insurance programs.

By practicing advanced student health insurance program management through operation of our own preferred provider organization, direct contracting for claims administration services, direct capitation funding for primary care services, and self-funding of key liability areas the University of Idaho estimates we have reduced our plan cost by approximately \$450,000 for 2004-2005. Questions about University of Idaho Student Health Program may be referred to Dr. Hal Godwin at 208-885-2210, or by e-mail to hgodwin@sub.uidaho.edu.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005**

**INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO - continued**

IMPACT

The following table illustrates the plan costs for 2005-2006:

Comprehensive Student Health Insurance Plan Semester Costs

Cost Components	Fall or Spring <u>Semester</u>	Fall or Spring <u>Semester</u>	Fall or Spring <u>Semester</u>
	Student-Only	Spouse	Per Child
Mega Life and Health Insurance Company			
Expected Claims (net of retro)	\$304.00	\$737.00	\$452.00
Retrospective Reserve (held by UI)	\$20.00	\$49.00	\$30.00
Retention	<u>\$81.00</u>	<u>\$197.00</u>	<u>\$121.00</u>
Total Possible Premium	\$405.00	\$983.00	\$603.00
Moscow Family Medicine	\$37.00	\$106.00	\$64.00
AmeriBen/IEC Group	\$13.80	\$0.00	\$0.00
UI Benefits and Plan Expenses	\$62.20	\$45.00	\$43.00
Total Cost of Coverage *	\$518.00	\$1,134.00	\$710.00

*This cost figure is subject to change pending review of State Mandated Benefits.

STAFF COMMENTS AND RECOMMENDATIONS

Staff has reviewed this item and recommends approval.

BOARD ACTION

A motion to authorize University of Idaho to continue the contract with The Mega Life and Health Insurance Company to provide student health insurance for 2005-2006 at a rate of \$518.00 per full-time student per semester.

Moved by _____ Seconded by _____ Carried Yes____ No____

BUSINESS AFFAIRS & HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION / AGENCY AGENDA
LEWIS-CLARK STATE COLLEGE

SUBJECT

Lewis-Clark State College requests Board approval to renew the Student Health Insurance Plan (SHIP) contract for 2005-2006.

APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section III.P.16 and Section V.R.3.b.

BACKGROUND

Lewis-Clark State College entered into a contract for student health insurance with Renaissance Agencies, Inc., underwritten by Guarantee Trust Life Insurance Company, for FY2004. The Contract Period was for one (1) year with option to renew upon mutual agreement of the contracting parties for one (1) year intervals for a total of five (5) consecutive renewals. LCSC has elected to renew coverage. For FY2005, the premium for full-time students was \$365.00 per year.

DISCUSSION

Effective for the Fall semester 2005, the premium for full-time students will increase to \$730.00 per year, a 100% increase.

As required by Board policy, all Full Fee-Paying Students enrolled for eight (8) or more credit hours will automatically be covered under the College's SHIP. The premium will automatically be charged to all International Students, regardless of credit hours, and all full-fee paying Domestic Students each semester. Domestic Students with existing health insurance coverage will be exempted from participation in the SHIP offered by the College by providing proof of comparable insurance and completing and filing a waiver each academic semester.

PREMIUM - \$150 Deductible, \$15,000 Maximum for Basic Benefits For all Eligible Students (SHIP includes Intercollegiate Athletic Injury Coverage – \$2,500 max as a listed benefit)		
	Fall	*Spring
Student Only	307.00	423.00
Student & Spouse	423.00	582.50
Student & Child(ren)	439.00	606.50
Student, Spouse & Child(ren)	861.00	1,188.50

Institute for Intensive English (8 week term)	
Institute for Intensive English Students (per 8-week term)	85.00

BUSINESS AFFAIRS & HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION / AGENCY AGENDA
LEWIS-CLARK STATE COLLEGE - continued

IMPACT

There is no impact to the College budget. Student health insurance premiums are paid by the students.

STAFF COMMENTS AND RECOMMENDATIONS

Staff has reviewed this item and recommends approval.

BOARD ACTION

A motion to grant approval for Lewis-Clark State College to renew its contract with Renaissance Agencies, Inc., to provide student health insurance for 2005-2006 at a rate of \$730.00 per full-time student per academic year.

Moved by _____ Seconded by _____ Carried Yes ____ No ____

REFERENCE - APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: III. POSTSECONDARY AFFAIRS

July, 2003

P. STUDENTS

16. Student Health Insurance (Effective July 1, 2003)

The Board's student health insurance policy is a minimum requirement. Each institution, at its discretion, may adopt policies and procedures more stringent than those provided herein.

a. Health Insurance Coverage Offered through the Institution

Each institution shall provide the opportunity for students to purchase health insurance. Institutions are encouraged to work together to provide the most cost effective coverage possible. Health insurance offered through the institution shall provide benefits in accordance with state and federal law.

b. Mandatory Student Health Insurance

Every full-fee paying student (as defined by each institution) attending classes in Idaho shall be covered by health insurance. Students shall purchase health insurance offered through the institution, or may instead, at the discretion of each institution, present evidence of health insurance coverage that is at least substantially equivalent to the health insurance coverage offered through the institution. Students without evidence of health insurance coverage shall be ineligible to enroll at the institution.

(1) Students presenting evidence of health insurance coverage not acquired through the institution shall provide at least the following information:

- (a) Name of health insurance carrier
- (b) Policy number
- (c) Location of an employer, insurance company or agent who can verify coverage

(2) Each institution shall monitor and enforce student compliance with this policy.

(3) Each institution shall develop procedures that provide for termination of a student's registration if he or she is found to be out of compliance with this policy while enrolled at the institution. Each institution, at its discretion, may provide a student found to be out of compliance the opportunity to come into compliance before that student's registration is terminated, and may provide that a student be allowed to re-enroll upon meeting the conditions set forth herein, and any others as may be set forth by the institution.

REFERENCE - APPLICABLE STATUTE, RULE, OR POLICY - continued

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: V. FINANCIAL AFFAIRS

Subsection R. Establishment of Fees

October, 2003

3. Fees Approved by the Chief Executive Officer of the Institution

b. Student Health Insurance Premiums or Room and Board Rates

Fees for student health insurance premiums paid either as part of the uniform student fee or separately by individual students, or charges for room and board at the dormitories or family housing units of the institutions. Changes in insurance premiums or room and board rates or family housing charges shall be approved by the chief executive officer of the institution no later than three (3) months prior to the semester the change is to become effective. The chief executive officer shall report such changes to the Board at its June meeting.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION/AGENCY AGENDA
COLLEGE AND INSTITUTIONS OF THE STATE BOARD

SUBJECT

FY2006 Intercollegiate Athletics Operating Budget Report

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures Section III.T.4.

BACKGROUND

Board policy states "...the institutions (will) submit a budget plan for the upcoming fiscal year beginning July 1 in a format prescribed by the Board office." A common reporting format has been established for reporting intercollegiate athletic revenues and expenditures. Page 5 displays a four-part pie chart that shows FY06 athletic revenue by source of funds, followed by the General Education and Institutional Fund Limits information on page 6, and a three-part chart displaying selected athletic financial data on page 7.

Page 9 begins with worksheets for each institution displaying the following data:

- FY 04 Actual Expenditures - columns 1 & 2
- FY 05 Budgeted Expenditures (June 2005) – column 3 & 4
- Latest FY 04 Estimate (May 2005) – column 5 & 6
- Variance (\$ and %) comparing the FY 05 Budget with the latest FY 05 estimate – columns 7 & 8
- FY2006 Operating Budget (June 2006) – column 9 & 10
- Variance (\$ & %) comparing the FY2006 proposed Budget with the FY2005 Estimate – columns 11 & 12

For each institution, revenue by source and expenditures by classification is reported, as is revenue and expenditures by general administration and sport.

DISCUSSION

Board policy establishes limits on the amount of funds the institutions can allocate to athletics from General Account and institutional funds. The institutions are within the established limits.

IMPACT

Provides the Board with a report on the financial status of intercollegiate athletics for the current fiscal year and provides the operating budget for FY2006.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005**

**INSTITUTION / AGENCY AGENDA
COLLEGE AND UNIVERSITIES OF THE STATE BOARD - continued**

STAFF COMMENTS

The first two pages of this section, Revenue by Source by Institution and Board Limits are the same as in previous years' agendas. Note that all four institutions are within the limit for using General Education and Institutional funds for athletics. The next page of three charts displays non-program revenue as a percentage of total athletic revenue, expenditures per varsity participant and the athletic budget as a percentage of the overall appropriated budget for each institution.

Next, each institution's intercollegiate athletics information is presented including revenue and expenditure information with three years of information (along with percentages) and comparative calculations between fiscal years (see "Background", above, for a definition of the columnar information).

The individual institution reports can be found at:

Boise State University,	Page 9
Idaho State University,	Page 13
University of Idaho,	Page 17
Lewis-Clark State College,	Page 21

Board staff draws your attention to the two shaded sections of each institution's report that first appeared in the June 2004 agenda: the first shaded area displays the difference and percentage change for each revenue and expense category between the initial (June 2005) budget for FY 05 and the latest estimate (May 2005); the second shaded area shows the difference and percentage between the latest FY 2005 estimate (May 2005) and the proposed FY 06 budget.

BOARD ACTION

A motion to accept the Intercollegiate Athletics Report as presented.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

REFERENCE - APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: III. POSTSECONDARY AFFAIRS

SUBSECTION T. INTERCOLLEGIATE ATHLETICS

April, 2002

T. Intercollegiate Athletics

4. Financial Reporting.

The Board requires that the institutions adopt certain reporting requirements and common accounting practices in the area of intercollegiate athletic financing. The institutions will submit the following reports to the Board:

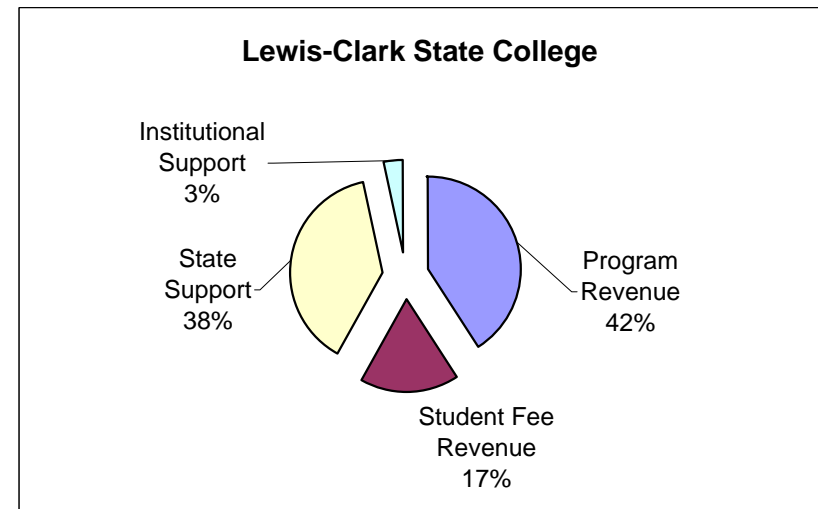
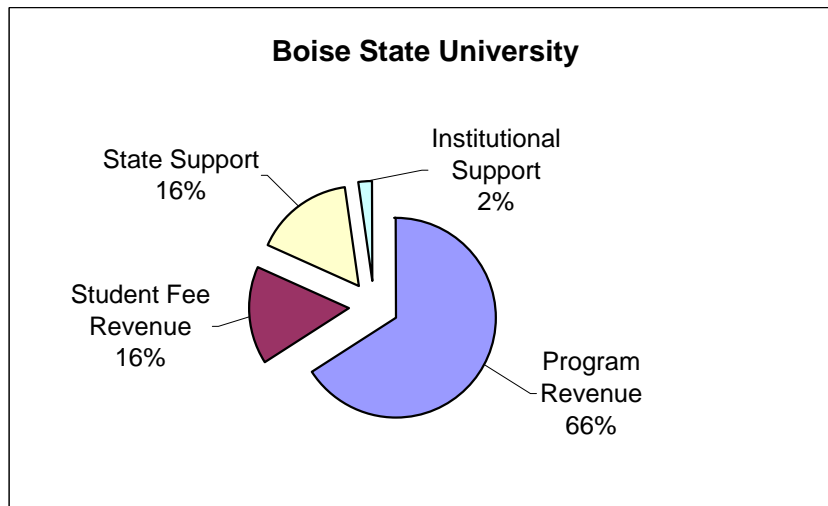
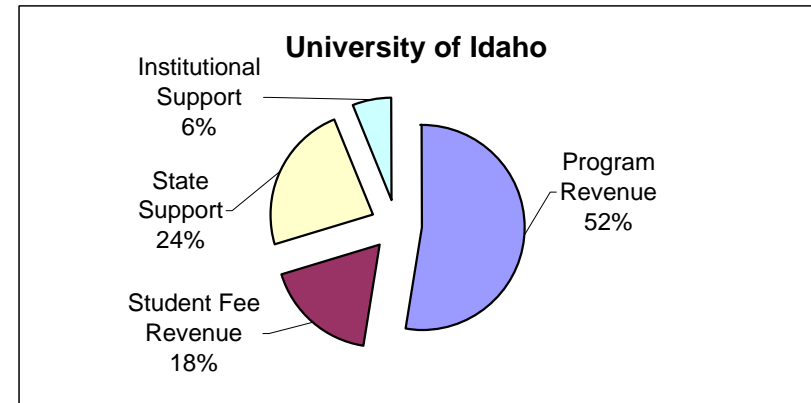
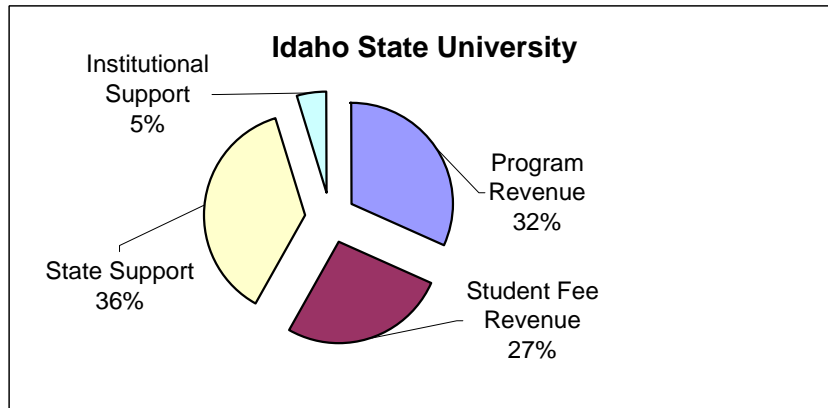
- a. At the April Board meeting, the institutions shall submit a budget plan for the upcoming fiscal year beginning July 1. The plans shall detail the sources of revenue by category.
- b. At the June Board meeting, the institutions shall submit an operating budget for the upcoming fiscal year beginning July 1 in a format prescribed by the Board office.
- c. At the October Board meeting, institutions shall submit a statement of current funds, revenues, and expenditures, in the detail prescribed by the Board office, including all revenue earned during a fiscal year. A secondary breakdown of expenditures by sport and the number of participants will also be required. The number and amounts of nonresident tuition waivers and the fund balances as of June 30 of the report year should be included in the report. The general format of the report will be consistent with the format used in recent years. The revenue and expenditures reported on these reports must reconcile to the NCAA Agreed Upon Procedures Reports that are prepared annually and reviewed by the external auditors. The following fiscal year's financial information will be reported by each institution:
 - (1) Estimated revenues and expenditures for the current fiscal year.
 - (2) Actual revenues and expenditures for the fiscal year most recently completed.
 - (3) Proposed operating budget for the next budget year beginning July 1. This report, however, will be submitted to the Board at its June meeting with other institutional operating budgets.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

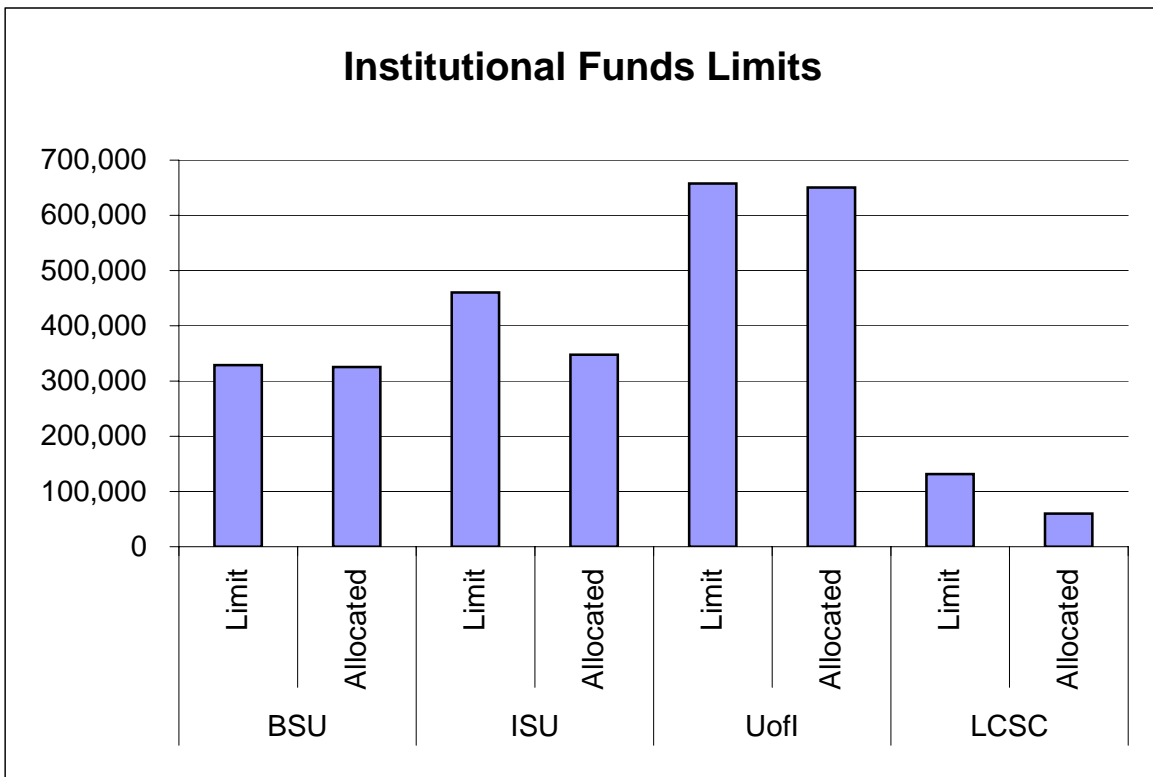
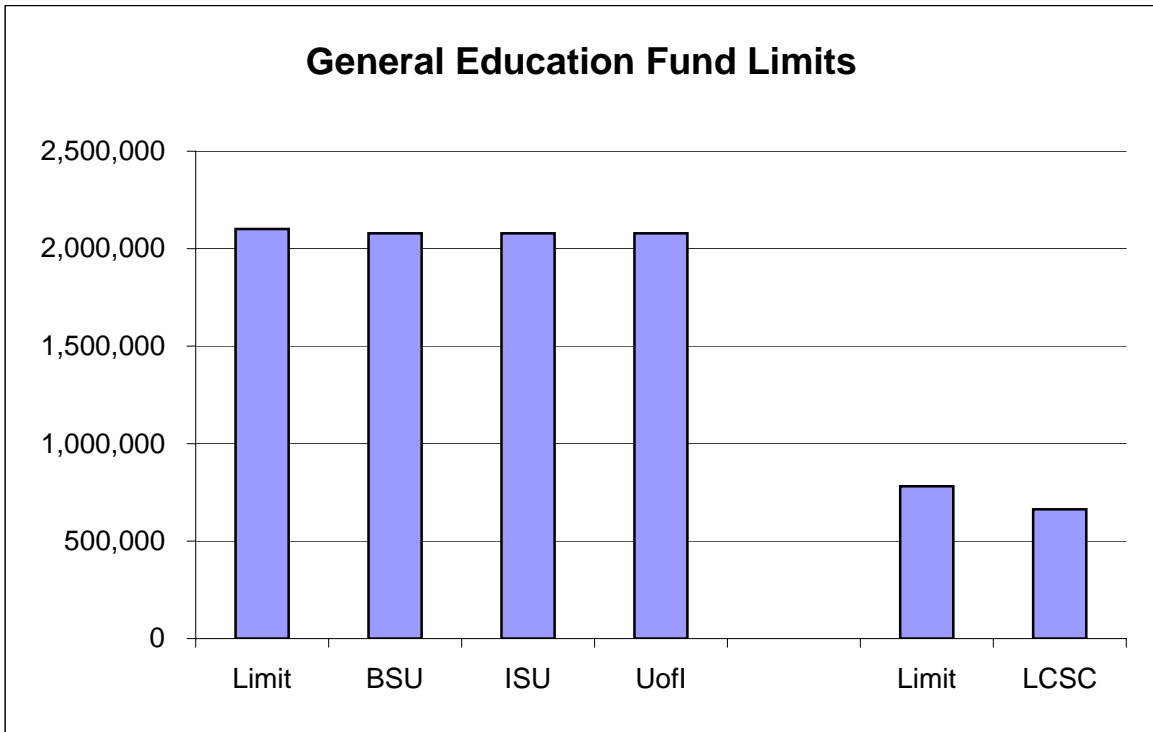
- d. An annual report of estimated (for the current year) and actual (for the most recently completed year) revenues and expenditures of the institution's booster organization, requested for submission to the Board for information only.
- e. A general narrative paper explaining each institution's policy on grants-in-aid for men and women athletes (including nonresident tuition waivers), procedures for charging or allocating costs for facilities' use to athletic programs, and any allocations of personnel or operating expenses to or from the other departments or units of the institution.

Intercollegiate Athletics

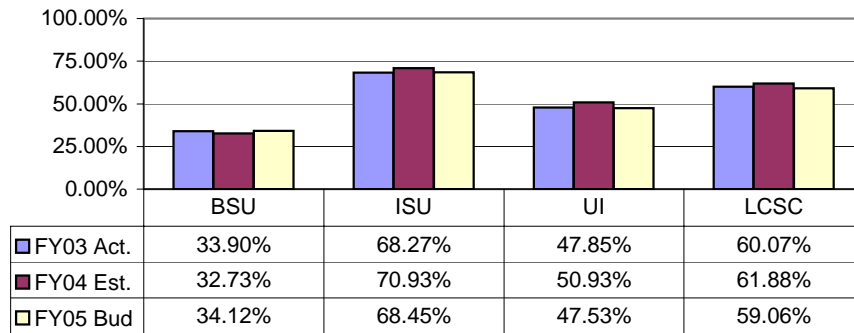
FY06 Revenue by Source by Institution



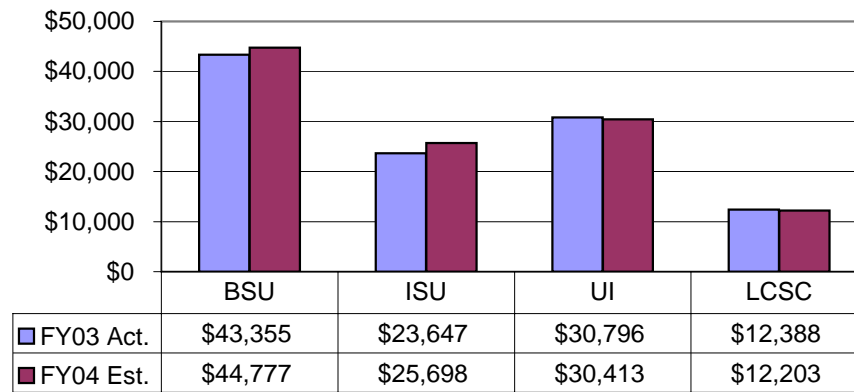
FY06 Board Limits on Allocation of Funds



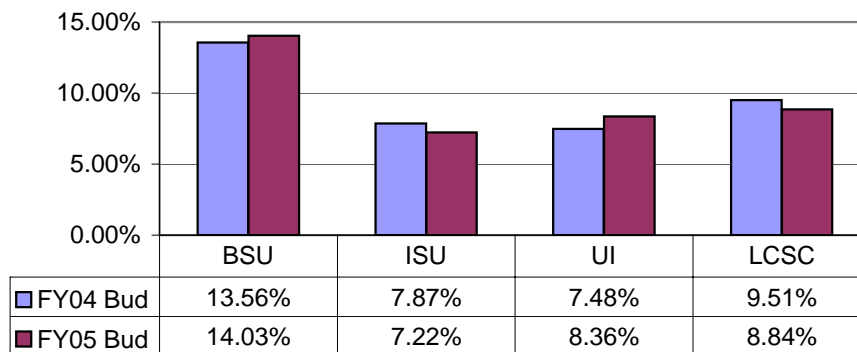
Student Fee/State & Institution Support as a % of Total Revenue



Expenditures per Participant



Athletics as a % of Total Appropriated Budget



THIS PAGE INTENTIONALLY LEFT BLANK

**College & Universities
Intercollegiate Athletics Report
FY04 Actuals, Revised Estimates for FY05, and FY06 Operating Budgets
Boise State University**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	FY04 Act as of 6/04	%	FY05 Bud FY05	%	FY05 Est as of 6/05	%	Variance 05 Est/05 Bud	Variance 7/3	FY06 Orig Oper Bdgt	%	Variance 06 Bud/05 Est	Variance (11/5)
1 Revenue:												
2 Program Revenue:												
3 Ticket Sales/Event Revenue	2,593,821	18.71%	3,398,346	23.87%	3,441,946	22.77%	43,600	1.28%	3,398,694	22.21%	(43,252)	-1.26%
4 Tournament/Bowl/Conf Receipts	959,078	6.92%	1,407,506	9.88%	1,605,651	10.62%	198,145	14.08%	1,209,945	7.91%	(395,706)	-24.64%
5 Media/Broadcast Receipts	748	0.01%	464	0.00%	464	0.00%	0	0.00%	1,291	0.01%	827	178.23%
6 Concessions/Prog/Parking/Advert	1,698,619	12.25%	1,767,053	12.41%	1,680,561	11.12%	(86,492)	-4.89%	1,786,537	11.67%	105,976	6.31%
7 Game Guarantees	327,500	2.36%	0	0.00%	0	0.00%	0	0.00%	732,400	4.79%	732,400	100.00%
8 Foundation/Booster/Priv Donations	2,715,310	19.59%	1,715,300	12.05%	1,931,300	12.78%	216,000	12.59%	2,310,232	15.09%	378,932	19.62%
9 Other	441,916	3.19%	501,107	3.52%	685,023	4.53%	183,916	36.70%	617,292	4.03%	(67,731)	-9.89%
10 Total Program Revenue	8,736,992	63.03%	8,789,776	61.73%	9,344,945	61.83%	555,169	6.32%	10,056,391	65.70%	711,446	7.61%
11 Non-Program Revenue:												
12 Special Events Revenue:												
13 NCAA/Bowl/World Series	425,833	3.07%	503,000	3.53%	822,553	5.44%	319,553	63.53%	26,600	0.17%	(795,953)	-96.77%
14 Student Fee Revenue:												
15 Student Fees	2,358,376	17.01%	2,400,000	16.85%	2,400,000	15.88%	0	0.00%	2,400,000	15.68%	0	0.00%
16 State Support::												
17 Approp Funds - Limit	1,851,700	13.36%	1,960,400	13.77%	1,960,400	12.97%	0	0.00%	2,079,200	13.58%	118,800	6.06%
18 Approp Funds - Gender Equity	200,000	1.44%	279,872	1.97%	279,872	1.85%	0	0.00%	417,872	2.73%	138,000	49.31%
19 Total State Support	2,051,700	14.80%	2,240,272	15.73%	2,240,272	14.82%	0	0.00%	2,497,072	16.31%	256,800	11.46%
20 Institutional Support:												
21 Auxiliary Enterprises												
22 Institutional	289,800	2.09%	306,800	2.15%	306,800	2.03%	0	0.00%	325,400	2.13%	18,600	6.06%
23 Total Instit Support	289,800	2.09%	306,800	2.15%	306,800	2.03%	0	0.00%	325,400	2.13%	18,600	6.06%
24 Total Non-Program Revenue	5,125,709	36.97%	5,450,072	38.27%	5,769,625	38.17%	319,553	5.86%	5,249,072	34.30%	(520,553)	-9.02%
25 Total Revenue:	13,862,701	100.00%	14,239,848	100.00%	15,114,570	100.00%	874,722	6.14%	15,305,463	100.00%	190,893	1.26%
26												
27 Expenditures:												
28 Coaches Salaries & Bonuses	2,415,834	17.52%	2,552,421	17.93%	2,763,012	18.28%	210,591	8.25%	2,859,439	18.32%	96,427	3.49%
29 Other Salaries and Wages	1,770,897	12.84%	2,150,709	15.10%	2,185,743	14.46%	35,034	1.63%	2,261,271	14.49%	75,528	3.46%
30 Fringe Benefits	1,298,313	9.42%	1,614,788	11.34%	1,676,501	11.09%	61,713	3.82%	1,804,507	11.56%	128,006	7.64%
31 Athletic Scholarship/Grants in Aid	2,073,650	15.04%	2,337,189	16.41%	2,506,519	16.58%	169,330	7.25%	2,559,621	16.40%	53,102	2.12%
32 Game Guarantees	286,600	2.08%	441,600	3.10%	441,600	2.92%	0	0.00%	400,600	2.57%	(41,000)	-9.28%
33 Medical Insurance/Medical Fees	52,410	0.38%	34,655	0.24%	34,655	0.23%	0	0.00%	34,570	0.22%	(85)	-0.25%
34 Travel:												
35 Team and Coaches	1,203,302	8.73%	960,934	6.75%	916,434	6.06%	(44,500)	-4.63%	1,272,394	8.15%	355,960	38.84%
36 Recruiting and Other	277,394	2.01%	334,665	2.35%	323,965	2.14%	(10,700)	-3.20%	351,766	2.25%	27,801	8.58%
37 Supplies, Equip, Serv & Op Exp	2,623,531	19.03%	1,933,759	13.58%	1,950,156	12.90%	16,397	0.85%	1,986,250	12.73%	36,094	1.85%
38 Facility Use Charges	408,634	2.96%	538,533	3.78%	630,508	4.17%	91,975	17.08%	558,574	3.58%	(71,934)	-11.41%
39 Debt Service on Athletic Facilities	868,116	6.30%	892,262	6.27%	892,262	5.90%	0	0.00%	1,153,837	7.39%	261,575	29.32%
40 Special Events	361,737	2.62%	318,000	2.23%	641,391	4.24%	323,391	101.70%	26,589	0.17%	(614,802)	-95.85%
41 Capital Improvements	146,503	1.06%	129,616	0.91%	151,226	1.00%	21,610	16.67%	335,600	2.15%	184,374	121.92%
42 Total Expenditures:	13,786,921	100.00%	14,239,131	100.00%	15,113,972	100.00%	874,841	6.14%	15,605,018	100.00%	491,046	3.25%
43												
44 Excess (Deficiency) of Revenues												
45 Over Expenditures (Line 25 minus Line 42)	75,780		717		598		(119)	-16.60%	(299,555)		(300,153)	-50192.81%
46												
47 Ending Fund Balance 6/30 (PY Fund Balance plus Line 47)	337,815		17,443		338,413		320,970		38,858		(299,555)	
48												
49 Nonresident Fee Waivers	1,164,856		1,176,000		1,331,544		155,544		1,377,888		46,344	
50												
51 Athletic Camp Activity:												
52 Camp Revenue	418,918		350,000		350,000		0		350,000		0	
53 Camp Expenditures	325,073		350,000		350,000		0		350,000		0	
54 Camp Surplus/(Deficit)	93,845		0		0		0		0		0	

**College & Universities
Intercollegiate Athletics Report
FY04 Actuals, Revised Estimates for FY05, and FY06 Operating Budgets
Boise State University**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	FY04 Act as of 6/04	%	FY05 Bud FY05	%	FY05 Est as of 6/05	%	(5-3) Variance 05 Est/05 Bud	(7/3) Variance %	FY06 Orig Oper Bdgt	%	(9-5) Variance 06 Bud/05 Est	(11/5) Variance %
Revenue by Program:												
55 General Revenue:												
56 Foundation/Booster/Priv Donations	2,715,310	19.59%	1,715,300	12.05%	1,931,300	12.78%	216,000	12.59%	2,310,232	15.09%	378,932	19.62%
57 Student Fees	2,358,376	17.01%	2,400,000	16.85%	2,400,000	15.88%	0	0.00%	2,400,000	15.68%	0	0.00%
58 Appropriated Funds	2,051,700	14.80%	2,240,272	15.73%	2,240,272	14.82%	0	0.00%	2,497,072	16.31%	256,800	11.46%
59 Institutional Support	289,800	2.09%	306,800	2.15%	306,800	2.03%	0	0.00%	325,400	2.13%	18,600	6.06%
60 Special Events	425,833	3.07%	503,000	3.53%	822,553	5.44%	319,553	63.53%	26,600	0.17%	(795,953)	-96.77%
61 Other	1,913,127	13.80%	2,025,834	14.23%	2,097,927	13.88%	72,093	3.56%	2,193,601	14.33%	95,674	4.56%
62 Total General Revenue	9,754,146	70.36%	9,191,206	64.55%	9,798,852	64.83%	607,646	6.61%	9,752,905	63.72%	(45,947)	-0.47%
63 Revenue By Sport:												
64 Men's Programs:												
65 Football												
66 Ticket Sales	1,885,800	13.60%	2,656,752	18.66%	2,786,751	18.44%	129,999	4.89%	2,797,632	18.28%	10,881	0.39%
67 Game Guarantees	325,000	2.34%	0	0.00%	0	0.00%	0	0.00%	721,400	4.71%	721,400	100.00%
68 Media/Broadcast Receipts	598	0.00%	371	0.00%	371	0.00%	0	0.00%	1,033	0.01%	662	178.44%
69 Other (Tourn/Bowl/Conf)	612,723	4.42%	836,860	5.88%	948,146	6.27%	111,286	13.30%	721,779	4.72%	(226,367)	-23.87%
70 Basketball		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%
71 Ticket Sales	681,320	4.91%	720,822	5.06%	634,422	4.20%	(86,400)	-11.99%	580,960	3.80%	(53,462)	-8.43%
72 Game Guarantees	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
73 Media/Broadcast Receipts	150	0.00%	93	0.00%	93	0.00%	0	0.00%	258	0.00%	165	177.42%
74 Other (Tourn/Bowl/Conf)	201,881	1.46%	282,929	1.99%	320,803	2.12%	37,874	13.39%	242,529	1.58%	(78,274)	-24.40%
75 Track & Field/Cross Country	50,301	0.36%	71,104	0.50%	81,011	0.54%	9,907	13.93%	61,256	0.40%	(19,755)	-24.39%
76 Tennis	19,242	0.14%	28,150	0.20%	32,113	0.21%	3,963	14.08%	24,199	0.16%	(7,914)	-24.64%
77 Baseball Ticket Sales	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
78 Wrestling	33,609	0.24%	43,440	0.31%	49,384	0.33%	5,944	13.68%	37,564	0.25%	(11,820)	-23.93%
79 Golf	19,182	0.14%	28,150	0.20%	32,113	0.21%	3,963	14.08%	24,199	0.16%	(7,914)	-24.64%
80 Media/Broadcast Receipts	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
81 Total Men's Sport Revenue	3,829,806	27.63%	4,668,671	32.79%	4,885,207	32.32%	216,536	4.64%	5,212,809	34.06%	327,602	6.71%
82 Women's Programs												
83 Volleyball												
84 Ticket Sales	2,541	0.02%	2,186	0.02%	2,186	0.01%	0	0.00%	2,278	0.01%	92	4.21%
85 Game Guarantees	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
86 Other (Tourn/Bowl/Conf)	31,972	0.23%	42,225	0.30%	48,170	0.32%	5,945	14.08%	36,298	0.24%	(11,872)	-24.65%
87 Basketball								0.00%				0.00%
88 Ticket Sales	13,103	0.09%	12,677	0.09%	12,677	0.08%	0	0.00%	11,665	0.08%	(1,012)	-7.98%
89 Game Guarantees	0	0.00%	0	0.00%	0	0.00%	0	0.00%	11,000	0.07%	11,000	100.00%
90 Media/Broadcast Receipts	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
91 Other (Tourn/Bowl/Conf)	35,239	0.25%	49,174	0.35%	55,870	0.37%	6,696	13.62%	42,438	0.28%	(13,432)	-24.04%
92 Track & Field/Cross Country	58,392	0.42%	85,179	0.60%	97,068	0.64%	11,889	13.96%	73,356	0.48%	(23,712)	-24.43%
93 Tennis	20,182	0.15%	28,150	0.20%	32,113	0.21%	3,963	14.08%	24,199	0.16%	(7,914)	-24.64%
94 Gymnastics	35,594	0.26%	47,780	0.34%	53,975	0.36%	6,195	12.97%	41,719	0.27%	(12,256)	-22.71%
95 Golf	19,182	0.14%	28,150	0.20%	32,113	0.21%	3,963	14.08%	24,199	0.16%	(7,914)	-24.64%
96 Soccer	43,362	0.31%	56,300	0.40%	64,226	0.42%	7,926	14.08%	48,398	0.32%	(15,828)	-24.64%
97 Softball	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
98 Skiing	19,182	0.14%	28,150	0.20%	32,113	0.21%	3,963	14.08%	24,199	0.16%	(7,914)	-24.64%
99 Swimming	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
100 Rodeo	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
101 Total Women's Sport Rev	278,749	2.01%	379,971	2.67%	430,511	2.85%	50,540	13.30%	339,749	2.22%	(90,762)	-21.08%
102 Total Revenue	13,862,701	100.00%	14,239,848	100.00%	15,114,570	100.00%	874,722	6.14%	15,305,463	100.00%	190,893	1.26%

**College & Universities
Intercollegiate Athletics Report
FY04 Actuals, Revised Estimates for FY05, and FY06 Operating Budgets
Boise State University**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	FY04 Act as of 6/04	%	FY05 Bud FY05	%	FY05 Est as of 6/05	%	(5-3) Variance 05 Est/05 Bud	(7/3) Variance %	FY06 Orig Oper Bdgt	%	(9-5) Variance 06 Bud/05 Est	(11/5) Variance %
Expenditures by Admin/Sport												
103 Administrative and General												
104 Athletic Director Office	903,375	6.55%	1,077,742	7.57%	1,038,093	6.87%	(39,649)	-3.68%	1,224,226	7.85%	186,133	17.93%
105 Fund Raising Office	1,145,545	8.31%	733,329	5.15%	797,661	5.28%	64,332	8.77%	761,778	4.88%	(35,883)	-4.50%
106 Sports Information	280,771	2.04%	285,290	2.00%	285,290	1.89%	0	0.00%	317,400	2.03%	32,110	11.26%
107 Trainer/Equipment Manager	303,579	2.20%	348,086	2.44%	348,086	2.30%	0	0.00%	365,626	2.34%	17,540	5.04%
108 Equipment Manager	113,803	0.83%	93,219	0.65%	101,219	0.67%	8,000	8.58%	107,485	0.69%	6,266	6.19%
109 Ticket Office	176,757	1.28%	229,864	1.61%	242,664	1.61%	12,800	5.57%	278,473	1.78%	35,809	14.76%
110 Medical/Insurance	49,335	0.36%	30,000	0.21%	30,000	0.20%	0	0.00%	30,000	0.19%	0	0.00%
111 Special Events	361,737	2.62%	328,505	2.31%	641,391	4.24%	312,886	95.25%	26,589	0.17%	(614,802)	-95.85%
112 Other Miscellaneous	1,021,035	7.41%	1,255,975	8.82%	1,444,600	9.56%	188,625	15.02%	1,425,649	9.14%	(18,951)	-1.31%
113 Facilities Maint. & Debt Service	1,241,355	9.00%	1,876,940	13.18%	1,968,915	13.03%	91,975	4.90%	2,182,705	13.99%	213,790	10.86%
114 Capital Improvements	141,358	1.03%	129,616	0.91%	151,226	1.00%	21,610	16.67%	335,600	2.15%	184,374	121.92%
115 Total Admin & General	5,738,650	41.62%	6,388,566	44.87%	7,049,145	46.64%	660,579	10.34%	7,055,531	45.21%	6,386	0.09%
116												
117 Men's Programs:												
118 Football	3,318,890	24.07%	3,128,013	21.97%	3,305,245	21.87%	177,232	5.67%	3,518,769	22.55%	213,524	6.46%
119 Basketball	849,573	6.16%	959,582	6.74%	967,302	6.40%	7,720	0.80%	1,022,144	6.55%	54,842	5.67%
120 Track & Field/Cross Country	298,858	2.17%	310,606	2.18%	312,826	2.07%	2,220	0.71%	323,278	2.07%	10,452	3.34%
121 Tennis	264,240	1.92%	250,676	1.76%	252,896	1.67%	2,220	0.89%	259,502	1.66%	6,606	2.61%
122 Baseball	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
123 Wrestling	280,280	2.03%	298,601	2.10%	305,261	2.02%	6,660	2.23%	311,300	1.99%	6,039	1.98%
124 Golf	181,630	1.32%	117,588	0.83%	117,588	0.78%	0	0.00%	136,233	0.87%	18,645	15.86%
125 Volleyball	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
126 Rodeo	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
127 Total Men's Programs	5,193,471	37.67%	5,065,066	35.57%	5,261,118	34.81%	196,052	3.87%	5,571,226	35.70%	310,108	5.89%
128												
129 Women's Programs												
130 Volleyball	459,139	3.33%	471,853	3.31%	471,853	3.12%	0	0.00%	469,379	3.01%	(2,474)	-0.52%
131 Basketball	649,773	4.71%	646,325	4.54%	648,545	4.29%	2,220	0.34%	706,295	4.53%	57,750	8.90%
132 Track & Field/Cross Country	349,718	2.54%	362,085	2.54%	364,305	2.41%	2,220	0.61%	377,791	2.42%	13,486	3.70%
133 Tennis	247,374	1.79%	235,191	1.65%	236,301	1.56%	1,110	0.47%	245,627	1.57%	9,326	3.95%
134 Gymnastics	382,997	2.78%	389,674	2.74%	395,224	2.61%	5,550	1.42%	442,390	2.83%	47,166	11.93%
135 Golf	234,223	1.70%	158,933	1.12%	166,043	1.10%	7,110	4.47%	183,472	1.18%	17,429	10.50%
136 Soccer	374,605	2.72%	332,427	2.33%	332,427	2.20%	0	0.00%	360,943	2.31%	28,516	8.58%
137 Softball	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
138 Skiing	156,971	1.14%	189,011	1.33%	189,011	1.25%	0	0.00%	192,364	1.23%	96,959	51.30%
138 Swimming	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
137 Rodeo/New Sport	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
138 Total Women's Programs	2,854,800	20.71%	2,785,499	19.56%	2,803,709	18.55%	18,210	0.65%	2,978,261	19.09%	268,158	9.56%
139												
140 Total Expenditures	13,786,921	100.00%	14,239,131	100.00%	15,113,972	100.00%	874,841	6.14%	15,605,018	100.00%	491,046	3.25%

THIS PAGE INTENTIONALLY LEFT BLANK

**College & Universities
Intercollegiate Athletics Report
FY04 Actuals, Revised Estimates for FY05, and FY06 Operating Budgets
Idaho State University**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	FY04 Act as of 6/04	%	FY05 Bud FY05	%	FY05 Est as of 6/05	%	Variance 05 Est/05 Bud	Variance 7/3	FY06 Orig Oper Bdgt	%	Variance 06 Bud/05 Est	Variance 11/5
1 Revenue:												
2 Program Revenue:												
3 Ticket Sales/Event Revenue	526,837	7.94%	577,500	8.05%	297,855	4.53%	(279,645)	-48.42%	370,952	5.09%	73,097	24.54%
4 Tournament/Bowl/Conf Receipts	423,041	6.38%	350,000	4.88%	376,979	5.74%	26,979	7.71%	370,000	5.08%	(6,979)	-1.85%
5 Media/Broadcast Receipts	36,300	0.55%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
6 Concessions/Prog/Parking/Advert	381,585	5.75%	635,000	8.86%	533,022	8.11%	(101,978)	-16.06%	600,000	8.24%	66,978	12.57%
7 Game Guarantees	185,510	2.80%	102,500	1.43%	287,500	4.38%	185,000	180.49%	271,000	3.72%	(16,500)	-5.74%
8 Foundation/Booster/Priv Donations	510,695	7.70%	800,000	11.16%	414,730	6.31%	(385,270)	-48.16%	685,660	9.41%	270,930	65.33%
9 Other	41,398	0.62%	25,000	0.35%	0	0.00%	(25,000)	-100.00%	0	0.00%	0	0.00%
10 Total Program Revenue	2,105,366	31.73%	2,490,000	34.73%	1,910,086	29.07%	(579,914)	-23.29%	2,297,612	31.55%	387,526	20.29%
11 Non-Program Revenue:												
12 Special Events Revenue:												
13 NCAA/Bowl/World Series	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
14 Student Fee Revenue:												
15 Student Fees	1,908,073	28.75%	1,865,738	26.02%	1,846,000	28.10%	(19,738)	-1.06%	1,932,143	26.53%	86,143	4.67%
16 State Support:												
17 Approp Funds - Limit	1,851,700	27.90%	1,960,400	27.34%	1,960,400	29.84%	0	0.00%	2,079,200	28.55%	118,800	6.06%
18 Approp Funds - Gender Equity	443,500	6.68%	526,500	7.34%	526,500	8.01%	0	0.00%	626,500	8.60%	100,000	18.99%
19 Total State Support	2,295,200	34.59%	2,486,900	34.69%	2,486,900	37.85%	0	0.00%	2,705,700	37.15%	218,800	8.80%
20 Institutional Support:												
21 Auxiliary Enterprises	46,000	0.69%	46,000	0.64%	46,000	0.70%	0	0.00%	46,000	0.63%	0	0.00%
22 Institutional	281,100	4.24%	281,100	3.92%	281,100	4.28%	0	0.00%	301,700	4.14%	20,600	7.33%
23 Total Instit Support	327,100	4.93%	327,100	4.56%	327,100	4.98%	0	0.00%	347,700	4.77%	20,600	6.30%
24 Total Non-Program Revenue	4,530,373	68.27%	4,679,738	65.27%	4,660,000	70.93%	(19,738)	-0.42%	4,985,543	68.45%	325,543	6.99%
25 Total Revenue:	6,635,739	100.00%	7,169,738	100.00%	6,570,086	100.00%	(599,652)	-8.36%	7,283,155	100.00%	713,069	10.85%
26												
27 Expenditures:												
28 Coaches Salaries & Bonuses	1,051,731	15.94%	1,173,444	16.37%	1,171,166	16.69%	(2,278)	-0.19%	1,237,163	17.89%	65,997	5.64%
29 Other Salaries and Wages	862,131	13.07%	915,810	12.77%	923,748	13.17%	7,938	0.87%	972,434	14.06%	48,686	5.27%
30 Fringe Benefits	588,376	8.92%	744,099	10.38%	670,818	9.56%	(73,281)	-9.85%	801,237	11.58%	130,419	19.44%
31 Athletic Scholarship/Grants in Aid	1,410,249	21.38%	1,700,000	23.71%	1,628,496	23.21%	(71,504)	-4.21%	1,690,128	24.43%	61,632	3.78%
32 Game Guarantees	115,888	1.76%	65,000	0.91%	40,250	0.57%	(24,750)	-38.08%	44,500	0.64%	4,250	10.56%
33 Medical Insurance/Medical Fees	242,957	3.68%	399,500	5.57%	270,920	3.86%	(128,580)	-32.19%	325,700	4.71%	54,780	20.22%
34 Travel:												
35 Team and Coaches	643,587	9.75%	685,064	9.55%	664,654	9.47%	(20,410)	-2.98%	707,300	10.23%	42,646	6.42%
36 Recruiting and Other	210,111	3.18%	227,474	3.17%	136,496	1.95%	(90,978)	-39.99%	99,270	1.44%	(37,226)	-27.27%
37 Supplies, Equip, Serv & Op Exp	1,387,586	21.03%	1,174,347	16.38%	1,423,628	20.29%	249,281	21.23%	954,123	13.79%	(469,505)	-32.98%
38 Facility Use Charges	85,000	1.29%	85,000	1.19%	85,000	1.21%	0	0.00%	85,000	1.23%	0	0.00%
39 Debt Service on Athletic Facilities	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
40 Special Events	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
41 Capital Improvements	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
42 Total Expenditures:	6,597,616	100.00%	7,169,738	100.00%	7,015,176	100.00%	(154,562)	-2.16%	6,916,855	100.00%	(98,321)	-1.40%
43												
44 Excess (Deficiency) of Revenues												
45 Over Expenditures (Line 25 minus Line 42)	38,123		0		(445,090)		(445,090)	100.00%	366,300		811,390	-182.30%
46												
47 Ending Fund Balance 6/30 (PY Fund Balance plus Line 47)	741,292		703,169		296,202		(406,967)		662,502		366,300	
48												
49 Nonresident Fee Waivers	815,100		920,400		895,926		(24,474)		1,062,600		166,674	
50												
51 Athletic Camp Activity:												
52 Camp Revenue	120,804		160,000		150,000		(10,000)		160,000		10,000	
53 Camp Expenditures	166,656		160,000		150,000		(10,000)		160,000		10,000	
54 Camp Surplus/(Deficit)	-45,852		0		0		0		0		0	

**College & Universities
Intercollegiate Athletics Report
FY04 Actuals, Revised Estimates for FY05, and FY06 Operating Budgets
Idaho State University**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	FY04 Act as of 6/04	%	FY05 Bud FY05	%	FY05 Est as of 6/05	%	Variance 05 Est/05 Bud	Variance (7/3)	FY06 Orig Oper Bdgt	%	Variance 06 Bud/05 Est	Variance (11/5)
Revenue by Program:												
55 General Revenue:												
56 Foundation/Booster/Priv Donations	510,695	7.70%	800,000	11.16%	414,730	6.31%	(385,270)	-48.16%	685,660	9.41%	270,930	65.33%
57 Student Fees	1,908,073	28.75%	1,865,738	26.02%	1,846,000	28.10%	(19,738)	-1.06%	1,932,143	26.53%	86,143	4.67%
58 Appropriated Funds	2,295,200	34.59%	2,486,900	34.69%	2,486,900	37.85%	0	0.00%	2,705,700	37.15%	218,800	8.80%
59 Institutional Support	344,100	5.19%	327,100	4.56%	327,100	4.98%	0	0.00%	347,700	4.77%	20,600	6.30%
60 Special Events	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
61 Other	750,061	11.30%	1,000,000	13.95%	900,001	13.70%	(99,999)	-10.00%	960,000	13.18%	59,999	6.67%
62 Total General Revenue	5,808,129	87.53%	6,479,738	90.38%	5,974,731	90.94%	(505,007)	-7.79%	6,631,203	91.05%	656,472	10.99%
63 Revenue By Sport:												
64 Men's Programs:												
65 Football												
66 Ticket Sales	325,130	4.90%	360,000	5.02%	167,432	2.55%	(192,568)	-53.49%	204,762	2.81%	37,330	22.30%
67 Game Guarantees	100,000	1.51%	20,000	0.28%	190,000	2.89%	170,000	850.00%	200,000	2.75%	10,000	5.26%
68 Media/Broadcast Receipts	21,054	0.32%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
69 Other (Tourn/Bowl/Conf)	12,925	0.19%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
70 Basketball		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%
71 Ticket Sales	175,653	2.65%	190,000	2.65%	103,516	1.58%	(86,484)	-45.52%	142,857	1.96%	39,341	38.00%
72 Game Guarantees	77,430	1.17%	80,000	1.12%	80,000	1.22%	0	0.00%	70,000	0.96%	(10,000)	-12.50%
73 Media/Broadcast Receipts	14,520	0.22%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
74 Other (Tourn/Bowl/Conf)	29,176	0.44%	10,000	0.14%	10,000	0.15%	0	0.00%	10,000	0.14%	0	0.00%
75 Track & Field/Cross Country	982	0.01%	1,000	0.01%	1,000	0.02%	0	0.00%	952	0.01%	(48)	-4.80%
76 Tennis	855	0.01%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
77 Baseball Ticket Sales	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
78 Wrestling	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
79 Golf	10,770	0.16%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
80 Media/Broadcast Receipts	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
81 Total Men's Sport Revenue	768,495	11.58%	661,000	9.22%	551,948	8.40%	(109,052)	-16.50%	628,571	8.63%	76,623	13.88%
82 Women's Programs												
83 Volleyball												
84 Ticket Sales	3,955	0.06%	4,500	0.06%	2,796	0.04%	(1,704)	-37.87%	2,857	0.04%	61	2.18%
85 Game Guarantees	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
86 Other (Tourn/Bowl/Conf)	2,578	0.04%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
87 Basketball								0.00%				0.00%
88 Ticket Sales	15,693	0.24%	16,000	0.22%	17,546	0.27%	1,546	9.66%	13,810	0.19%	(3,736)	-21.29%
89 Game Guarantees	7,000	0.11%	2,500	0.03%	17,500	0.27%	15,000	600.00%	1,000	0.01%	(16,500)	-94.29%
90 Media/Broadcast Receipts	726	0.01%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
91 Other (Tourn/Bowl/Conf)	12,299	0.19%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
92 Track & Field/Cross Country	4,223	0.06%	1,000	0.01%	1,000	0.02%	0	0.00%	952	0.01%	(48)	-4.80%
93 Tennis	1,355	0.02%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
94 Gymnastics	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
95 Golf	2,205	0.03%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
96 Soccer	9,082	0.14%	5,000	0.07%	4,565	0.07%	(435)	-8.70%	4,762	0.07%	197	4.32%
97 Softball	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
98 Skiing	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
99 Swimming	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
100 Rodeo	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
101 Total Women's Sport Rev	59,116	0.89%	29,000	0.40%	43,407	0.66%	14,407	49.68%	23,381	0.32%	(20,026)	-46.14%
102 Total Revenue	6,635,739	100.00%	7,169,738	100.00%	6,570,086	100.00%	(599,652)	-8.36%	7,283,155	100.00%	713,069	10.85%

College & Universities
Intercollegiate Athletics Report
FY04 Actuals, Revised Estimates for FY05, and FY06 Operating Budgets
Idaho State University

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
		FY04 Act		FY05 Bud		FY05 Est		(5-3)	(7/3)	FY06 Orig		(9-5)	(11/5)
		as of 6/04	%	FY05	%	as of 6/05	%	05 Est/05 Bud	Variance	Oper Bdgt	%	06 Bud/05 Est	Variance
Expenditures by Admin/Sport		0											
103	Administrative and General												
104	Athletic Director Office	1,010,332	15.31%	944,008	13.17%	956,016	13.63%	12,008	1.27%	850,856	12.30%	(105,160)	-11.00%
105	Fund Raising Office	270,118	4.09%	275,000	3.84%	221,605	3.16%	(53,395)	-19.42%	245,672	3.55%	24,067	10.86%
106	Sports Information	128,113	1.94%	125,000	1.74%	146,731	2.09%	21,731	17.38%	160,583	2.32%	13,852	9.44%
107	Trainer/Equipment Manager	168,422	2.55%	215,000	3.00%	210,482	3.00%	(4,518)	-2.10%	222,175	3.21%	11,693	5.56%
108	Equipment Manager	55,750	0.85%	56,000	0.78%	61,023	0.87%	5,023	8.97%	58,586	0.85%	(2,437)	-3.99%
109	Ticket Office	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
110	Medical/Insurance	254,721	3.86%	24,000	0.33%	270,920	3.86%	246,920	1028.83%	349,062	5.05%	78,142	28.84%
111	Special Events	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
112	Other Miscellaneous	281,327	4.26%	282,893	3.95%	283,838	4.05%	945	0.33%	217,541	3.15%	(66,297)	-23.36%
113	Facilities Maint. & Debt Service	85,000	1.29%	85,000	1.19%	85,000	1.21%	0	0.00%	85,000	1.23%	0	0.00%
114	Capital Improvements	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
115	Total Admin & General	2,253,783	34.16%	2,006,901	27.99%	2,235,615	31.87%	228,714	11.40%	2,189,475	31.65%	(46,140)	-2.06%
116													
117	Men's Programs:												
118	Football	1,692,454	25.65%	1,725,000	24.06%	1,747,225	24.91%	22,225	1.29%	1,624,346	23.48%	(122,879)	-7.03%
119	Basketball	616,423	9.34%	625,000	8.72%	616,628	8.79%	(8,372)	-1.34%	588,839	8.51%	(27,789)	-4.51%
120	Track & Field/Cross Country	218,542	3.31%	333,352	4.65%	334,729	4.77%	1,377	0.41%	268,896	3.89%	(65,833)	-19.67%
121	Tennis	93,690	1.42%	120,000	1.67%	123,121	1.76%	3,121	2.60%	107,139	1.55%	(15,982)	-12.98%
122	Baseball	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
123	Wrestling	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
124	Golf	59,919	0.91%	85,000	1.19%	71,810	1.02%	(13,190)	-15.52%	79,104	1.14%	7,294	10.16%
125	Volleyball	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
126	Rodeo	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
127	Total Men's Programs	2,681,028	40.64%	2,888,352	40.29%	2,893,513	41.25%	5,161	0.18%	2,668,324	38.58%	(225,189)	-7.78%
128													
129	Women's Programs												
130	Volleyball	339,875	5.15%	385,000	5.37%	334,176	4.76%	(50,824)	-13.20%	357,166	5.16%	22,990	6.88%
131	Basketball	516,386	7.83%	550,000	7.67%	543,888	7.75%	(6,112)	-1.11%	508,242	7.35%	(35,646)	-6.55%
132	Track & Field/Cross Country	257,478	3.90%	389,840	5.44%	380,254	5.42%	(9,586)	-2.46%	324,707	4.69%	(55,547)	-14.61%
133	Tennis	137,650	2.09%	155,000	2.16%	136,372	1.94%	(18,628)	-12.02%	141,809	2.05%	5,437	3.99%
134	Gymnastics	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
135	Golf	100,775	1.53%	110,000	1.53%	109,089	1.56%	(911)	-0.83%	108,978	1.58%	(111)	-0.10%
136	Soccer	310,641	4.71%	380,000	5.30%	379,669	5.41%	(331)	-0.09%	358,588	5.18%	(21,081)	-5.55%
137	Softball	0	0.00%	304,645	4.25%	2,600	0.04%	(302,045)	-99.15%	259,566	3.75%	256,966	9883.31%
138	Skiing	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	96,959	100.00%
138	Swimming	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
137	Rodeo/New Sport	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
138	Total Women's Programs	1,662,805	25.20%	2,274,485	31.72%	1,886,048	26.89%	(388,437)	-17.08%	2,059,056	29.77%	269,967	14.31%
139													
140	Total Expenditures	6,597,616	100.00%	7,169,738	100.00%	7,015,176	100.00%	(154,562)	-2.16%	6,916,855	100.00%	(98,321)	-1.40%

THIS PAGE INTENTIONALLY LEFT BLANK

**College & Universities
Intercollegiate Athletics Report
FY04 Actuals, Revised Estimates for FY05, and FY06 Operating Budgets
University of Idaho**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	FY04 Act as of 6/04	%	FY05 Bud FY05	%	FY05 Est as of 6/05	%	Variance 05 Est/05 Bud	Variance (7/3)	FY06 Orig Oper Bdgt	%	Variance 06 Bud/05 Est	Variance (11/5)
1 Revenue:												
2 Program Revenue:												
3 Ticket Sales/Event Revenue	339,051	3.56%	195,000	2.10%	147,246	1.54%	(47,754)	-24.49%	208,500	1.92%	61,254	41.60%
4 Tournament/Bowl/Conf Receipts	451,326	4.75%	386,290	4.16%	451,572	4.73%	65,282	16.90%	928,889	8.57%	477,317	105.70%
5 Media/Broadcast Receipts	155,921	1.64%	140,000	1.51%	139,000	1.46%	(1,000)	-0.71%	215,000	1.98%	76,000	54.68%
6 Concessions/Prog/Parking/Advert	561,906	5.91%	532,000	5.73%	517,270	5.42%	(14,730)	-2.77%	582,000	5.37%	64,730	12.51%
7 Game Guarantees	1,059,612	11.14%	890,000	9.59%	890,000	9.32%	0	0.00%	951,500	8.78%	61,500	6.91%
8 Foundation/Booster/Priv Donations	2,018,715	21.22%	2,010,250	21.66%	2,295,929	24.04%	285,679	14.21%	2,581,009	23.80%	285,080	12.42%
9 Other	373,959	3.93%	226,300	2.44%	245,933	2.57%	19,633	8.68%	222,500	2.05%	(23,433)	-9.53%
10 Total Program Revenue	4,960,490	52.15%	4,379,840	47.20%	4,686,950	49.07%	307,110	7.01%	5,689,398	52.47%	1,002,448	21.39%
11 Non-Program Revenue:												
12 Special Events Revenue:												
13 NCAA/Bowl/World Series	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
14 Student Fee Revenue:												
15 Student Fees	1,773,104	18.64%	1,906,046	20.54%	1,850,054	19.37%	(55,992)	-2.94%	1,915,895	17.67%	65,841	3.56%
16 State Support:												
17 Approp Funds - Limit	1,851,700	19.47%	1,960,400	21.13%	1,974,371	20.67%	13,971	0.71%	2,079,200	19.18%	104,829	5.31%
18 Approp Funds - Gender Equity	346,660	3.64%	419,496	4.52%	419,460	4.39%	(36)	-0.01%	508,060	4.69%	88,600	21.12%
19 Total State Support	2,198,360	23.11%	2,379,896	25.65%	2,393,831	25.06%	13,935	0.59%	2,587,260	23.86%	193,429	8.08%
20 Institutional Support:												
21 Auxiliary Enterprises	50,000	0.53%	50,000	0.54%	50,000	0.52%	0	0.00%	50,000	0.46%	0	0.00%
22 Institutional	529,500	5.57%	563,500	6.07%	571,587	5.98%	8,087	1.44%	600,600	5.54%	29,013	5.08%
23 Total Instit Support	579,500	6.09%	613,500	6.61%	621,587	6.51%	8,087	1.32%	650,600	6.00%	29,013	4.67%
24 Total Non-Program Revenue	4,550,964	47.85%	4,899,442	52.80%	4,865,472	50.93%	(33,970)	-0.69%	5,153,755	47.53%	288,283	5.93%
25 Total Revenue:	9,511,454	100.00%	9,279,282	100.00%	9,552,422	100.00%	273,140	2.94%	10,843,153	100.00%	1,290,731	13.51%
26												
27 Expenditures:												
28 Coaches Salaries & Bonuses	1,621,147	17.26%	1,552,451	16.74%	1,544,350	16.17%	(8,101)	-0.52%	1,664,032	15.37%	119,682	7.75%
29 Other Salaries and Wages	1,117,886	11.90%	1,146,785	12.36%	1,173,128	12.29%	26,343	2.30%	1,333,952	12.32%	160,824	13.71%
30 Fringe Benefits	792,090	8.43%	849,564	9.16%	864,988	9.06%	15,424	1.82%	1,016,856	9.39%	151,868	17.56%
31 Athletic Scholarship/Grants in Aid	1,718,598	18.30%	2,028,163	21.87%	2,020,074	21.16%	(8,089)	-0.40%	2,293,445	21.18%	273,371	13.53%
32 Game Guarantees	281,076	2.99%	162,000	1.75%	159,760	1.67%	(2,240)	-1.38%	8,700	0.08%	(151,060)	-94.55%
33 Medical Insurance/Medical Fees	238,712	2.54%	246,808	2.66%	268,808	2.82%	22,000	8.91%	288,584	2.67%	19,776	7.36%
34 Travel:												
35 Team and Coaches	1,153,186	12.28%	1,178,870	12.71%	1,219,259	12.77%	40,389	3.43%	1,133,249	10.47%	(86,010)	-7.05%
36 Recruiting and Other	328,527	3.50%	269,850	2.91%	268,334	2.81%	(1,516)	-0.56%	299,200	2.76%	30,866	11.50%
37 Supplies, Equip, Serv & Op Exp	1,875,374	19.97%	1,752,528	18.89%	1,927,571	20.19%	175,043	9.99%	2,713,912	25.06%	786,341	40.79%
38 Facility Use Charges	76,522	0.81%	70,000	0.75%	75,000	0.79%	5,000	7.14%	55,000	0.51%	(20,000)	-26.67%
39 Debt Service on Athletic Facilities	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
40 Special Events	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
41 Capital Improvements	189,549	2.02%	18,800	0.20%	26,900	0.28%	8,100	43.09%	21,000	0.19%	(5,900)	-21.93%
42 Total Expenditures:	9,392,667	100.00%	9,275,819	100.00%	9,548,172	100.00%	272,353	2.94%	10,827,930	100.00%	1,279,758	13.40%
43												
44 Excess (Deficiency) of Revenues												
45 Over Expenditures (Line 25 minus Line 42)	118,787		3,463		4,250		787	22.73%	15,223		10,973	258.19%
46												
47 Ending Fund Balance 6/30 (PY Fund Balance plus Line 47)	234,393		86,874		238,643		151,769		253,866		15,223	
48												
49 Nonresident Fee Waivers	1,189,383		1,190,000		1,531,402		341,402		1,675,000		143,598	
50												
51 Athletic Camp Activity:												
52 Camp Revenue	209,244		165,000		308,775		143,775		310,000		1,225	
53 Camp Expenditures	202,459		165,000		308,775		143,775		310,000		1,225	
54 Camp Surplus/(Deficit)	6,785		0		0		0		0		0	

**College & Universities
Intercollegiate Athletics Report
FY04 Actuals, Revised Estimates for FY05, and FY06 Operating Budgets
University of Idaho**

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
								(5-3)	(7/3)			(9-5)	(11/5)
		FY04 Act as of 6/04	%	FY05 Bud FY05	%	FY05 Est as of 6/05	%	Variance 05 Est/05 Bud	Variance %	FY06 Orig Oper Bdgt	%	Variance 06 Bud/05 Est	Variance %
Revenue by Program:													
55	General Revenue:												
56	Foundation/Booster/Priv Donations	2,018,715	21.22%	2,010,250	21.66%	2,295,929	24.04%	285,679	14.21%	2,581,009	23.80%	285,080	12.42%
57	Student Fees	1,773,104	18.64%	1,906,046	20.54%	1,850,054	19.37%	(55,992)	-2.94%	1,915,895	17.67%	65,841	3.56%
58	Appropriated Funds	2,198,360	23.11%	2,379,896	25.65%	2,393,831	25.06%	13,935	0.59%	2,587,260	23.86%	193,429	8.08%
59	Institutional Support	579,500	6.09%	613,500	6.61%	621,587	6.51%	8,087	1.32%	650,600	6.00%	29,013	4.67%
60	Special Events	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
61	Other	1,300,796	13.68%	1,091,690	11.76%	1,149,657	12.04%	57,967	5.31%	1,723,389	15.89%	573,732	49.90%
62	Total General Revenue	7,870,475	82.75%	8,001,382	86.23%	8,311,058	87.00%	309,676	3.87%	9,458,153	87.23%	1,147,095	13.80%
63	Revenue By Sport:												
64	Men's Programs:												
65	Football												
66	Ticket Sales	289,501	3.04%	145,000	1.56%	100,005	1.05%	(44,995)	-31.03%	160,000	1.48%	59,995	59.99%
67	Game Guarantees	1,010,000	10.62%	855,000	9.21%	855,000	8.95%	0	0.00%	860,000	7.93%	5,000	0.58%
68	Media/Broadcast Receipts	15,000	0.16%	0	0.00%	0	0.00%	0	0.00%	75,000	0.69%	75,000	100.00%
69	Other (Tourn/Bowl/Conf)	14,322	0.15%	2,000	0.02%	6,718	0.07%	4,718	235.90%	2,000	0.02%	(4,718)	-70.23%
70	Basketball		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%
71	Ticket Sales	35,271	0.37%	40,000	0.43%	28,137	0.29%	(11,863)	-29.66%	30,000	0.28%	1,863	6.62%
72	Game Guarantees	46,112	0.48%	30,000	0.32%	30,000	0.31%	0	0.00%	85,000	0.78%	55,000	183.33%
73	Media/Broadcast Receipts	0	0.00%	0	0.00%	7,500	0.08%	7,500	100.00%	0	0.00%	(7,500)	-100.00%
74	Other (Tourn/Bowl/Conf)	14,322	0.15%	14,000	0.15%	14,000	0.15%	0	0.00%	0	0.00%	(14,000)	-100.00%
75	Track & Field/Cross Country	9,971	0.10%	4,000	0.04%	4,000	0.04%	0	0.00%	4,000	0.04%	0	0.00%
76	Tennis	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
77	Baseball Ticket Sales	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
78	Wrestling	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
79	Golf	4,920	0.05%	5,400	0.06%	5,400	0.06%	0	0.00%	0	0.00%	(5,400)	-100.00%
80	Media/Broadcast Receipts	140,921	1.48%	140,000	1.51%	139,000	1.46%	(1,000)	-0.71%	140,000	1.29%	1,000	0.72%
81	Total Men's Sport Revenue	1,580,340	16.62%	1,235,400	13.31%	1,189,760	12.46%	(45,640)	-3.69%	1,356,000	12.51%	166,240	13.97%
82	Women's Programs												
83	Volleyball												
84	Ticket Sales	3,622	0.04%	4,000	0.04%	4,000	0.04%	0	0.00%	3,500	0.03%	(500)	-12.50%
85	Game Guarantees	0	0.00%	1,500	0.02%	1,500	0.02%	0	0.00%	0	0.00%	(1,500)	-100.00%
86	Other (Tourn/Bowl/Conf)	9,450	0.10%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
87	Basketball								0.00%				0.00%
88	Ticket Sales	10,657	0.11%	6,000	0.06%	15,104	0.16%	9,104	151.73%	15,000	0.14%	(104)	-0.69%
89	Game Guarantees	3,500	0.04%	3,500	0.04%	3,500	0.04%	0	0.00%	6,500	0.06%	3,000	85.71%
90	Media/Broadcast Receipts	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
91	Other (Tourn/Bowl/Conf)	15,119	0.16%	14,000	0.15%	14,000	0.15%	0	0.00%	0	0.00%	(14,000)	-100.00%
92	Track & Field/Cross Country	9,971	0.10%	9,000	0.10%	4,000	0.04%	(5,000)	-55.56%	4,000	0.04%	0	0.00%
93	Tennis	3,125	0.03%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
94	Gymnastics	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
95	Golf	5,195	0.05%	4,500	0.05%	4,500	0.05%	0	0.00%	0	0.00%	(4,500)	-100.00%
96	Soccer	0	0.00%	0	0.00%	5,000	0.05%	5,000	100.00%	0	0.00%	(5,000)	-100.00%
97	Softball	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
98	Skiing	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
99	Swimming	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
100	Rodeo	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
101	Total Women's Sport Rev	60,639	0.64%	42,500	0.46%	51,604	0.54%	9,104	21.42%	29,000	0.27%	(22,604)	-43.80%
102	Total Revenue	9,511,454	100.00%	9,279,282	100.00%	9,552,422	100.00%	273,140	2.94%	10,843,153	100.00%	1,290,731	13.51%

College & Universities
Intercollegiate Athletics Report
FY04 Actuals, Revised Estimates for FY05, and FY06 Operating Budgets
University of Idaho

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
							(5-3)	(7/3)			(9-5)	(11/5)
	FY04 Act as of 6/04	%	FY05 Bud FY05	%	FY05 Est as of 6/05	%	Variance 05 Est/05 Bud	Variance %	FY06 Orig Oper Bdgt	%	Variance 06 Bud/05 Est	Variance %
Expenditures by Admin/Sport												
103 Administrative and General												
104 Athletic Director Office	600,203	6.39%	674,023	7.27%	693,776	7.27%	19,753	2.93%	1,456,664	13.45%	762,888	109.96%
105 Fund Raising Office	259,892	2.77%	277,457	2.99%	286,901	3.00%	9,444	3.40%	365,038	3.37%	78,137	27.23%
106 Sports Information	162,123	1.73%	163,195	1.76%	174,043	1.82%	10,848	6.65%	176,404	1.63%	2,361	1.36%
107 Trainer/Equipment Manager	472,685	5.03%	322,469	3.48%	330,504	3.46%	8,035	2.49%	314,823	2.91%	(15,681)	-4.74%
108 Equipment Manager	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
109 Ticket Office	15,654	0.17%	22,111	0.24%	21,877	0.23%	(234)	-1.06%	21,254	0.20%	(623)	-2.85%
110 Medical/Insurance	442,805	4.71%	464,996	5.01%	479,670	5.02%	14,674	3.16%	593,159	5.48%	113,489	23.66%
111 Special Events	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
112 Other Miscellaneous	756,528	8.05%	739,132	7.97%	925,386	9.69%	186,254	25.20%	1,044,114	9.64%	118,728	12.83%
113 Facilities Maint. & Debt Service	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
114 Capital Improvements	185,861	1.98%	18,800	0.20%	26,900	0.28%	8,100	43.09%	21,000	0.19%	(5,900)	-21.93%
115 Total Admin & General	2,895,751	30.83%	2,682,183	28.92%	2,939,057	30.78%	256,874	9.58%	3,992,456	36.87%	1,053,399	35.84%
116												
117 Men's Programs:												
118 Football	3,070,320	32.69%	2,879,910	31.05%	2,879,741	30.16%	(169)	-0.01%	2,705,995	24.99%	(173,746)	-6.03%
119 Basketball	889,954	9.47%	859,691	9.27%	860,759	9.01%	1,068	0.12%	935,826	8.64%	75,067	8.72%
120 Track & Field/Cross Country	279,437	2.98%	282,639	3.05%	290,064	3.04%	7,425	2.63%	314,253	2.90%	24,189	8.34%
121 Tennis	95,584	1.02%	88,785	0.96%	88,981	0.93%	196	0.22%	97,843	0.90%	8,862	9.96%
122 Baseball	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
123 Wrestling	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
124 Golf	109,724	1.17%	122,605	1.32%	124,509	1.30%	1,904	1.55%	131,722	1.22%	7,213	5.79%
125 Volleyball	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
126 Rodeo	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
127 Total Men's Programs	4,445,019	47.32%	4,233,630	45.64%	4,244,054	44.45%	10,424	0.25%	4,185,639	38.66%	(58,415)	-1.38%
128												
129 Women's Programs												
130 Volleyball	414,482	4.41%	468,756	5.05%	473,192	4.96%	4,436	0.95%	533,286	4.93%	60,094	12.70%
131 Basketball	553,910	5.90%	648,330	6.99%	643,161	6.74%	(5,169)	-0.80%	697,989	6.45%	54,828	8.52%
132 Track & Field/Cross Country	408,912	4.35%	368,924	3.98%	373,349	3.91%	4,425	1.20%	402,217	3.71%	28,868	7.73%
133 Tennis	148,000	1.58%	132,182	1.43%	130,924	1.37%	(1,258)	-0.95%	148,258	1.37%	17,334	13.24%
134 Gymnastics	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
135 Golf	136,192	1.45%	139,758	1.51%	139,163	1.46%	(595)	-0.43%	153,864	1.42%	14,701	10.56%
136 Soccer	355,788	3.79%	343,657	3.70%	320,772	3.36%	(22,885)	-6.66%	404,663	3.74%	83,891	26.15%
137 Softball	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
138 Skiing	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	96,959	100.00%
138 Swimming	34,613	0.37%	258,399	2.79%	284,500	2.98%	26,101	10.10%	309,558	2.86%	25,058	8.81%
137 Rodeo/New Sport	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
138 Total Women's Programs	2,051,897	21.85%	2,360,006	25.44%	2,365,061	24.77%	5,055	0.21%	2,649,835	24.47%	381,733	16.14%
139												
140 Total Expenditures	9,392,667	100.00%	9,275,819	100.00%	9,548,172	100.00%	272,353	2.94%	10,827,930	100.00%	1,279,758	13.40%

THIS PAGE INTENTIONALLY LEFT BLANK

**College & Universities
Intercollegiate Athletics Report
FY04 Actuals, Revised Estimates for FY05, and FY06 Operating Budgets
Lewis Clark State College**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	FY04 Act as of 6/04	%	FY05 Bud FY05	%	FY05 Est as of 6/05	%	Variance 05 Est/05 Bud	Variance (7/3)	FY06 Orig Oper Bdgt	%	Variance 06 Bud/05 Est	Variance (11/5)
1 Revenue:												
2 Program Revenue:												
3 Ticket Sales/Event Revenue	25,110	1.35%	23,500	1.28%	25,000	1.34%	1,500	6.38%	29,000	1.62%	4,000	16.00%
4 Tournament/Bowl/Conf Receipts	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
5 Media/Broadcast Receipts	5,280	0.28%	4,800	0.26%	5,400	0.29%	600	12.50%	5,400	0.30%	0	0.00%
6 Concessions/Prog/Parking/Advert	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
7 Game Guarantees	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
8 Foundation/Booster/Priv Donations	314,713	16.94%	315,200	17.23%	310,000	16.61%	(5,200)	-1.65%	326,000	18.22%	16,000	5.16%
9 Other	12,442	0.67%	12,000	0.66%	11,000	0.59%	(1,000)	-8.33%	12,000	0.67%	1,000	9.09%
10 Total Program Revenue	357,545	19.25%	355,500	19.43%	351,400	18.83%	(4,100)	-1.15%	372,400	20.82%	21,000	5.98%
11 Non-Program Revenue:												
12 Special Events Revenue:												
13 NCAA/Bowl/World Series	384,250	20.68%	355,000	19.41%	360,000	19.29%	5,000	1.41%	360,000	20.12%	0	0.00%
14 Student Fee Revenue:												
15 Student Fees	357,235	19.23%	315,000	17.22%	306,000	16.40%	(9,000)	-2.86%	308,000	17.22%	2,000	0.65%
16 State Support::												
17 Approp Funds - Limit	671,765	36.16%	708,800	38.75%	728,800	39.05%	20,000	2.82%	663,429	37.09%	(65,371)	-9.97%
18 Approp Funds - Gender Equity	19,000	1.02%	20,000	1.09%	30,000	1.61%	10,000	50.00%	25,000	1.40%	(5,000)	-16.67%
19 Total State Support	690,765	37.18%	728,800	39.84%	758,800	40.66%	30,000	4.12%	688,429	38.48%	(70,371)	-9.27%
20 Institutional Support:												
21 Auxiliary Enterprises		0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
22 Institutional	68,000	3.66%	75,000	4.10%	90,000	4.82%	15,000	20.00%	60,000	3.35%	(30,000)	-33.33%
23 Total Instit Support	68,000	3.66%	75,000	4.10%	90,000	4.82%	15,000	20.00%	60,000	3.35%	(30,000)	-33.33%
24 Total Non-Program Revenue	1,500,250	80.75%	1,473,800	80.57%	1,514,800	81.17%	41,000	2.78%	1,416,429	79.18%	(98,371)	-6.49%
25 Total Revenue:	1,857,795	100.00%	1,829,300	100.00%	1,866,200	100.00%	36,900	2.02%	1,788,829	100.00%	(77,371)	-4.15%
26												
27 Expenditures:												
28 Coaches Salaries & Bonuses	268,381	14.64%	253,700	14.05%	273,749	14.92%	20,049	7.90%	266,800	14.91%	(6,949)	-2.54%
29 Other Salaries and Wages	250,171	13.65%	232,400	12.87%	250,000	13.63%	17,600	7.57%	196,508	10.99%	(53,492)	-21.40%
30 Fringe Benefits	159,607	8.71%	169,100	9.36%	170,000	9.27%	900	0.53%	166,021	9.28%	(3,979)	-2.34%
31 Athletic Scholarship/Grants in Aid	279,052	15.22%	282,700	15.65%	280,000	15.27%	(2,700)	-0.96%	302,000	16.88%	22,000	7.86%
32 Game Guarantees	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
33 Medical Insurance/Medical Fees	29,030	1.58%	34,000	1.88%	30,000	1.64%	(4,000)	-11.76%	40,000	2.24%	10,000	33.33%
34 Travel:												
35 Team and Coaches	178,827	9.75%	156,500	8.67%	155,000	8.45%	(1,500)	-0.96%	165,000	9.22%	10,000	6.45%
36 Recruiting and Other	12,849	0.70%	14,300	0.79%	13,000	0.71%	(1,300)	-9.09%	17,500	0.98%	4,500	34.62%
37 Supplies, Equip, Serv & Op Exp	265,804	14.50%	308,400	17.08%	277,500	15.13%	(30,900)	-10.02%	285,000	15.93%	7,500	2.70%
38 Facility Use Charges	53,441	2.91%	30,000	1.66%	35,000	1.91%	5,000	16.67%	30,000	1.68%	(5,000)	-14.29%
39 Debt Service on Athletic Facilities	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
40 Special Events	336,250	18.34%	325,000	17.99%	350,000	19.08%	25,000	7.69%	320,000	17.89%	(30,000)	-8.57%
41 Capital Improvements	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
42 Total Expenditures:	1,833,412	100.00%	1,806,100	100.00%	1,834,249	100.00%	28,149	1.56%	1,788,829	100.00%	(45,420)	-2.48%
43												
44 Excess (Deficiency) of Revenues												
45 Over Expenditures (Line 25 minus Line 42)	24,383		23,200		31,951		8,751	37.72%	0		(31,951)	-100.00%
46												
47 Ending Fund Balance 6/30 (PY Fund Balance plus Line 47)	-30,328		2,537		1,623		(914)		1,623		0	
48												
49 Nonresident Fee Waivers	415,402		325,000		325,000		0		325,000		0	
50												
51 Athletic Camp Activity:												
52 Camp Revenue	58,061		30,000		30,000		0		30,000		0	
53 Camp Expenditures	47,093		20,000		20,000		0		20,000		0	
54 Camp Surplus/(Deficit)	10,968		10,000		10,000		0		10,000		0	

**College & Universities
Intercollegiate Athletics Report
FY04 Actuals, Revised Estimates for FY05, and FY06 Operating Budgets
Lewis Clark State College**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
							(5-3)	(7/3)			(9-5)	(11/5)
	FY04 Act as of 6/04	%	FY05 Bud FY05	%	FY05 Est as of 6/05	%	Variance 05 Est/05 Bud	Variance %	FY06 Orig Oper Bdgt	%	Variance 06 Bud/05 Est	Variance %
Revenue by Program:												
55 General Revenue:												
56 Foundation/Booster/Priv Donations	314,713	16.94%	315,200	17.23%	310,000	16.61%	(5,200)	-1.65%	326,000	18.22%	16,000	5.16%
57 Student Fees	357,235	19.23%	315,000	17.22%	306,000	16.40%	(9,000)	-2.86%	308,000	17.22%	2,000	0.65%
58 Appropriated Funds	690,765	37.18%	728,800	39.84%	758,800	40.66%	30,000	4.12%	688,429	38.48%	(70,371)	-9.27%
59 Institutional Support	68,000	3.66%	75,000	4.10%	90,000	4.82%	15,000	20.00%	60,000	3.35%	(30,000)	-33.33%
60 Special Events	384,250	20.68%	355,000	19.41%	360,000	19.29%	5,000	1.41%	360,000	20.12%	0	0.00%
61 Other	12,442	0.67%	12,000	0.66%	11,000	0.59%	(1,000)	-8.33%	12,000	0.67%	1,000	9.09%
62 Total General Revenue	1,827,405	98.36%	1,801,000	98.45%	1,835,800	98.37%	34,800	1.93%	1,754,429	98.08%	(81,371)	-4.43%
63 Revenue By Sport:												
64 Men's Programs:												
65 Football												
66 Ticket Sales	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
67 Game Guarantees	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
68 Media/Broadcast Receipts	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
69 Other (Tourn/Bowl/Conf)	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
70 Basketball		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%
71 Ticket Sales	3,646	0.20%	3,400	0.19%	3,600	0.19%	200	5.88%	5,000	0.28%	1,400	38.89%
72 Game Guarantees	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
73 Media/Broadcast Receipts	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
74 Other (Tourn/Bowl/Conf)	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
75 Track & Field/Cross Country	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
76 Tennis	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
77 Baseball Ticket Sales	15,610	0.84%	13,600	0.74%	15,600	0.84%	2,000	14.71%	15,600	0.87%	0	0.00%
78 Wrestling	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
79 Golf	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
80 Media/Broadcast Receipts	5,280	0.28%	4,800	0.26%	5,400	0.29%	600	12.50%	5,400	0.30%	0	0.00%
81 Total Men's Sport Revenue	24,536	1.32%	21,800	1.19%	24,600	1.32%	2,800	12.84%	26,000	1.45%	1,400	5.69%
82 Women's Programs												
83 Volleyball												
84 Ticket Sales	1,471	0.08%	1,200	0.07%	1,500	0.08%	300	25.00%	2,500	0.14%	1,000	66.67%
85 Game Guarantees	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
86 Other (Tourn/Bowl/Conf)	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
87 Basketball								0.00%				0.00%
88 Ticket Sales	4,383	0.24%	5,300	0.29%	4,300	0.23%	(1,000)	-18.87%	5,900	0.33%	1,600	37.21%
89 Game Guarantees	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
90 Media/Broadcast Receipts	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
91 Other (Tourn/Bowl/Conf)	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
92 Track & Field/Cross Country	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
93 Tennis	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
94 Gymnastics	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
95 Golf	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
96 Soccer	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
97 Softball	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
98 Skiing	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
99 Swimming	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
100 Rodeo	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
101 Total Women's Sport Rev	5,854	0.32%	6,500	0.36%	5,800	0.31%	(700)	-10.77%	8,400	0.47%	2,600	44.83%
102 Total Revenue	1,857,795	100.00%	1,829,300	100.00%	1,866,200	100.00%	36,900	2.02%	1,788,829	100.00%	(77,371)	-4.15%

**College & Universities
Intercollegiate Athletics Report
FY04 Actuals, Revised Estimates for FY05, and FY06 Operating Budgets
Lewis Clark State College**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	FY04 Act as of 6/04	%	FY05 Bud FY05	%	FY05 Est as of 6/05	%	(5-3) Variance 05 Est/05 Bud	(7/3) Variance %	FY06 Orig Oper Bdgt	%	(9-5) Variance 06 Bud/05 Est	(11/5) Variance %
Expenditures by Admin/Sport												
103 Administrative and General												
104 Athletic Director Office	278,697	15.20%	355,600	19.69%	298,079	16.25%	(57,521)	-16.18%	246,204	13.76%	(51,875)	-17.40%
105 Fund Raising Office	50,298	2.74%	64,000	3.54%	60,000	3.27%	(4,000)	-6.25%	39,606	2.21%	(20,394)	-33.99%
106 Sports Information	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
107 Trainer/Equipment Manager	60,731	3.31%	45,800	2.54%	58,370	3.18%	12,570	27.45%	46,919	2.62%	(11,451)	-19.62%
108 Equipment Manager	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
109 Ticket Office	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
110 Medical/Insurance	29,030	1.58%	39,000	2.16%	36,500	1.99%	(2,500)	-6.41%	39,000	2.18%	2,500	6.85%
111 Special Events	336,250	18.34%	325,000	17.99%	350,000	19.08%	25,000	7.69%	320,000	17.89%	(30,000)	-8.57%
112 Other Miscellaneous	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
113 Facilities Maint. & Debt Service	53,441	2.91%	0	0.00%	35,000	1.91%	35,000	100.00%	35,000	1.96%	0	0.00%
114 Capital Improvements	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
115 Total Admin & General	808,447	44.10%	829,400	45.92%	837,949	45.68%	8,549	1.03%	726,729	40.63%	(111,220)	-13.27%
116												
117 Men's Programs:												
118 Football	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
119 Basketball	201,681	11.00%	181,800	10.07%	200,000	10.90%	18,200	10.01%	200,900	11.23%	900	0.45%
120 Track & Field/Cross Country	31,715	1.73%	28,700	1.59%	31,000	1.69%	2,300	8.01%	30,500	1.71%	(500)	-1.61%
121 Tennis	32,397	1.77%	27,200	1.51%	32,000	1.74%	4,800	17.65%	30,900	1.73%	(1,100)	-3.44%
122 Baseball	318,178	17.35%	332,000	18.38%	330,000	17.99%	(2,000)	-0.60%	346,600	19.38%	16,600	5.03%
123 Wrestling	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
124 Golf	12,852	0.70%	15,000	0.83%	15,000	0.82%	0	0.00%	26,100	1.46%	11,100	74.00%
125 Volleyball	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
126 Rodeo	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
127 Total Men's Programs	596,823	32.55%	584,700	32.37%	608,000	33.15%	23,300	3.98%	635,000	35.50%	27,000	4.44%
128												
129 Women's Programs												
130 Volleyball	161,994	8.84%	136,000	7.53%	136,000	7.41%	0	0.00%	144,700	8.09%	8,700	6.40%
131 Basketball	173,366	9.46%	176,200	9.76%	176,200	9.61%	0	0.00%	184,900	10.34%	8,700	4.94%
132 Track & Field/Cross Country	43,445	2.37%	30,400	1.68%	30,400	1.66%	0	0.00%	34,500	1.93%	4,100	13.49%
133 Tennis	33,869	1.85%	30,700	1.70%	30,700	1.67%	0	0.00%	34,900	1.95%	4,200	13.68%
134 Gymnastics	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
135 Golf	15,468	0.84%	15,000	0.83%	15,000	0.82%	0	0.00%	28,100	1.57%	13,100	87.33%
136 Soccer	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
137 Softball	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
138 Skiing	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
138 Swimming	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
137 Rodeo/New Sport	0	0.00%	3,700	0.20%	0	0.00%	(3,700)	-100.00%	0	0.00%	0	0.00%
138 Total Women's Programs	428,142	23.35%	392,000	21.70%	388,300	21.17%	(3,700)	-0.94%	427,100	23.88%	38,800	9.99%
139												
140 Total Expenditures	1,833,412	100.00%	1,806,100	100.00%	1,834,249	100.00%	28,149	1.56%	1,788,829	100.00%	(45,420)	-2.48%

THIS PAGE INTENTIONALLY LEFT BLANK

INSTITUTION / AGENCY AGENDA

SUBJECT

First Reading: Update Board policy on Audits resulting from the establishment of the Audit Committee (Committee).

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures; Section I.A.4.
Idaho State Board of Education Governing Policies & Procedures; Bylaws, Section H.

BACKGROUND

At the October 2004 Board meeting, the Board approved an amendment to its Bylaws creating the Audit Committee. The Board's Governing Policies and Procedures on Audits needs to be updated to establish the responsibilities the Committee needs to undertake in order to accomplish its role as set forth in the Board's Bylaws.

DISCUSSION

The Committee is responsible for appointing the independent auditor, establishing compensation, and evaluating and overseeing the work of the independent auditor. The Committee also will review the institutional financial statements, adequacy of internal controls and findings with the independent auditor, presents the financial statements to the Board and provides detail and summary reports as appropriate, and monitors the independence and performance of the independent auditor and internal auditing function.

The current policies and procedures contain a Board Internal Audit Function that is outdated and no longer in use. Therefore, the items associated with the Internal Audit Function are being eliminated from the Audit Policies and Procedures. The current Internal Audit Function responsibilities ensure compliance with rules, policies, programs, and laws established by the Board and the State of Idaho, and to provide technical assistance to the institutions and agencies to improve operations and procedures necessary to comply with accounting standards and financial requirements. Due to previous state budget reductions, this function is performed by the independent auditor and not by Board staff.

IMPACT

The Board's Bylaws call for three Board members and three non-Board members. The Bylaws also call for at least four meetings per year, which may be combined with regularly scheduled Board meetings. Anticipated costs include costs for meetings and travel.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION / AGENCY AGENDA - continued

STAFF COMMENTS AND RECOMMENDATIONS

This will update Board policy to outline the Committee's responsibilities with respect to Audits as set forth in the Board's Bylaws on the Audit Committee.

BOARD ACTION

A motion to approve the first reading of changes to Idaho State Board of Education Governing Policies and Procedures, Section V., Subsection H., Audits.

Moved by_____ Seconded by_____ Carried Yes_____ No_____

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

FIRST READING

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: V. Financial Affairs

Subsection: H. Audits

~~April~~ August 2005

~~1. Business Affairs and Human Resources (BAHR) Committee Audit Responsibilities~~

~~The BAHR Committee serves as the Board's liaison with its internal auditor, external auditor and with the fiscal and internal audit operations of the agencies, school and institutions. The BAHR Committee reviews agency, school and institution fiscal operations, including the coordination or development of new administrative data-processing systems, and works toward more standardized accounting and reporting processes for the agencies, school and institutions. The BAHR Committee chairperson reports periodically to the Board on the activities of the committee, including any recommended changes or additions to the Board's policies and procedures.~~

~~2. Board Internal Audit Function~~

~~_____ a. Responsibility~~

~~_____ An internal audit function is established within the office of the Board to provide an independent review and appraisal activity as a service to the Board. The primary responsibility of the internal audit function is to ensure compliance with the rules, policies, procedures, and programs established by the Board and the applicable laws of the State of Idaho. In addition, the internal auditor shall provide technical assistance to the institutions, school and agencies to improve operations and to implement procedures necessary to comply with accounting standards and financial requirements.~~

~~_____ b. Internal Audit Plan~~

~~_____ The Board's internal auditor submits an audit plan to the BAHR Committee and the Board for review and approval on an annual basis. The internal auditor is responsible for coordinating the Board's internal audit plan with the audit plans for the external auditor, the legislative auditor, and the internal auditors at the institutions, school and agencies to ensure that all audit requirements are met and to prevent duplication of effort.~~

~~_____ c. Internal Audit Reports~~

~~_____ Internal audit reports shall be distributed to the executive director of the Board, the chief executive and fiscal officers of the auditee institution, school or agency, the external auditor, and the appropriate committee of the Board. The internal auditor is responsible for reviewing findings and recommendations with appropriate management personnel prior to presentation and distribution to the Board.~~

~~_____ d. Internal Audit Organization~~

~~The internal auditor reports directly to the executive director of the Board.~~

~~_____~~

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

~~3. External Audits~~

~~Items 3 and 4 apply to the institutions only (Boise State University, Idaho State University, the University of Idaho, Lewis Clark State College, and Eastern Idaho Technical College).~~

~~_____ a. Financial Statements~~

~~_____ Financial statement audits shall be conducted annually by an independent certified public accountant that is selected by the Board, subject to the bid and contract requirements set forth by the State Division of Purchasing. These audits shall be conducted in accordance with generally accepted auditing standards and shall include the auditor's opinion on the basic financial statements.~~

~~In the event that material weaknesses in the internal control structure of the colleges and universities is found, the auditors shall report it in a letter directly to the BAHR Committee. In addition, management letters shall be written that identify the auditor's findings and recommendations concerning non-material internal control items and productivity issues. These letters shall include the institutions' responses to the findings and recommendations. The audited financial statements and management letters shall be distributed to Board members, the Board's executive director, the chief executive officers, and the chief financial officers of the institutions prior to the formal presentation of the audit to the full Board.~~

~~_____ b. Federal Single Audits~~

~~_____ Federal Single Audits shall be conducted in accordance with federal and state laws and requirements. These reports shall be distributed to the appropriate federal and state agencies by the institutions. In addition, these reports shall be distributed to the BAHR Committee, the Board's executive director, the chief executive officers, and the chief financial officers of the institutions.~~

~~_____ c. Management Consulting Services~~

~~_____ Plans for management consulting services that are included as part of the auditing services contract for the Board shall be reviewed and approved by the Board's executive director. The results of these consultation services shall be reported to the BAHR Committee.~~

~~_____ d. Work Contracted Directly with the Institutions~~

~~All National Collegiate Athletic Association (NCAA) and National Association of Intercollegiate Athletics (NAIA) audits and agreed-upon procedures reports shall be forwarded by the chief executive officer of the institutions to the BAHR Committee and the Board's executive director. All other external audit reports for work contracted directly with the institutions shall be forwarded to the Board's executive director.~~

~~4. Internal Audits~~

~~_____ a. The institutions shall develop and maintain an internal audit function to perform audits of the activities within their institutions and to ensure compliance with the policies and procedures of the Board and the applicable laws of the State of Idaho.~~

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

~~Internal audits shall be conducted in accordance with generally accepted auditing standards.~~

~~_____ b. Internal Audit Plan~~

~~_____ Each institution shall submit an annual internal audit plan to the chief executive officer of the university and to the Board's BAHR Committee for review and approval. The audit plan may include financial audits required by external funding agencies, audits of internal control procedures, and performance audits directed at improving internal operations and management of the respective institutions. Copies of these internal audit plans shall be forwarded to the Board's executive director and the external auditors.~~

~~_____ c. Audit Reports~~

~~_____ A copy of each internal audit report must be transmitted to the president of the institution, to the BAHR Committee, the Board's executive director, and the external auditor. Furthermore, the internal auditor has the authority to bring significant findings directly to the attention of the BAHR Committee and the Board's executive director.~~

~~_____ d. Internal Audit Organization~~

~~Internal auditors in each institution should report directly either to the chief executive officer of the institution or to a person designated by the chief executive officer who reports directly to the chief executive officer.~~

~~5. Legislative Audits~~

~~All state agencies under the Board's jurisdiction will receive financial statement audits and federal single audits in accordance with federal and state laws and regulations.~~

~~The BAHR Committee must be informed immediately of any audit activity being conducted by the legislative auditor. The respective chief executive officer or chief fiscal officer must keep the BAHR Committee informed of the progress of the legislative audit, including presenting a full report on preliminary and final audit findings and recommendations. The legislative auditor will be invited to share his or her preliminary and final report with the BAHR Committee.~~

~~6. Employee Severance Audits~~

~~When key administrative personnel leave an agency, school or institution, the BAHR Committee will bring to the full Board a recommendation as to whether an audit will be conducted and the scope of the audit.~~

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

1. General Purpose and Governance

The Audit Committee (Committee) is appointed by the Board in fulfilling its fiscal oversight responsibilities. The Committee provides oversight to the organizations under its governance (defined in Idaho State Board of Education, Policies and Procedures, Section I. A.1.) for: financial statement integrity, financial practices, internal control systems, financial management, and standards of conduct.

The Committee serves as the Board's liaison with its external auditor and with the external and internal audit operations of the agencies, school and institutions. The Committee reviews agency, school and institution fiscal operations. The Committee chairperson reports periodically to the Board on the activities of the Committee, including any recommended changes or additions to the Board's policies and procedures.

2. Calendar

The Committee shall establish a calendar of all regularly scheduled meetings including meetings with the Board, the independent auditors, institutions, and others as appropriate. The Committee should take into consideration the requirements and due dates of other State agencies in establishing timelines.

3. Audit Committee

a. Membership

Each member of the Committee shall be in good standing, and shall be independent in order to serve on the Committee. The Committee minutes will indicate whenever a new member is appointed by the Board as well as an acknowledgement that independence has been verified for the new member. Affirmation of independence will be documented in the minutes annually or whenever a change in status by any Committee member occurs.

b. Financial Expert

At least one member of the Committee shall be designated as a financial expert and indicated in the Committee minutes. This designation shall be affirmed annually, unless there is a change in status.

c. Board Bylaws on Audit Committee

The Committee will review, reassess the adequacy of, and recommend any proposed changes to the Board annually, unless changes are needed during the course of the year, in light of new best practices and new legal requirements.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

d. Meetings

The Committee shall meet at least four times per year and may be combined with regularly scheduled Board meetings or more frequently as circumstances may require. The Committee may require institution management or others to attend the meetings and provide pertinent information as necessary. All members are expected to attend each meeting in person, via telephone conference or videoconference. The agendas for meetings should be prepared and provided to members in advance, along with appropriate briefing materials. Minutes shall be prepared that document decisions made and action steps established and shall be maintained at the Board office.

4. Selection of Independent Auditors

Items 3, 4 and 5 apply to the institutions only (Boise State University, Idaho State University, University of Idaho, Lewis-Clark State College, and Eastern Idaho Technical College).

- a. The Committee shall allow enough time to prepare and publish a Request for Proposal, review and evaluate proposals, obtain Board approval of the selected audit firm, and negotiate and authorize a contract.
- b. The Committee may establish a process for selecting an independent audit firm. The process used should include representatives from the Board, Committee, and institutions.
- c. The Committee shall make the selection of the audit firm.
- d. The selection of the new audit firm shall be presented to the Board and ratified at the next Board meeting following the Committee's selection.

5. Independent Auditors

a. Lead Audit Partner Rotation

It is the intent of the Board to adhere to the recommendation of the National Association of College and University Business Officers (NACUBO) to require rotation of the lead audit partner of the independent audit firm every five years, with a two-year timeout provision. The Committee shall establish when the five-year limit will be reached for the current lead audit partner. At least one year prior to that time, the Committee shall discuss transition plans for the new lead audit partner. The five-year limit will be reviewed annually with the independent auditors. These discussions shall be documented in the Committee meeting minutes.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

b. Risk Assessment

Prior to the publication of the independent auditor's report, the Committee will review all material written communications between the independent auditors and institution management, including management letters and any schedule of unadjusted differences. The Committee shall conclude on the appropriateness of the proposed resolution of issues, and the action plan for any items requiring follow-up and monitoring. The Committee shall review these risks with institution management at each meeting or sooner, if necessary, to make sure it is up-to-date.

c. Audit Scope

- i. Prior to Audit: Prior to the start of any audit work for the current fiscal year, the Committee will meet with the lead audit partner to review the audit scope. Questions related to audit scope may include significant changes from prior year, reliance on internal controls and any internal audit function, assistance from institutional staff, and changes in accounting principles or auditing standards. The Committee should also discuss how the audit scope will uncover any material defalcations or fraudulent financial reporting, questionable payments, or violations of laws or regulations. Areas of the audit deserving special attention by the Committee and issues of audit staffing should be reviewed.
- ii. Subsequent to Audit: Subsequent to the audit report, the Committee shall meet with the lead audit partner and the Chief Financial Officer of each institution, to review the scope of the previous year's audit, and the inter-relationship between any internal audit function and the external auditors with respect to the scope of the independent auditor's work. Prior to the start of interim work for the current year audit, the Committee shall review the plans for the audit of the current year.

d. Accounting Policies

Annually and/or in conjunction with the year-end audit, the Committee shall review with the lead audit partner all critical accounting policies and practices and all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management of the institutions, the ramifications of each alternative, and the treatment preferred by each institution.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

e. Financial Statement Review

At the completion of the independent audit, the Committee shall review with institution management and the independent auditors each institution's financial statements, Management's Discussion and Analysis (MDA), related footnotes, and the independent auditor's report. The Committee shall also review any significant changes required in the independent auditor's audit plan and any serious difficulties or disputes with institution management encountered during the audit. The Committee shall document any discussions, resolution of disagreements, or action plans for any item requiring follow-up.

f. Single Audit Review

At the completion of the Single Audit Report (as required under the Single Audit Act of 1984, and the Single Audit Act Amendments of 1996), the Committee shall review with institution management and the independent auditors each institution's Single Audit Report. The Committee shall discuss whether the institution is in compliance with laws and regulations as outlined in the current Single Audit Act described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement. The Committee shall report to the Board that the review has taken place and any matters that need to be brought to the Board's attention. The Committee shall document any discussions, resolution of disagreements, or action plans for any item requiring follow-up.

6. Internal Audits

The Committee shall review with institution management any significant findings on internal audits from the preceding 12 months and planned for the upcoming six months along with the status of each planned audit and management's responses thereto. The Committee shall review any difficulties the institution's internal audit staff encountered in the course of their audits, including any restrictions on the scope of their work or access to required information. The Committee shall discuss any internal audit function's budget and staffing.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

7. Other Audits

a. Legislative Audits

- i. All state agencies under the Board's jurisdiction, excluding the State Department of Education, will receive financial statement audits and federal single audits in accordance with federal and state laws and regulations. The Committee must be informed immediately by an agency of any audit activity being conducted by the legislative auditor.
- ii. At the completion of the legislative audit, the Committee shall discuss with the legislative auditor the progress of the legislative audit, including a full report on preliminary and final audit findings and recommendations.

b. Employee Severance Audits

- i. When key administrative personnel leave an agency, school or institution, the Committee may bring to the full Board a recommendation as to whether an audit should be conducted and the scope of the audit.

8. Confidential Complaints

- a. The Committee shall set up a process to investigate complaints received by the Board regarding accounting, internal accounting controls, or auditing matters that may be submitted by any party internal or external to any entity under its governance.
- b. The Committee shall review the procedures for the receipt, retention, and treatment of complaints, referenced in paragraph 8.a, received by the Board. The Committee shall review an original of each complaint received, no matter the media used to submit and discuss the status or resolution of each complaint. The Committee shall ensure that proper steps are taken to investigate complaints and resolve timely. The Committee shall review a cumulative list of complaints submitted to date to review for patterns or other observations.

REFERENCE - APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: I. Governing Policies and Procedures

Subsection: A. Policy-Making Authority

April 2004

4. Conformance with State and Federal Law

All Board Governing Policies and Procedures and the internal policies and procedures of its institutions, agencies and school will comply with and be in conformance to applicable laws.

Adoption, Amendment, or Repeal of Board Policies

a. Board policies may be adopted by majority vote at any regular or special meeting of the Board. The adoption, amendment, or repeal of a Board policy may be requested by any member of the Board, the executive director, or any chief executive officer. Persons who are Board employees, or students or student groups, must file a written request with the chief executive officer of an institution, agency or school, or his or her designee, to receive Board consideration. An Idaho resident, other than those described above, may file a written request with the executive director for Board consideration of a proposal. Regardless of the source, a statement of the proposed adoption, amendment, or repeal must be presented to the executive director for transmittal to the Board. If the subject matter of the presentation concerns an agency, institution, school, or department of the Board, the executive director will also notify the appropriate chief executive officer of the nature of the request.

b. Board action on any proposal will not be taken earlier than the next regular or special meeting following Board approval for first reading. During the interim between the first reading and Board action, the chief executive officers will seek to discuss and review the proposal with faculty, staff, or other Board employees and students or student groups, as appropriate. The chief executive officers will transmit summaries of oral statements and written comments on the proposal to the executive director. After thorough consideration, the proposal will be presented by the executive director to the Board for action.

c. The executive director is authorized to make nonsubstantive corrections and amendments to Board Governing Policies and Procedures as may be necessary in such areas as typographical errors, cross-references, and citations of state and federal statutes.

REFERENCE - APPLICABLE STATUTE, RULE, OR POLICY - continued

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: BYLAWS

Revised October 2004

H. Committees of the Board

4. Audit Committee

a. Purpose

The Audit Committee (hereinafter referred to as the Committee) is appointed by the Board in fulfilling its fiscal oversight responsibilities. The Committee provides oversight to the organizations under its governance (defined in Idaho State Board of Education, Policies and Procedures, Section I. A.1.) for: financial statement integrity, financial practices, internal control systems, financial management, and standards of conduct.

b. Composition

The Committee members shall be appointed by the Board and shall consist of six or more members. Three members of the Committee shall be current Board members and three members shall be independent non-Board members who are permanent residents of the state of Idaho. Each Committee member who is a Board member shall be independent, free from any relationship that would interfere with the exercise of her or his independent judgment. The chief financial officers of the institutions and Board office shall serve as ex-officio members of the Committee.

All members shall have an understanding of the Committee and financial affairs and the ability to exercise independent judgment, and at least one member of the Committee shall have current accounting or related financial management expertise in the following areas:

- 1) an understanding of generally accepted accounting principles, experience in preparing, auditing, analyzing, or evaluating complex financial statements, and;
- 2) the ability to assess the general application of such principles in the accounting for estimates, accruals, and reserves, and;
- 3) experience in preparing or auditing financial statements and;
- 4) an understanding of internal controls.

Appointments shall be for a three-year term. Terms will be staggered such that two members exit and two new members are added each year. The Committee chair shall be appointed by the Board President.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

c. Responsibilities and Procedures

It is not the Committee's duty to plan or conduct audits or to determine that the institution's financial statements are complete, accurate and in accordance with generally accepted accounting principles. Management is responsible for the preparation, presentation, and integrity of the financial statements and for the appropriateness of the accounting principles and reporting policies used. The following shall be the principle duties and responsibilities of the Committee:

- 1) Approve the appointment, establish the compensation, and evaluate and oversee the work of the independent auditors. The Committee must approve any services prior to being provided by the independent auditor. The independent auditing firm shall report directly to the Committee and the auditor's "engagement letter" shall be addressed to the Committee and the President of each institution. The Committee shall have the authority to engage the Board's legal counsel and other consultants necessary to carry out its duties;
- 2) Discuss with the independent auditors the audit scope, focusing on areas of concern or interest;
- 3) Review the financial statements, adequacy of internal controls and findings with the independent auditor. The independent auditor's "management letter" shall include management responses and be addressed to the Audit Committee and President of the institution;
- 4) Present the financial statements to the Board and provide detail and summary reports as appropriate;
- 5) Oversee standards of conduct (ethical behavior) and conflict of interest policies of the Board and the institutions under its governance including establishment of confidential complaint mechanisms;
- 6) Monitor the integrity of each organization's financial accounting process and systems of internal controls regarding finance, accounting and stewardship of assets;
- 7) Monitor the independence and performance of each organization's independent auditors and internal auditing departments;
- 8) Provide general guidance for developing risk assessment models for all institutions;
- 9) Provide an avenue of communication among the independent auditors, management, the internal audit staff and the Board;
- 10) Maintain audit review responsibilities of institutional affiliates to include but not limited to foundations and booster organizations;
- 11) As a matter of independence, the Committee will not approve policy.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

The Committee will meet as needed. The Committee may establish necessary procedures to carry out its responsibilities. Such procedures must be consistent with the Board's Governing Policies and Procedures. The Board's chief fiscal officer, under the direction of the chair, prepares the agenda for and schedules each meeting of the Committee and maintains a written record of the Committee's activities and recommendations. A copy of the written record is included in the official minutes of the State Board of Education and Board of Regents of the University of Idaho.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION / AGENCY AGENDA

SUBJECT

Approval of FY 2006 Appropriated Fund Operating Budgets and Capital Budgets

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures Section V.B.3.b.(2).

BACKGROUND

Per Board policy, "each institution, school or agency prepares an operating budget for the next fiscal year based upon guidelines adopted by the Board. Each budget is then submitted to the Board in a summary format prescribed by the executive director for review and formal approval before the beginning of the fiscal year."

The State Department of Education and the community colleges are exempt from this policy. All operating budgets have been developed based on appropriations passed by the legislature during the 2005 session.

Also presented for approval is the Capital Budget, which identifies projects funded by the Permanent Building Fund and institutional requests from other sources.

DISCUSSION

Operating budgets are presented in two formats: budgets for agencies, health programs, and special programs contain a summary (displayed by program, by source of revenue, and by expenditure classification) and a budget overview that briefly describes the program and changes from the previous fiscal year.

For the college & universities, postsecondary professional-technical education and agricultural research/cooperative extension, supplemental information is provided: in addition to the budget summary by function and by classification, and the budget overview, institution budgets provide an availability and allocation of funds worksheet that identifies the source of additional revenue for FY 2006 and the allocation of any additional funds. Also, personnel costs are summarized by type of position, and individual position changes are detailed.

Fiscal Year 2005 budget amounts have been adjusted to include the 1% temporary merit increases provided by the legislature (HB 805) and non-cognizable fund increases authorized by the Division of Financial Management. FY 2006 numbers include the one-time appropriation for the 27th payroll (SB 1230).

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION / AGENCY AGENDA – continued

Following the cover sheet is an index of all agency and institution operating budgets.

IMPACT

Approval of the budgets establishes agency and institutional fiscal spending plans for FY2006, and allows the agencies and institutions to continue operations from FY 2005 into FY 2006.

STAFF COMMENTS AND RECOMMENDATIONS

Budgets have been developed according to legislative intent and/or Board guidelines. Board staff has reviewed the documents and reminds the Board that agency and institution appropriations contain full funding for the increased cost of employee health insurance (ongoing) and the 27th payroll (one-time).

Staff recommends approval of all FY 2006 budgets listed in the motion.

BOARD ACTION

A motion to approve the FY 2006 operating budgets for the Office of the State Board of Education, Idaho School for the Deaf and the Blind, Idaho State Historical Society, Idaho State Library, Idaho Public Television, Division of Vocational Rehabilitation, College and Universities, Postsecondary Professional-Technical Education, Agricultural Research/Extension, Health Programs, Special Programs, and the Capital Budget, as detailed on Pages 5 - 70 in Tab 15.

Moved by_____ Seconded by_____ Carried Yes_____ No_____

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

FY06 AGENCIES & INSTITUTIONS OPERATING BUDGET INDEX

Overview

Cover Sheet	1
Pie Charts of Programs – FY05 General Account Funds.....	5

Agencies

Office of the State Board of Education	7
Idaho School for the Deaf and the Blind	9
Idaho State Historical Society	11
Idaho State Library.....	13
Idaho Public Television	15
Idaho Division of Vocational Rehabilitation	17

College & Universities

Budget Summary by Function by Classification – Charts	19
College & Universities Summary	20
Boise State University	21
Idaho State University	22
University of Idaho.....	23
Lewis-Clark State College	24
Budget Overview and Availability and Allocation of Funds	
Boise State University	25
Idaho State University	29
University of Idaho.....	31
Lewis-Clark State College	35
FY05 Budgeted Positions by Type – Charts	37
Personnel Cost Summary	38
Detail of Personnel Changes	
Boise State University	39
Idaho State University	41
University of Idaho.....	43
Lewis-Clark State College	47

Postsecondary Programs - Professional-Technical Education

Overview	49
Availability and Allocation of Funds.....	51
Operating Budget Distribution by Activity and Expense Standard Class	52
Personnel Cost Summary	53
Detail of Personnel Changes	54

Agricultural Research & Cooperative Extension

Overview	57
Availability and Allocation of Funds.....	58
Personnel Cost Summary	59
Detail of Personnel Changes	60

Health Education Programs

Budget Summary and Budget Overview	61
--	----

Special Programs

Budget Summary and Budget Overview	63
--	----

Capital Projects Budget

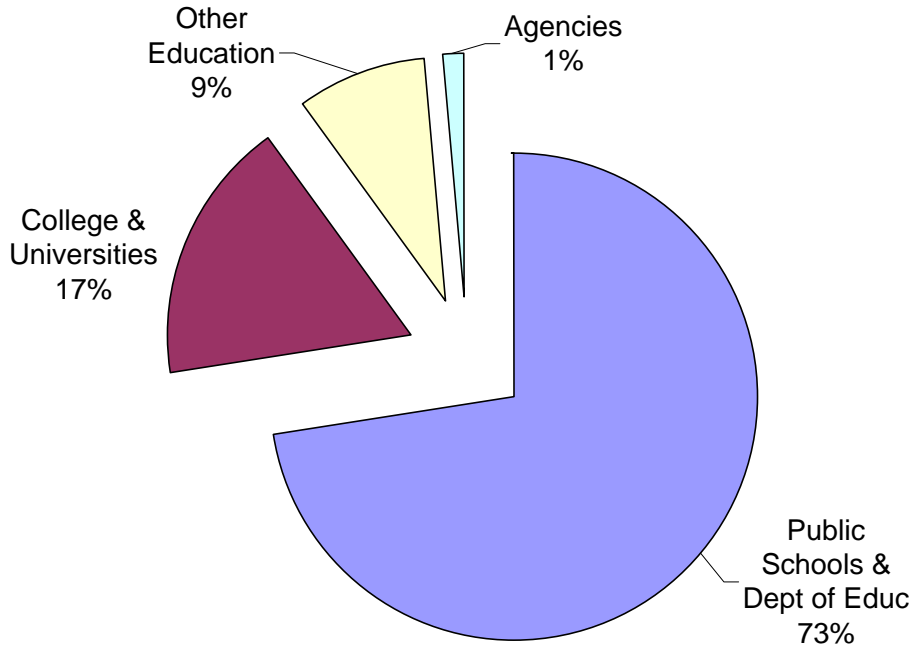
Permanent Build Fund Alteration and Repair and ADA Projects	65
Boise State University	67
University of Idaho	69

THIS PAGE INTENTIONALLY LEFT BLANK

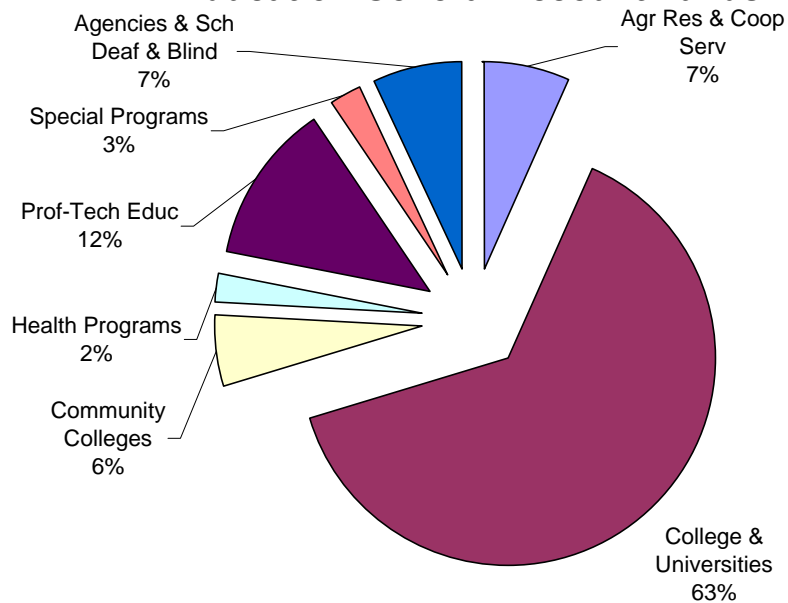
State Board of Education

FY06 General Account Funds by Program

Includes Public Schools and Department of Education General Account Funds



Excludes Public Schools and Department of Education General Account Funds



THIS PAGE INTENTIONALLY LEFT BLANK

OFFICE OF THE STATE BOARD OF EDUCATION
FY 2006 Operating Budget

	FY 2005 BUDGET	FY 2006 BUDGET	PERCENT of CHANGE
1			
2 By Program:			
3 Administration	5,088,000	4,186,400	-17.72%
4 Assessment & Accountability	7,748,000	7,441,200	-3.96%
5 Governor's Initiative - Incentive Grants	85,900	85,900	0.00%
6 System Wide Needs	75,000	75,000	0.00%
7 Total Programs	12,996,900	11,788,500	-9.30%
8 By Fund Source:			
9 General Fund	4,182,200	4,659,900	11.42%
10 Federal Funds	8,680,800	6,951,800	-19.92%
11 Miscellaneous Revenue	133,900	132,900	-0.75%
12 Economic Recovery Reserve Fund		43,900	100.00%
13 Total Funds	12,996,900	11,788,500	-9.30%
14 By Expenditure Classification:			
15 Personnel Costs	1,593,500	1,708,700	7.23%
16 Operating Expenditures	9,366,200	9,292,600	-0.79%
17 Capital Outlay			
18 Trustee/Benefit Payments	2,037,200	787,200	-61.36%
19 Total Expenditures	12,996,900	11,788,500	-9.30%
20 FTP	22.00	22.00	0.00%

21 **Budget Overview**

22 The Administration program was funded for FY 2006 at a lower amount than FY 2005 because funds were internally shifted from administration to the Assessment and Accountability program. The Assessment & Accountability Program received slightly less funding for FY 2006 because in FY 2005 the program received non-cognizable spending authority for a large portion of the federal fiscal year 2003 funds that were not spent in FY 2004 (FY 2004 was the startup year for this program). The Governor's Initiative is used to provide mini-grants to school teachers for ideas to assist with the teaching and learning process. Systemwide Needs are funds from the College and University appropriation that are spent by the Board office on behalf of all institutions. Additional funding was provided for Attorney General fees and \$287,100 was restored after General Funds were removed in FY 2005.

THIS PAGE INTENTIONALLY LEFT BLANK

IDAHO SCHOOL FOR THE DEAF AND THE BLIND
FY 2006 Operating Budget

	FY 2005 BUDGET	FY 2006 BUDGET	PERCENT of CHANGE
By Program:			
Education and Support Services	7,874,200	8,097,800	2.84%
Total Programs	7,874,200	8,097,800	2.84%
By Fund Source:			
General Fund	7,505,500	7,663,900	2.11%
Federal Funds	127,100	117,100	-7.87%
Miscellaneous Revenue	94,600	94,600	0.00%
Dedicated Funds	147,000	0	-100.00%
Economic Recovery Reserve Fund		222,200	
Total Funds	7,874,200	8,097,800	2.84%
By Expenditure Classification:			
Personnel Costs	6,663,500	6,935,200	4.08%
Operating Expenditures	1,155,700	1,162,600	0.60%
Capital Outlay	55,000	0	-100.00%
Trustee/Benefit Payments			
Total Expenditures	7,874,200	8,097,800	2.84%
FTP	121.52	121.52	0.00%

Budget Overview

The FY 2006 appropriation for the Idaho School for the Deaf and the Blind, contained in SB 1210, includes \$105,700 for Personnel Cost Rollups within the MCO decision unit for cost increases to the state employee medical insurance program. The appropriation also includes increases totalling \$7,900 for non-standard adjustments for risk management fees, State Controller's Office fees, Attorney General and State Treasurer fees. The appropriation includes \$13,000 of non-standard adjustments for increased lease payments in outreach offices. This appropriation also contains a fund shift from Endowment Funds (Charitable Institutions) to General Fund of \$88,000 due to financial issues in the Endowment. No General Fund appropriation was provided for Capital Outlay.

THIS PAGE INTENTIONALLY LEFT BLANK

IDAHO STATE HISTORICAL SOCIETY
FY 2006 Operating Budget

	FY 2005 BUDGET	FY 2006 BUDGET	PERCENT of CHANGE
By Program:			
Historic Preservation & Education	3,268,400	3,906,700	19.53%
Historic Site Maint. and Interpretation	500,900	515,700	2.95%
Total Programs	3,769,300	4,422,400	17.33%
By Fund Source:			
General Fund	1,973,800	2,200,000	11.46%
Federal Funds	1,015,000	1,047,400	3.19%
Dedicated Funds	780,500	816,000	4.55%
Economic Recovery Reserve Fund		359,000	100.00%
Total Funds	3,769,300	4,422,400	17.33%
By Expenditure Classification:			
Personnel Costs	2,550,100	2,654,800	4.11%
Operating Expenditures	1,068,500	1,331,900	24.65%
Capital Outlay		260,000	100.00%
Trustee/Benefit Payments	150,700	175,700	16.59%
Total Expenditures	3,769,300	4,422,400	17.33%
FTP	48.36	46.36	-4.14%

Budget Overview

The appropriation for the ISHS (SB 1233) includes standard items, plus additional building space charges to move to new facilities at the Old Idaho Penitentiary. The single enhancement provides \$25,000 in spending authority for receipts from license plate sales. Other Nonstandard adjustments include internet and telecommunications costs and one-time office relocation costs to the new Idaho History Center.

THIS PAGE INTENTIONALLY LEFT BLANK

IDAHO STATE LIBRARY
FY 2006 Operating Budget

	FY 2005 BUDGET	FY 2006 BUDGET	PERCENT of CHANGE
1			
2 By Program:			
3 Library Services	4,836,200	4,562,000	-5.67%
4 Total Programs	4,836,200	4,562,000	-5.67%
5 By Fund Source:			
6 General Fund	2,544,800	2,594,700	1.96%
7 Federal Funds	1,653,900	1,482,700	-10.35%
8 Miscellaneous Revenue	637,500	425,300	-33.29%
9 Economic Recovery Reserve Fund		59,300	
10 Total Funds	4,836,200	4,562,000	-5.67%
11 By Expenditure Classification:			
12 Personnel Costs	2,033,000	2,112,600	3.92%
13 Operating Expenditures	1,761,500	1,753,200	-0.47%
14 Capital Outlay	166,000	74,500	-55.12%
15 Trustee/Benefit Payments	875,700	621,700	-29.01%
16 Total Expenditures	4,836,200	4,562,000	-5.67%
17 FTP	41.00	41.00	0.00%

18 **Budget Overview**

19 House Bill 353 appropriates moneys for the State Library Board for FY 2006. Personnel costs reflect one-time funding for the 27th pay period of \$67,400 (SB1230) and "roll-ups" for increased employer benefit charges. Operating includes the transfer of \$350,000 from the Public Schools Support budget to the Library Services Improvement Fund for on-going costs associated with the LiLI statewide database licensing project (SB1223). Capital outlay includes \$24,500 in general fund for library materials, with the balance reflecting federal and miscellaneous revenue accounts for replacement of capital items.

THIS PAGE INTENTIONALLY LEFT BLANK

IDAHO PUBLIC TELEVISION
FY 2006 Operating Budget

		FY 2005 BUDGET	FY 2006 BUDGET	PERCENT of CHANGE
1				
2	By Program:			
3	Programming	1,372,597	1,337,100	-2.59%
4	Technical Services	2,053,777	2,242,700	9.20%
5	Communications	414,262	432,481	4.40%
6	Production	821,428	957,560	16.57%
7	Administration	1,418,711	1,333,480	-6.01%
8	Marketing	1,047,024	1,093,308	4.42%
9	Total Programs	7,127,799	7,396,629	3.77%
10	By Fund Source:			
11	General Fund	1,586,700	1,586,800	0.01%
12	Federal Funds	521,000	400,000	-23.22%
13	Dedicated CPB Funds	854,600	900,100	5.32%
14	Economic Recovery Reserve Fund		557,000	100.00%
15	Local Funds	4,165,499	3,952,729	-5.11%
16	Total Funds	7,127,799	7,396,629	3.77%
17	By Expenditure Classification:			
18	Personnel Costs	3,177,376	3,320,526	4.51%
19	Operating Expenditures	3,022,403	3,086,659	2.13%
20	Capital Outlay	928,020	989,444	6.62%
21	Trustee/Benefit Payments			
22	Total Expenditures	7,127,799	7,396,629	3.77%
23	FTP	54.00	54.00	0.00%

24 Budget Overview

25 The FY 2006 appropriation for Idaho Public Television, contained in HB 352, includes \$22,800 for the increased cost of employee health insurance and a net reduction in nonstandard adjustments of \$19,700. Capital outlay includes \$9,600 in general fund money for the new phone system and the lease of a passenger van. Also included is \$521,400 from the Economic Recovery Reserve Fund to replace one pickup truck, one snowmobile, and 50% of the cost of upgrading aging studio equipment at the Boise broadcast studio. The appropriation also includes language that requires the \$496,700 provided for studio equipment can only be used to match grants from non-state sources, and that the state share of the match may not exceed 50%.

THIS PAGE INTENTIONALLY LEFT BLANK

IDAHO DIVISION OF VOCATIONAL REHABILITATION
FY 2006 Operating Budget

	FY 2005 BUDGET	FY 2006 BUDGET	PERCENT of CHANGE
By Program:			
Renal Disease	550,800	561,700	1.98%
Vocational Rehabilitation	18,441,800	17,959,100	-2.62%
Epilepsy League	67,800	70,300	3.69%
SILC (State Indep. Living Council)	0	0	0.00%
CSE (Comm. Supp. Employ. Work Svcs.)	3,971,600	3,975,500	0.10%
Total Programs	23,032,000	22,566,600	-2.02%
By Fund Source:			
General Fund	7,676,800	7,722,600	0.60%
Federal Funds	14,338,100	13,764,800	-4.00%
Miscellaneous Revenue	408,100	408,100	0.00%
Dedicated Funds	609,000	609,000	0.00%
Economic Recovery Reserve Fund		62,100	
Total Funds	23,032,000	22,566,600	-2.02%
By Expenditure Classification:			
Personnel Costs	7,322,700	7,663,800	4.66%
Operating Expenditures	1,513,800	1,432,400	-5.38%
Capital Outlay	44,635	0	-100.00%
Trustee/Benefit Payments	14,150,865	13,470,400	-4.81%
Total Expenditures	23,032,000	22,566,600	-2.02%
FTP	150.00	150.00	0.00%

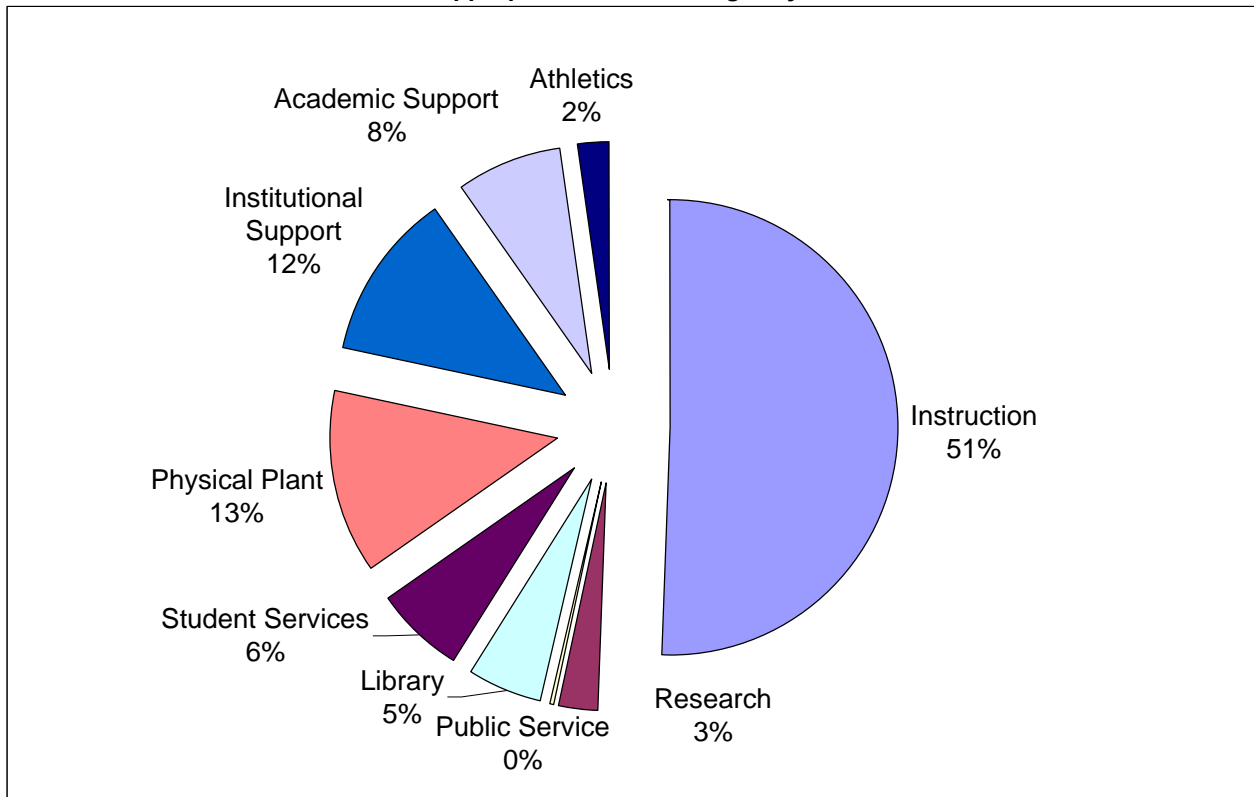
Budget Overview

FY 2005 budget increased \$798,400 from the original appropriation due to \$1,000,000 non-cog of Federal funds, elimination of \$302,200 of authority due to the elimination of the SILC budget unit, additional \$40,100 for supplemental for the expenditure of the Independent Living grant and the one-time additional \$60,500 for the 1% increase in employee compensation. Actual appropriated SFY 2005 budget was \$22,233,600, which portrays a 2.41% increase in the FY 2006. After all adjustments, the FY 2006 budget is 3.23% less than the FY 2005 adjusted budget.

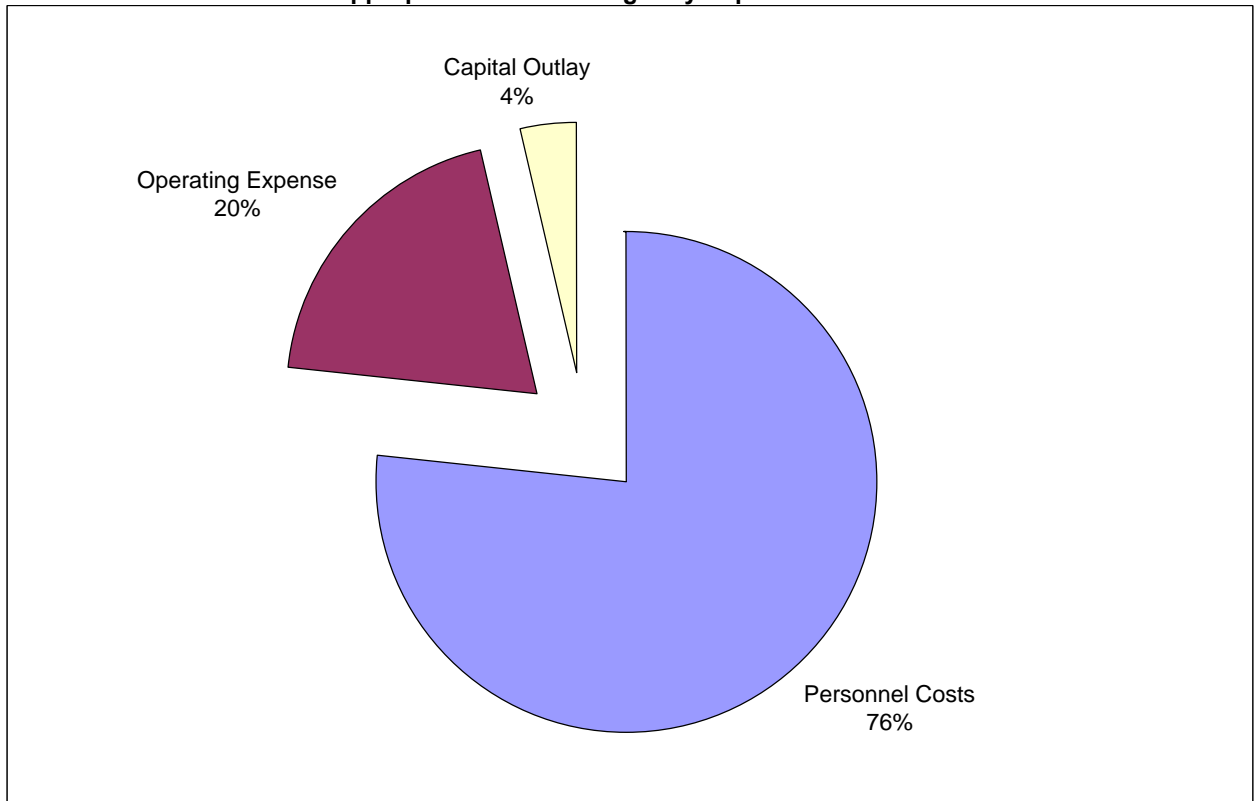
THIS PAGE INTENTIONALLY LEFT BLANK

COLLEGE & UNIVERSITIES

FY06 Appropriated Funds Budget By Function



FY06 Appropriated Funds Budget By Expenditure Classification



COLLEGE & UNIVERSITIES SUMMARY

Budget Distribution by Activity and Expense Class

July 1, 2005 - June 30, 2006

	FY2005 Original Budget		FY2006 Original Budget		Changes from Prior Year	
	Amount	% of Total	Amount	% of Total	Amount	% Chge
1 By Function/ Exp Class						
3 By Function:						
4 Instruction	\$174,850,358	51.56%	\$180,430,106	50.53%	\$5,579,748	3.19%
5 Research	9,580,864	2.83%	10,227,239	2.86%	646,375	6.75%
6 Public Service	641,822	0.19%	721,331	0.20%	79,509	12.39%
7 Library	18,539,013	5.47%	19,201,989	5.38%	662,976	3.58%
8 Student Services	19,421,128	5.73%	22,716,494	6.36%	3,295,366	16.97%
9 Physical Plant	44,073,512	13.00%	46,594,241	13.05%	2,520,729	5.72%
10 Institutional Support	37,786,662	11.14%	42,094,967	11.79%	4,308,305	11.40%
11 Academic Support	26,731,851	7.88%	27,083,214	7.58%	351,363	1.31%
12 Athletics	7,512,990	2.22%	7,997,120	2.24%	484,130	6.44%
13 Total Bdgt by Activity	\$339,138,200	100.00%	\$357,066,701	100.00%	\$17,928,501	5.29%
14 By Expense Class:						
15 Personnel Costs:						
16 Salaries:						
17 Faculty	\$105,062,268	30.98%	\$107,443,856	30.11%	\$2,381,588	2.27%
18 Executive/Admin	11,408,557	3.36%	12,005,025	3.36%	596,468	5.23%
19 Managerial/Prof	31,915,461	9.41%	34,102,830	9.56%	2,187,369	6.85%
20 Classified	36,539,106	10.77%	38,193,067	10.70%	1,653,961	4.53%
21 Grad Assist	6,267,926	1.85%	6,774,334	1.90%	506,408	8.08%
22 Irregular Help	5,413,439	1.60%	5,912,584	1.66%	499,145	9.22%
23 Total Salaries	\$196,606,757	57.97%	\$204,431,696	57.30%	\$7,824,939	3.98%
24 Personnel Benefits	66,125,469	19.50%	69,257,345	19.41%	3,131,876	4.74%
25 Total Pers Costs	\$262,732,226	77.47%	\$273,689,041	76.71%	\$10,956,815	4.17%
26 Operating Expense:						
27 Travel	1,902,047	0.56%	1,972,671	0.55%	70,624	3.71%
28 Utilities	11,543,616	3.40%	12,435,906	3.49%	892,290	7.73%
29 Insurance	1,969,317	0.58%	2,265,617	0.64%	296,300	15.05%
30 Other Oper. Exp	48,756,197	14.38%	53,911,003	15.11%	5,154,806	10.57%
31 Total Oper. Exp	\$64,171,177	18.92%	\$70,585,197	19.78%	\$6,414,020	10.00%
32 Capital Outlay:						
33 Depart Equipment	3,869,809	1.14%	3,764,574	1.06%	(105,235)	-2.72%
34 Library Acquisitions	8,364,988	2.47%	8,747,488	2.45%	382,500	4.57%
35 Total Cap Outlay	\$12,234,797	3.61%	\$12,512,062	3.51%	\$277,265	2.27%
36 Tot Bdgt by Exp Class	\$339,138,200	100.00%	\$356,786,300	100.00%	\$17,648,100	5.20%
37 27 th Payroll						
38 Activity Total	\$339,138,200		\$356,786,300		\$17,648,100	5.20%
TOTAL FTE POSITIONS	3,659.05		3,717.50		58.45	1.60%

BOISE STATE UNIVERSITY

Budget Distribution by Activity and Expense Class

July 1, 2005 - June 30, 2006

	FY2005 Original Budget		FY2006 Original Budget		Changes from Prior Year	
	Amount	% of Total	Amount	% of Total	Amount	% Chge
By Function/ Exp Class						
By Function:						
Instruction	\$55,154,005	52.54%	\$58,189,261	52.32%	\$3,035,256	5.50%
Research	1,347,619	1.28%	1,521,904	1.37%	174,285	12.93%
Public Service	638,322	0.61%	717,831	0.65%	79,509	12.46%
Library	6,135,407	5.84%	6,283,939	5.65%	148,532	2.42%
Student Services	6,066,644	5.78%	6,521,952	5.86%	455,308	7.51%
Physical Plant	11,350,662	10.81%	11,753,680	10.57%	403,018	3.55%
Institutional Support	12,057,964	11.49%	12,845,701	11.55%	787,737	6.53%
Academic Support	10,273,677	9.79%	11,295,932	10.16%	1,022,255	9.95%
Athletics	1,960,400	1.87%	2,079,200	1.87%	118,800	6.06%
Total Bdgt by Activity	\$104,984,700	100.00%	\$111,209,400	100.00%	\$6,224,700	5.93%
By Expense Class:						
Personnel Costs:						
Salaries:						
Faculty	\$34,103,250	32.48%	\$36,015,918	32.39%	\$1,912,668	5.61%
Executive/Admin	2,964,553	2.82%	3,249,802	2.92%	285,249	9.62%
Managerial/Prof	12,732,365	12.13%	13,269,166	11.93%	536,801	4.22%
Classified	9,666,726	9.21%	10,044,164	9.03%	377,438	3.90%
Grad Assist	1,943,892	1.85%	2,222,685	2.00%	278,793	14.34%
Irregular Help	1,542,535	1.47%	1,856,627	1.67%	314,092	20.36%
Total Salaries	\$62,953,321	59.96%	\$66,658,362	59.94%	\$3,705,041	5.89%
Personnel Benefits	21,105,378	20.10%	22,333,990	20.08%	1,228,612	5.82%
Total Pers Costs	\$84,058,699	80.07%	\$88,992,352	80.02%	\$4,933,653	5.87%
Operating Expense:						
Travel	\$508,366	0.48%	\$541,186	0.49%	32,820	6.46%
Utilities	2,963,497	2.82%	3,015,000	2.71%	51,503	1.74%
Insurance	473,728	0.45%	496,228	0.45%	22,500	4.75%
Other Oper. Exp	12,897,327	12.28%	14,147,786	12.72%	1,250,459	9.70%
Total Oper. Exp	\$16,842,918	16.04%	\$18,200,200	16.37%	\$1,357,282	8.06%
Capital Outlay:						
Depart Equipment	\$1,557,158	1.48%	\$1,490,923	1.34%	(66,235)	-4.25%
Library Acquisitions	2,525,925	2.41%	2,525,925	2.27%	0	0.00%
Total Cap Outlay	\$4,083,083	3.89%	\$4,016,848	3.61%	(\$66,235)	-1.62%
Tot Bdgt by Exp Class	\$104,984,700	100.00%	\$111,209,400	100.00%	\$6,224,700	5.93%
27 th Payroll	\$0		\$1,228,000		\$1,228,000	
Activity Total	\$104,984,700		\$112,437,400		\$7,452,700	7.10%
TOTAL FTE POSITIONS	1,164.58		1,201.04		36.46	3.13%

IDAHO STATE UNIVERSITY

Budget Distribution by Activity and Expense Class

July 1, 2005 - June 30, 2006

	FY2005 Original Budget		FY2006 Original Budget		Changes from Prior Year	
	Amount	% of Total	Amount	% of Total	Amount	% Chge
By Function/ Exp Class						
By Function:						
Instruction	\$52,206,107	57.32%	\$52,881,549	55.19%	\$675,442	1.29%
Research	1,954,525	2.15%	2,479,657	2.59%	525,132	26.87%
Public Service	0	0.00%	0	0.00%	0	0.00%
Library	4,546,191	4.99%	4,752,400	4.96%	206,209	4.54%
Student Services	5,142,437	5.65%	5,993,337	6.26%	850,900	16.55%
Physical Plant	10,782,464	11.84%	12,109,721	12.64%	1,327,257	12.31%
Institutional Support	8,587,005	9.43%	9,229,548	9.63%	642,543	7.48%
Academic Support	5,380,071	5.91%	5,739,957	5.99%	359,886	6.69%
Athletics	2,486,900	2.73%	2,630,231	2.75%	143,331	5.76%
Total Bdgt by Activity	\$91,085,700	100.00%	\$95,816,400	100.00%	\$4,730,700	5.19%
By Expense Class:						
Personnel Costs:						
Salaries:						
Faculty	\$31,063,965	34.10%	\$31,069,015	32.43%	\$5,050	0.02%
Executive/Admin	2,917,796	3.20%	3,400,381	3.55%	482,585	16.54%
Managerial/Prof	7,672,639	8.42%	8,520,671	8.89%	848,032	11.05%
Classified	9,870,660	10.84%	10,476,578	10.93%	605,918	6.14%
Grad Assist	1,508,304	1.66%	1,608,598	1.68%	100,294	6.65%
Irregular Help	2,087,606	2.29%	2,219,427	2.32%	131,821	6.31%
Total Salaries	\$55,120,970	60.52%	\$57,294,670	59.80%	\$2,173,700	3.94%
Personnel Benefits	18,393,231	20.19%	19,409,893	20.26%	1,016,662	5.53%
Total Pers Costs	\$73,514,201	80.71%	\$76,704,563	80.05%	\$3,190,362	4.34%
Operating Expense:						
Travel	757,369	0.83%	781,702	0.82%	24,333	3.21%
Utilities	3,026,323	3.32%	3,270,867	3.41%	244,544	8.08%
Insurance	528,989	0.58%	585,889	0.61%	56,900	10.76%
Other Oper. Exp	10,394,804	11.41%	11,470,365	11.97%	1,075,561	10.35%
Total Oper. Exp	\$14,707,485	16.15%	\$16,108,823	16.81%	\$1,401,338	9.53%
Capital Outlay:						
Depart Equipment	704,850	0.77%	740,850	0.77%	36,000	5.11%
Library Acquisitions	2,159,164	2.37%	2,262,164	2.36%	103,000	4.77%
Total Cap Outlay	\$2,864,014	3.14%	\$3,003,014	3.13%	\$139,000	4.85%
Tot Bdgt by Exp Class	\$91,085,700	100.00%	\$95,816,400	100.00%	\$4,730,700	5.19%
27 th Payroll	\$0		\$1,140,800		\$1,140,800	
Activity Total	\$91,085,700		\$96,957,200		\$5,871,500	6.45%
TOTAL FTE POSITIONS	1,028.94		1,069.81		40.87	3.97%

UNIVERSITY OF IDAHO

Budget Distribution by Activity and Expense Class

July 1, 2005 - June 30, 2006

	FY2005 Original Budget		FY2006 Original Budget		Changes from Prior Year	
	Amount	% of Total	Amount	% of Total	Amount	% Chge
By Function/ Exp Class						
By Function:						
Instruction	\$58,238,278	46.94%	\$59,418,432	45.87%	\$1,180,154	2.03%
Research	6,237,985	5.03%	6,146,177	4.74%	(91,808)	-1.47%
Public Service	3,500	0.00%	3,500	0.00%	0	0.00%
Library	7,005,216	5.65%	7,265,537	5.61%	260,321	3.72%
Student Services	6,730,614	5.42%	8,674,808	6.70%	1,944,194	28.89%
Physical Plant	19,412,438	15.65%	20,146,929	15.55%	734,491	3.78%
Institutional Support	14,559,920	11.73%	17,011,396	13.13%	2,451,476	16.84%
Academic Support	9,507,289	7.66%	8,279,762	6.39%	(1,227,527)	-12.91%
Athletics	2,379,860	1.92%	2,587,260	2.00%	207,400	8.71%
Total Bdgt by Activity	\$124,075,100	100.00%	\$129,533,800	100.00%	\$5,458,700	4.40%
By Expense Class:						
Personnel Costs:						
Salaries:						
Faculty	\$34,287,585	27.63%	\$34,558,906	26.68%	\$271,321	0.79%
Executive/Admin	4,486,406	3.62%	4,311,584	3.33%	(174,822)	-3.90%
Managerial/Prof	9,395,539	7.57%	10,045,965	7.76%	650,426	6.92%
Classified	15,087,509	12.16%	15,482,760	11.95%	395,251	2.62%
Grad Assist	2,815,730	2.27%	2,943,051	2.27%	127,321	4.52%
Irregular Help	1,510,398	1.22%	1,504,730	1.16%	(5,668)	-0.38%
Total Salaries	\$67,583,167	54.47%	\$68,846,996	53.15%	\$1,263,829	1.87%
Personnel Benefits	22,691,633	18.29%	23,159,504	17.88%	467,871	2.06%
Total Pers Costs	\$90,274,800	72.76%	\$92,006,500	71.03%	\$1,731,700	1.92%
Operating Expense:						
Travel	636,312	0.51%	649,783	0.50%	13,471	2.12%
Utilities	4,709,960	3.80%	5,333,060	4.12%	623,100	13.23%
Insurance	858,900	0.69%	1,075,800	0.83%	216,900	25.25%
Other Oper. Exp	22,625,228	18.24%	25,319,257	19.55%	2,694,029	11.91%
Total Oper. Exp	\$28,830,400	23.24%	\$32,377,900	25.00%	\$3,547,500	12.30%
Capital Outlay:						
Depart Equipment	1,498,801	1.21%	1,438,801	1.11%	(60,000)	-4.00%
Library Acquisitions	3,471,099	2.80%	3,710,599	2.86%	239,500	6.90%
Total Cap Outlay	\$4,969,900	4.01%	\$5,149,400	3.98%	\$179,500	3.61%
Tot Bdgt by Exp Class	\$124,075,100	100.00%	\$129,533,800	100.00%	\$5,458,700	4.40%
27 th Payroll	\$0		\$1,598,700		\$1,598,700	
Activity Total	\$124,075,100		\$131,132,500		\$7,057,400	5.69%
TOTAL FTE POSITIONS	1,210.98		1,173.14		(37.84)	-3.12%

LEWIS-CLARK STATE COLLEGE
Budget Distribution by Activity and Expense Class
July 1, 2005 - June 30, 2006

	FY2005 Original Budget		FY2006 Original Budget		Changes from Prior Year	
	Amount	% of Total	Amount	% of Total	Amount	% Chge
By Function/ Exp Class						
By Function:						
Instruction	\$9,251,968	48.71%	\$9,940,864	48.48%	\$688,896	7.45%
Research	40,735	0.21%	79,501	0.39%	38,766	95.17%
Public Service	0	0.00%	0	0.00%	0	0.00%
Library	852,199	4.49%	900,113	4.39%	47,914	5.62%
Student Services	1,481,433	7.80%	1,526,397	7.44%	44,964	3.04%
Physical Plant	2,527,948	13.31%	2,583,911	12.60%	55,963	2.21%
Institutional Support	2,581,773	13.59%	3,008,322	14.67%	426,549	16.52%
Academic Support	1,570,814	8.27%	1,767,563	8.62%	196,749	12.53%
Athletics	685,830	3.61%	700,429	3.42%	14,599	2.13%
Total Bdgt by Activity	\$18,992,700	100.00%	\$20,507,100	100.00%	\$1,514,400	7.97%
By Expense Class:						
Personnel Costs:						
Salaries:						
Faculty	5,607,468	29.52%	5,840,417	28.48%	\$232,949	4.15%
Executive/Admin	1,039,802	5.47%	1,086,258	5.30%	46,456	4.47%
Managerial/Prof	2,114,918	11.14%	2,342,928	11.42%	228,010	10.78%
Classified	1,914,211	10.08%	2,265,165	11.05%	350,954	18.33%
Grad Assist	0	0.00%	0	0.00%	0	0.00%
Irregular Help	272,900	1.44%	331,800	1.62%	58,900	21.58%
Total Salaries	\$10,949,299	57.65%	\$11,866,568	57.87%	\$917,269	8.38%
Personnel Benefits	3,935,227	20.72%	4,399,458	21.45%	464,231	11.80%
Total Pers Costs	\$14,884,526	78.37%	\$16,266,026	79.32%	\$1,381,500	9.28%
Operating Expense:						
Travel	0	0.00%	0	0.00%	0	0.00%
Utilities	843,836	4.44%	816,979	3.98%	(26,857)	-3.18%
Insurance	107,700	0.57%	107,700	0.53%	0	0.00%
Other Oper. Exp	2,838,838	14.95%	2,973,595	14.50%	134,757	4.75%
Total Oper. Exp	\$3,790,374	19.96%	\$3,898,274	19.01%	\$107,900	2.85%
Capital Outlay:						
Depart Equipment	109,000	0.57%	94,000	0.46%	(15,000)	-13.76%
Library Acquisitions	208,800	1.10%	248,800	1.21%	40,000	19.16%
Total Cap Outlay	\$317,800	1.67%	\$342,800	1.67%	\$25,000	7.87%
Tot Bdgt by Exp Class	\$18,992,700	100.00%	\$20,507,100	100.00%	\$1,514,400	7.97%
27 th Payroll	\$0		\$280,400		\$280,400	
Activity Total	\$18,992,700		\$20,787,500		\$1,794,800	9.45%
TOTAL FTE POSITIONS	254.55		273.51		18.96	7.45%

**BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005**

**BOISE STATE UNIVERSITY
FY2006 BUDGET OVERVIEW
GENERAL EDUCATION**

FY 2005 Operating Budget		104,984,700
Net Base Budget Changes-		
Loss of Endowment Funds	(432,600)	
Equity Funding	<u>110,100</u>	(322,500)
FY 2006 Increases-		
State Funded MCO Increase- Personnel Benefits		570,700
Risk Mgmt/Controller/Treasurer Fees		22,500
Enrollment Workload Adjustment		1,179,200
27th Payroll – One-Time Funds		1,228,000
Changes in Student Fee Revenue		<u>4,774,800</u>
FY 2006 Operating Budget		112,437,400

General Information

Boise State University's FY 2006 general account budget has a net increase of \$2,677,900 from the prior year. This increase includes one-time funding of 1,228,000 for the 27th payroll, an anomaly that occurs every 11 years due to calendar creep. The general education student tuition/fee increase will result in projected new revenue of \$4,774,800. The total increase in funding to support university operations in FY 2006 is \$7,452,200.

Although no state funding was provided for inflationary increases or permanent funding for employee compensation, the Legislature did approve permanent funding for enrollment workload. For Boise State University this amounts to \$1,179,200. This funding is extremely valuable and necessary in order to hire faculty positions and to partially address infrastructure needs due to sustained and significant enrollment growth over the past several years. Enrollments are expected to continue to rise in FY 2006, therefore it is anticipated that revenue from student tuition/fees will be necessary to partially offset costs of maintenance of current operations, such as fixed cost increases and inflationary increases.

Boise State University held an open student tuition/fee hearing in February and a subsequent meeting of the University's Executive Budget Committee (members include faculty representatives, student leaders, faculty and staff representatives and vice presidents). After careful deliberation and extensive discussion, an overall 10% student tuition/fee increase (8.2% in general education tuition/fees) was recommended. The State Board of Education approved this fee increase at the April 2005 meeting.

BOISE STATE UNIVERSITY – Overview continued

Salary competitiveness continues to be an area needing additional resources in order to retain our excellent workforce and to enhance our ability to hire first choices for faculty and staff positions. Although the Legislature did authorize a one-time increase of 1% if a state budget surplus is realized, Boise State University will also add 1% permanent funding to salaries in an effort to provide additional recognition for employees. All benefit eligible employees meeting performance expectations are eligible for this increase. Additional funding was also provided to raise the minimum wage for classified employees to \$8.10/hour, increase the pay for classified employees in their paygrade five years or more although not at their current pay grade policy amount, increase summer school salaries, as well as to increase the amount for faculty rank promotions.

Boise State University is embarking on other initiatives aimed to improve the quality of the learning experience for students, improve the academic success of students and encourage the best and brightest students to attend Boise State University. A Graduate Residential Scholars Program is being developed to assist with recruitment of top quality graduate students, a Task Force on Freshman Success is exploring ways to improve student retention, and a Capital Scholars Program is placing renewed emphasis on attracting the best and brightest high school students to Boise State University. These initiatives will require long-term resource commitments.

Boise State University is also working on the framework for planning the University's future for the next 5 years. This is a three-phase process that will define what we mean when we say Boise State University is a metropolitan research university of distinction, create strategies and goals to achieve this vision, and identify key performance indicators. The process will result in an investment plan to guide campus resource allocations and decision-making.

In addition, a master planning process is underway that is revamping the physical master plan for campus. The new plan will tie the academic master plan to the physical master plan to ensure facilities are in place to accomplish the institutional mission.

Students will remain the focus of Boise State's strategic initiatives. And, as the first academic building on the West Campus opens its doors for students this May, we anticipate strong enrollments. Budgets for this campus are very lean, with funding to prepare the facility for opening coming primarily from one-time salary savings, and the permanent funding, necessary for positions and operating expenses from internal reallocations of existing funds, some of which were being held in reserves for this purpose.

Although current and future year funding challenges are real and complex, these remain exciting times for Boise State University. There is a strong campus-wide commitment to distinguish Boise State University and to add value to the Boise State University experience and degree.

Boise State University
AVAILABILITY AND ALLOCATION OF FUNDS FOR FY2006
GENERAL EDUCATION
APPROPRIATED FUNDS ONLY

FUNDS AVAILABLE:	FTE	AMOUNT
FY05 On-going Operating Budget		\$104,984,700
Adjustments:		
Funding Equity		110,100
Base Reduction (Endowment Funds Loss)		(432,600)
FY06 Operating Budget Base		\$104,662,200
Additional Funding for FY06:		
State support:		
Personnel Benefits		\$570,700
Risk Mgmt/Controller/Treasurer Fees		22,500
Enrollment Workload		1,179,200
27th Payroll One-Time Funds		1,228,000
Changes in Student Fee Revenue		4,774,800
Total Additional Funding Above Base		\$7,775,200
Total Funds Available for FY06		\$112,437,400
ALLOCATION OF FUNDS:		
FY05 Original Operating Budget	1,164.58	\$104,984,700
Adjustments:		
Equity Funding		110,100
Net Base Reduction		(432,600)
FY06 Operating Budget Base	1,164.58	\$104,662,200
MCO Increases:		
MCO Increases to Budget Base (Excl Nonstd Adj):		
Salary Adjustments-CEC, Promotions, Other		
Faculty	15.17	\$1,912,668
Executive/Administrative	1.55	285,248
Managerial/Professional	9.75	536,801
Classified	9.99	377,438
Irregular Help		314,092
Graduate Assistants/Student Help		278,793
Total	36.46	\$3,705,040
Inflationary Increases:		
OE and CO		\$1,291,047
Fringe Benefits		1,228,613
Library Acquisitions		0
Total Inflationary Increases		\$2,519,660
Total MCO Increases	0.00	\$6,224,700
Other Adjustments/Allocations of Funds:		
27th Payroll		\$1,228,000
Occupancy Costs West Campus and Art Studio		413,800
Misc. Reallocations		(91,300)
Total Other Adjustments	0.00	\$1,550,500
Total Additional Funds	0.00	\$7,775,200
FY06 Original Operating Budget	1,201.04	\$112,437,400

THIS PAGE INTENTIONALLY LEFT BLANK

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

IDAHO STATE UNIVERSITY
FY2006 BUDGET OVERVIEW
GENERAL EDUCATION

The FY06 overall operating budget (\$95,816,400) represents an increase of 5.19% over FY05. State appropriations increased by \$1,677,800 (net of \$390,700 reduction of State Endowment funding) which is a 2.71% increase. Revenue generated by student fees increased 10.4% (\$3,052,900).

In the Governor's CEC report, guidance was given to agency directors to manage their personnel cost budget to ensure that salary increases are provided in a manner that best meets the needs of the agency within the resources available to them. ISU used various funding sources to accommodate a 2% merit increase (\$1,306,432), academic promotions (\$179,459), and salary equity issues (\$532,472).

Salary equity consists of two components. We provided a minimum salary that is equivalent to the Federal poverty level for a family of three. This affected custodial and entry level clerical staff. The total cost to implement is \$88,186. The exempt non-faculty equity increases were determined by using the College & University Personnel Association (CUPA) salary study and other market considerations. The goal was to bring salaries to a level that is 85% of the CUPA median salary (FY05) for that position. The total cost to implement is \$420,023.

Through the student fee increase, enrollment workload, and institutional reallocation, we were able to expand instructional offerings in key areas including programs in Respiratory Therapy, Audiology Doctorate, Paramedic Program, and other programs where there is student/public demand (\$1,096,950). Funding was also provided for:

1. Funding the VP Health Sciences position (\$207,525).
2. Additional Funding for the Adjunct Faculty Pool (\$660,500)
3. The establishment an informatics research center (\$386,000) - Cory Schou.
4. In light of our recent accreditation report, increased institutional research staffing by 3 FTE (\$134,040).
5. Additional staffing/resources in enrollment planning/retention (\$203,742).
6. Establishment of facility mgt - coordinate common area scheduling (\$153,620).
7. Continuation of the athletic gender equity plan (\$100,000).
8. Other misc. additions to respond to needs.

Idaho State University
AVAILABILITY AND ALLOCATION OF FUNDS FOR FY2006
GENERAL EDUCATION
APPROPRIATED FUNDS ONLY

1 FUNDS AVAILABLE:	FTE	AMOUNT
2 FY05 On-going Operating Budget		\$91,085,700
3 Adjustments:		
4 One-time Funding		0
5 Base Reduction (Endowment Funds Loss)		(390,700)
6 FY06 Operating Budget Base		\$90,695,000
7		
8 Additional Funding for FY06:		
9 Personnel Benefits		\$630,200
10 Risk Mgmt/Controller/Treasurer Fees		39,900
11 Change in Employee Compensation		0
12 New Occupancy Costs		757,800
13 Equity Funding		84,100
14 Changes in Student Fee Revenue		3,052,900
15 Enrollment Workload Adjustment		556,500
16 Total Additional Funding Above Base		\$5,121,400
17		
18 Total Funds Available for FY06		\$95,816,400
19		
20 ALLOCATION OF FUNDS:		
21 FY05 Original Operating Budget	1,028.94	\$91,085,700
22 Adjustments:		
23 One-time Funding		
24 Base Reduction for Insurance, St Controller Fees		
25 Net Base Reduction		(390,700)
26 FY06 Operating Budget Base	1,028.94	\$90,695,000
27 MCO Increases:		
28 MCO Increases to Budget Base (Excl Nonstd Adj):		
29 Salary Adjustments-CEC, Prom, Other		
30 Faculty		\$866,002
31 Executive/Administrative		\$292,387
32 Managerial/Professional		\$394,262
33 Classified		\$325,546
34 Irregular Help		\$0
35 Graduate Assistants		\$140,167
36 Total Changes to Existing Positions	0.00	\$2,018,363
37		
38 Inflationary Increases:		
39 OE and CO		\$208,476
40 Fringe Benefits		648,650
41 Library Acquisitions		103,000
42 Total Inflationary Increases		\$960,126
43 Total MCO Increases	0.00	\$2,978,489
44		
45 Other Adjustments/Allocations of Funds:		
46 Instruction		
47 Respiratory Therapy	1.00	\$155,000
48 Audiology	1.00	76,374
49 Paramedic Program		21,861
50 College of Business	1.00	118,358
51 College of Education	4.11	191,411
52 College of Arts & Sci	5.50	395,614
53 College of Engineering	1.00	98,172
54 Graduate Studies		40,170
55 Center for Teaching & Learning	1.28	105,189
56 Adjunct Faculty Pool		660,547
57 Academic Space Rental (Boise)		263,513
58 Institutional Funded Research	2.65	411,869
59 Office of Research	2.00	122,713
60 Athletics Gender Equity		100,000
61 Instructional Technology	1.00	111,857
62 Student Services Recruitment/Advising	2.00	98,553
63 VP Health Science	1.00	207,525
64 Institutional Research	3.00	134,040
65 Student Services ADA	1.00	48,388
66 Facility Management	2.00	153,620
67 Physical Plant Maintenance	9.75	757,800
68 Misc Other	1.58	102,968
69 Pooled Reserve		(2,232,631)
70 Total Other Adjustments	40.87	\$2,142,911
71		
72 Total Additional Funds	40.87	\$5,121,400
73		
74 FY06 Original Operating Budget	1,069.81	\$95,816,400

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

UNIVERSITY OF IDAHO
FY2006 BUDGET OVERVIEW
GENERAL EDUCATION

The FY2006 operating budget for General Education totals \$129,533,800, which includes the one-time funding for the 27th payroll. Overall, this is a 4.4% increase compared to the FY2005 budget of \$124,075,100. Without the one-time funds for the 27th payroll, the overall increase would be 3.1%.

The University brought the FY2006 budget into balance through a combination of new resources provided by the State, student fee and tuition increases and an array of internal resource reallocations. These internal reallocations were guided by the recommendations from the University Vision and Resources Task Force (UVRTF), which deliberated over the summer of 2004 and into the fall. Following extensive study and collaboration, President White developed a Plan for Renewal (February 11, 2005) that incorporated a number of the Task Force recommendations and achieved a balanced budget for the coming fiscal year.

The ASUI leadership participated in developing and presenting the fee increase proposal that was recently approved by the Board. The resources provided by student fees combined with funding from the college and universities' appropriation provided essential resources for the restoration of endowment fund losses (\$553K), utilities (\$412.5K), personnel benefit increases (\$1.0MIL), occupancy costs for the Idaho Water Center (\$375K including the FY05 supplemental), library materials (\$239.5K), and inflation on contracts (\$94.1K).

A separate bill, Senate Bill 1130, provided full funding for the 27th payroll, which will occur in FY06. These one-time costs are not part of the on-going funding base for state agencies and institutions.

An increase in the UI College of Law professional fee was also approved by the Board in April. That increase, which is a part of a multi-year plan, will enable the college to sustain programs and services at a level that ensures quality and continued accreditation.

As with all of Idaho's institutions, compensation is a major factor in recruiting and retaining quality faculty and staff. During FY2006 the university seeks to improve compensation for all employee groups with a mid-year increase to begin addressing the growing salary gap. Compensation adjustments will be primarily merit based, but also some equity adjustments will be necessary to deal with salary issues in all ranks.

UNIVERSITY OF IDAHO – Overview continued

The University of Idaho's investment strategy is designed to advance the University by establishing a competitive advantage and concurrently fulfilling workforce needs. The interdisciplinary allocation (\$112K) supports programs in neurosciences and bioinformatics/computational biology. The allocation for Information Technology Services (\$300K) provides support for the network infrastructure and support for the classroom technology in the newly remodeled Teaching and Learning Center. Additional details of the FY06 allocations are shown on the attached allocation summary.

Clearly, a variety of financial challenges remain for the University of Idaho. Compensation has fallen significantly behind most surrounding states and peer institutions. No state funds were provided for maintenance level funding for general inflation, utilities, library materials, and contractual obligations. Occupancy costs were provided for only one of several facilities in the last two fiscal years. The backlog of deferred maintenance issues continues to grow. The recent Board decision to implement immediately equity funding reallocations reduces the University of Idaho's FY2006 budget by \$197K. If the recommendations, based on a four-year-old FY2001 consultant study, are fully implemented without additional resources, the University would see its funding reduced by \$5.6million.

It is a crucial time for higher education in our state and throughout the nation. Support from the Idaho legislature, the Governor and the State Board of Education/Board of Regents is vital to our continued success and strategic advancement.

The University's Plan for Renewal of People, Programs and Place will guide and enable the university to sustain its vital mission as Idaho's primary research and land-grant University and to continue to provide a top-quality residential campus educational experience. The report from the UVRTF and the Plan for Renewal of People, Programs and Place are available at:

<http://www.president.uidaho.edu/default.aspx?pid=78128>

University of Idaho

AVAILABILITY AND ALLOCATION OF FUNDS FOR FY2006

GENERAL EDUCATION APPROPRIATED FUNDS ONLY

1	FUNDS AVAILABLE:	FTE	AMOUNT
2	FY05 On-going Operating Budget		\$124,075,100
3	Adjustments:		
4	FY2005 Supplemental for IWC Occupancy Costs		169,200
5	Base Reduction (Board-directed inter-institutional equity)		(196,800)
6	Base Reduction (Endowment Funds Loss)		(553,000)
7	FY06 Operating Budget Base		\$123,494,500
8			
9	Additional Funding for FY06:		
10	Personnel Benefits		\$1,011,200
11	Risk Mgmt/Controller/Treasurer Fees		75,400
12	27th Payroll (one-time funds)		1,598,700
13	New Occupancy Costs for Idaho Water Center		205,800
14	Enrollment Workload Adjustment		865,600
15	Changes in Student Fee Revenue		2,282,600
16	Other Funding Changes		0
17	Total Additional Funding Above Base		\$6,039,300
18			
19	Total Funds Available for FY06		\$129,533,800
20			
21	ALLOCATION OF FUNDS:		
22	FY05 Original Operating Budget	1,210.98	\$124,075,100
23	Adjustments:		
24	Base Reduction: (Board-directed inter-institutional equity)		(196,800)
25	FY05 Supplemental for IWC Occupancy Costs		169,200
26	Net Base Reductions	(40.34)	(1,487,900)
27	FY06 Operating Budget Base	1,170.64	\$122,559,600
28	MCO Increases:		
29	MCO Increases to Budget Base (Excl Nonstd Adj):		
30	Salary Adjustments-CEC, Prom, Other		
31	Faculty		\$1,083,000
32	Executive/Administrative		50,700
33	Managerial/Professional		229,400
34	Classified		369,100
35	Graduate Assistants		56,500
36	Total Changes to Existing Positions	0.00	\$1,788,700
37			
38	Inflationary Increases:		
39	Utilities and Library Materials		\$652,000
40	Risk Management/State Controller		\$75,400
41	Fringe Benefits		1,011,200
42	Contracts (city police, audits, enterprise software)		94,100
43	Total Inflationary Increases		\$1,832,700
44	Total MCO Increases	0.00	\$3,621,400
45			
46	Other Adjustments/Allocations of Funds:		
47	Reserve for 27th Payroll		\$1,598,700
48	Occupancy Costs for New and Expanded Facilities	1.00	548,300
49	Student Financial Aid and Gender Equity		497,800
50	ITS Infrastructure and Classroom Technology	1.00	300,000
51	Interdisciplinary Grad School Support	0.50	112,500
52	Professional Fees: Law and Architecture Programs		295,500
53			
54	Total Other Adjustments	2.50	\$3,352,800
55			
56	Total Additional Funds	2.50	\$6,974,200
57			
58	FY06 Original Operating Budget	1,173.14	\$129,533,800

THIS PAGE INTENTIONALLY LEFT BLANK

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

Lewis Clark State College
FY2006 Budget Overview
General Education

Following its most successful accreditation visit ever, LCSC has prepared a budget for FY2006 that strengthens its core mission and builds on a strategic planning process successfully used for the past four years. Because of uncertainty with the status of the State of Idaho's compensation plan, the President will budget a 1% merit increase funded from LCSC funds. In addition, a few employees received adjustments for equity/market purposes.

The College has experienced exceptional growth over the past for years. To address this growth, the College's budget adds instructional and adjunct positions in the areas of Natural Science, Humanities, Social Science, and Education. The college also is strengthening the PACE program, its alternative teacher certification program.

The college's accreditation report reemphasized the importance of finding new funds for the library's use. Accordingly, for the second consecutive year the college will increase funding of its library.

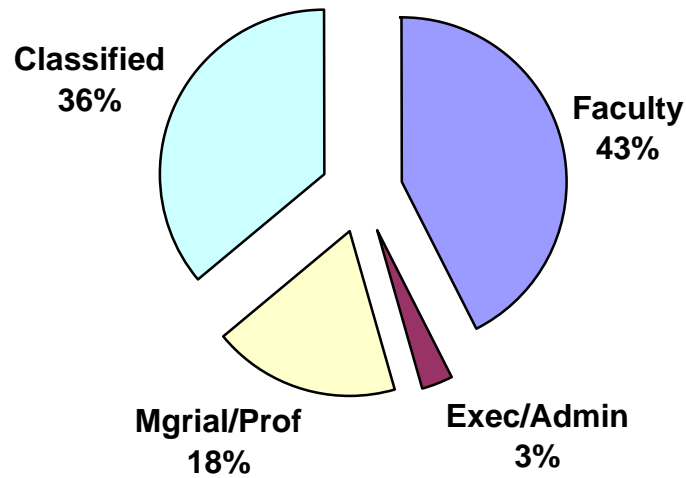
Students will enjoy many benefits as a result of changes recommended in the FY06 budget. New staffing in the areas of financial aid, Native American student services, support for the campus I.D. card system, new staffing for the student activity center operations, new staffing in college intramurals, and the establishment of a Dean for Student Services will collectively enhance and strengthen student life at LCSC.

Additional strategic adjustments will be made in Institutional Research and Planning, athletics, Information Technology and the Physical Plant.

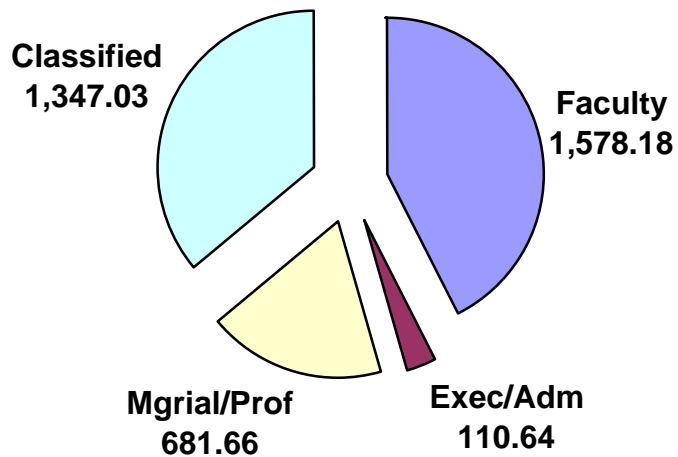
Lewis-Clark State College
AVAILABILITY AND ALLOCATION OF FUNDS FOR FY2006
GENERAL EDUCATION
APPROPRIATED FUNDS ONLY

1	FUNDS AVAILABLE:	FTE	AMOUNT
2	FY05 On-going Operating Budget		\$19,081,400
3	Adjustments:		
4	One-time Funding		0
5	Fee adjustments		(88,700)
6	Base Reduction (Endowment Fund Loss)		(\$79,300)
7	FY06 Operating Budget Base		18,913,400
8			
9	Additional Funding for FY06:		
10	Personnel Benefits		143,400
11	Risk Mgmt/Controller/Treasurer Fees		(89,800)
12	Change in Employee Compensation		0
13	New Occupancy Costs		240,500
14	One-Time Allocation for Facilities Support		0
15	Changes in Student Fee Revenue		872,100
16	Other Funding Changes		427,500
17	Total Additional Funding Above Base		1,593,700
18			
19	Total Funds Available for FY06		\$20,507,100
20			
21	ALLOCATION OF FUNDS:		
22	FY05 Original Operating Budget	254.55	\$19,081,400
23	Adjustments:		
24	One-time Funding		
25	Base Reduction for Insurance, St Controller Fees		(79,300)
26	Fee adjustments		(\$88,700)
27	Net Base Reduction		
28	FY06 Operating Budget Base	254.55	\$18,913,400
29	MCO Increases:		
30	MCO Increases to Budget Base (Excl Nonstd Adj):		
31	Salary Adjustments		
32	Faculty		\$93,249
33	Executive/Administrative		9,685
34	Managerial/Professional		77,669
35	Classified		27,936
36	Irregular Help		0
37	Graduate Assistants		0
38	Total Changes to Existing Positions	0.00	\$208,539
39			
40	Inflationary Increases:		
41	OE and CO		\$18,000
42	Fringe Benefits		143,400
43	Library Acquisitions		40,000
44	Total Inflationary Increases		\$201,400
45	Total MCO Increases	0.00	\$409,939
46			
47	Other Adjustments/Allocations of Funds:		
48	Instruction		
49	Natural Sciences	1.00	44,200
50	Humanities	1.00	44,200
51	Social Sciences	1.00	47,200
52	Education	2.00	99,000
53	Summer School	1.00	49,000
54	Outreach		3,000
55	Adjunct Faculty Pool		16,500
56	27th Payroll		280,400
57	Grants & Contracts	1.00	41,000
58	Library	0.50	10,000
59	Student Services	1.49	40,000
60	Student Life	3.00	136,700
61	Institutional Support	4.00	136,633
62	College Marketing		20,000
63	College Advancement	-0.13	(5,265)
64	Academic Support	2.82	179,225
65	Other Adjustments	0.28	41,968
66			
67	Total Other Adjustments	18.96	\$1,183,761
68			
69	Total Additional Funds	18.96	\$1,593,700
70			
71	FY06 Original Operating Budget	273.51	\$20,507,100

**College & Universities
FY06 Budgeted Positions by Type - % of Total**



**College & Universities
FY06 Budgeted Positions by Type - FTP**



COLLEGE & UNIVERSITIES
Operating Budget Personnel Costs Summary
July 1, 2005 - June 30, 2006

	FY2005 Operating Budget				FY2006 Operating Budget			
2 Classification	FTE	Salaries	Benefits	Total	FTE	Salaries	Benefits	Total
3 BOISE STATE UNIVERSITY								
4 Faculty	497.87	\$34,103,250	\$11,254,073	\$45,357,323	513.04	\$36,015,918	\$11,885,253	\$47,901,171
5 Executive/Administrative	28.90	2,964,553	978,302	3,942,855	30.45	3,249,802	1,072,434	4,322,236
6 Managerial/Professional	266.18	12,732,365	4,201,680	16,934,045	275.93	13,269,166	4,378,825	17,647,991
7 Classified	371.63	9,666,726	4,350,027	14,016,753	381.62	10,044,164	4,620,315	14,664,479
8 Irregular Help		1,542,535	243,540	1,786,075		1,856,627	288,256	2,144,883
9 Graduate Assistants		1,943,892	77,756	2,021,648		2,222,685	88,907	2,311,592
10 TOTAL	1,164.58	\$62,953,321	\$21,105,378	\$84,058,699	1,201.04	\$66,658,362	\$22,333,990	\$88,992,352
11	Number of New Positions				36.46			
12 IDAHO STATE UNIVERSITY								
13 Faculty	443.21	\$31,063,965	\$9,605,831	\$40,669,796	455.46	\$31,069,015	\$9,952,729	\$41,021,744
14 Executive/Administrative	28.22	2,917,796	807,069	3,724,865	29.42	3,400,381	936,215	4,336,596
15 Managerial/Professional	166.23	7,672,639	2,765,632	10,438,271	177.64	8,520,671	3,127,639	11,648,310
16 Classified	391.28	9,870,660	4,833,909	14,704,569	407.29	10,476,578	5,323,067	15,799,645
17 Irregular Help		2,087,606	368,573	2,456,179		2,219,427	56,248	2,275,675
18 Graduate Assistants		1,508,304	12,217	1,520,521		1,608,598	13,995	1,622,593
19 TOTAL	1,028.94	\$55,120,970	\$18,393,231	\$73,514,201	1,069.81	\$57,294,670	\$19,409,893	\$76,704,563
20	Number of New Positions				40.87			
21 UNIVERSITY OF IDAHO								
22 Faculty	505.90	\$34,287,585	\$11,135,317	\$45,422,902	493.02	\$34,558,906	\$11,251,367	\$45,810,273
23 Executive/Administrative	40.28	4,486,406	1,286,057	5,772,463	36.87	4,311,584	1,226,532	5,538,116
24 Managerial/Professional	168.79	9,395,539	3,250,560	12,646,099	172.57	10,045,965	3,484,557	13,530,522
25 Classified	496.01	15,087,509	6,704,566	21,792,075	470.69	15,482,760	6,866,672	22,349,432
26 Irregular Help	0.00	1,510,398	286,976	1,797,374	0.00	1,504,730	300,946	1,805,676
27 Graduate Assistants	0.00	2,815,730	28,157	2,843,887	0.00	2,943,051	29,430	2,972,481
28 TOTAL	1,210.98	\$67,583,167	\$22,691,633	\$90,274,800	1,173.15	\$68,846,996	\$23,159,504	\$92,006,500
29	Number of New Positions				(37.83)			
30 LEWIS CLARK STATE COLLEGE								
31 Faculty	112.66	\$5,607,468	\$1,883,054	\$7,490,522	116.66	\$5,800,017	\$1,996,499	\$7,796,516
32 Executive/Administrative	13.90	1,039,802	311,835	1,351,637	13.90	1,043,258	322,085	1,365,343
33 Managerial/Professional	51.69	2,114,918	787,919	2,902,837	55.52	2,267,028	887,007	3,154,035
34 Classified	76.30	1,914,211	926,847	2,841,058	87.43	2,189,565	1,116,947	3,306,512
35 Irregular Help	0.00	272,900	25,572	298,472	0.00	331,800	31,420	363,220
36 Graduate Assistants		0		0		0		0
37 TOTAL	254.55	\$10,949,299	\$3,935,227	\$14,884,526	273.51	\$11,631,668	\$4,353,958	\$15,985,626
38	Number of New Positions				18.96			
39 TOTAL COLLEGE & UNIVERSITIES								
40 Faculty	1,559.64	\$105,062,268	\$33,878,275	\$138,940,543	1,578.18	\$107,443,856	\$35,085,848	\$142,529,704
41 Exec/Admin	111.30	11,408,557	3,383,263	14,791,820	110.64	12,005,025	3,557,266	15,562,291
42 Mgrial/Prof	652.89	31,915,461	11,005,791	42,921,252	681.66	34,102,830	11,878,028	45,980,858
43 Classified	1,335.22	36,539,106	16,815,349	53,354,455	1,347.03	38,193,067	17,927,001	56,120,068
44 Irregular Help	0.00	5,413,439	924,661	6,338,100	0.00	5,912,584	676,870	6,589,454
45 Graduate Assistants	0.00	6,267,926	118,130	6,386,056	0.00	6,774,334	132,332	6,906,666
46 TOTAL	3,659.05	\$196,606,757	\$66,125,469	\$262,732,226	3,717.51	\$204,431,696	\$69,257,345	\$273,689,041
47	Number of New Positions				58.46			

BOISE STATE UNIVERSITY

Detail of Personnel Changes

July 1, 2005 - June 30, 2006

					FUNDING SOURCE	
1	Department	Description	FTE	Amount	EWA	Other Allocations
2						Base Reallocation
3	Faculty					
4	Arts and Sciences		10.49	734,802	300,000	434,802
5	Social Sciences and Public Affairs		1.50	130,219	80,000	50,219
6	Business and Economics		1.20	280,806	80,000	200,806
7	Engineering		1.35	185,841	100,000	85,841
8	Health Sciences		0.51	105,089	75,000	30,089
9	Public Service		-0.88	-94,444	0	-94,444
10	Academic Support		1.00	9,962	9,962	0
11	Subtotal Faculty		15.17	1,352,274	644,962	0
12	Executive/Administrative					
13	Institutional/Academic Support/Athletics		1.55	343,752	0	343,752
14	Subtotal Executive/Administrative		1.55	343,752	0	0
15	Managerial /Professional					
16	Arts & Sciences		0.73	5,744	0	5,744
17	Business and Economics		0.33	21,826	0	21,826
18	Education		-0.15	2,221	0	2,221
19	General Studies		-0.25	4,957	0	4,957
20	Extended Studies		0.42	57,484	52,053	5,431
21	Research		0.37	56,571	0	56,571
22	Public Service		1.00	125,828	0	125,828
23	Student Services		2.55	122,786	120,000	2,786
24	Physical Plant		-0.88	-48,518	0	-48,518
25	Institutional Support		4.73	394,938	0	394,938
26	Academic Support		0.90	36,621	0	36,621
27	Subtotal Managerial/Professional		9.75	780,458	172,053	0
28	Total Exempt		26.47	2,476,483	817,015	0
29	Classified					
30	Arts and Sciences		0.26	27,968	20,000	7,968
31	Social Sciences and Public Affairs		0.17	-24,115	0	-24,115
32	Business and Economics		-0.07	2,541	0	2,541
33	Health Sciences		0.42	36,779	10,000	26,779
36	Research		0.33	10,545	0	10,545
37	Library		1.00	54,501	0	54,501
38	Student Services		4.75	201,455	100,000	101,455
39	Physical Plant		1.00	99,969	32,000	67,969
40	Institutional Support		-0.37	26,217	0	26,217
41	Academic Support		2.50	64,627	0	64,627
42	Subtotal Classified		9.99	500,807	162,000	0
43	Total Increases/(Decreases)		36.46	2,977,290	979,015	0
44	SUMMARY:					
45	Faculty		15.17	1,352,274		
46	Executive/Administrative		1.55	343,752		
47	Managerial/Professional		9.75	780,458		
48	Classified		9.99	500,807		
49	Total		36.46	2,977,290		

THIS PAGE INTENTIONALLY LEFT BLANK

IDAHO STATE UNIVERSITY
Detail of Personnel Changes
July 1, 2005 - June 30, 2006

Department	Description	FTE	Amount	FUNDING SOURCE		
				MCO	Other Allocations	Base Reallocation
1 Faculty						
2 Biological Science	Assistant Professor	1.00	39,790			39,790
3 Foreign Languages	Professor / Dept Chair	1.00	70,006			70,006
4 Political Science	Assistant Professor	1.00	46,010			46,010
5 Anthropology	Research Associate Professor	0.40	18,404			18,404
6 Indian Studies	Adjunct Faculty	0.10	0			0
7 Finance	Professor	1.00	80,018			80,018
8 Engineering	Assistant Professor	1.00	57,013			57,013
9 Education	Assistant Professor	1.00	40,019			40,019
10 Education	Assistant Professor	1.00	39,998			39,998
11 Education	Assistant Professor	1.00	39,998			39,998
12 Education	Professor	1.00	60,008			60,008
13 Health Science	Clinical Assistant Professor	1.00	45,011			45,011
14 Respiratory Therapy	Instructor / Coordinator	1.00	50,003			50,003
15 Graduate School	Associate Professor	0.80	57,957			57,957
16 Misc:		(0.05)	(13,544)			(13,544)
17						
18	Subtotal Faculty	12.25	\$630,692	\$0	\$0	\$630,692
19						
20 Executive/Administrative						
21 Health Sciences	V.P. Health Sciences	1.00	165,006			165,006
22 Academic Affairs	Assistant VP Academic Affairs	0.16	15,282			15,282
23 Miscellaneous		0.04	10,211			10,211
24	Subtotal Executive/Administrative	1.20	\$190,499	\$0	\$0	\$190,499
25						
26 Managerial/Professional						
27 Biological Science	Instructional Lab Coordinator	1.00	\$39,000	\$39,000		
28 Women Studies	Director	0.38	13,260			13,260
29 Rural Health	Research Associate	0.10	4,358			4,358
30 Disabilities Resource Center	Staff Interpreter	0.85	34,478	34,478		
31 Comp Info Systems	Institutional Info Assurance	0.50	20,010			20,010
32 Education	Preschool Manager	0.11	0			0
33 Center for Teaching	Cont Area Tutor Director	0.48	18,750	79		18,671
34 Continuing Education	Director of Marketing	0.75	31,013			31,013
35 Institutional Research	Associate Director	1.00	58,219	19,566		38,653
36 Enrollment Planning	Admissions Counselor - Boise	1.00	35,443	35,443		
37 Sponsored Programs	Assistant Director	1.00	50,003	50,003		
38 University Relations	Public Info Specialist	1.00	34,230			34,320
39 Event Management	Director of Events	0.88	91,910	91,910		
40 Development Office	Stewardship Coordinator	0.25	24,008			24,008
41 Enrollment Planning	Admissions Specialist	1.00	38,002			38,002
42 Athletics	Coach	0.68	41,480	27,743		13,737
43 Misc.		0.43	4,638			4,638
44						
45	Subtotal Managerial/Professional	11.41	\$538,802	\$298,222	\$0	\$240,670
46						

IDAHO STATE UNIVERSITY
Detail of Personnel Changes
July 1, 2005 - June 30, 2006

Department	Description	FTE	Amount	FUNDING SOURCE		
				MCO	Other Allocations	Base Reallocation
47	Classified					
48	Animal Welfare	Animal Laboratory Assistant	1.00	\$23,982	\$23,982	
49	Dance	Administrative Assistant I	1.00	21,445	21,445	
50	Economics	Office Specialist II	0.50	9,537	9,537	
51	University Programs	Video Instruction Manager	1.00	29,328	29,328	
52	Nursing	IT Support Technician	0.25	5,996		5,996
53	Institutional Research	Administrative Assistant I	0.50	10,722	10,722	
54	Academic Affairs	Administrative Assistant I	0.50	10,722	10,722	
55	Health & Nutrition Sciences	Office Specialist 2	0.25	20,405	1,035	19,370
56	Institutional Research	Office Specialist 2	1.00	19,074	19,074	
57	Career Development	Administrative Assistant I	(1.00)	(21,445)		(21,445)
58	Physical Plant	Custodian Leadworker	1.00	15,746	15,746	
59	Physical Plant	Custodian	1.00	13,915	13,915	
60	Physical Plant	Custodian	1.00	13,915	13,915	
61	Maintenance	Custodian	3.00	54,704		54,704
62	Maintenance	Custodian Leadworker	1.00	19,406		19,406
63	Maintenance	Maintenance Craftsman Sr	1.50	36,332		36,332
64	Maintenance	Building Supervisor	0.75	25,319		25,319
65	Campus Upkeep	Landscape Tech	0.25	5,850		5,850
66	Security	Security Officer	0.25	5,268	5,268	
67	University Relations	Public Info Specialist	(1.00)	(34,320)		(34,320)
68	University Relations	Photographer	0.47	13,061	13,061	
69	Events	Administrative Assistant II	1.00	23,982	23,982	
70	Div Instructional Media	Media Equip Specialist	1.00	27,498	27,498	
71	Misc:		(0.21)	(12,174)	(12,174)	
72						
73	Subtotal Classified		16.01	\$338,269	\$227,056	\$0 \$111,212
74						
75	Total Increases		40.87	\$1,698,262	\$525,279	\$0 \$1,173,073
76						
77	SUMMARY:					
78	Faculty		12.25	\$630,692		
79	Executive/Administrative		1.20	190,499		
80	Managerial/Professional		11.41	538,802		
81	Classified		16.01	338,269		
82			40.87	<u>\$1,698,262</u>		

UNIVERSITY OF IDAHO
Operating Budget Personnel Cost Summary
July 1, 2005 through June 30, 2006

				Funding Source			
Department		Description	FTE	Amount	MCO	Other Allocations	Base Reallocation
Faculty							
1	CLASS	English	(0.85)	(57,203)			(57,203)
2	CLASS	English	(1.00)	(14,735)			(14,735)
3	CLASS	Foreign Lang & Lit	(1.00)	(41,378)			(41,378)
4	CLASS	Foreign Lang & Lit	(0.75)	(14,408)			(14,408)
5	CLASS	Soc,Anthro,Criminal Justice	0.80	37,389			37,389
6	CLASS	JAMS	(0.75)	(16,556)			(16,556)
7	CLASS	English	(0.75)	(14,566)			(14,566)
8	CLASS	English	(0.75)	(9,103)			(9,103)
9	CLASS	History	0.25	26,102			26,102
10	CLASS	Political Science	0.25	25,921			25,921
11	CLASS	Architecture	0.00	(1,653)			(1,653)
12	CLASS	Architecture	1.00	80,891			80,891
13	CLASS	Art Faculty	1.00	33,571			33,571
14	CALS	MMBB Faculty	(1.00)	(8,350)			(8,350)
15	CALS	PSES	(0.20)	(16,007)			(16,007)
16	CBE	Management, Marketing,Op	(1.00)	(38,835)			(38,835)
17	CBE	Economics,Finance & Info Sy	(1.00)	(45,000)			(45,000)
18	Col of Education	Teaching, Learning	(1.00)	(41,995)			(41,995)
19	Col of Education	Teaching, Learning	(1.00)	(42,120)			(42,120)
20	Col of Education	Industrial Education	(1.00)	(40,248)			(40,248)
21	Col of Education	HPERD	(1.00)	(48,173)			(48,173)
22	Col of Education	HPERD	(1.00)	(65,000)			(65,000)
23	Col of Education	Teaching, Learning	(0.69)	(33,212)			(33,212)
24	Col of Engineering	Mining & Geol Engr	(1.00)	(46,009)			(46,009)
25	Col of Engineering	Electrical Engr	(1.00)	(67,080)			(67,080)
26	Col of Engineering	Mechanical Engr	(1.00)	(70,450)			(70,450)
27	Col of Natural Res	Wildlife Resources	(0.94)	(56,035)			(56,035)
28	Col of Natural Res	Forest Resources	(0.86)	(58,273)			(58,273)
29	Col of Natural Res	Range Resources	(1.00)	(90,002)			(90,002)
30	Col of Natural Res	Fish & Wildlife	0.00	5,498			5,498
31	Col of Science	Biological Science	0.14	15,006			15,006
32	Col of Science	Biological Science	0.50	28,881			28,881
33	Col of Science	Biological Science	1.00	58,386			58,386
34	Col of Science	Chemistry	(1.00)	(61,984)			(61,984)
35	Col of Science	Physics	1.00	47,632			47,632
36	Col of Science	Physics	(0.38)	(14,496)			(14,496)
37	Col of Science	Geography	(0.57)	(17,084)			(17,084)
38	Col of Science	Geological Sciences	0.77	43,111			43,111
39	Graduate Studies	Interdisciplinary Programs	0.33	27,502		27,502	0
40	Graduate Studies	Interdisciplinary Programs	0.17	14,187		14,187	0
41	University Research	Water Resources	(0.25)	26,218			26,218
42	General Library	Reference Librarian	(0.38)	(21,479)			(21,479)
43	General Library	Catalog Librarian	(0.50)	(15,506)			(15,506)
44	Other Academic Area	Faculty Secretary	0.50	5,916			5,916
45	Other Academic Area	Fac Ombudsperson	0.50	(8,746)			(8,746)
46	VP for Academic Aff	Honors Director	0.50	765			765
47	VP for Academic Aff	Assoc Honors Director	0.50	(478)			(478)
48	Miscellaneous Changes		1.52	0			0
49		Sub-Total Academic Fac	(12.88)	(599,188)	0	41,689	(640,877)

UNIVERSITY OF IDAHO
Operating Budget Personnel Cost Summary
July 1, 2005 through June 30, 2006

				Funding Source		
Department	Description	FTE	Amount	MCO	Other Allocations	Base Reallocation
<u>Executive/Administrative</u>						
1	University Research	VP Res/Grad	(0.13)	(15,992)		(15,992)
2	Info Tech Services	Vice Provost Lib/Info ltech	(1.00)	(115,003)		(115,003)
3	Enrollment Mgmt	AVP Enrollment Mgmt	(1.00)	(90,002)		(90,002)
4	Col of Ag & Life Sci	Dean	(0.34)	(47,770)		(47,770)
5	Col of Education	Associate Dean	(0.44)	(49,938)		(49,938)
6	Col of Engineering	Associate Dean	(0.92)	(110,362)		(110,362)
7	Grad Studies	Associate Dean	0.51	53,076		53,076
8	University Outreach	Assoc VP Outreach	(0.02)	(36)		(36)
9	University Advance	Exec Dir Development	0.74	65,880		65,880
10	University Advance	Dir Alumni Relations	0.15	13,061		13,061
11	Finance & Admin	AVP Administration	0.24	0		0
12	Inst Plan & Budget	Exec Dir IPB	(1.00)	(121,118)		(121,118)
13	Intercollegiate Athl	Dir Athletics	(0.20)	(22,903)		(22,903)
14		Sub-Total Exec/ Admin	(3.41)	(441,107)	0	0
<u>Managerial/Professional</u>						
1	CLASS	Asst Dir, Bureau Pub	(0.47)	(18,603)		(18,603)
2	CLASS	Language Lab Supervisor	(0.31)	(9,963)		(9,963)
3	CBE	Dir PGM	1.00	61,214		61,214
4	Col of Engineering	Dir Development	0.35	25,027		25,027
5	Col of Science	Geological Res	(0.21)	(9,448)		(9,448)
6	Col of Science	Bioinformatics Coord	0.58	31,761		31,761
7	Univ Res/Outreach	Business Manager	1.00	55,016		55,016
8	Technology	Sr Instructional Design	(0.41)	(26,650)		(26,650)
9	Other Academic Area	Staff Ombudsperson	0.50	509		509
10	Other Academic Area	Team Cleaning Lead	1.00	18,346	18,346	0
11	Student Affairs	VP for Student Affairs	(1.00)	(89,968)		(89,968)
12	Facilities Mgmt	Dir Admin Services	(1.00)	(62,005)		(62,005)
13	Facilities Mgmt	Director FMO	(1.00)	(76,877)		(76,877)
14	Facilities Mgmt	Dir CF Planning	(0.65)	(46,986)		(46,986)
15	Facilities Mgmt	Priincipal Architect	0.40	21,771		21,771
16	Facilities Mgmt	Mech Syst Mgr	(1.00)	(49,442)		(49,442)
17	Business & Acctg Sr	Accountant	1.00	45,011		45,011
18	Business & Acctg Sr	Fiscal Analyst-Correction	1.00	0		0
19	Business & Acctg Sr	Administrative Acct	1.00	44,512		44,512
20	Business & Acctg Sr	Payroll Manager	1.00	48,110		48,110
21	DFA System Support	Sr. Systems Programmer	1.00	54,891		54,891
22	DFA System Support	Admin System Architect	1.00	43,430		43,430
23	Administrative Aff	Fin/Admin Records	(1.00)	(49,421)		(49,421)
24	Miscellaneous Changes		0.00			0
25		Sub-total NFE	3.78	10,235	0	18,346
						(8,111)

UNIVERSITY OF IDAHO
Operating Budget Personnel Cost Summary
July 1, 2005 through June 30, 2006

				Funding Source		
Department	Description	FTE	Amount	MCO	Other Allocations	Base Reallocation
<u>Classified</u>						
1	CLASS	Administrative Assistant	0.25	5,870		5,870
2	CLASS	Program Splst	0.60	17,547		17,547
3	Col of Science	Elctrc Instrument Spec	(0.25)	(11,248)		(11,248)
4	Graduate Studies	Administrative Assistant	1.00	24,939		24,939
5	Graduate Studies	Administrative Assistant	0.48	11,968		11,968
6	University Research	Water Resources	(0.50)	(33,218)		(33,218)
7	University Research	MRCI	(0.51)	(19,897)		(19,897)
8	University Research	Water Resources	0.72	24,613		24,613
9	University Research	NIATT	(0.10)	(3,472)		(3,472)
10	General Library	Library Assistant 2	(1.00)	(23,982)		(23,982)
11	Technology	Elec Equip Sp	1.00	31,990	31,990	0
12	Technology	Administrative Assistant	(1.00)	(34,715)		(34,715)
13	Technology	System Operator	(0.40)	(17,109)		(17,109)
14	Technology	System Operator	(0.50)	(12,730)		(12,730)
15	Technology	Telecommunications	(0.31)	(9,787)		(9,787)
16	Technology	Web Applicatin Dvlp	0.25	11,416		11,416
17	Technology	Computer Support Consult	(1.00)	(37,066)		(37,066)
18	VP for Academic Aff	TRS 2	0.84	21,177		21,177
19	Auxiliary Services	Switchboard Operator	(1.00)	(20,405)		(20,405)
20	Facilities Mngt	Customer Service Rep	(1.00)	(26,229)		(26,229)
21	Facilities Mngt	Team Clean Spec	(1.00)	(18,595)		(18,595)
22	Facilities Mngt	Team Clean Spec	(1.00)	(17,160)		(17,160)
23	Facilities Mngt	Team Clean Spec	(1.00)	(21,778)		(21,778)
24	Facilities Mngt	Team Clean Spec	(1.00)	(17,701)		(17,701)
25	Facilities Mngt	Team Clean Spec	(1.00)	(18,013)		(18,013)
26	Facilities Mngt	Team Clean Spec	(1.00)	(18,637)		(18,637)
27	Facilities Mngt	Team Clean Spec	(1.00)	(18,574)		(18,574)
28	Facilities Mngt	Team Clean Spec	(1.00)	(18,512)		(18,512)
29	Facilities Mngt	Team Clean Spec	(1.00)	(18,470)		(18,470)
30	Facilities Mngt	Team Clean Spec	(1.00)	(18,470)		(18,470)
31	Facilities Mngt	Refrig Foreman	(1.00)	(37,419)		(37,419)
32	Facilities Mngt	HVAC Cntrl Tech 2	(1.00)	(31,034)		(31,034)
33	Facilities Mngt	Fac Extr Craftsperson	(1.00)	(25,355)		(25,355)
34	Facilities Mngt	Landscape Maint Tech	(1.00)	(17,826)		(17,826)
35	Facilities Mngt	Irreigatin Specialist	(1.00)	(23,608)		(23,608)
36	Facilities Mngt	Grounds Maint Wkr	(1.00)	(22,048)		(22,048)
37	Facilities Mngt	Mail Clerk	(1.00)	(19,261)		(19,261)
38	Facilities Mngt	Custodial Foreperson	(1.00)	(29,141)		(29,141)
39	Facilities Mngt	Team Clean Spec	(1.00)	(17,701)		(17,701)
40	Facilities Mngt	Painter/Lead Pain	(1.00)	(27,830)		(27,830)
41	Facilities Mngt	Paint Shop Forperson	(1.00)	(35,277)		(35,277)
42	Facilities Mngt	Electrician	(1.00)	(37,627)		(37,627)
43	Facilities Mngt	HVAC Mechanic	(1.00)	(26,270)		(26,270)
44	Facilities Mngt	Proj Mgr./ Lgt Cstr	(1.00)	(39,042)		(39,042)
45	Facilities Mngt	Interiors Foreperson	1.00	43,056		43,056
46	Facilities Mngt	Landscape Constr Supv	(1.00)	(21,445)		(21,445)
47	Facilities Mngt	Recycling / SW Foreperson	(1.00)	(26,374)		(26,374)
48	Facilities Mngt	Planning Analyst	(1.00)	(37,211)		(37,211)

UNIVERSITY OF IDAHO
Operating Budget Personnel Cost Summary
July 1, 2005 through June 30, 2006

Department	Description	FTE	Amount	Funding Source		
				MCO	Other Allocations	Base Reallocation
49	Facilities Mngt	TRS 2	(1.00)			(29,182)
50	Facilities Mngt	Suprvsr Constr Cnt	1.00			32,136
51	Facilities Mngt	Sprvsr CADD Center	1.00			30,930
52	Business & Acctg Sr	Admin Asst Sr	1.00			44,928
53	Business & Acctg Sr	TRS 2	0.65			16,232
54	Business & Acctg Sr	Financial Splst-Correction	0.50			0
55	Business & Acctg Sr	Financial Comp Splst	1.00			30,451
56	Business & Acctg Sr	Administrative Assistant	1.00			25,667
57	Human Resources	HR Development Spclst	(1.00)			(35,984)
58	Human Resources	Administrative Assistant	(1.00)			(23,982)
59	Human Resources	Employment Servcs Splst	0.67			20,176
60	DFA System Support	DFA Programmer Analyst	1.00			34,112
61	DFA System Support	Programmer Analyst	0.50			15,860
62	DFA System Support	Programmer Analyst	(0.50)			(16,505)
63	Administrative Aff	Safety Tech	(1.00)			(26,998)
64	Administrative Aff	Haz Mat Tech 2	1.00			37,565
65	Administrative Aff	Lab / Radiation Safety	1.00			44,325
66	University Advance	UI Foundation Asst	(0.37)			(12,644)
67	University Advance	TRS 2	(1.00)			(22,131)
68	University Advance	Administrative Assistant	(1.00)			(30,285)
69	University Advance	Administrative Assistant	(1.00)			(25,168)
70	Miscellaneous Changes		0.66			
71	Sub-Total Classified	(25.32)	(608,158)	0	31,990	(640,148)
72						

Summary

Faculty	(12.88)	(599,188)
Executive/Administrative	(3.41)	(441,107)
Managerial/ Professional	3.78	10,235
Classified	(25.32)	(608,158)
	<u>(37.83)</u>	<u>(1,638,218)</u>

LEWIS-CLARK STATE COLLEGE

Detail of Personnel Changes

July 1, 2005 - June 30, 2006

		Funding Source				
Department	Description	FTE	Pers Costs	MCO	Other Allocations	Base Reallocation
1 Faculty						
2	Natural Sciences	Lecturer	1.00	44,267	44,267	
3	Humanities	Lecturer	1.00	44,267	44,267	
4	Social Science	Lecturer	1.00	44,267	44,267	
5	Education	Assistant Professor	1.00	53,044	53,044	
6	Total Faculty		4.00	185,845	0	185,845
7						0
8 Executive/Administrative						
9	Total Exec/Admin		0.00	0	0	0
10						
11 Managerial/Professional						
12	Financial Aid	Scholarship Coordinator	1.00	46,938	46,938	
13	Abult Basic Education	Coordinator	0.74	37,017		37,017
14	Library	Reporting correction	-1.00	-37,009		-37,009
15	Education	Program Assistant	1.00	46,110	46,110	
16	Grants	Reporting correction	0.10	7,675	7,675	
17	Educational Technology	Video Assistant	0.19	9,671	9,671	
18	Library	Assistant Professor	0.50	25,411	25,411	
19	Community Programs	Director	0.50	30,874	30,874	
20	Educational Technology	Video Manager	0.25	13,524	13,524	
21	Information Technology	Web Master	-1.00	-55,685		-55,685
22	Institutional Support	Asst. Director	0.25	11,535	11,535	
23	Advancement	Development Coordinator	-0.75	-35,100		-35,100
24	Student Life	Campus Card/Events Coordinator	1.00	61,746	61,746	
25	Advancement	Alumni Relations Coordinator	0.62	19,635		19,635
26	Information Technology	Programmer Analyst	-0.25	-6,508		-6,508
27	Information Technology	Programmer	1.00	55,070	55,070	
28	Coach	Athletics	-0.32	-12,240		-12,240
29	Total Mgrl/Prof		3.83	218,664	0	308,554
30						-89,890
31 Classified						
32						
33	Library	Reporting correction	1.00	37,009		37,009
34	Student Services	Office Specialist 2	0.25	8,605		8,605
35	Native American Counseling	Administrative Assistant 1	0.50	20,158	20,158	
36	Physical Plant	Custodian	0.25	7,160	7,160	
37	Physical Plant	Custodian	1.00	26,330	26,330	
38	Information Technology	Support Technician	1.00	36,579		36,579
39	Information Technology	Support Technician	0.63	23,046		23,046
40	Institutional Support	Equipment Manager	1.00	33,470	33,470	
41	Student Life	Administrative Assistant 1	1.00	37,470	37,470	
42	Student Life	Intramurals	1.00	31,401	31,401	
43	Grants & Contracts	Financial Technician	1.00	37,513	37,513	
44	Security	Officer	1.00	31,435	31,435	
45	Community Programs	Administrative Assistant 1	0.50	18,127	18,127	
46	Institutional Planning	Technical Records Specialist	1.00	33,190	33,190	
47						
48	Total Classified		11.13	381,493	0	276,254
49	Total Personnel Cost Changes		18.96	786,003	0	770,654
50						15,349
51 SUMMARY						
52	Faculty		4.00	185,845		
53	Executive/Administrative		0.00	0		
54	Managerial/Professional		3.83	218,664		
55	Classified		11.13	381,493		
56	Total		18.96	786,003		

THIS PAGE INTENTIONALLY LEFT BLANK

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION / AGENCY AGENDA
STATE DIVISION OF PROFESSIONAL-TECHNICAL EDUCATION

SUBJECT

Approval of the Postsecondary Professional-Technical Education System
Operating Budget for FY 2006

BACKGROUND

Funds are appropriated to the State Division of Professional-Technical Education for professional-technical education programs and services. The State Board of Education approved the allocation of the lump-sum appropriation for postsecondary professional-technical education at its April, 2005 meeting. The State Division of Professional-Technical Education requests approval of the FY2006 Operating Budget for the Postsecondary Professional-Technical Education System.

DISCUSSION

Approval of the Operating Budget approves all salary adjustments for institutional employees, new positions, and institutional operating and capital outlay expenditures.

The following schedules are provided for review:

- "Fiscal Year 2006 Budget Overview"
- "Availability and Allocation of Funds for FY 2006"
- "Operating Budget Distribution by Activity and Expense Standard Class"
- "Operating Budget Personnel Costs Summary"
- "Operating Budget Personnel Costs Position Change Schedule"

IMPACT

Provides the fiscal plan for the Postsecondary Professional-Technical Education System for FY 2006

STAFF COMMENTS AND RECOMMENDATIONS

This budget has been developed according to legislative intent and/or Board guidelines. Board staff recommends approval, as requested.

BOARD ACTION

A motion to approve the Postsecondary Professional-Technical Education System Operating Budget for FY 2006

Moved by _____ Seconded by _____ Carried Yes _____ No _____

Postsecondary Professional-Technical Education System
Fiscal Year 2006 Budget Overview

The allocation and reallocation of funds for the FY2006 Postsecondary Professional-Technical Education System is based on the Strategic Plan for Professional-Technical Education in Idaho – FY2005 – 2009, as well as Board and Legislative Intent.

The FY2006 budget reflects an overall increase of \$573,100 or 1.73% increase in the state general fund. In addition, the Legislature appropriated an increase of \$62,200 in student fees at EITC and \$727,000 in economic recovery reserve funds to cover the 27th payroll at BSU, EITC, ISU and LCSC. The overall increase in the state general fund allocation includes: (1) personnel cost rollups in the amount of \$370,400; (2) capacity building funds in the amount of \$171,800; (3) changes to the, Risk Management costs, Controller fees and Treasurer's fees at EITC which resulted in an increase of \$7,500; (4) \$5,000 for library books and periodicals at EITC; and (5) \$18,400 for the increased cost of utilities at EITC.

Reallocation

Capital outlay funds were reallocated to cover increased personnel and operating expense costs.

1 **Postsecondary Professional-Technical Education System Summary**
2 **Availability and Allocation of Funds for FY2006**
3 **Appropriated Funds Only**

4			
5	FUNDS AVAILABLE:	FTP	Amount
6	FY 2005 Operating Budget	489.37	33,474,500
7			
8	Base Adjustments		
9	Increase in EITC Student Fees		62,200
10	Total Base Adjustments		62,200
11			
12	Adjusted FY 2005 Operating Budget Base		33,536,700
13			
14	Additional Funding for FY 2006		
15	MCO Funding		1,300,200
16	Total Additional Funding Above Base		1,300,200
17			
18	Total Funds Available for FY 2006		34,836,900
19			
20	ALLOCATION OF FUNDS		
21	FY 2006 Operating Budget Base	489.37	33,536,700
22			
23	MCO Increases to Budget Base:		
24	Changes to Ongoing Positions		
25	Salary Adjustments - - CEC, Prom, Equity, Etc.		
26	Faculty		641,267
27	Executive/Administrative		20,017
28	Managerial/Professional		165,514
29	Classified		118,127
30	Irregular Help		0
31	Total Changes to Ongoing Positions		944,925
32			
33	Inflationary Increases:		
34	Personnel Cost Rollups		370,400
35	Operating Expenses		30,900
36	Capacity Building	2.70	171,800
37	Total Inflationary Increases	2.70	573,100
38			
39	Reallocation of Funds		
40	Reallocation of Funds	(1.41)	(217,825)
41			
42	Net Funds Reallocated	(1.41)	(217,825)
43			
44	FY2006 Ongoing Operating Budget	490.66	34,836,900

Postsecondary Professional-Technical Education System

Operating Budget Distribution by Activity and Expense Standard Class

July 1, 2005 - June 30, 2006

	Original FY 2005	Percent of Total	Original FY 2006	Percent of Total	Change from Prior Year	Percent Change
By Activity:						
Instruction	32,049,504	95.74%	33,352,304	95.74%	1,302,800	4.06%
Plant Maintenance & Operations	1,424,996	4.26%	1,484,596	4.26%	59,600	4.18%
Total Operating Budget	33,474,500	100.00%	34,836,900	100.00%	1,362,400	4.07%
TOTAL BUDGET	<u>33,474,500</u>	<u>100.00%</u>	<u>34,836,900</u>	<u>100.00%</u>	<u>1,362,400</u>	<u>4.07%</u>
By Expense Standard Class:						
Personnel Costs-						
Faculty	13,482,359	40.28%	14,175,166	40.69%	692,807	5.14%
Executive/Administrative	719,359	2.15%	739,376	2.12%	20,017	2.78%
Managerial/Professional	3,081,085	9.20%	3,277,765	9.41%	196,680	6.38%
Classified	2,802,529	8.37%	2,894,840	8.31%	92,311	3.29%
Irregular Help	1,016,623	3.04%	801,563	2.30%	(215,060)	-21.15%
Total Salaries	21,101,955	63.04%	21,888,710	62.83%	786,755	3.73%
Personnel Benefits	7,601,549	22.71%	8,029,244	23.05%	427,695	5.63%
Total Personnel Costs	28,703,504	85.75%	29,917,954	85.88%	1,214,450	4.23%
Operating Expenses-	3,737,689	11.17%	4,045,842	11.61%	308,153	8.24%
Capital Outlay-	1,033,307	3.09%	873,104	2.51%	(160,203)	-15.50%
Total Operating Budget	33,474,500	100.00%	34,836,900	100.00%	1,362,400	4.07%
TOTAL BUDGET	<u>33,474,500</u>	<u>100.00%</u>	<u>34,836,900</u>	<u>100.00%</u>	<u>1,362,400</u>	<u>4.07%</u>
Total Full Time Positions (FTP)	<u>489.37</u>		<u>490.66</u>		<u>1.29</u>	<u>0.26%</u>

Postsecondary Professional-Technical Education System

Operating Budget Personnel Costs

Summary

July 1, 2005 - June 30, 2006

	FY 2005 Operating Budget				FY 2006 Operating Budget			
<u>Classification</u>	<u>FTP</u>	<u>Salaries</u>	<u>Benefits</u>	<u>Total</u>	<u>FTP</u>	<u>Salaries</u>	<u>Benefits</u>	<u>Total</u>
Faculty	312.44	13,482,359	4,881,168	18,363,527	313.62	14,175,166	5,204,706	19,379,872
Exec/Admin	8.72	719,359	200,917	920,276	8.72	739,376	211,818	951,194
Manag/Prof	60.91	3,081,085	1,064,088	4,145,173	61.46	3,277,765	1,151,720	4,429,485
Classified	107.30	2,802,529	1,302,332	4,104,861	106.86	2,894,840	1,377,094	4,271,934
Irreg Help	0.00	1,016,623	153,044	1,169,667	0.00	801,563	83,906	885,469
TOTAL	489.37	21,101,955	7,601,549	28,703,504	490.66	21,888,710	8,029,244	29,917,954

Postsecondary Professional-Technical Education System
Detail of Personnel Changes
July 1, 2005 - June 30, 2006

Program	Position Description	FTP	Salary Amount	Funding Source		
				MCO	Above MCO	Base Reallocation
1	Faculty					
2	Boise State University					
3	Broadcast Technology Instructor	(1.00)	(51,543)	0	0	(51,543)
4	Broadcast Technology Instructor	(0.12)	(10,245)	0	0	(10,245)
5	Office Occupations Instructor	(0.75)	(29,674)	0	0	(29,674)
6	Office Occupations Instructor	1.00	37,000	0	0	37,000
7	Practical Nursing Instructor	1.00	44,611	30,288	0	14,323
8	Practical Nursing Instructor	0.50	22,306	0	0	22,306
9	Professional Truck Driving Instructor	(1.00)	(39,924)	0	0	(39,924)
10	Professional Truck Driving Instructor	0.90	40,381	0	0	40,381
11	Professional Truck Driving Instructor	(1.00)	(32,948)	0	0	(32,948)
12	Professional Truck Driving Instructor	0.88	33,283	0	0	33,283
13	BSU Total	0.41	13,247	30,288	0	(17,041)
14	College of Southern Idaho					
15	Radiological Technician Instructor	(1.00)	(38,000)	0	0	(38,000)
16	CSI Total	(1.00)	(38,000)	0	0	(38,000)
17	Eastern Idaho Technical College					
18	Network Support Tech Instructor	(1.00)	(36,619)	0	0	(36,619)
19	Practical Nursing Instructor	1.00	38,762	0	0	38,762
20	Practical Nursing Instructor	1.00	52,000	25,055	0	26,945
21	EITC Total	1.00	54,143	25,055	0	29,088
22	Idaho State University					
23	Resource Center Instructor	1.00	47,861	0	0	47,861
24	Practical Nursing Instructor	1.00	40,435	16,315	0	24,120
25	Massage Therapist Instructor	1.00	34,216	0	0	34,216
26	Practical Nursing Instructor	(0.75)	(25,210)	0	0	(25,210)
27	Office Technology Instructor	(1.00)	(42,370)	0	0	(42,370)
28	Paralegal Studies Instructor	1.00	43,805	0	0	43,805
29	ISU Total	2.25	98,737	16,315	0	82,422
30	Lewis-Clark State College					
31	Auto Mechanics Instructor	(1.00)	(24,295)	0	0	(24,295)
32	Auto Mechanics Instructor	0.83	24,538	0	0	24,538
33	Electronics Instructor	(1.00)	(54,101)	0	0	(54,101)
34	Tech Gen Ed Asst Prof	1.00	40,000	0	0	40,000
35	Workforce Training Instructor	(0.81)	(32,376)	0	0	(32,376)
36	Workforce Training Instructor	0.49	20,543	0	0	20,543
37	Workforce Training Instructor	(0.46)	(17,830)	0	0	(17,830)
38	Workforce Training Instructor	0.47	19,107	0	0	19,107
39	LCSC Total	(0.48)	(24,414)	0	0	(24,414)
40	North Idaho College					
41	CITE Instructor	(1.00)	(40,759)	0	0	(40,759)
42	CITE Instructor	(1.00)	(41,168)	0	0	(41,168)
43	CITE Instructor	(1.00)	(41,616)	0	0	(41,616)
44	Electronics Instructor	(1.00)	(47,846)	0	0	(47,846)
45	Electronics Instructor	(1.00)	(45,074)	0	0	(45,074)
46	Outdoor Power/Rec Veh Instructor	1.00	46,877	0	0	46,877
47	Human Resources Instructor	1.00	36,567	0	0	36,567
48	Welding Instructor	1.00	45,760	0	0	45,760
49	Landscape Tech Instructor	1.00	41,600	40,000	0	1,600
50	Radiography Tech Instructor	1.00	48,526	0	0	48,526
51	HVAC Instructor	(1.00)	(20,538)	0	0	(20,538)
52	NIC Total	(1.00)	(17,671)	40,000	0	(57,671)

Postsecondary Professional-Technical Education System
Detail of Personnel Changes
July 1, 2005 - June 30, 2006

Program	Position Description	FTP	Salary Amount	Funding Source		
				MCO	Above MCO	Base Reallocation
53	Total Faculty	1.18	86,042	111,658	0	(25,616)
54	Managerial/Professional					
55	Boise State University					
56	Adult Basic Education Director	0.50	24,834	0	0	24,834
57	Adult Basic Education Director	(1.00)	(46,170)	0	0	(46,170)
58	Applied Academics Coordinator	(1.00)	(43,395)	0	0	(43,395)
59	Applied Academics Coordinator	0.75	32,883	0	0	32,883
60	Student Support Services Counselor	(0.50)	(22,412)	0	0	(22,412)
61	Student Support Services Advisor	0.80	30,908	0	0	30,908
62	Administration Marketing Spec	0.50	20,000	0	0	20,000
63	Administration Development Dir	0.50	25,250	0	0	25,250
64	Administration Coordinator, Res	0.50	23,224	0	0	23,224
65	Administration Business Mnger	1.00	45,450	0	0	45,450
66	Information Tech Services Network Admin	(0.50)	(28,802)	0	0	(28,802)
67	Information Tech Services Network Admin	1.00	58,192	0	0	58,192
68	Information Tech Services Network Admin	(0.50)	(21,694)	0	0	(21,694)
69	Information Tech Services Network Admin	1.00	46,824	0	0	46,824
70	Information Tech Services Network Admin	1.00	46,824	0	0	46,824
71	Information Tech Services Network Admin	(0.50)	(24,042)	0	0	(24,042)
72	Information Tech Services Network Admin	(0.50)	(24,573)	0	0	(24,573)
73	BSU Total	3.05	143,301	0	0	143,301
74	College of Southern Idaho					
75	Adult Evening-Dual Cr-SS Director	(0.63)	(40,204)	0	0	(40,204)
76	Instructional Support Web Technician	(1.00)	(25,000)	0	0	(25,000)
77	CSI Total	(1.63)	(65,204)	0	0	(65,204)
78	Eastern Idaho Technical College					
79	Administration Controller	(1.00)	(58,493)	0	0	(58,493)
80	Administration Asst Cont/HR Coor	1.00	56,116	0	0	56,116
81	EITC Total	0.00	(2,377)	0	0	(2,377)
82	Lewis-Clark State College					
83	Adult Basic Education Director	(0.50)	(29,469)	0	0	(29,469)
84	Workforce Training Director	0.50	27,500	0	0	27,500
85	Instructional Support Data Tech	(1.00)	(38,019)	0	0	(38,019)
86	Instructional Support System Analyst	1.00	41,545	0	0	41,545
87	ISU Total	0.00	1,557	0	0	1,557
88	North Idaho College					
89	Business/Industry Coordinator	(1.00)	(51,518)	0	0	(51,518)
90	Student Support Coordinator	(0.87)	(31,059)	0	0	(31,059)
91	Student Support Coordinator	1.00	36,466	0	0	36,466
92	NIC Total	(0.87)	(46,111)	0	0	(46,111)
93	Total Managerial/Professional	0.55	31,166	0	0	31,166
94	Classified					
95	Boise State University					
96	Administration Accountant	(1.00)	(42,328)	0	0	(42,328)
97	Administration Admin Asst I	1.00	21,444	0	0	21,444
98	Administration Admin Asst I	(0.75)	(15,819)	0	0	(15,819)
99	BSU Total	(0.75)	(36,703)	0	0	(36,703)
100	College of Southern Idaho					
101	Instructional Support Course Developer	(1.00)	(26,750)	0	0	(26,750)
102	CSI Total	(1.00)	(26,750)	0	0	(26,750)

Postsecondary Professional-Technical Education System
Detail of Personnel Changes
July 1, 2005 - June 30, 2006

Program	Position Description	FTP	Salary Amount	Funding Source		
				MCO	Above MCO	Base Reallocation
103	Idaho State University					
104	Student Services IT Programr Anlyst	0.40	12,688	0	0	12,688
105	Student Services Community Rep	(1.00)	(42,099)	0	0	(42,099)
106	Student Services Student Recruiter	0.85	42,944	0	0	42,944
107	Student Services Admin Asst I	0.75	12,063	0	0	12,063
108	Auto Collision & Repair Ship,Rec,Mat Hndl	(0.58)	(8,892)	0	0	(8,892)
109	Auto Collision & Repair Instruction Asst	0.58	11,124	0	0	11,124
110	ISU Total	1.00	27,828	0	0	27,828
111	Lewis-Clark State College					
112	Adult Basic Ed Admin Asst	(1.00)	(23,713)	0	0	(23,713)
113	T&I Admin Asst	(1.00)	(24,503)	0	0	(24,503)
114	T&I Financial Tech	1.00	25,705	0	0	25,705
115	WFT Sec/Office Coord	0.30	10,359	0	0	10,359
116	WFT Sec/Office Coord	(0.50)	(11,076)	0	0	(11,076)
117	WFT Sec/Office Coord	0.51	11,865	0	0	11,865
118	LCSC Total	(0.69)	(11,363)	0	0	(11,363)
119	North Idaho College					
120	Instructional Support Admin Asst	1.00	21,172	0	0	21,172
121	NIC Total	1.00	21,172	0	0	21,172
122	Total Classified	(0.44)	(25,816)	0	0	(25,816)
123	TOTAL	1.29	91,392	111,658	0	(20,266)
124						
125	SUMMARY:	FTP	Salary Amount			
126	Faculty	1.18	86,042			
127	Executive/Administrative	0.00	0			
128	Managerial/Professional	0.55	31,166			
129	Classified	(0.44)	(25,816)			
	Total	1.29	91,392			

**BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005**

**AGRICULTURAL RESEARCH AND EXTENSION SYSTEM
University of Idaho
FY2006 Budget Overview**

The Agricultural Research and Extension Appropriation (ARES) received an increase in appropriations over the FY05 base of 3.8%. The increase, totaling \$4,117,600, will fund fringe benefit rate increases and the one-time costs of the 27th payroll. Please see the accompanying allocation summary.

AGRICULTURAL RESEARCH AND EXTENSION SYSTEM

University of Idaho

Availability and Allocation of Funds for FY2006

1 FUNDS AVAILABLE	FTE	AMOUNT
2 FY2006 Operating Budget Base	374.71	\$ 29,596,600
3 Adjustments:	0.76	-
4 FY2006 Adjusted Budget Base	375.47	\$ 29,596,600
5 Additional Funding for FY2006		
6 Fringe Benefit Rate Changes		314,800
7 27th Payroll (SB1130)		802,800
8 Total Additional Funding	-	\$ 1,117,600
9 Total Funds Available for FY2006	375.47	\$ 30,714,200
10 ALLOCATION OF FUNDS		
11 FY2006 Adjusted Budget Base	375.47	\$ 29,596,600
12 MCO Increases to Budget Base		
13 Fringe Benefit Rate Changes		314,800
14 27th Payroll (SB1130)		802,800
15 Total MCO Increases	-	\$ 1,117,600
16 Enhancements to Budget Base	-	-
17 Total Enhancements	-	\$ -
18 Total Increases	-	\$ 1,117,600
19 FY2006 Operating Budget	375.47	\$ 30,714,200

AGRICULTURAL RESEARCH & EXTENSION SYSTEM
Operating Budget Personnel Costs Summary
July 1, 2005 - June 30, 2006

	FY2005 Operating Budget				FY2006 Operating Budget			
Classification	FTE	Salaries	Benefits	Total	FTE	Salaries	Benefits	Total
Faculty	183.94	\$11,343,712	\$3,852,916	\$15,196,628	188.33	\$11,886,070	\$4,165,020	\$16,051,090
Executive/Administrative	3.44	417,113	119,724	536,837	3.78	478,722	140,231	618,953
Managerial/Professional	38.98	1,711,999	655,479	2,367,478	36.99	1,680,121	663,724	2,343,845
Classified	148.35	4,606,097	2,050,488	6,656,585	146.37	4,741,520	2,176,710	6,918,230
Irregular Help		331,343	62,955	394,298		306,022	61,204	367,226
Graduate Assistants		502,251	5,023	507,274		502,249	5,022	507,271
TOTAL	374.71	\$18,912,515	\$6,746,585	\$25,659,100	375.47	\$19,594,704	\$7,211,911	\$26,806,615

AGRICULTURE RESEARCH AND EXTENSION SYSTEM

Detail of Personnel Changes

July 1, 2005 through June 30, 2006

					Funding Source		
						Other	Base
1	Department	Description	FTE	Amount	MCO	Allocations	Reallocation
2	Faculty:						
3	Ag Admin	Reallocation	(1.00)	(50,003)			(50,003)
4	Ag Admin	Reallocation	(0.80)	(64,147)			(64,147)
5	Ag Admin	Reallocation	1.00	64,002			64,002
6	MMBB	Reallocation	1.00	52,520			52,520
7	MMBB	Reallocation	1.00	58,594			58,594
8	MMBB	Reallocation	0.33	24,478			24,478
9	MMBB	Reallocation	0.22	11,334			11,334
10	Animal & Vet Science	Reallocation	1.00	72,675			72,675
11	PSES	Reallocation	1.00	35,069			35,069
12	District 1	Reallocation	0.50	30,139			30,139
13	District 111	Reallocation	0.46	24,042			24,042
14	Net Various	Reallocation	(0.33)				
15	Total Exempt/Faculty		4.38	258,703	0	0	258,703
16	Managerial / Professional:						
17	Ag Admin	Reallocation	1.00	42,182			42,182
18	Ag Admin	Reallocation	(1.00)	(32,178)			(32,178)
19	PSES	Reallocation	(1.00)	(35,069)			(35,069)
20	Ag Admin	Reallocation	(1.00)	(62,754)			(62,754)
21	Net Various	Reallocation	0.00	0			0
22	Total Managerial/Professional		(2.00)	(87,819)	0	0	(87,819)
23	Executive / Admin:						
24	Ag Admin	Reallocation	0.34	59,771			59,771
25	Total Exec/Admin		0.34	59,771	0	0	59,771
26	Classified:						
27	Ag Admin	Reallocation	1.00	32,178			32,178
28	Ag Admin	Reallocation	(1.00)	(30,014)			(30,014)
29	Ag Admin	Reallocation	(1.00)	(29,099)			(29,099)
30	Ag Admin	Reallocation	(0.75)	(33,446)			(33,446)
31	PSES	Reallocation	0.10	11,689			11,689
32	4-H Programs	Reallocation	0.44	6,349			6,349
33	District IV	Reallocation	(1.00)	(24,710)			(24,710)
34	District IV	Reallocation	0.40	10,666			10,666
35	Net Various	Reallocation	(0.17)				
36	Total Classified		(1.98)	(56,387)	0	0	(56,387)
37	TOTAL INCREASES		0.74	174,268	0	0	174,268

HEALTH PROGRAMS

FY 2006 Operating Budget

	FY 2005 BUDGET	FY 2006 BUDGET	PERCENT of CHANGE
1			
2 By Program:			
3 WOI Veterinary Education	1,586,900	1,744,500	9.93%
4 WWAMI Medical Education	3,434,200	3,479,200	1.31%
5 IDEP Dental Education	1,018,800	1,107,100	8.67%
6 University of Utah Medical Education	892,900	985,900	10.42%
7 Family Practice Residency Programs	1,053,800	1,362,500	29.29%
8 Prof. Student. Exch. Prog. - Optometry	193,800	198,400	2.37%
9 Total Programs	8,180,400	8,877,600	8.52%
10 By Fund Source:			
11 General Fund	7,862,800	8,380,300	6.58%
12 Student Fee Revenue	317,600	443,000	39.48%
13 Economic Recovery Reserve Fund		54,300	
14 Total Funds	8,180,400	8,877,600	8.52%
15 By Expenditure Classification:			
16 Personnel Costs	1,955,200	2,012,300	2.92%
17 Operating Expenditures	1,335,700	1,482,500	10.99%
18 Capital Outlay			
19 Trustee & Benefits	4,889,500	5,382,800	10.09%
20 Total Expenditures	8,180,400	8,877,600	8.52%
21 FTP	20.39	20.39	0.00%

22 **Budget Overview**

These programs provide access opportunities for Idaho residents to obtain medical and other health related education. Idaho contracts with other states or institutions to provide seats for qualified Idaho residents. For FY 2006, no new seats were funded.

THIS PAGE INTENTIONALLY LEFT BLANK

SPECIAL PROGRAMS

FY 2006 Operating Budget

	FY 2005 BUDGET	FY 2006 BUDGET	PERCENT of CHANGE
By Program:			
Forest Utilization Research	585,800	601,400	2.66%
Geological Survey	801,800	831,200	3.67%
Scholarships and Grants:			
Idaho Promise Scholarship - A	327,000	331,300	1.31%
Idaho Promise Scholarship - B	4,400,000	4,446,700	1.06%
Atwell Parry Work Study Program	1,280,400	1,296,000	1.22%
Minority/"At Risk" Scholarship	105,000	106,400	1.33%
Teachers/Nurses Loan Forgiveness	104,400	168,600	61.49%
Peace Officer/Firefighter Scholarship	27,600	39,500	43.12%
Grow Your Own Teacher Scholarship	348,800	353,300	1.29%
Leveraging Educ Asst Program (LEAP)	720,000	619,600	-13.94%
Special Leveraging Educ Asst Part (SLEAP)	150,000	179,600	19.73%
POW/MIA	25,600		0.00%
Byrd Honors	281,700	250,700	-11.00%
Total Scholarships and Grants	7,770,500	7,791,700	0.27%
Museum of Natural History	510,400	527,500	3.35%
Small Business Development Centers	292,000	286,700	-1.82%
Idaho Council for Economic Development	54,200	53,200	-1.85%
Technical Help	167,900	164,800	-1.85%
Total Programs	10,182,600	10,256,500	0.73%
By Fund Source:			
General Fund	9,742,600	9,759,000	0.17%
Federal Funds	440,000	440,000	0.00%
Economic Recovery Reserve Fund		57,500	
Total Funds	10,182,600	10,256,500	0.73%
By Expenditure Classification:			
Personnel Costs	1,749,800	1,827,500	4.44%
Operating Expenditures	132,600	132,600	0.00%
Capital Outlay	0	0	
Trustee/Benefit Payments	8,275,200	8,296,400	0.26%
Total Expenditures	10,157,600	10,256,500	0.97%
FTP	24.80	24.80	0.00%

Budget Overview

Scholarships and grants are provided to a variety of students who qualify for the particular option. The Teacher/Nurse Loan Forgiveness and Peace/Officer Firefighter programs were increased based upon the number of students who were eligible. All other Scholarships and other Special Programs received appropriation increases similar to other state agencies.

THIS PAGE INTENTIONALLY LEFT BLANK

PERMANENT BUILDING FUND PROJECTS
Agencies & Institutions of the State Board of Education
FY06 Alteration & Repair and ADA Projects

1 Agency / Institution / Project	Amount
2 BOISE STATE UNIVERSITY	
3 Code Compliance Modifications, (HVAC) Liberal Arts Building	105,000
4 Code Compliance Modifications, Phase 2, Education Building	115,000
5 Information Technology Infrastructure, Phase 2, Boise Campus	500,000
6 District Cooling Infrastructure, Library and Business Building	100,000
7 Elevator Controller Replacement, Education Building	186,000
8 HVAC Upgrade, Phase 1, Kinesiology Building	185,000
9 Stair Handrail Replacement, Selected Buildings	50,000
10 Asphalt Paving Repairs, Liberal Arts Parking Lot	115,000
11 Interior Refurbishment, Phase 1, Morrison Center	145,000
12 Sidewalk Replacement, Phase 3, Boise Campus	60,000
13 Storm Water Drainage System, Phase 4, Boise Campus	150,000
14 Garage Heaters, Applied Technology Building	68,000
15 Roof Replacement, Phase 2, Morrison Center	165,000
16 Toilet Modifications, Science/Nursing Building (ADA)	45,000
17 SUBTOTAL	1,989,000
18 IDAHO STATE UNIVERSITY	
19 PCB Removal, Reed Gymnasium, Phase 3	348,500
20 Roof Replacement, Leonard Hall (College of Pharmacy Bldg.)	112,000
21 Install Fire Suppression System, Campus Computer Center	69,000
22 Campus Fire Alarm Renovations	482,000
23 Elevator Repairs, Various Buildings	184,000
24 Small Boiler Repairs	80,500
25 Steam and Gas Flow Meters, Central Heating Plant	63,500
26 Upgrade Electrical Service, Idaho Museum of Natural History	80,500
27 Renovate Auditorium, College of Education	311,500
28 Mechanical System Upgrade, Phase 3 (University Place, Idaho Falls)	62,500
29 Renovate 6th Floor, Garrison Hall	110,500
30 Renovate HVAC System, Central Operations Building	57,500
31 Renovate HVAC System, Dental Clinic Building	46,000
32 Exterior Access Improvements (ADA)	45,000
33 SUBTOTAL	2,053,000
34 UNIVERSITY OF IDAHO	
35 Roof and Gutter Replacement, Brink & Phinney Hall	575,000
36 HVAC Upgrade, Server Room, Library	175,000
37 HVAC Controls and Upgrades, Phase 2, Renfrew Hall	700,000
38 Life Safety Handrails and Concrete Decks, CNR/BEL	131,300
39 Roof Replacement, Ridenbaugh Hall	200,000
40 Mechanical System Upgrade, Phase 3 (University Place, Idaho Falls)	62,500
41 Roof Replacement, Mines Building	108,000
42 Elevator Modification, Student Health Center (ADA)	233,800
43 SUBTOTAL	2,185,600
44 LEWIS-CLARK STATE COLLEGE	
45 Smoke Filtration System, Welding Lab	175,000
46 Re-Roof, Williams Conference Center	38,000
47 Upgrade Irrigation Water System	309,750
48 SUBTOTAL	522,750

PERMANENT BUILDING FUND PROJECTS
Agencies & Institutions of the State Board of Education
FY06 Alteration & Repair and ADA Projects

1 Agency / Institution / Project		Amount
49	COLLEGE OF SOUTHERN IDAHO	
50	HVAC Conversion, Shields Building	163,700
51	Gas Heat Retrofit, Expo	376,700
52	HVAC Upgrade, SIDC Building	111,000
53	SUBTOTAL	651,400
54	NORTH IDAHO COLLEGE	
55	Roof Replacement, Boswell	430,200
56	Campus Wheelchair Lifts (ADA)	240,000
57	SUBTOTAL	670,200
58	EASTERN IDAHO TECHNICAL COLLEGE	
59	Remodel and Addition, Maintenance Building 4	327,000
60	Campus Parking Lot Repairs and Sealcoat	63,600
61	HVAC Upgrade/Convert to DDC, Christofferson Building 3	108,000
62	SUBTOTAL	498,600
63	IDAHO SCHOOL FOR THE DEAF AND BLIND	
64	Replace Walk-In Freezer and Coolers, Kitchen	38,000
65	Replace Lower Roof, Old Administration Building	123,150
66	Upgrade Playground Equipment to Current Code	97,700
67	SUBTOTAL	258,850
68	IDAHO STATE HISTORICAL SOCIETY	
69	State Museum Addition, Phase 2 Design	450,000
70	Idaho History Center, Fixtures	115,000
71	SUBTOTAL	565,000
72	UNIVERSITY PLACE - Idaho Falls	
73	Mechanical System Upgrade, Phase 3	125,000
74	SUBTOTAL	125,000
75	STATE BOARD OF EDUCATION TOTAL	9,519,400

**BOISE STATE UNIVERSITY
CAPITAL IMPROVEMENT BUDGET SUMMARY
FY 2005-2006**

		Source of Funds						
PROJECT TITLE		Federal Funds	Permanent Building Fund	Other State Funds	Univ. Fac Reserve	Bond R & R	Other	Total
REPAIR AND RENEWAL PROJECTS								
1	Door Access/Security System, Phase 1, Boise Campus		\$250,000					\$250,000
2	Building		530,000					530,000
	Chiller Service Platforms, Multi-Purpose							
3	Classroom Building		36,000					36,000
	Code-Compliance Modifications, Phase 1,							
4	Education Building		100,000					100,000
5	Campus Lane Safety Improvements, Phase 5		150,000					150,000
6	Lecture Hall Renovation, Education Building		200,000					200,000
	4th Floor Remodel, Phase 2, Science/							
7	Nursing Building		265,000					265,000
	Primary Fire Alarm Conversion, Phase 1,		50,000					
8	Boise Campus							50,000
9	Fire Alarm System Replacement, Phase 2, Selected Buildings		70,000					70,000
10	Sidewalk Replacement, Phase 3, Boise Campus		60,000					60,000
11	Garage Heaters, Applied Technology Building		68,000					68,000
12	Roof Replacement, Phase 2, Morrison Center		165,000					165,000
13	Toilet Modifications, Science/Nursing Building (ADA)		45,000					45,000
14								
15	Student Union Meeting and Room Upgrades					255,000		255,000
16	Student Union Food Service POS					225,000		225,000
17	Student Union Building Detection System & Panel					150,000		150,000
18	Roof Replacement - Student Union					500,000		500,000
19	Student Union Bathrooms Remodeled					100,000		100,000
20								
21	CAPITAL IMPROVEMENT BUDGET TOTAL	\$0	\$1,989,000	\$0	\$0	\$1,230,000	\$0	\$3,219,000

THIS PAGE INTENTIONALLY LEFT BLANK

UNIVERSITY of IDAHO
CAPITAL IMPROVEMENT BUDGET SUMMARY
FY 2005-2006

Project Title/Description	Source of Funds						Total
	Federal Funds	Permanent Building Fund	Other State Funds	Univ. Fac Reserve	Bond R & R	Other	
1 MAJOR NEW FACILITIES							
Education, Preservation and Performance Facility, Lionel Hampton	3,620,000	-	-	-	-	300,000	3,920,000
Center Initiative (\$2,920,000 authorized in FY 03)							
Science and New Technologies Laboratory - Planning Phase	892,800	-	-	-	-	-	892,800
Regional Transit Facility & Alternative Energy Vehicle	485,000	-	-	-	-	-	
Laboratory - Planning Phase							485,000
6 Major New Facilities Total	4,997,800	-	-	-	-	300,000	5,297,800
9 OTHER NEW FACILITIES							
10 Other New Facilities Total	-	-	-	-	-	-	-
14 MAJOR RENOVATION/REMODELING							
Brink Phinney Roof & Gutter Replacement, DPW 06-250	-	575,000	-	-	-	-	575,000
Teaching and Learning Center Tenant Improvements	-	-	288,000	-	-	225,000	513,000
18 Major Renovations/Remodeling Total	-	575,000	288,000	-	-	225,000	1,088,000
21 OTHER RENOVATION/REMODELING							
Projects less than \$250,000 (see Detail tab for listing)	-	439,300	-	-	-	270,000	709,300
24 Other Renovation/Remodeling Total	-	439,300	-	-	-	270,000	709,300
27 MAJOR BLDG. SYSTEMS REPAIR & REPLACEMENT							
Renfrew Hall HVAC Controls & Upgrades, Phase 2, DPW 06-255		700,000					700,000
30 Major Bldg. Systems Repair and Replacement Total	-	700,000	-	-	-	-	700,000
33 OTHER BLDG. SYSTEMS REPAIR & REPLACEMENT							
Projects less than \$250,000 (see Detail tab for listing)	-	237,500	100,000	-	-	95,010	432,510
36 Other Bldg. Systems Repair and Replacement Total	-	237,500	100,000	-	-	95,010	432,510
39 EXTERIOR CAMPUS AND SITE DEVELOPMENT							
Projects less than \$250,000 (see Detail tab for listing)	-	-	12,815	-	-	70,000	82,815
42 Exterior Campus and Site Development Total	-	-	12,815	-	-	70,000	82,815

UNIVERSITY of IDAHO
CAPITAL IMPROVEMENT BUDGET SUMMARY
FY 2005-2006

Project Title/Description	Source of Funds						Total
	Federal Funds	Permanent Building Fund	Other State Funds	Univ. Fac Reserve	Bond R & R	Other	
<u>SAFETY, SECURITY, ADA</u>							
Projects less than \$250,000 (see Detail tab for listing)	-	233,800	50,000	-	-	90,000	373,800
Safety, Security, ADA Total	-	233,800	50,000	-	-	90,000	373,800
<u>CAMPUS UTILITY SYS. REPAIR, REPLACEMENT</u>							
Projects less than \$250,000 (see Detail tab for listing)	-	-	-	-	-	150,000	150,000
Campus Utility Systems Repair and Replacement Total	-	-	-	-	-	150,000	150,000
<u>FEASIBILITY AND/OR PLANNING STUDIES & EVALS</u>							
Feasibility and/or Planning Studies and Evals Total	-	-	-	-	-	-	-
<u>TECHNICAL INFRASTRUCTURE</u>							
Technological Infrastructure Total	-	-	-	-	-	-	-
<u>OTHER</u>							
Other Total	-	-	-	-	-	-	-
GRAND TOTAL	\$ 4,997,800	\$ 2,185,600	\$ 450,815	\$ -	\$ -	\$ 1,200,010	\$ 8,834,225

REFERENCE - APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES

SECTION: V. FINANCIAL AFFAIRS

Subsection B: Budget Policies

April, 2002

Budget Policies

3. Operating Budgets (Appropriated)

b. Approval of Operating Budgets

- (2) During the spring of each year, the chief executive officer of each institution, school or agency prepares an operating budget for the next fiscal year based upon guidelines adopted by the Board. Each budget is then submitted to the Board in a summary format prescribed by the executive director for review and formal approval before the beginning of the fiscal year.

THIS PAGE INTENTIONALLY LEFT BLANK

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION / AGENCY AGENDA

SUBJECT

Discussion of FY 2007 Budget Request Process.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures Policy, Section V.B.1.

BACKGROUND

Board-approved budget requests for FY07 must be submitted to the executive and legislative branches [Division of Financial Management (DFM) and Legislative Services Office (LSO)] on September 1, 2005. To meet this deadline, the Board has established a process for developing agency and institutional requests, that are then finalized at the August meeting. Requests are developed in two parts as directed by DFM's Budget Development Manual: maintenance of current operations (MCO) items and enhancements. The MCO requests are calculated using state guidelines and Board policy. Enhancement requests may be defined by the Board, representing the unique needs of the institutions and agencies. The Board's budget request guidelines have historically focused upon the development of the enhancement requests, the capital budget requests, special one-time requests (if any), and the timeframe for presenting and approving the requests.

Traditionally, an MCO request includes funding for health insurance cost increases, inflationary increases (including utilities), central state agency cost increases (Treasurer, Controller, etc.), cost of occupying new facilities, enrollment workload, external non-standard adjustments such as medical education contract adjustments, and changes in employee compensation ("CEC" - salary increases).

The redefinition will not change the amounts requested; how this change affects the ultimate Executive budget recommendation or legislative action is unknown.

DISCUSSION

For FY07, some important rules relating to budget development have changed and will affect the processes used by Board agencies and institutions.

DFM and LSO have redefined "Maintenance of Current Operations" to exclude new occupancy costs and enrollment workload increases for institutions and others. Beginning with the FY07 budget development cycle these two items will be classified as "line items" (new term, formerly "enhancement") and must be requested outside of traditional MCO. For Professional Technical Education specifically, three items that previously have been allowed in the non-standard adjustment area of MCO are now "line items": capacity-building workload adjustment, secondary (high school) workload adjustment, and professional-technical high schools.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION / AGENCY AGENDA - continued

Additionally, all “line items” for each agency or institution must now be ranked in priority order. While this ranking process was required previously for all “enhancements”, now institutions must rank their enrollment increase request against new occupancy costs, and against enrollment IOU requests, and against any other new requests the Board might allow.

For FY05 the Board did not allow institutions or agencies to request enhancements except as specifically identified by the Board. In FY06, the Board allowed the institutions to request unfunded enrollment workload and funding equity. Neither was funded. For the agencies, a single enhancement for one of the agencies was requested, but was not funded.

The state revenue outlook for FY07 will be tempered by the need for the Governor and the Legislature to craft a spending plan that coincides with the 1% additional sales tax ending at the close of FY05. Accordingly, the likelihood of enhancement funding being provided for FY07 would appear to be limited.

The capital budget request is a separate process with funding provided by the Permanent Building Fund. Institutions and agencies seek funding for major maintenance projects and major capital projects through that process.

IMPACT

Because these revised budget definition changes have been known for less than two weeks, staff and the financial staff at agencies and, particularly institutions, have not been able to fully understand the ramifications. The Board must still provide guidelines at the June meeting for the development of budget requests, which will be officially approved at the August meeting. Before the August meeting, the Finance Committee and Board staff will work closely with the financial staff at agencies and institutions, and DFM and LSO, and be in a position to more fully discuss the matter in August. This includes the issue of prioritizing the “line item” decision units.

Approval by the Board of budget request decision units allows the institutions and agencies to seek funding from the Chief Executive and the Legislature.

STAFF COMMENTS AND RECOMMENDATIONS

Higher Education: The budgetary needs of the institutions have been discussed by the Presidents and Finance Committee over the past year. Both groups agree that priorities for FY07 are a full MCO budget that includes normal inflationary increases, employee compensation, and all non-standard increases including occupancy costs and enrollment increases (however redefined by the legislative and Executive budget offices). New occupancy costs and prior year unfunded

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION / AGENCY AGENDA - continued

enrollment workload increases are vital to the continuing operation of the institutions. Enhancement requests, while important to accommodating institutional growth, are secondary to a fully-funded MCO, and will not be requested.

Agencies: Agency Heads have identified as their priority a full MCO budget including funding of inflationary increases, CEC, and workload adjustments where needed. Professional Technical Education, as noted above, needs to be able to request certain non-standard adjustments even though those categories have been redefined. While agencies realize enhancements above MCO are unlikely for FY07, they have identified nine enhancement needs prioritized one through nine (see page 7).

With the prospects for additional state revenues for FY07 uncertain, the Board's budget development process for agencies and institutions should focus, at a minimum, on acquiring funds to fully maintain current operations. If enhancement (now "line items") are to be allowed, the institutions and agencies need that direction. Based on Board direction, budgets will be developed and brought to the Board for approval in August. Following Board approval, the budgets will be submitted to the Division of Financial Management and Legislative Services Office in September.

BOARD ACTION

Option A:

A motion to direct the agencies and institutions of the State Board of Education to prepare MCO budget requests for FY 2007 according to the guidelines established in Budget Development Manual. For the college and universities, new occupancy costs and enrollment workload increases (including unfunded enrollment workload items), are also to be requested as "line items". For Professional Technical Education, secondary workload adjustments, professional technical schools, and capacity-building workload adjustments are to be requested as "line items". There are to be no other enhancements requested for the college and universities or agencies.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

OR

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION / AGENCY AGENDA - continued

Option B:

A motion to direct the agencies and institutions of the State Board of Education to prepare MCO budget requests for FY 2007 according to the guidelines established in Budget Development Manual, plus the items identified. For the college and universities, new occupancy costs and enrollment workload increases (including unfunded enrollment workload items), are also to be requested as "line items". For Professional Technical Education, secondary workload adjustments, professional technical schools, and capacity-building workload adjustments are to be requested as "line items".

Agency "line items" (formerly enhancements) will be limited to the following from the list on Page 7: [to be inserted].

Moved by _____ Seconded by _____ Carried Yes _____ No _____

PROPOSED AGENCY BUDGET ENHANCEMENTS

IN PRIORITY ORDER

FISCAL YEAR 2007

- 1st - Division of Vocational
Rehabilitation – Additional
Staffing..... Page 7

- 2nd - Professional Technical Education
– Postsecondary Instructional
Equipment..... Page 9

- 3rd - Idaho State School for the Deaf
and the Blind – Salary
Enhancement for Educational
Staff Page11

- 4th - Professional Technical
Education, Career Information
System – Increase to Cover the
Increasing Cost of Operation Page 13

- 5th - Idaho Public Television – Idaho
Legends Series..... Page 15

- 6th - Idaho Historical Society –
Centennial Preservation..... Page 17

- 7th - Idaho State Library – Web-based
LiLI Unlimited Page 19

- 8th - Idaho Public Television – Daily
Production of Idaho Reports
During Session Page 21

- 9th - Division of Professional Technical
Education – Secondary Cost
Reimbursement Formula Page 23

THIS PAGE INTENTIONALLY LEFT BLANK

**BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005**

INSTITUTION/AGENCY: IDAHO DIVISION OF VOCATIONAL REHABILITATION

A. DECISION UNIT NAME: WORKLOAD ADJUSTMENT - Agency Priority # 1

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

<u>Account Number</u>	<u>FTP</u>	<u>Personnel Costs</u>	<u>Operating Expenditures</u>	<u>Capital Outlay</u>	<u>T/B Payments</u>	<u>Total</u>
General	4.00	\$40,000			(\$40,000)	\$0
Federal		\$147,200			(\$147,200)	\$0
General	3.00	\$26,600			\$200,000	\$226,600
Federal		\$97,800				\$97,800

DESCRIPTION:

A total increase of seven FTPs is requested in order to cope with the changing population demands of the state. Additional funding is required for two full time counselors and one full time support staff. Each counselor requires about \$100,000 case service dollars for the rehabilitation costs of clients on a standard case load of about 125 to 175 cases in service per year. Funding for the other four positions will require a shift from Trustee & Benefit funds to Personnel. No additional funding is necessary for these four positions due to a proposed change in the structure of the present service delivery model. Presently we purchase job site development and placement services from a variety of private for profit and private not for profit vendors billable on an hourly basis. Our request is to reduce the expenditure to these vendors by the amount it would cost for salary, benefits and operating costs to employ three professional job site developers who will work the business community to develop new job opportunities for agency clientele. This requires a \$187,200 shift from Trustee and Benefit to Personnel Costs, of which \$40,000 is General Funds and \$147,200 is Federal Funds.

C. Goals & Objectives:

GOAL II: Pursue relevant program expansion to meet customer needs.

OBJECTIVE 1 : Adequately meet the needs of the increasing number of School-Work Transition students identified throughout the state.

GOAL III: Establish VR as the Primary Source on the employment of people with disabilities.

OBJECTIVE 2 : Identify the number of individuals with disabilities statewide and assess their needs. Consider this information in the development of programs and services offered.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

GOAL III : Establish VR as the Primary Source on Information relating to Vocational Rehabilitation and the employment of people with disabilities.

OBJECTIVE 3: Cultivate and maintain close collaborative relationships with our

D. Performance Indicators:

Expect an increase of 50 or 2.75% successful annual rehabilitations.

E. Describe citizen groups affected, benefits derived, and portion of need addressed.

Growth in population and workload has demanded 15 additional counselors over the last five years. The agency has only added four new counselors in that time. The agency as a whole is serving 3,000 more individuals, processing 1,600 more determinations of eligibility and writing 1,900 more plans on an annual basis. Without the additional staff, the continued population growth will prevent effective case load management and delivery of service to clients already well established in the rehabilitation process and future clients as well.

Furthermore, we can improve our effectiveness with this critically needed personnel for added focus in the areas of services from the mid point of the rehabilitation process through closure where we lose far too many clients through lack of human resources in the way of counselor time. As a result, our effectiveness in the vocational rehabilitation of the disabled citizens of Idaho improves.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005**

INSTITUTION/AGENCY: ID DIVISION OF PROFESSIONAL-TECHNICAL ED

A. DECISION UNIT NAME: POSTSECONDARY INSTRUCTIONAL EQUIPMENT

Agency Priority # 2

B. DECISION UNIT DESCRIPTION:

Budget Summary:

<u>Account</u> <u>Number</u>	<u>FTP</u>	<u>Personnel</u> <u>Costs</u>	<u>Operating</u> <u>Expenditures</u>	<u>Capital</u> <u>Outlay</u>	<u>T/B</u> <u>Payments</u>	<u>Total</u>
General	0.00			\$1,088,300		\$1,088,300

Description:

This request addresses ongoing requirements to provide updated equipment and technology to insure that instruction and training is current with business and industry standards. Many of the teaching laboratories in the technical college system are quickly becoming outdated. As industries and technologies evolve, technical colleges must keep their instructional equipment current in order to provide quality industry relevant training necessary for a global marketplace. The percentage of budget dedicated to instructional equipment has steadily decreased from FY97 levels of 6.3% to a low of 2.2% in FY03, and currently 3.09% in FY05. This request returns us to the FY97 level of 6.3%. This request is submitted in an effort to sustain the level of training that is needed by graduates as they compete for jobs following graduation. Funds will be distributed based on the institution's relative instructional base, as follows:

<u>Institution</u>	<u>Amount</u>
BSU	221,219
CSI	164,202
EITC	144,227
ISU	314,177
LCSC	121,005
NIC	123,470

C. Goals & Objectives:

GOAL III: Ensure that Professional-Technical Education is relevant to Idaho's continued economic, rural, and community development.

Objective 4: Develop Professional-Technical Education programs using industry standards, licensure and certification requirements, and employer expectations.

Objective 5: Ensure Professional-Technical Education programs have access to the equipment and technology that meet industry standards.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

D. Performance Indicators:

- The percentage of vocational-technical program participants who demonstrate mastery of the knowledge, skills and competencies required at the A.A.S. Degree and certificate levels within a period equal to 1.5 times the normal program length will increase by at least 1% each year.
- The percentage of program completers who achieve a positive placement/transition in

E. Describe citizen groups affected, benefits derived, and portion of need addressed.

The ultimate benefactors from this request for instructional equipment funding are technical college students and the employers who hire them. Modern equipment is needed in order for training programs to deliver instruction and teach the relevant technical skills that are needed in industry. High-tech equipment is expensive, but students need to learn how to use the modern machines and equipment that are the tools of their trade. A program that teaches students to use state-of-the-art equipment will turn out graduates who are well prepared to function in the high tech world. Technical college programs are seriously in need of modern equipment in their programs to remain relevant to the industries for which they are training students. We live in a highly competitive world, and our program graduates must be given a competitive edge as they enter the workplace and begin their careers.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION/AGENCY: IDAHO SCHOOL FOR THE DEAF AND THE BLIND

A. DECISION UNIT NAME: SALARY COMPETIVENESS – Agency Priority # 3

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

<u>Account</u>	<u>FTE</u>	<u>Personnel Costs</u>	<u>Operating Expenditures</u>	<u>Capital Outlay</u>	<u>T/B Payments</u>	<u>Total</u>
General		\$230,000				\$230,000

DESCRIPTION:

The educational staff employed at the ISDB has not received salary increases that have been common within the public school sector due to the freeze of state employee salaries in recent fiscal years. The inability of the ISDB to provide competitive salaries inhibits our ability to attract and retain the unique and highly qualified special education staff members required to fulfill the agency's mission.

Most of public schools in the magic valley area are on the same salary scale. The salary scale used is generally driven off the state of Idaho experience and education reimbursement matrix. Any of our staff could go to work for a magic valley school district, or almost any other Idaho school district, and receive a significant pay increase as a special education instructor.

The ISDB is requesting increased sustained funding to address this shortfall. Based upon the state of Idaho experience and education reimbursement matrix (salary scale), the ISDB will then be able to offer our educational staff a salary level equal with many Idaho public school districts.

It is critical for ISDB to have a competitive salary scale since we compete for qualified staff not only within Idaho, but also in a national market for qualified teachers of the deaf and the blind. This is a highly mobile market where educational staff members often relocate state to state to satisfy the demands of a specialized and unique student population.

Based upon the state of Idaho experience and education reimbursement matrix, bringing the ISDB current educational staff up to policy will require ongoing funding of \$310,000 (estimated). Annual sustainment at this level is calculated to require approximately \$27,500.

If this request is not approved, the ISDB will continue to slip into an extremely poor competitive situation for recruiting and retaining the highly qualified educational staff needed to fulfill its mission of providing support to all Idaho LEA's and the population of sensory impaired students.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

This issue received the agency heads council's number three priority to receive SBOE consideration for the next budget submission.

C. Goals & Objectives Addressed/Performance Indicators:

GOALS:

D. Performance Indicators

E. Describe citizen groups affected, benefits derived, and portion of need addressed:

It is critical for ISDB to have a competitive salary scale since we compete for qualified staff not only within Idaho, but also in a national market for qualified teachers of the deaf and the blind. This is a highly mobile market where educational staff members often relocate state to state to satisfy the demands of a specialized and unique student population.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005**

INSTITUTION/AGENCY: IDAHO DIVISION OF PROFESSIONAL-TECHNICAL ED

PROGRAM : IDAHO CAREER INFORMATION SYSTEM

**A. DECISION UNIT NAME: IDAHO CAREER INFORMATION SYSTEM (CIS)
MAINTENANCE OF CURRENT OPERATIONS – Agency Priority # 4**

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

<u>Account Number</u>	<u>FTE</u>	<u>Personnel Costs</u>	<u>Operating Expenditures</u>	<u>Capital Outlay</u>	<u>T/B Payments</u>	<u>Total</u>
General	1	\$ 53,400	\$ 17,300			\$ 70,700

DESCRIPTION:

The federal grant for program delivery has been stagnant for a number of years, and revenues from school/agency subscriptions have not kept up with the increased costs of service delivery. This request will allow the organization to reallocate funding from fixed revenue sources to state general funds and thus allow for continuation of service delivery to system users.

CIS is currently funded from a combination of state general funds, federal funds and school/agency subscriptions. Both personnel and operating costs are allocated to the three fund sources. Neither the federal funds nor school/agency subscription fund sources have increased at the level of enhanced costs of providing CIS services. In addition, prior to FY '06 CIS was not able to participate in annual cost of living increases from any source of funding. This decision unit will provide state general funds to allow some costs previously borne by the federal fund and school/agency subscriptions to be moved to the state general fund. Doing so will reallocate funding for one existing FTE out of the state appropriations and provide health insurance funds for one position not currently funded. The remainder of the request will help with ongoing operating expenses that in the past have not received regular CEC increases.

Additional funding will provide the necessary support to continue developing information about occupations, educational opportunities, scholarships and on-line career assessment and delivering it to students, adults and their families via the Internet. Currently, this unique information is being delivered to approximately 115,000 people in Idaho each year through schools and agencies. CIS is the only comprehensive source of education and work related information about Idaho and the nation and is the primary resource used by Idaho students and clients to explore career opportunities, make realistic decisions, formulate related educational plans and find work.

C. GOALS & OBJECTIVES:

Goal I: Provide leadership and technical assistance that will continuously improve the quality of Idaho's professional-technical education system.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

Objective 6: Provide workforce development systems with information and resources needed to make informed decisions about education and training.

Goal II: Provide ages and abilities information and services to develop skills, knowledge, and social awareness to become globally competitive workers, responsible citizens, and life-long learners.

Objective 5: Inform Idahoans about professional-technical education, occupations, educational programs, schools, and scholarships.

D. PERFORMANCE INDICATORS:

All information, assessments, portfolios and curricula are updated continuously and delivered through approximately 330 locations throughout Idaho that will serve at least 100,000 people annually.

To ensure effective use, training and technical assistance will be offered for counselors, teachers and administrators every year.

- Seven regional fall counselor workshops will be conducted.
- Approximately 100 On-site faculty and staff workshops
- Technical assistance and instructional help is provided on-line and through a 1-800 telephone number.

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

Support is critical to ensure this resource remains available to all Idaho citizens at a reasonable cost. It is a tool used by almost all school districts in the State, all Department of Labor Job Service offices, all Division of Vocational Rehabilitation offices, all correctional facilities, Workforce Development service providers, and in more than 20 locations on college and university campuses.

CIS information benefits students, agency clients and their families in several ways. First, it allows parents and family members to get and use the same information at home as students are now getting as part of their classroom instruction at school. It allows parents to be much better prepared to assist their children because they can now get specific facts about education and work. Secondly, teachers and counselors use CIS information in school classes. There are over 100 instructional activities available on-line, that are linked to the Idaho Achievement Standards. Teachers can select and use these activities in class and because CIS is available at home, extend the instructional process beyond regular school hours. Internet access to CIS information allows students to continue exploring career options and educational opportunities at home and in libraries, and thereby extend classroom instruction.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005**

INSTITUTION/AGENCY: IDAHO PUBLIC TELEVISION

A. DECISION UNIT NAME: IDAHO LEGENDS – Agency Priority # 5

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

<u>Account Number</u>	<u>FTE</u>	<u>Personnel Costs</u>	<u>Operating Expenditures</u>	<u>Capital Outlay</u>	<u>T/B Payments</u>	<u>Total</u>
General	1	\$62,688	\$17,000			\$79,688

DESCRIPTION:

Idaho Public Television proposes to launch a new companion series of historical documentaries similar to the national PBS series, THE AMERICAN EXPERIENCE, that would examine our state's rich legacy of historical events. This on-going television series would also have an extensive website component and be aligned with Idaho school curriculum.

This new limited series will complement the proposed series entitled IDAHO LEGENDS, which examines the stories and the impact of significant Idahoans on our state, the nation and the world. This is a collaborative effort between IdahoPTV, the Idaho Historical Society, the Church Archives at Boise State University and the Smiley Archives at Albertson College of Idaho.

If the state funds these base expenses as described above, Idaho Public Television would seek additional outside funding for personnel and operating costs of the series, such as videotape, travel, music, archival footage, etc.

These one-hour programs, produced two per year, will bring to light important episodes in Idaho's history by focusing on characters and stories that have shaped our state.

C. GOALS & OBJECTIVES ADDRESSED/PERFORMANCE INDICATORS:

SBOE Goals:

1. QUALITY: Direct efforts at continuous improvement in competitiveness, high achievement, and well informed citizenry

Strategies & Measures

1. Provide high quality television and web programming, as measured by the number of national awards received by IdahoPTV productions. And programs procured by IdahoPTV for broadcast in Idaho

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

2. ACCESS: Provide all ages and abilities information and services to develop skills, knowledge, and social awareness to become globally competitive workers, responsible citizens, and life-long learners.

Strategies & Measures

2. Foster and nurture collaborative partnerships.

4. Broadcast programs, and provide related resources, that specifically serve the needs of underserved audiences, which include children, ethnic minorities, and learners and teachers:

- Children (as measured by channel hours of programming designed specifically for children).
- Ethnic minorities (as measured by channel hours of programming that addresses diversity, citizenship issues, English as a second language, or includes a Spanish-language audio channel).
- Learners and teachers (as measured by channel hours of programs appropriate for use in K-20 classroom, telecourses, teacher professional development resources, adult basic education resources, and technological literacy).

3. RELEVANT: Ensure information and research available meets the needs of workforce, business & industry, and government at all levels.

Strategies & Measures

7. Contribute to a well-informed citizenry, as measured by the number of channel-hours of public affairs programming.

8. Provide relevant Idaho-specific information, as measured by:

- Number of channel-hours of Idaho-specific programming.
- Number of IdahoPTV Idaho-specific productions produced during the year.

9. Be a relevant educational and informational resource to all citizens, as measured by Nielsen Station Audience reports on:

- Children, less than 12 years old, viewing IdahoPTV.
- Adults, of 50+ years, viewing IdahoPTV.
- Total audience viewing IdahoPTV.

D. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

Citizens, learners and students statewide.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION/AGENCY: IDAHO STATE HISTORICAL SOCIETY

PROGRAM: CENTENNIAL PRESERVATION PROJECT

A. DECISION UNIT NAME: CENTENNIAL PRESERVATION – Agency Priority # 6

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

<u>Account Number</u>	<u>FTE</u>	<u>Personnel Costs</u>	<u>Operating Expenditures</u>	<u>Capital Outlay</u>	<u>T/B Payments</u>	<u>Total</u>
General		\$ 135,000	\$ 115,000			\$250,000

DESCRIPTION:

In conjunction with the celebration that will take place during the centennial year of the agency's creation, the ISHS is proposing that a three-year Centennial Preservation Project be funded to support a series of special programs that will deal with a growing backlog of preservation needs that exist throughout the various divisions of the agency.

C. GOALS & OBJECTIVES ADDRESSED/PERFORMANCE INDICATORS:

SBOE Goals: Goal II, No. 2, 3, and 7 and Goal III, No. 2 and 3.

Strategies & Measures

FY07

- Implement the first year of a three-year statewide cemetery preservation program that would locate all graves and identify specific locations using Global Positioning System technology; provide computerized equipment and training to allow input of records at all public and private cemeteries in Idaho; and duplicate all such records at a centralized location using digital technology for protection and availability in historic and genealogical research;
- Employ one temporary professional conservator and purchase appropriate curatorial supplies to preserve a portion of the backlog of unprocessed textiles (clothing, fabrics, materials) at the Idaho Historical Museum;
- Employ one temporary professional archivist and purchase appropriate archival supplies to process a portion of the backlog of historic records and papers into permanent storage at the Idaho State Archives;
- Employ one temporary professional conservator and purchase appropriate curatorial supplies to preserve a portion of the backlog of archaeological artifacts held by the Idaho Archaeological Survey;
- Employ a part-time (.5 FTE) temporary interpretive specialist to create interpretive information at the Old Penitentiary Historic District and purchase material to begin installation of interpretive signage.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

- Employ a part-time (.25 FTE) temporary office assistant to index and digitize a portion of the unprocessed Japanese-American oral histories held at the Idaho Historical Library;
- Assess the existing museum exhibits at the Idaho Historical Museum, the newly acquired holdings at the Relic Hall in Franklin, and the Pierce Courthouse to identify restoration needs.

D. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

Implementation of this project will affect a wide cross-section of constituents served by the Idaho State Historical Society including, but not limited to, genealogists, researchers, archaeologists, teachers, students, other governmental agencies (state, city, and county), and the general public.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION/AGENCY: IDAHO STATE LIBRARY

A. DECISION UNIT NAME: LiLI UNLIMITED (LiLI-U) – Agency Priority # 7

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

<u>Account Number</u>	<u>FTE</u>	<u>Personnel Costs</u>	<u>Operating Expenditures</u>	<u>Capital Outlay</u>	<u>T/B Payments</u>	<u>Total</u>
General			\$333,700			\$333,700

DESCRIPTION:

LiLI-Unlimited began in FY2005 as a pilot project using federal LSTA and participant library funding. As we move to statewide implementation, any Idaho citizen can access the web-based LiLI-U catalog to identify and locate materials in Idaho libraries. In addition, participating Idaho libraries benefit from (1) unlimited access to any of the vendor's online cataloging tools for adding new holdings to local library catalogs; (2) addition of bibliographic records of Idaho libraries to the WorldCat database of 20,000+ libraries' holdings; and (3) unlimited interlibrary loan (ILL) requests using the vendor's online ILL service.

LiLI-U consists of cataloging services and resource sharing services. Participating libraries will pay a flat fee for their cataloging costs based on size of library. We are requesting state funds for the resource sharing costs beginning in FY2007 when LiLI-U is implemented statewide. As with the LiLI databases, LiLI-U will provide Idahoans with access to resources that most Idaho libraries cannot afford to purchase on their own.

C. GOALS & OBJECTIVES ADDRESSED/PERFORMANCE INDICATORS:

SBOE Goals:

- I. **Direct efforts to continuously improve the quality of Idaho's** education, training, rehabilitation and **information/research** services to gain program competitiveness, high levels of achievement, and a well-informed citizenry.
- II. **Provide individuals of all ages and abilities access to** education, training, rehabilitation and **information/research services to develop their skills, knowledge and social awareness in order to be globally competitive workers, responsible citizens, and lifelong learners.**

State Library Visionary Design Statement 2:

Idaho State Library is a central resource that provides statewide leadership and services to maximize the common efforts of Idaho libraries.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

Strategies:

1. The State Library works in collaboration with other information providers to promote and deliver library services.
2. State Library services extend throughout the state to libraries and other community organizations.

Measure:

Idaho libraries of all types share their resources (measured by items loaned and borrowed by Idaho libraries through LiLI-U).

D. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

When implementation is completed, Idaho library users will be able to identify and locate materials in all of the state's libraries – public, school, academic, and special – through the LiLI-U web-based catalog. If the materials needed are not available in an Idaho library, the user can, with one click, search the WorldCat database with more than 980,000,000 holdings of libraries worldwide. With LiLI-U's interlibrary loan (ILL) service, the user can generate and transmit a request to borrow the material electronically and reduce delivery time of the material by 4 to 7 days.

Most of Idaho's libraries are publicly funded, and strive to spend their tax dollars as effectively as possible. LiLI-U offers unlimited access to consistent and high quality cataloging services for an affordable flat rate based on the library's size.

Since Idaho library users benefit from the sharing of publicly-funded library materials, state funds are requested for the resource sharing costs (the Idaho catalog and unlimited electronic ILL requests).

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

INSTITUTION/AGENCY: IDAHO PUBLIC TELEVISION

A. DECISION UNIT NAME: IDAHO REPORTS/FOCUSWEST – Agency Priority # 8

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

<u>Account Number</u>	<u>FTE</u>	<u>Personnel Costs</u>	<u>Operating Expenditures</u>	<u>Capital Outlay</u>	<u>T/B Payments</u>	<u>Total</u>
General	3	\$160,291		\$150,000		\$310,291

DESCRIPTION:

Additional staffing and equipment to produce IDAHO REPORTS on a daily (Monday through Friday) basis and to address significant public policy issues through FocusWest regional collaboration on a quarterly basis. Currently IDAHO REPORTS is produced weekly.

The weekly IDAHO REPORTS currently receives outside funding on a year-to-year basis. FocusWest regional collaboration has received two Ford Foundation grants. If the state were willing to cover these base expenses, Idaho Public Television would seek additional outside funding for the operating costs of these projects, such as videotape, travel, music, archival footage, etc.

C. GOALS & OBJECTIVES ADDRESSED/PERFORMANCE INDICATORS:

SBOE Goals:

1. QUALITY: Direct efforts at continuous improvement in competitiveness, high achievement, and well informed citizenry

Strategies & Measures

1. Provide high quality television and web programming, as measured by the number of national awards received by IdahoPTV productions. And programs procured by IdahoPTV for broadcast in Idaho

2. ACCESS: Provide all ages and abilities information and services to develop skills, knowledge, and social awareness to become globally competitive workers, responsible citizens, and life-long learners.

Strategies & Measures

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

4. Broadcast programs, and provide related resources, that specifically serve the needs of underserved audiences, which include children, ethnic minorities, and learners and teachers:

- Children (as measured by channel hours of programming designed specifically for children).
- Ethnic minorities (as measured by channel hours of programming that addresses diversity, citizenship issues, English as a second language, or includes a Spanish-language audio channel).
- Learners and teachers (as measured by channel hours of programs appropriate for use in K-20 classroom, telecourses, teacher professional development resources, adult basic education resources, and technological literacy).

3. RELEVANT: Ensure information and research available meets the needs of workforce, business & industry, and government at all levels.

Strategies & Measures

7. Contribute to a well-informed citizenry, as measured by the number of channel-hours of public affairs programming.

8. Provide relevant Idaho-specific information, as measured by:

- Number of channel-hours of Idaho-specific programming.
- Number of IdahoPTV Idaho-specific productions produced during the year.

9. Be a relevant educational and informational resource to all citizens, as measured by Nielsen Station Audience reports on:

- Children, less than 12 years old, viewing IdahoPTV.
- Adults, of 50+ years, viewing IdahoPTV.
- Total audience viewing IdahoPTV.

D. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

Citizens, learners and students statewide.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005**

INSTITUTION/AGENCY: ID DIVISION OF PROFESSIONAL-TECHNICAL ED

**A. DECISION UNIT NAME: SECONDARY ADDED COST FORMULA - Agency
Priority #9**

B. Decision Unit Description:

Budget Summary:

<u>Account</u> <u>Number</u>	<u>FTP</u>	<u>Personnel</u> <u>Costs</u>	<u>Operating</u> <u>Expenditures</u>	<u>Capital</u> <u>Outlay</u>	<u>T/B</u> <u>Payments</u>	<u>Total</u>
General	0.00				\$992,800	\$992,800

Description:

Professional-Technical Education requests additional funding to implement the recommendations made by an independent study of the PTE secondary added cost formula. The secondary added cost formula provides for those expenditures above and beyond the costs associated with regular academic instruction. The formula is designed to help pay for the increased added costs of instruction including extended contracts, travel expenses, purchased services, specialized materials and supplies, new equipment and equipment replacement needs, one-time start up costs, innovative program costs, and added costs of web-based instruction. The independent study revealed that the formula fell short of meeting the ever increasing added costs of instruction, extended contracts, travel expenses, purchased services, specialized materials and supplies, and equipment. The study recommended that the formula be adjusted to meet the current needs of programs including equipment upgrading and replacement, one-time start up costs, innovative program costs, web-based instruction, student leadership development, and career-technical guidance.

C. Goals & Objectives:

State Board GOAL II: Access

Objective 1: Expand high demand training programs.

Objective 9: Expand opportunities that help targeted individuals participate in professional-technical education programs and services.

D. Performance Indicators:

The percentage of the added costs associated with professional-technical education programs reimbursed to school districts will increase. Professional-technical education curriculum will be aligned with industry standards and Idaho's core exiting standards.

E. Describe citizen groups affected, benefits derived, and portion of need addressed

This secondary added cost formula will allow implementation of the new programs and cover the costs of expanded programs. This will help school districts pay for the added costs associated with professional-technical education programs and services.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 16-17, 2005

REFERENCE - APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: V. FINANCIAL AFFAIRS
B. Budget Policies

April, 2002

1. Budget Requests

For purposes of Item 1., the community colleges (CSI and NIC), the State Historical Society, and the State Library are included.

a. Submission of Budget Requests

The Board is responsible for submission of budget request for the institutions, school and agencies under its governance to the executive and legislative branches of government. Only those budget requests which have been formally approved by the Board will be submitted by the office to the executive and legislative branches.

b. Direction by the Office of the State Board of Education

The preparation of all annual budget requests is to be directed by the Office of the State Board of Education which designates forms to be used in the process. The procedures for the preparation and submission of budget requests apply to operational and capital improvements budgets.

c. Preparation and Submission of Annual Budget Requests

Annual budget requests to be submitted to the Board by the institutions, school and agencies under Board governance are due in the Office of the State Board of Education on the date established by the executive director.

d. Presentation to the Board

Annual budget requests are formally presented to the designated committee by the chief executive officer of each institution, school or agency or his or her designee. The designated committee will review the requests and provide recommendations to the Board for their action.