

1. Agenda Approval

Does the Board have any changes or additions to the agenda?

2. Minutes Approval

**BOARD ACTION**

**To approve the minutes from April 20-22, and May 13, 2005 as submitted.**

3. Rolling Calendar

**BOARD ACTION**

June 2006 Regularly Scheduled Board Meeting

**To approve June 15-16, 2006 as the dates and University of Idaho as the location for the June 2006 regularly scheduled Board meeting.**

September 2005 Special Board Meeting – Strategic Plans

**To approve Thursday, September 22 and Friday, September 23 as the dates and Boise State University as the location for the September 2005 special Board meeting to discuss strategic plans.**

October 2005 Regularly Scheduled Board Meeting – Date Change

**To leave the date of the October 2005 regularly scheduled Board meeting as October 12-13, 2005 at Lewis-Clark State College.**

**OR**

**To change the date of the October 2005 regularly scheduled Board meeting to Monday, October 17 and Tuesday, October 18, 2005 at Lewis-Clark State College.**

**OR**

**To change the date of the October 2005 regularly scheduled Board meeting to Monday, October 24 and Tuesday, October 25, 2005 at Lewis-Clark State College.**

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**REFERENCE: DRAFT MINUTES, APRIL 21-22, 2005 BOARD MEETING**



**STATE BOARD OF EDUCATION  
TRUSTEES OF BOISE STATE UNIVERSITY  
TRUSTEES OF IDAHO STATE UNIVERSITY  
TRUSTEES OF LEWIS-CLARK STATE COLLEGE  
BOARD OF REGENTS OF THE UNIVERSITY OF IDAHO  
STATE BOARD FOR PROFESSIONAL-TECHNICAL EDUCATION  
TRUSTEES FOR THE IDAHO SCHOOL FOR THE DEAF AND THE BLIND**

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**DRAFT MINUTES  
STATE BOARD OF EDUCATION MEETING  
April 20-22, 2005  
Alexander Creek Building  
Eastern Idaho Technical College  
Idaho Falls, Idaho**

The regular meeting of the State Board of Education was held April 20-22, 2005 in the Alexander Creek Building at Eastern Idaho Technical College in Idaho Falls. President Rod Lewis presided.

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

**EXECUTIVE SESSION – April 20, 2005**

**M/S (Agidius/Hall): To move into executive session pursuant to Idaho Code Section 67-2345(1) at 6:00 p.m. in conference room 581 of the Alexander Creek Building at Eastern Idaho Technical College in Idaho Falls, Idaho. Motion carried unanimously 7-0 (Howard absent).**

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

**M/S (Hall/Agidius): To go out of Executive Session at 9:45 p.m. Motion carried unanimously 7-0 (Howard absent).**

The regular meeting of the Board convened at 8:00 a.m. on April 21, 2005 in the Alexander Creek Building at Eastern Idaho Technical College, in Idaho Falls, Idaho.

**BOARDWORK**1. Agenda Approval

**By unanimous consent it was agreed put item 7 of the Consent Agenda on the regular Instruction, Research and Student Affairs agenda.**

**M/S (Hall/ Agidius): To approve the agenda as amended. *Motion carried unanimously.***

2. Minutes Review/Approval

**M/S (Hall/Stone): To approve the minutes from March 10, 2005 as submitted. *Motion carried unanimously.***

3. Rolling Calendar

**M/S (Hall/Terrell): To approve April 20-21, 2006 as the dates and the College of Southern Idaho as the location, for the April 2006 regularly scheduled Board meeting. *Motion carried unanimously.***

**OPEN FORUM**

Dr. Peter Vick, Chair of the Idaho State University Faculty Senate, spoke in support of Dr. Richard Bowen. He urged Dr. Bowen to appoint a Vice President of Health Sciences and urged the State Board of Education to pursue a seamless transition in replacing Dr. Bowen.

Dr. David Alder, Professor of Political Science from Idaho State University, spoke in support of Dr. Bowen and asked the Board to neither seek nor accept Dr. Bowen's resignation for at least a year to allow for a smooth transition.

President Lewis took time to comment on the remarks made concerning Dr. Bowen and addressed rumors related to Idaho State University's role and mission. He referred to the Board's policy defining the institutions' roles and missions, noting that Idaho State University has the statewide mission and responsibility for health professions. President Lewis pointed out that the transition to a new president would not change the role or mission of ISU.

Laurie Rasich of Lewis Clark State College Associate Students, spoke about student health insurance concerns, noting she visited with the Governor and will send him a formal proposal. She urged the Board to pay special attention to this issue when they consider

student fees.

Kent Johnson of Lewis Clark State College Associated Students expressed concern that the combined student fees and health insurance increases would result in a 20% increase overall. He urged the Board to mandate that the institutions work together to find a statewide plan.

## **CONSENT AGENDA**

It was recommended to approve the Board's consent agenda items with the exception of item 7, which was moved to the Instruction, Research and Student Affairs agenda.

**M/S (Hall/Stone): To approve the Board's consent agenda items with the exception of item seven. *Motion carried unanimously.***

1. Second Reading – Amendment to Board Policy I.J.2.b. – Use of Institutional Facilities and Services with Regard to the Private Sector

**By consent, the Board approved the Second Reading of the Amendment to Board Policy I.J.2.b. – Use of Institutional Facilities and Services with Regard to the Private Sector.**

2. HERC – Approval of the FY 2006 Budget

**By consent, the Board approved the FY 2006 HERC Budget Allocation as presented.**

3. HERC – EPSCOR Board Appointments

**By consent, the Board approved the reappointments and new nominations to the Idaho EPSCORE Committee.**

4. Second Reading – Amendment to Board Policy Section III.G. – Program Approval and Discontinuance

**By consent, the Board approved the second reading of the amendment to Board Policy Section II.G., Program Approval and Discontinuance.**

5. Second Reading – Amendment to Board Policy Section III.Z. – Delivery of Postsecondary Education

**By consent, the Board approved the second reading of the amendment to Board Policy Section III.Z., Delivery of Postsecondary Education to include a provision for notifying the Board and any oversight or advisory council in the region at the same time the designated or partnering institution provides notification to withdraw a program.**

6. Second Reading – Amendment to Board Policy Section III.W. – HERC

By consent, the Board approved the second reading of Board Policy III.W., HERC policy.

7. Alternate Graduation Mechanism -- moved to the regular IRSA Agenda.

8. Idaho Technology Grant Program FY 2006 Grants Funding Recommendations

**By consent, the Board approved the funding of the projects as exhibited on the FY 2006 Idaho Technology Incentive Grant Program Proposals document.**

9. Program Changes Approved by the Executive Director – Quarterly Report

Information item.

10. Boise State University – New Positions and Changes to Positions

**By consent, the Board approved the request by Boise State University for sixteen (16) new positions (15.75 FTE); salary and FTE changes to one (1) position (from .5 to 1.0 FTE).**

11. Idaho State University – New Positions and Changes to Positions

**By consent, the Board approved the request by Idaho State University for thirteen (13) new positions (11.90 FTE); to reactivate one (1) position (1.0 FTE); to change FTE to one (1) position; and to change the term for one (1) position.**

12. Idaho State University – Interim Vice President for Academic Affairs Appointment

**By consent, the Board approved the request by Idaho State University to appoint Dr. Robert A. Wharton to the position of Interim Vice President for Academic Affairs, with a salary greater than 75% of the Chief Executive Officer base salary.**

13. University of Idaho – New Positions and Changes to Positions

**By consent, the Board approved the request by the University of Idaho for one (1) new position (1.0 FTE) and the deletion of twenty-three (23) positions.**

14. Second Reading – Amendment to Board Policy – Section V.S.2.b (4) Enrollment Workload Adjustment-Weight Factors

**By consent, the Board approved the second reading of changes to Idaho State Board of Education Governing Policies and Procedures, Section V.S.2.b (4) Allocation of Lump Sum Appropriation (BSU, ISU, UI, LCSC) to update the weighting factors used**

in the enrollment workload adjustment calculation.

15. Lewis-Clark State College – Cell Tower Agreement

**By consent, the Board approved a lease agreement between Inland Cellular and Lewis-Clark State College, in the form presented to the Board, enabling the college to lease property to the company, and allowing the company to install and operate a cell phone antenna on a light pole located at the LCSC baseball field, and to delegate signature authority in regard to such agreement to the Vice President for Administrative Services at Lewis-Clark State College.**

**REGULAR AGENDA**

**BUSINESS AFFAIRS & HUMAN RESOURCES – Milford Terrell**

**Section I – Human Resources**

1. Idaho State University – Head Football Coach Contract

Ken Prolo, Financial Vice President of Idaho State University, introduced Paul Bubb, ISU Athletic Director. Mr. Bubb discussed the proposed four-year contract with Head Football Coach, John Larry Lewis.

**M/S (Stone/Hall): To approve the request by Idaho State University for a multi-year employment agreement for the Head Football Coach (1.0 FTE), Department of Intercollegiate Athletics, supported by state funds. *Motion carried unanimously.***

2. University of Idaho – Interim Vice President for Finance and Administration

University of Idaho President Tim White requested the Board to appoint David Chichester to the position of Interim Vice President for Finance and Administration.

**M/S (Agidius/Thilo): To approve the request by the University of Idaho to appoint David Chichester to the position of Interim Vice President for Finance and Administration, at a salary greater than 75% of the Chief Executive Officer’s base salary. *Motion carried unanimously.***

Representative Mack Shirley was recognized at this time and he commended the Board for its work. He mentioned, that as sponsor for the legislation for tuition, he promised students he would convey to the Board the need to keep the student fees consistent and affordable.

**Section II – Finance**

1. Amendment of Board Policy – Section V.R. – Establishment of Fees – First Reading

Board member Terrell presented this item.

**M/S (Thilo/McGee): To approve the first reading of changes to Idaho State Board of Education Governing Policies and Procedures, Section V.R. Motion carried unanimously.**

## 2. FY 2006 Student Fee and Tuition Reports

Board member Terrell invited the Vice Presidents of Finance to present their proposals.

Ken Prolo, ISU, summarized the points of the ISU student fee proposal and noted that the Pharmacy program is requesting two separate fees: one for continuing students and the other for new students.

Dr. Joseph Steiner, Dean of the ISU College of Pharmacy, gave a detailed update on the rationale for the pharmacy fee increase. Mr. Prolo noted that general university funds have been used to support the faculty salaries for the Pharmacy program and explained that ISU hopes to make the program self-supporting in the same way that others are.

At this time Representative Jack Barraclough was recognized. He thanked the Board for their work towards making positive improvements in education.

Returning to the discussion of Idaho State University's recommended student fee increase, Mr. Prolo said that tuition will allow the institution to direct the money to the identified needs. He pointed out that perception that ISU had pulled funds from the liberal arts programs to support the health programs was incorrect, explaining that every department shared equally in the 10% cut.

Board member Hall noted that if the Board approves the fee request, Idaho State University will continue to be the most expensive institution in the state of Idaho. When asked, Mr. Prolo said it wasn't possible to say if the fee increases would come more in line with the inflationary costs in the coming years because of the many variables and the unknowns.

Board President Lewis indicated the general categorization of the proposal made it difficult to understand what the specific needs of the institution are.

Student leaders from Idaho State University were invited to present their recommendation. Terry Fredrickson, President of the Associated Students, introduced himself as well as Trevor Jensen, Vice President. They were joined by the newly elected President, Matt Hopson, and Vice President, Will Sharp.

Mr. Fredrickson discussed the concerns of the student body noting that in conversations with legislators, students were consistently told not to worry about the fees. He stated his belief that false promises were made to the students and emphasized the importance of the

Board being aware of the situation.

President Tim White, University of Idaho, introduced Mike Wilson (Director of UI Foundation) and Jim Lanier (Consultant to the Foundation). He noted that the UI and its Foundation are attempting to change the Foundation's governance structure.

Mr. Wilson provided an overview and explained the restructuring of the University of Idaho Foundation. A new position of Executive Director of the Foundation will report directly to the Foundation Board. The Foundation's bylaws will be amended later in the year to align it with the new structure.

Mr. Lanier, representing AGB, indicated a team has been working with the Foundation and commended the Foundation Board, volunteers and UI staff. He explained the various types of foundations and noted that the model under consideration by UI provides more checks and balances as well as greater clarity for all concerned. He said the transition will take approximately two years.

Board member Thilo commended the UI and the UI Foundation for their effort to develop a model that will meet the mission of the university while still being fiscally responsible and protecting the donors' wishes. When asked, Mr. Lanier said that nationally, within states, a number of different models are used, based on available assets.

Mr. Lanier reported that nationally, more institutions look to their foundations to get involved in real estate due to a lack of funding in order to get things done. He pointed out that foundations exist to support the mission and goals of the university within established boundaries.

Board member Hall asked that a mechanism be included to prevent the Board or the state from getting into a situation where it must carry out something the foundation has instituted independently. Mr. Wilson said that the proposed model will provide more checks and balances and that the greater separation will provide more eyes for review.

At this time, the Board returned to the discussion of Item 2. Board members agreed that the in-state, full-time tuition recommendation of 8.11% should exclude the pharmacy fee recommendation.

**M/S (McGee/Stone): To approve the fee and tuition rates for FY 2006 for ISU as 8.11%.**

*McGee withdrew the motion and Mr. Stone concurred.*

*The motion was restated for clarification. (McGee): To approve the in-state, full-time fee and tuition rates for FY 2006 for ISU as 8.11% and all other fees remaining as listed on page 19 of Tab 2 excluding pharmacy. Motion died for lack of a second.*

Following discussion, Board member McGee reinstated the earlier motion. Mr. Prolo indicated that if the motion passes, the institution would seek to implement it. Board President Lewis noted the student leaders had carefully looked at the budget and determined \$1.90 per student per semester could be cut to achieve this percentage level.

Board member Hall expressed concern that the 8.11% percentage increase would only impact the full-time students where as the part-time students would experience a 9.19% increase. Board member Lewis noted that the overall rate paid by part-time students is lower to begin with. Board member Hall indicated that the 8.11% increase would increase the annual yearly tuition by about \$40.

Board President Lewis asked how the 8.11% would impact to the institution. Mr. Prolo said that the area that would most likely be targeted would be the salary adjustment pool.

**M/S (McGee/Thilo): To approve the in-state, full-time fee and tuition rates for FY 2006 for Idaho State University as 8.11%, and all other fees remaining as listed on page 19 of Tab 2 excluding pharmacy. Motion carried 5-3 (Hall, Terrell, and Lewis dissented).**

**Substitute M/S (Lewis/Terrell): To approve a full-time fee increase of 8.5%, and all other fees remain the same as listed on page 19 of Tab 2 except pharmacy. Motion FAILED 4-4 (Hall, McGee, Howard, Thilo dissented).**

The Board discussed the proposed increased fees for the new pharmacy students. Board member Hall said he would oppose the increase. Board member McGee said having good professors is critical and that the increased fee rate has been advertised and hasn't impacted the application rate. Board member Thilo indicated she would support the motion.

**M/S (McGee/Thilo): To approve the new pharmacy rate increase of \$4,120 for FY2006. Motion carried 6-2 (Hall and Agidius dissented).**

**M/S (McGee/Stone): To move into executive session pursuant to Idaho Code Section 67-2345(1). Motion carried 7-1 (Hall dissented due to a conflict in his schedule).**

**M/S (Lewis/Terrell): Due to the conflict in schedules, to move out of executive session. Motion carried 8-0.**

Following the lunch break, the Board reconvened and moved to item 6 of the Finance Agenda.

At this time, Board member Terrell read the following statement: "Mr. President and members of the Board, pursuant to Board policy and Idaho's ethics statutes, I may have a real or potential conflict of interest on the next matter as a result of my business affiliation. As you are aware, I am the President and owner of DeBest Plumbing, and I am determining

whether to submit a proposal for consideration by the design-build team. Accordingly, I wish to disclose my interests and to recuse myself from any and all further discussions and consideration of this matter. I have not participated in consideration of this matter to this point, and I do not intend to participate further, and I am asking to be excused from any debate and voting on this matter.”

#### 6. Boise State University – Indoor Practice Facility – Request to Proceed with Construction

Stacy Pearson, Boise State University Vice President of Finance and Administration, was joined by Gene Bleymaier to present this item. They indicated that five proposals were received and BSU selected McAlvain and Hummel as the design team because they are able to provide all the desirables requested by Boise State University. Ms. Pearson pointed out that this proposal is in keeping with BSU’s master plan and that maintenance and operating expenses have been built into the finance plan. Mr. Bleymaier noted that \$6.1 million cash donations and pledges have been received to date, but that amount is growing daily.

**M/S (McGee/Agidius): To accept the selection of McAlvain and Hummel by the Division of Public Works as the design/build team for the Indoor Practice Facility at Boise State University, to approve the project as presented by the identified design/build team, to approve the financing as presented by Boise State University, at a total project cost not to exceed \$9.5 million, and to proceed with the construction of the indoor practice facility. Motion carried 6-0 (Terrell recused himself from the vote; Hall absent).**

#### 7. Boise State University – Refinancing and Revenue Bonds

Representatives of Hawley Troxell discussed the refinancing and revenue bonds.

**M/S (McGee/Stone): To approve a Supplemental Resolution for the Series 2005A Bonds, the title of which is as follows:**

**A SUPPLEMENTAL RESOLUTION authorizing the issuance and sale of \$21,925,000 General Refunding and Revenue Bonds, Series 2005A, of the Board of Trustees of Boise State University; authorizing the execution and delivery of a Bond Purchase Agreement and providing for other matters relating to the authorization, issuance, sale and payment of the Series 2005A Bonds.**

*Motion carried 6-0 (Hall absent; Terrell recused himself due to a conflict of interest).*

At this time, the Board returned to Item 2 of the Finance agenda and Lewis Clark State College was invited to present their recommendations for changes to student fees for FY2006.

Mr. Ron Smith, Lewis Clark State College Administrative Services, discussed the recommended fee increase of 9.5%. He distributed a handout comparing peer institutions and provided details to the Board.

LCSC Student Body President, Vincent Martinez, reported that various reasons for increases have been given over the past three years. He observed that while student leaders have repeatedly been invited to make comments by the institution and the Board, they have produced little results. He suggested that higher education is moving from a public institution to a private enterprise. He indicated that accountability issues and mistakes made by administration have continually resulted in a shifting of the funding burden to the students. This past year, LCSC students pressed hard for a change by filing a law suit, and by writing to legislators and government officials. He agreed with Dr. Kustra that there needs to be a shift in leadership that recognizes the need for a radical change in the status quo.

Mr. Martinez reported that the LCSC student body had voted on, and recommends a fee increase of 3%. He asked the Board to put more pressure on the Legislature by returning to the November fee-setting time line.

When asked, Mr. Smith indicated that a 3% increase would cost LCSC approximately \$400,000. He noted that over the past year small programs and some positions have been cut. The proposed 9.5% increase by the institution would still leave LCSC as the lowest costing institution in the state.

Board member Thilo asked why a greater fee increase wasn't placed on non-resident students and President Dene Thomas said the competition from Washington is a critical factor. Board member McGee clarified that the student body's proposed full time resident fee is 3% and for non-residents is 5.85%.

Dr. Thomas noted that the 9.5% recommended increase will allow the institution to stay the course. There is a need for adjuncts, operating expense, library costs, cost for technology equipment, new faculty increases due to increase of students, and additional maintenance costs.

Dr. Thomas indicated that cuts have not been identified at this time. However, they will need to be identified if the 9.5% increase isn't implemented.

**M/S (Lewis/Agidius): To approve the fee and tuition rates for FY 2006 for LCSC as recommended and displayed on page 27 of Tab 2. Motion carried 7-0 (Hall abstained).**

At this time, Eastern Idaho Technical College was invited to present its recommended fee proposal. Robert Smart the Dean of Administration briefly discussed the recommended 2.96% fee increase for EITC.

**M/S (Lewis/Agidius): To approve the fee and tuition rates for FY 2006 for EITC as**

**recommended and displayed on page 29 of Tab 2.** *Motion carried unanimously.*

At this time, David Chichester, University of Idaho Interim Vice President for Finance and Administration, presented the UI recommended 9.25 % fee increase for full-time resident students. He then introduced student body representatives to the Board.

Ms. Autumn Hansen, UI Associated Student Body President, discussed the student body recommended increase of 9.3% noting that it includes significant allocations to student life and associated student services. There was discussion about the 30% increase for law students and Ms. Hansen indicated that the law students recognize the need for the increase in accordance with the law school plan.

President White pointed out that the law school recently completed its accreditation review and the fee increase will allow for a more robust program. The law school is participating in the institution's equalization and stabilization plan, so part of the increase will replace the funds that have been taken away for the stabilization budget. He noted that this is the last year of a three-year plan that the students helped to create.

**M/S (Agidius/Stone): To approve the fee and tuition rates for FY 2006 for UI as recommended and displayed on page 23 of Tab 2.** *Motion carried unanimously.*

At this time, BSU was invited to present its recommended fee increase. Stacy Pearson discussed the recommended 10% fee increase and introduced Joe Holladay, Student Body President.

Ms. Pearson noted that the fee increase is related to access; the institution needs faculty and space. She pointed out that even though the increase request is 10%, the tuition will still be the lowest among the three universities. Mr. Holladay indicated that the students of BSU had opportunity to discuss the fee increase and support the 10% fee increase.

**M/S (Agidius/Thilo): To approve the fee and tuition rates for FY 2006 for BSU as recommended and displayed on page 15 of Tab 2.** *Motion carried 7-1 (Stone dissenting).*

At this time, the Board agreed to move to Item 4 of the Policy, Planning and Governmental Affairs agenda.

#### **PLANNING, POLICY AND GOVERNMENTAL AFFAIRS COMMITTEE – Blake Hall**

##### **4. MPC Bowl, Corporate Tent Village**

Board member Hall introduced Jim Grisby to discuss the MPC Bowl and the Tent Village. Mr. Grisby indicated that the tent village concept had originated about three years ago and was viewed as a way to supplement Bowl activities and generate additional revenues.

As a point of clarification, it was noted that the action being requested is for the MPC Bowl and not any other football games. The request for FY 2005 is consistent with previous years. Board member Terrell exempted himself from discussion and voting because he is a member of the MPC Board.

Board member McGee clarified that the MPC Bowl recommends a one million dollar policy as in the past. Board member Hall suggested that a total of \$3 million would be more reasonable.

**M/S (Stone/McGee): To approve the request by Boise State University to establish secure areas under the conditions set forth on Page 2-3 of Tab 4 in this request for the purpose of allowing pre-game activities for the 2005 MPC Bowl subject to the following terms and conditions and with the stipulation that item 7 be changed to read the MPC Bowl.**

- 1. A secured area surrounded by a fence to control access to and from the area.**
- 2. A color-coded wrist band or pass admission system that would identify attendees and invited guests.**
- 3. Companies involved in the tent village would be sent a letter outlining the ten village/SBOE alcohol policy. The letter will state the minimum drinking age in Idaho is 21 and that at no time should they allow any underage drinking and/or the serving of alcohol to visibly intoxicated patrons.**
- 4. Two entry points manned by security personnel.**
- 5. Security personnel located throughout the controlled area will be monitoring the alcohol wristband policy and patron behavior.**
- 6. Security personnel will not allow patrons to exit the area with alcoholic beverages.**
- 7. MPC Bowl will be required to insure and indemnify the State of Idaho, the State Board of Education and Boise State University for a minimum of \$3,000,000 and to make sure that the proper permits and licenses are obtained.**
- 8. The area is for sponsors to entertain clients/guests for the fall 2005 MPC Bowl, including the sales and service of alcohol.**
- 9. It is brought back to the Board, after the conclusion of the 2005 game, for reconsideration for 2006.**

*Motion carried 6-0 (Terrell abstained; Agidius absent).*

In reference to the earlier Finance Agenda discussion, Board member Terrell requested the Vice Presidents of Finance work together to develop a template for future presentations of the fee increase details. It was so noted.

At this time the Board moved to Item 2 of the Instruction, Research and Student

Affairs agenda.

**INSTRUCTION, RESEARCH & STUDENT AFFAIRS -- Laird Stone****2. Center for Advanced Energy Studies (CAES)**

Dr. Leonard Bond, Director of the Center for Advanced Energy Studies (CAES) discussed the partnership formed as a result of the INEEL being divided into two contracts in May 2003. This partnership focuses on advancing education, research, policy studies and training having to do with becoming a world class advanced energy organization, with an emphasis on nuclear energy. He noted that a facility is targeted for completion in 2008 at University Place in Idaho Falls.

As a point of information, it was noted that the Battelle Energy Alliance was awarded the contract to manage the new Idaho National Laboratory (INL) for nuclear energy research. As part of the contract, Battelle will establish the Center for Advanced Energy Studies (CAES) in Idaho Falls. The Center is a collaborative effort between the State of Idaho, INL and the universities in Idaho and throughout the nation. Dr. Bond noted that a letter of support has been signed by Governor Kempthorne.

At this time, the Board agreed to move to the Policy, Planning and Governmental Affairs Agenda to hear the Presidents' Council Report.

**POLICY, PLANNING and GOVERNMENTAL AFFAIRS****1. Presidents' Council Report**

President Bob Kustra noted that Dr. Dene Thomas has been appointed a commissioner for the Northwest Accreditation Commission. He went on to discuss the tuition approval process and agreed that the peer institution information is important. He suggested that it would be appropriate to review the peer institutions with the Board staff so that there could be final and official approval by the State Board of who those peer institutions are.

Dr. Kustra noted that there have been discussions about moving to a statewide health insurance policy. As students have recited the costs of the health insurance programs it appears that they do have some similarity and the Presidents will take another look at this issue to determine if it is possible to institute a state wide policy.

At this time, the Board returned to the Finance agenda.

**Section II – Finance Agenda****5. Capital Project Approval Process – Report from Board Staff**

Jeff Shinn of the Board Office noted that Larry Osgood of Public Works was unable to attend the Board meeting to report on this item. Board member Terrell suggested bringing this item back to the Board at a later date.

**M/S (Terrell/Hall): To table this item until a later date.** *Motion carried unanimously.*

8. Boise State University – Remodeling Project Cost Increase

Stacy Pearson reported that BSU is requesting \$730,000 to proceed with a remodel project for the Department of Geosciences, College of Arts and Sciences.

**M/S (Lewis/McGee): To approve a request by Boise State University to proceed with a remodel project for the Department of Geosciences, College of Arts and Sciences, at a budget not to exceed \$730,000. The sources of funding for the project are Institutional Funds.** *Motion carried 4-3-0 (Stone, Hall, Agidius dissented; Thilo abstained).*

9. Idaho State University – Varsity Land Exchange

Ken Prolo of ISU reported on this item.

**M/S (Hall/McGee): To approve an agreement between Idaho State University and Varsity Square, LLC to exchange real property, in the form presented to the Board, and to delegate signature authority in regard to such agreement to Mr. Ken Prolo, Vice President for Financial Affairs and Bursar at Idaho State University.** *Motion carried unanimously.*

10. Idaho State University – Aquatic Center – Request for Proposal

Ken Prolo of ISU reported on this item noting that the students had made it clear they were interested in having this facility. He pointed out that this item is on the master plan and in keeping with intramural sports rather than intercollegiate sports.

**M/S (Thilo/Stone): To allow Idaho State University, in conjunction with the State Division of Public Works, to develop and issue a Request for Proposal for the design and construction of an Aquatic Center adjacent to Reed Gym.** *Motion carried 5-3 (Agidius, Howard and Hall dissenting).*

11. Idaho State University – Report on Health Programs

Ken Prolo introduced Dr. Robin Dodson and Dr. Linda Hatzenbuehler from ISU to discuss this item. Mr. Prolo noted that all the programs listed are included in the eight-year master plan. The plan is to move all the health programs into one facility.

Board member Hall indicated that ISU needs to bring a request to build a medical

school to the Board for its review and consideration.

Board President Lewis asked that BSU be involved in any decision related to the creation of a medical school in Boise because policy demands that the establishment of a facility or program in the region of another institution requires that there be discussion with the other institution prior to making final plans.

### **EXECUTIVE SESSION**

**M/S (Hall/McGee): To move into executive session pursuant to Idaho Code Section 67-2345(1) at 5:20 p.m.** *A roll-call vote was taken. Motion carried unanimously.*

(The Board reconvened in Executive Session at 8:00 a.m. on April 22, 2005.)

**Hall/Thilo): To move out of Executive Session at 9:12 a.m.** *A roll call vote was taken. Motion carried 6-0 (Terrell and Agidius absent).*

Representative Ann Rydalch was recognized.

At this time, the Board agreed to move to item 3 of the Instruction, Research and Student Affairs agenda

### **INSTRUCTION, RESEARCH AND STUDENT AFFAIRS**

#### **3. Report on Pay for Performance**

Board member McGee introduced Reed Demourant, Chair of the Pay for Performance Committee. He was joined by Wendy Horman (trustee of the Bonneville School District), and Representative Ann Rydalch.

Mr. Demourant reported on the work of the committee. He discussed variables related to compensation and urged the Board to consider the growth model used by various states including Ohio and Pennsylvania. Representative Rydalch commended Mr. Demourant for his work. Board member Terrell expressed appreciation as well.

Board member Thilo asked about the status of the pilot project. Mr. Demourant said a questionnaire has gone out in an effort to find a suitable district to pilot this model. Board member Hall thanked the committee members.

The Board returned to the Finance Agenda

### **Section II – Finance**

#### **12. University of Idaho – Self-Funded Medical and Dental Contracts**

David Chichester from the University of Idaho introduced Pat Sorko and Kathy Aon. He went on to discuss the proposed self-funded insurance model noting that it would save the UI an estimated \$854,515 in FY2006 and \$555,406 in FY2007 on its medical plan. Dental savings add about \$50,000 per year.

Ms. Aon explained that the final documents were being drafted and would be forwarded to the Board office. She indicated that there will be no substantive changes to the documents from what appears in the Board agenda.

Mr. Chichester pointed out that about 70% of the companies surveyed by Mercer in 2003 are self-funded. Mr. Chichester said that the three-month lag in receiving and paying claims in the first three months will help build up the cash reserve initially; over time, it will continue to build up. Mr. Chichester indicated that in the event of a catastrophic event early on, the UI has operating cash that could be set aside as a start up cash reserve.

Board member Terrell asked if the program meets the legal requirements. Mr. Chichester noted that the Department of Insurance recently indicated that UI needs to register and it is prepared to commence immediately on that process. The Department of Insurance has not said that there are reserve requirements. Board member Terrell asked for that information be forwarded to the Board. Board staff will review the final contracts and assure they are in compliance with the statute.

**M/S (Hall/Thilo): To approve the three contracts in substantially the same form as the draft contracts presented to the Board with any necessary changes to accommodate compliance with Idaho statute 41-Chapter 40. The contracts are with the University of Idaho and (1) Blue Cross of Idaho for administrative services for medical, mental health and vision claims; (2) Delta Dental of Idaho for administrative services for dental claims; (3) Aon Consulting to provide consulting and brokerage services for the University; subject to review and approval of the final contracts by Board staff; and to authorize the Vice President for Finance and Administration at the University of Idaho to execute the contracts. *Motion carried 7-0 (Agidius absent).***

#### 13. University of Idaho – Property Easement

**M/S (Lewis/Hall): To approve a non-exclusive easement by the University of Idaho to the University of Idaho Foundation to provide access to the residential 3.22-acre parcel adjoining the North Farm in Moscow, Idaho, in the form presented to the Board; and to delegate signature authority in regard to such agreement to the Vice President for Finance and Administration at the University of Idaho. *Motion carried 7-0 (Agidius absent).***

#### 14. University of Idaho – Revised Agreement with United States Forest Service and University of Idaho Foundation

**M/S ( Hall/Thilo): To authorize the University of Idaho to enter into a Divestiture and Acquisition Agreement, inclusive of the Parking License Agreement for the Forest Service Fleet Parking Unit, in the form substantially similar to the draft Agreement presented to the Board, subject to review and approval of the final negotiated Agreement by Board staff, and to grant signature authority to the University's Vice President for Finance and Administration to execute the final negotiated Agreement. Motion carried 6-0 (Agidius and McGee absent).**

15. University of Idaho – Idaho Water Center Condominium Agreement

**M/S (Hall/Howard): To authorize the University of Idaho to consent to the IWC Condominium Declaration and to grant signature authority to the University's Vice President for Finance and Administration to execute consent. Motion carried 6-0 (Agidius and McGee absent).**

16. Lewis-Clark State College – Property Purchase

**M/S (Thilo/Hall): To approve the purchase of three properties located at 504 6<sup>th</sup> Avenue, 508 6<sup>th</sup> Avenue, and 512 6<sup>th</sup> Avenue, all in Lewiston, Idaho, for a total amount of \$460,000; and to delegate signature authority in regard to such transaction to the Vice President for Administrative Services at Lewis-Clark State College. Motion carried 6-0 (Agidius and McGee absent).**

17. Lewis-Clark State College – National Association of Intercollegiate Athletics Baseball Championship Tournament Host

**M/S (Hall/Lewis): To approve a contract agreement between the National Association of Intercollegiate Athletics (NAIA) and Lewis-Clark State College, in the form presented to the Board, enabling the college to continue to operate an NAIA college baseball world series and to delegate signature authority in regard to such agreement to the Vice President for Administrative Services at Lewis-Clark State College. Motion carried 6-0 (Agidius and McGee absent).**

18. Tuition Waiver Reports

Jeff Shinn introduced this item and agreed to have Board staff work on refining the reporting format.

There was discussion about the number of waivers issued to foreign students. Board member Lewis expressed concern about granting waivers based on interest rather than academic qualifications. He asked the institutions to analyze what is happening and to report at the next meeting with more precise information.

Board member Terrell asked the institutions to justify why Idaho students don't get preference when they are eligible. President Thomas noted that the fee waiver program is only one of several used to recruit students. There are other programs that target Idaho students.

Board member Hall pointed out that the Board has governing power regarding waivers and suggested it may be time for the Board to review its policy.

**M/S (Hall/Stone): To accept the Nonresident Tuition Waiver – Fall 2004 reports for Boise State University, Idaho State University, University of Idaho, and Lewis-Clark State College as presented on pages 5-11 of Tab 18 of the Finance Agenda, and instruct staff to revise said reports in the future to provide for uniformity. Motion carried 6-1-0 (Terrell dissenting; Agidius absent).**

#### 19. FY 2006 Appropriations

Jeff Shinn introduced this item and noted that the Presidents' Council and the Financial Vice Presidents group have actively discussed the issue of funding equity. He said there are two points to the funding equity question. First, the legislature has formally asked the Board not to request funding equity in the future. On page 4 of Tab 19a, Section 3 provides specific language having to do with funding equity.

##### a. College and Universities

**M/S (McGee/Stone): To approve the allocation of the FY 2006 legislative appropriations contained in Senate Bills 1187 and 1230 for Boise State University, Idaho State University, University of Idaho, Lewis-Clark State College, and system-wide needs, as presented on Page 8 of Tab 19a of the Finance Agenda. This motion was tabled.**

Jeff Shinn said the funding equity consideration is not included in the allocations presented today. Board President Lewis asked what the Board needs to do to be in compliance with the legislative directive. Mr. Shinn said it is unclear how extensive of a process the Board will need to go through to determine what the inequities are. He noted that the institutions need this allocation to prepare for FY2006 budget.

Board President Lewis expressed concern about breaking trust with the Legislature. Board member Hall said he will oppose the motion for the same reason that the Board President articulated.

Jeff Shinn noted Section 4 (Faculty Workload and Productivity) is new language as well. Dr. Howard observed that Section 4 relates back to Section 3. She also expressed concern about the timeline and the impact on the institutions of waiting to make a decision.

Board member Terrell asked the Board to consider a middle ground to get the process moving. Board President Lewis put forth the possibility that the Legislature might accept an effort by the Board to develop a plan to bring equity to the institutions.

Board member Hall suggested implementing the existing formula with an adjustment to arrive at funding equity. Board member McGee agreed with the recommendation of Board member Hall. Board President Lewis asked about the impact of the adjustment on each institution. The Board agreed to take a brief break to allow the institutions additional time to prepare specific figures for the Board to consider.

**M/S (Hall/Lewis): To table the motion and any action on item 19a for a period of two weeks to give the Board an opportunity to review the numbers and see how to implement them as the legislature has mandated. Motion carried 7-0 (Agidius absent).**

b. Community Colleges

Jeff Shinn introduced this item and invited Jerry Beck from the College of Southern Idaho to speak to the motion. Dr. Beck noted that in order to agree with the legislative intent of Senate Bill 1181, the Presidents of the College of Southern Idaho and North Idaho College have agreed to a new split of the FY 2006 Community College Appropriation.

**M/S (Hall/McGee): To approve the FY 2006 allocation of general funds for community college support as follows: \$10,425,300 to the College of Southern Idaho and \$10,098,600 to North Idaho College as shown on Page 5 of Tab 19b of the Finance Agenda. Motion carried 7-0 (Agidius absent).**

c. Professional-Technical Education

Jeff Shinn introduced this item to the Board.

**M/S (McGee/Hall): To approve the request from the Division of Professional-Technical Education to allocate the FY2006 appropriation as detailed in Exhibit A as shown on Page 2 of Tab 19c of the Finance Agenda. Motion carried 7-0 (Agidius absent).**

d. Promise B Scholarship Award

Jeff Shinn introduced this item.

**M/S (McGee/Thilo): To approve the amount of the Idaho Promise Scholarships,**

**Category B, to be \$250 per semester per student (\$500 annually) for those current recipients who maintain eligibility and for qualified first-year entering students under the age of 22 in the academic year 2005-2006. Motion carried 7-0 (Agidius absent).**

e. Permanent Building Fund – Alteration and Repair

Alteration and repair project information will be provided with the June agenda.

f. Employee Compensation

Jeff Shinn provided a brief overview of this item.

g. All Other Agencies and Programs

Jeff Shinn provided a brief overview of this item.

**PLANNING, POLICY & GOVERNMENTAL AFFAIRS**

2. EITC Progress Report

Bill Robertson presented a progress report to the Board highlighting events and activities taking place at Eastern Idaho Technical College.

He noted that EITC is experiencing significant interest in the health professions with over 60% of the student population taking classes in those programs. EITC has the largest enrollment in the Workforce Training area which supports business and industry.

EITC operates as a GED test center in the region, serves nine counties, works with the Department of Corrections and also provides services to four jails. The Cooperative High School program has students from a number of areas and is part of the Eastern Idaho Tech Prep Consortium. In addition, the Eastern Idaho Professional-Technical High School operates through EITC.

Mr. Robertson pointed out that EITC is not just campus-based in its offerings, and in spite of constraints – such as budget and geography – EITC is mindful of its mission. EITC provides outreach programs to a number of communities with some programs being delivered via technology and distance learning; in addition, many faculty commute to rural communities for onsite classes.

He voiced appreciation for the support of the EITC Foundation and their interest in student scholarships.

The Northwest Commission on Colleges and Universities has confirmed that the next accreditation review will take place in 2007. Mr. Robertson extended an invitation to the Board members to be on campus for that event.

**3. First Reading: Amendment to Board Policy I.J. – Use of Institutional Facilities and Services with Regard to the Private Sector**

Karen Echeverria introduced this item to the Board.

Board President Lewis expressed concerns about this proposal because it encourages bringing families and children into areas where alcohol is being served rather than keeping the activities separate. Board member McGee noted the intent of the policy is good, but the language suggests something different. Dr. Howard suggested a wording change.

**M/S (Terrell/Lewis): To table this item until the next meeting so that the Presidents' can be here to speak to this proposal.** *Motion failed 2-4-0 (McGee, Howard, Stone, Thilo dissenting; Hall & Agidius absent).*

Board member McGee noted that this policy is on first reading so it would be appropriate to consider it now. There was discussion on the wording of the policy, regarding the words "individuals" "youth" and "non-ticketed".

**M/S (Howard/McGee): To approve the First Reading for the amendment of Board Policy I.J.2.(4) and (5) – Use of Institutional Facilities and Services with Regard to the Private Sector striking out the words "but only if there are age – appropriate activities in the defined areas for youth and families".** *The motion did not go to vote.*

During continued discussion several other concerns were identified with the proposed policy.

**M/S (Lewis/Terrell): To table this item and do more work on it.** *Motion carried 6-0 (Hall and Agidius absent).*

**INSTRUCTION, RESEARCH & STUDENT AFFAIRS – Laird Stone**

Dr. Richard Bowen introduced Dr. Robert Wharton who has accepted the position of Acting Academic Vice President.

**7. Alternate Graduation Mechanism** (This item was moved from the Consent Agenda)

Dr. Howard discussed her concerns with this item. She suggested including a 504 plan under 7.a because it covers a range of learning problems which go beyond the cognitive

problems of the IEPs. Her other concern was with the section that seems to remove the local school board's discretion.

Board member McGee suggested having Dr. Howard, Marilyn Davis and herself involved in reworking the wording and there was agreement to do so.

### 1. University of Idaho – Proposed Program Phase-Out

Board member Stone introduced this item.

Board President Lewis noted that Board policy applies to the notice to withdraw and questioned whether this action ignores the policy. There was discussion about the memorandum of understanding and it was pointed out that it is a mechanism to facilitate the process, not a driver of the process. The point was made again that when policy is established, it determines the manner by which an institution comes in or withdraws from a region. The intent of the policy is that if an institution is already in an area providing a service, that they provide notice that they are withdrawing that service.

It was noted the teach-out will take place in the spring of 2007 and ISU plans to implement a doctoral program in the fall of 2007. Laura Hubbard, UI, indicated this plan is consistent with the policy as is the timeline for the phase-out.

**M/S (McGee/Thilo): To approve phasing out the Adult and Organizational Learning doctoral program at Idaho Falls. Motion carried 5-0 (Terrell, Hall and Agidius absent).**

### **DEPARTMENT OF EDUCATION**

Dr. Howard introduced Rod McKnight, Shannon Page and Bob West from the Department to address Department of Education agenda items. She proposed moving items B through I to a Consent Agenda.

**M/S (Lewis/McGee): To approve items B-I in the form that they are presented. Motion carried 6-0 (Hall and Agidius absent).**

### A. Superintendent's Report

Dr. Howard reported to the Board on activities, actions and events that the Department has undertaken over the past weeks. She noted that ISIMS is over; however, a grant from Albertson will make it possible to pay out the contracts. She shared about national trends and actions that impact Idaho students. Of note, there is new flexibility being allowed to states to offer an alternate assessment mechanism to students with disabilities. The U.S. Department of Education has extended the

timeline for states to make this change in their accountability plan.

In concluding remarks, Dr. Howard acknowledged Bob West for his tremendous contribution and his stellar support and involvement of education noting that he is retiring and this is his final meeting with the Board. Board members extended their thanks and commendation to Dr. West as well.

B. Administrative Staff Allowance Waiver Requests to Meeting Accreditation Standards – Tim Hill

**By consent, to approve the requests by Moscow School District #281 and Shoshone Joint School District #312 for additional administrative staff to meet accreditation standards.**

C. Appointments to the Idaho State Curricular Materials Selection Committee – Bob West

**By consent, to approve the request for one appointment to the Idaho State Curricular Materials Selection Committee.**

D. Appeal and Waiver of 110% Pupil Transportation Funding Cap Formula, Kamiah School District – Rod McKnight

**By consent, to approve the Kamiah School District 103% Funding Cap Appeal Application at a funding cap rate of zero percent less than the percentage rate necessary to eliminate the funding cap penalty for fiscal years 2004 through 2009.**

E. Appeal and Waiver of 110% Pupil Transportation Funding Cap Formula, Lapwai School District – Rod McKnight

**By consent, to approve the Lapwai School District 103% Funding Cap Appeal Application at a funding cap rate of zero percent less than the percentage rate necessary to eliminate the funding cap penalty for fiscal years 2004 through 2009.**

F. Appeal and Waiver of 110% Pupil Transportation Funding Cap Formula, Garden Valley School District – Rod McKnight

**By consent, to approve the Garden Valley School District 103% Funding Cap Appeal Application at a funding cap rate of zero percent less than the percentage rate necessary to eliminate the funding cap penalty for fiscal years 2004 through 2009.**

G. Waiver of Part of Tuition Charged by Weiser School District to Oregon District – Bob West

**By consent, to approve the request by the Weiser School District Board of Trustees for a waiver of a portion of the tuition to be charged by the Weiser District to the Annex Oregon School District for services to high school students, with action on the waiver to take place at the next regular meeting of the State Board of Education after having received all pertinent information.**

H. Corrections/Additions to 2204-2005 Annual Accreditation Summary Report of Idaho Schools – Shannon Page

**By consent, to approve the amendments to the 2004-2005 Accreditation Summary Report of Idaho Schools.**

I. Idaho Department of Correction Accreditation Procedures for Robert Janss School – Shannon Page and Gail Cushman, Robert Janss School Administrator

Dr. Howard commented on this item briefly. She noted that the Department of Education has worked with the Idaho Department of Correction to help develop an appropriate accreditation process for the Robert Janss School. The materials in the Board agenda are the result of that work.

J. Proposal to Improve Physical Education in Idaho – Barbara Eisenbarth

Dr. Eisenbarth reported on the issue of physical education in Idaho. She noted that the percentage of overweight children in the U.S. has tripled in the last few years, leading to an increase in Type II Diabetes in young people. She pointed out that physical education is a curriculum that covers a range of subjects that promotes health, physical well being, nutrition, and an overall awareness of the many issues connected with life long physical fitness. She emphasized how the lifetime activities (emotional, physical, intellectual, etc.) all combine to make the whole person function.

Dr. Eisenbarth made the following recommendations to the Board: (1) for elementary, it is suggested that there be daily physical education taught by a P.E. specialist; (2) for junior high, it is recommended they participate in two years of P.E.; (3) for high school, it is recommended that the state graduation requirement be reinstated for P.E. with a focus on the lifetime activities.

The Board members thanked Dr. Eisenbarth for her report. While this is an informational item at this point, Dr. Howard suggested the Board members look at the recommendations.

Board member Thilo noted that the increasing core requirements will determine what

the Board is able to do. However, there is great interest in returning physical education to the classroom.

K. Proposed Rules for a Dispute Resolution Process for Homeless Children and Youth – Michael Stoy

Pulled from the agenda until a later date.

**ELECTION OF OFFICERS**

**M/S (Terrell/Thilo): To have Rod Lewis remain as President one more year.**  
*Motion carried 4-0 (Lewis abstained).*

**M/S (Lewis/Thilo): That the next two positions remain as they are with:**  
**Laird Stone as Vice President.** *Motion carried 4-0 (Stone abstained).*  
**Milford Terrell as Secretary.** *Motion carried 4-0 (Terrell abstained).*

**M/S (Stone Thilo): To adjourn the meeting at 2:00 p.m.** *Motion carried 5-0 (Hall, Agidius and McGee absent).*

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**REFERENCE: DRAFT MINUTES, MAY 13, 2005 SPECIAL BOARD MEETING**



**STATE BOARD OF EDUCATION  
TRUSTEES OF BOISE STATE UNIVERSITY  
TRUSTEES OF IDAHO STATE UNIVERSITY  
TRUSTEES OF LEWIS-CLARK STATE COLLEGE  
BOARD OF REGENTS OF THE UNIVERSITY OF IDAHO  
STATE BOARD FOR PROFESSIONAL-TECHNICAL EDUCATION  
TRUSTEES FOR THE IDAHO SCHOOL FOR THE DEAF AND THE BLIND**

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**DRAFT MINUTES  
STATE BOARD OF EDUCATION  
SPECIAL TELECONFERENCE MEETING  
May 13, 2005  
Len B. Jordan Building  
Boise, Idaho**

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

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

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

**BUSINESS AFFAIRS AND HUMAN RESOURCES**

**Section II – Business Affairs (Finance)**

**1. FY 2006 APPROPRIATIONS – COLLEGE AND UNIVERSITIES ALLOCATION**

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

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

President White asked the Board to develop an objective equity resettlement plan to bring

the study up to date with current data (productivity, graduate rates, etc.). He asked the Board not to impose a policy or a practice that funds one growing institution while subtracting funds from another growing institution. He closed by reminding the Board that UI has already made major cuts in its budget.

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

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

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

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

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

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

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

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

Gary Stivers introduced Matt Freeman from Division of Financial Management, and

explained that in Mr. Freeman's assessment, beginning a study this year would be in keeping with the intent of the language of the legislation.

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

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

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

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

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

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

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

consequences.

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

**EXECUTIVE SESSION**

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

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

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