TAB	DESCRIPTION	ACTION
1a	**BOISE STATE UNIVERSITY** Corporate Sponsorship Agreements – Intercollegiate Athletics – "Big 4 Sponsors"	Motion to approve
1b	**BOISE STATE UNIVERSITY** Corporate Sponsorship Agreements – Intercollegiate Athletics – "Team Bronco Partner"	Motion to approve
2	**IDAHO STATE UNIVERSITY** Center for Advanced Energy Studies (CAES) Project	Information item
3	**EASTERN IDAHO TECHNICAL COLLEGE** Health Education Facility Project – Bonds	Motion to approve
4	**STATE BUDGET PROCESS**	Information item
5	**APPROVAL OF FY 2007 MAINTENANCE OF CURRENT OPERATIONS BUDGETS**	Motion to approve
6	**FY 2007 LINE ITEMS BUDGET REQUESTS (Enhancements)**	Motions to approve
7	**FY 2007 CAPITAL BUDGET REQUESTS**	Motions to approve

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INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY

SUBJECT

Boise State University requests approval to enter into three corporate sponsorship agreements with Northwest Dodge Dealers, St. Luke's\Idaho Elks Rehabilitation Services and Verizon.

APPLICABLE STATUE, RULE, OR POLICY

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

BACKGROUND

Boise State University athletics department actively promotes corporate sponsorships of its intercollegiate athletic teams and facilities. These sponsorships give the sponsors an opportunity to advertise and promote their organization at university athletics events and in media advertising these events in exchange for a multi-year monetary commitment and in kind contribution. These three sponsorships are designated as Major Corporate Partners (Big 4 Broncos) and receive partnership benefits that include signage and media advertisement in the athletics venues, radio, television and print advertisement and corporate hospitality (rights to game sponsorship, use of logo in advertising, season tickets and access to coaches for speaking engagements). The value of this consideration is based on the success of the intercollegiate athletics program and the sponsors' interest in being affiliated with the program.

DISCUSSION

State Board policy requires that agreements in excess of $250,000 be approved by the Board. Boise State University has negotiated and accepted, contingent upon Board Approval, the following three corporate sponsorship agreements for the listed consideration. They are included as Attachments to this item.

ATTACHMENT 1:	Northwest Dodge Dealers, $507,000, 07/01/2005 through 06/30/2008
ATTACHMENT 2:	St. Luke's/Idaho Elks Rehabilitation Services, $450,000, 07/01/2005 through 06/30/2008
ATTACHMENT 3:	Verizon, $300,000, 07/01/2005 through 06/30/2007

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY - continued

IMPACT

In exchange for such consideration there would be provided to the corporate sponsors the opportunity to advertise in various formats and venues including radio/television advertising spots, print and internet advertising, logo rights, games passes, and a number of other opportunities to capitalize on Boise State's winning athletics teams. These sponsorships have increased in value from prior agreements and are now at a level that requires Board approval

STAFF COMMENTS AND RECOMMENDATIONS

These three sponsorships require Board approval because the annual payment amount in each circumstance exceeds $250,000. Staff has requested information regarding the relationship between the broadcast components of this agenda item and the KTVB broadcast contract reviewed by the Board at the June meeting. Information provided in time for staff review will be incorporated into this agenda item or made available at the Board meeting.

Staff has reviewed the three agreements and has suggested several substantive and/or grammatical changes. Any changes made to the agreements had not been received at the Board office or reviewed by staff prior to publication of the agenda. Accordingly, there is no staff recommendation.

BOARD ACTION

A motion to allow Boise State University's request to enter into three corporate sponsorship agreements with Northwest Dodge Dealers, St. Luke's/Idaho Elks Rehabilitation Services and Verizon.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

Department of Intercollegiate Athletics
1910 University Drive Boise, Idaho 83725-1020
phone 208 426-1288
fax 208 426-1778
www.broncosports.com

CORPORATE PARTNER AGREEMENT

THIS AGREEMENT, made this 31 day of May 2005, by and between BSU Athletics (herein after BSU) and Northwest Dodge Dealers (herein after Partner).

Witnesseth:

WHEREAS, BSU has a proprietary interest in its intercollegiate athletic teams and facilities and in the use of any material relating to those terms and facilities; and WHEREAS, Partner desires to purchase certain rights from BSU pertaining to the advertising and partnership of BSU athletics and summer camps; and

WHEREAS, BSU is willing to sell such rights to Partner upon the terms and conditions set forth below;

NOW, THEREFORE, in consideration of the covenants and terms of the Agreement, BSU agrees to sell to Partner rights to advertising and partner BSU athletics as set forth herein:

A. BSU hereby grants to partner the rights to be one of four Major Corporate Partners for BSU Athletics beginning July 1, 2005 through June 30, 2008.

B. BSU shall provide Partner the following:

Bronco Stadium:

Stadium Interior

- One 12' x '14' back-lit static ad panel on Bronco Vision Video Board
- One 3' x 8' back-lit ad panel on south auxiliary scoreboard
- One 3' x 18' Sideline Signature for all Football home games on the East sideline

Stadium Exterior

- One 7'x 24' on Stadium facing Broadway Avenue

Mpc Computers Bowl

- All NWDD permanent signage to remain in place for the Mpc Computers Bowl, held in Bronco Stadium (this does not include the temporary sideline signatures)

Taco Bell Arena

Taco Bell Arena Interior

- One 2 x 8 foot back lit ad panel on Bronco Vision Video Board
- One 2 x 4 foot back lit ad panel on Bronco Vision Video Board
- One 3 x 9 foot back lit ad panels behind each basket next to game scoring mechanisms
- One 2 x 2 foot back lit ad panel located to scoring mechanism behind north basket
- Three 3 x 9 foot back lit rotator ad panel on each side of the basketball floor

- One 3 x 9 foot back lit static ad panel on each side of the basketball floor

Taco Bell Arena Exterior

- 13' x 25' electronic message board with back-lit presence of Big 4 Bronco Logo
- Business Logo and Electronic Messages on Taco Bell Arena Exterior Reader Board

Basketball Floor Logos

- Two 8 x 8 foot NWDD Logos on each side of the basketball floor for all men's and women's home basketball games played in Taco Bell Arena

Bronco Vision

Bronco Vision Video Board

- Replay sponsor during all FB/BB home games (Company logo leads into each Bronco Vision replay for one quarter **each FB/BB** home game)
- One 30 second promotional spot per home football and basketball game
- One In-Game Promotional Feature per home football and basketball game (i.e. – Dodge Keys To The Game)
- One In-Game Partner Thank-You by Head Football and Basketball Coach (shown at least once per home game)

Additional Venue Signage

Bronco Venues

- Bronco Gym (Company Logo)
- Boas Soccer Complex (3 x 9 foot static ad panel on score board with Company Logo)
- Jackson's Indoor Track (4.5 x 5 foot static ad panel on score board with Big 4 Logo)

Radio & Television

KBOI 670AM

- One Special Coaches Thank-You during all Football and Men's Basketball broadcasts (45 total broadcasts)
- Rotating Tag Lines ("Brought to you by the Northwest Dodge Dealers") on Boise State Athletics promotional airtime

Boise State Radio

- 50 Underwriting spots as Corporate Partner of Bronco Athletics per year on Boise State Radio Network (4 stations total reaching from McCall to Sun Valley)

Television (KTVB Media Group)

- One 30-second promotional spot during each live or replayed Bronco football and basketball telecast by the KTVB Media Group (92 total broadcasts)
- Rotating spots on KTVB and KTVB 2 from September to March (minimum of 25 spots on KTVB during Prime Time and minimum of 250 spots on KTVB 2)
- Rotating Tag Lines ("Brought to you by the Northwest Dodge Dealers") on Boise State Athletics

promotional airtime

Print Advertising

Game Program Advertising

- One full page color ad in all football and basketball game programs

Outdoor Advertising

- Bottom 1/3 of two 11' x 24' billboards per Football and Men's Basketball Season (Aug-March)
- Panel Advertising on Bronco Bus from Valley Ride for three months per year

Big 4 Bronco Logo present on all of the following:

- Schedule Cards (150,000)
- Game Programs Covers (90,000)
- Media Guides (10,000)
- Team Posters (20,000)
- BAA Membership Magazine (14,000)
- Season Ticket Stock (175,000)
- Season Ticket Mailers (8,000)
- Summer Sports Camp Brochures (50,000)
- Select-A-Seat Ticket Stock (350,000)

Internet

Broncosports.com

- Big 4 Bronco logo on BSU Athletic Home Page
- Direct link to each Big 4 Bronco Home Page
- Available promotional opportunities on Web Page to be determined

Athletic Department Mailings

Football and Basketball Season Ticket Mailings

- Inclusion in all season ticket mailings done by Boise State Athletics (materials provided by Partner)

Corporate Hospitality and Entertainment

Motivational Speakers

- Use of a Boise State head coach of any sport to speak to your employees and/or customers for 60 minutes per year, and ability to purchase additional speaking engagements at discounted rate
- Use of a Boise State head coach, staff member, cheerleaders, mascot or marching band for a promotional commercial shoot per year

Team Travel

- Two spots on team charter to an away football game to be determined by Boise State

Logo Rights

Ability to utilize athletic mark whenever needed to help promote the NWDD, along with the use of Big Four logo in all marketing efforts.

Passes

- Two sideline passes to all Bronco home football games
- Six parking passes to all athletic events throughout the season
- 16 pre-game tailgate/hospitality passes to each home football game and each Saturday home basketball game.

Game Sponsorship

- Title sponsor for one home football and basketball game during each season
- 50 additional VIP tickets for select football and basketball game
- Company banner above each stadium / arena entrance
- Private pre-game party with food and beverages included
- Individual logo on game programs and tickets for each selected game
- All TV, Radio, and Print advertising surrounding your game ..."Brought to you by..."
- All invited guests down on the field / court to form the tunnel to welcome the Broncos
- Promotional Giveaway opportunities available for each selected game

Season Tickets

- 16 VIP season tickets to all BSU Athletic Events
- 6 Bronco Athletic Association Memberships Tied To Season Tickets
- 400 North End Zone tickets to each home football game

Truck Display

New truck to be displayed outside stadium prior to each home game. Truck will then be used for ½ time promotional show. Insurance and Liability for the truck on game day to be covered by BSU Risk Management. NWDD to provide VIN #, Make, Model, Year and Mileage for insurance purposes

Promotions

****Football** – NWDD will provide truck give-away opportunities (approved by NWDD prior to football season) during all home football games. Truck will be displayed inside stadium with possibility of truck actually being used for certain promotion (approved by NWDD prior to season).

****Football** – NWDD will have the opportunity to provide the "Bronco Touchdown" truck to drive around Bronco Stadium track at home football games

****Basketball** -- NWDD will provide truck give-away opportunities (approved by NWDD prior to basketball season) during all men's home basketball games. Truck will displayed outside the Taco Bell Arena with possibility of truck actually being used for certain promotion (approved by NWDD prior to season)

C. **Partner agrees to:**

1. Pay BSU Athletics the full amount in cash by May 30th of 2006, 2007, and 2008 as follows: Payment

structure to be determined by both parties: Payments to be made for $33,800 in November, December, January, February and March of each year.

- Year #1: $169,000
- Year #2: $169,000
- Year #3 $169,000

D. In establishing this new long term partnership with BSU Athletics, your company shall be industry exclusive throughout Boise State Athletics. No other competitor shall have any permanent presence in Bronco Stadium or the Pavilion during the term of this agreement.

E. The Partner shall comply with all University policies; and local, state and federal laws in the performance of this Agreement and in the usage of the rights granted hereunder.

F 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.

G. Any questions or concerns regarding this Agreement should be addressed to:

Brad Larrondo
Assistant Athletic Director
1910 University Drive
Boise, ID 83725

H. Either party shall have the right to terminate this Agreement in the event that the other party is in breech of its obligations hereunder and such breach has not been cured within thirty (30) days of written notice thereof from the non-breaching party.

I. In the event litigation is brought by either party in order to enforce the terms of this Agreement, the party found in breach of contract shall pay the reasonable attorney's fees and costs of litigation of the successful party.

J This Agreement is contingent upon the approval of the Idaho State Board of Education.

K. Northwest Dodge Dealers will have the first right of negotiation to extend this agreement for another five-year period and will exercise this option no later than March 15, 2008

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

NORTHWEST DODGE DEALERS

By _____
Matt Artin
PHD US on behalf of Northwest Dodge Dealers

BSU ATHLETICS

By _____
Gene Bleymaier
Director of Athletics

By _____
Stacy Pearson
Vice President, Finance & Administration

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Department of Intercollegiate Athletics
1910 University Drive Boise, Idaho 83725-1020
phone 208 426-1288
fax 208 426-1778
www.broncosports.com

CORPORATE PARTNER AGREEMENT

THIS AGREEMENT, made this _____ day of July 2005, by and between BSU Athletics (herein after BSU) and ST. LUKES REGIONAL MEDICAL CENTER, an Idaho non-profit corporation (SLRMC), ST LUKES◆IDAHO ELKS REHABILITATION SERVICES an Idaho non-profit joint venture (SLIERS), and IDAHO ELKS REHABILITATION HOSPITAL, an Idaho non-profit corporation (IERH),(herein after Partner)

Witnesseth:

WHEREAS, BSU has a proprietary interest in its intercollegiate athletic teams and facilities and in the use of any material relating to those terms and facilities; and WHEREAS, Partner desires to purchase certain rights from BSU pertaining to the advertising and partnership of BSU athletics and summer camps; and

WHEREAS, BSU is willing to sell such rights to Partner upon the terms and conditions set forth below;

NOW, THEREFORE, in consideration of the covenants and terms of the Agreement, BSU agrees to sell to Partner rights to advertising and partner BSU athletics as set forth herein:

A. **BSU hereby grants to partner the rights to be one of four Major Corporate Partners for BSU Athletics beginning July 1, 2005 through June 30, 2008.**

B. **BSU shall provide Partner the following:**

Bronco Stadium:

Stadium Interior

- One 12' x '14' back-lit static ad panel on Bronco Vision Video Board
- One 3' x 8' back-lit ad panel on south auxiliary scoreboard
- One 3' x 18' Sideline Signature for all Football home games on the East sideline

Stadium Exterior

- One 7'x 24' on Stadium facing Broadway Avenue

MPC Computers Bowl

- All SLIERS permanent signage to remain in place for the MPC Computers Bowl, held in Bronco Stadium (this does not include the temporary sideline signatures)

Taco Bell Arena

Taco Bell Arena Interior

- One 2 x 8 foot back lit ad panel on Bronco Vision Video Board
- One 2 x 4 foot back lit ad panel on Bronco Vision Video Board
- One 3 x 9 foot back lit ad panels behind each basket next to game scoring mechanisms

- One 2 x 2 foot back lit ad panel located to scoring mechanism behind north basket
- Three 3 x 9 foot back lit rotator ad panel on each side of the basketball floor
- One 3 x 9 foot back lit static ad panel on each side of the basketball floor

Taco Bell Arena Exterior

- 13' x 25' electronic message board with back-lit presence of Big 4 Bronco Logo
- Business Logo and Electronic Messages on Taco Bell Arena Exterior Reader Board

Bronco Vision

Bronco Vision Video Board

- Replay sponsor during all FB/BB home games (Company logo leads into each Bronco Vision replay for one quarter **each FB/BB** home game)
- One 30 second promotional spot per home football and basketball game
- One In-Game Promotional Feature per home football and basketball game (i.e. – SLIERS Hit of the Game)
- One In-Game Partner Thank-You by Head Football and Basketball Coach (shown at least once per home game)

Additional Venue Signage

Bronco Venues

- Boas Soccer Complex (3 x 9 foot static ad panel on score board with Company Logo)
- Jackson's Indoor Track (4.5 x 5 foot static ad panel on score board with Big 4 Logo)

Radio & Television

KBOI 670AM

- One Special Coaches Thank-You during all Football and Men's Basketball broadcasts (45 total *broadcasts)*
- Rotating Tag Lines as corporate partner on Boise State Athletics promotional airtime

Boise State Radio

- 100 Underwriting spots as Corporate Partner of Bronco Athletics per year on Boise State Radio Network (4 stations total reaching from McCall to Sun Valley)

Television (KTVB Media Group)

- One 30-second promotional spot during each live or replayed Bronco football and basketball telecast by the KTVB Media Group (92 total broadcasts)
- Rotating spots on KTVB and KTVB 2 from September to March (minimum of 25 spots on KTVB during Prime Time and minimum of 250 spots on KTVB 2)
- Rotating Tag Lines as corporate partner on Boise State Athletics promotional airtime

Print Advertising

Game Program Advertising

- One full page color ad in all football and basketball game programs

Outdoor Advertising

- Bottom 1/3 of two (2) 14' x 48' billboards per Football and Men's Basketball Season (Aug-March)
- Panel Advertising on Bronco Bus from Valley Ride for three months per year

Big 4 Bronco Logo present on all of the following:

- Schedule Cards (150,000)
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- Team Posters (20,000)
- BAA Membership Magazine (14,000)
- Season Ticket Stock (175,000)
- Season Ticket Mailers (8,000)
- Summer Sports Camp Brochures (50,000)
- Select-A-Seat Ticket Stock (350,000)

Internet

Broncosports.com

- Big 4 Bronco logo on BSU Athletic Home Page
- Direct link to each Big 4 Bronco Home Page
- Available promotional opportunities on Web Page to be determined

Athletic Department Mailings

Football and Basketball Season Ticket Mailings

- Inclusion in all season ticket mailings done by Boise State Athletics (materials provided by Partner)

Corporate Hospitality and Entertainment

Motivational Speakers and Public Appearances

- St Luke's, Idaho Elks Rehabilitation Hospital and St. Luke's-Idaho Elks Rehabilitation Services each have the use of a Boise State head coach (any sport) to speak to employees or participate in community appearance
- Ability to purchase additional speaking engagements at 50% discount of standard speaking fee
- Use of a Boise State head coach, staff member, cheerleaders, mascot or marching band for a promotional commercial shoot per year

Team Travel

- Two spots on team charter to an away football game to be determined by Boise State

Logo Rights

Ability to utilize athletic mark whenever needed to help promote SLIERS, along with the use of Big Four logo in all marketing efforts.

Passes

- Two sideline passes to all Bronco home football games
- Six parking passes to all athletic events throughout the season
- 18 pre-game tailgate/hospitality passes to each home football game and each Saturday home basketball game

Game Sponsorship

- Title sponsor for one home football and basketball game during each season
- 50 additional VIP tickets for select football and basketball game
- Company banner above each stadium / arena entrance
- Individual logo on game programs and tickets for selected game
- All TV, Radio, and Print advertising surrounding your game..."Brought to you by..."
- All invited guests down on the field / court to form the tunnel to welcome the Broncos

Season Tickets

- 18 VIP season tickets to all BSU Athletic Events
- 6 Bronco Athletic Association Memberships Tied To Season Tickets

C. **Partner agrees to:**

1 Pay BSU Athletics the full amount in cash by May 30th of 2006, 2007, and 2008 as follows: Payment structure to be determined by both parties.

• Year #1:	SLRMC	$50,000	IERH	$50,000	SLIERS	$50,000
• Year #2:	SLRMC	$50,000	IERH	$50,000	SLIERS	$50,000
• Year #3	SLRMC	$50,000	IERH	$50,000	SLIERS	$50,000

D. In establishing this new long term partnership with BSU Athletics, your company shall be industry exclusive throughout Boise State Athletics No other competitor shall have any permanent or temporary presence in Bronco Stadium or the Taco Bell Arena during the term of this agreement.

E. The Partner shall comply with all University policies; and local, state and federal laws in the performance of this Agreement and in the usage of the rights granted hereunder.

F 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

G. Any questions or concerns regarding this Agreement should be addressed to:

Brad Larrondo
Assistant Athletic Director
1910 University Drive
Boise, ID 83725

H. Either party shall have the right to terminate this Agreement in the event that the other party is in breech of its obligations hereunder and such breach has not been cured within thirty (30) days of written notice thereof from the non-breaching party.

I. In the event litigation is brought by either party in order to enforce the terms of this Agreement, the party found in breach of contract shall pay the reasonable attorney's fees and costs of litigation of the successful party.

J This Agreement is contingent upon the approval of the Idaho State Board of Education.

K. SLRMC, IERH, SLIERS will have the first right of negotiation to extend this agreement for another three-year period and will exercise this option no later than March 15, 2008

IN WITNESS whereof, the parties have caused this Agreement to be executed on the date first set forth above

ST. LUKE'S REGIONAL MEDICAL CENTER

By _____
Gary Fletcher
Executive Vice President

BOISE STATE UNIVERSITY

By _____
Gene Bleymaier
Director of Athletics

IDAHO ELKS REHABILITATION HOSPITAL

By_____
Joseph P Caroselli
Administrator

By_____
Stacy Pearson
Vice President, Finance & Administration

By_____
Jim Lynn
Chairman, Board of Directors

ST LUKE'S ● IDAHO ELKS REHABILITATION SERVICES

By_____
Joseph P. Caroselli
Governing Council Chairman

By_____
Jeff Taylor
Governing Council Secretary

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SPONSORSHIP AGREEMENT
BETWEEN

VERIZON WIRELESS

AND

BSU ATHLETICS WITH THE AUTHORITY OF THE REGENTS OF BOISE STATE UNIVERSITY

This Sponsorship Agreement, dated as of July 1, 2005 ("Effective Date"), is by and between Boise City MSA Limited Partnership d/b/a Verizon Wireless, with offices at 15505 Sand Canyon Ave., Irvine, CA 92618 (hereinafter referred to as "Verizon Wireless") and BSU Athletics, with a mailing address of 1910 University Drive, Boise, ID 83725 (hereinafter referred to as "BSU Athletics") with the authority of BOISE STATE UNIVERSITY (hereinafter referred to as "BSU").

RECITALS

A. BSU Athletics plays regular season football games, and, if applicable, post-season football games (collectively "Games") at Bronco Stadium in Boise, Idaho.

A. BSU Athletics plays regular season basketball games, and, if applicable, post-season basketball games (collectively "Games") at Taco Bell Arena in Boise, Idaho.

B. BSU Athletics and Verizon Wireless desire to enter into an agreement in which BSU will offer Verizon Wireless certain promotional opportunities for the 2005-2006 and 2006-2007 Seasons ("Season(s)").

C. BSU and BSU Athletics represent that BSU Athletics has been given the right and authority to carry out all responsibilities of BSU, as outlined in this Agreement.

NOW, THEREFORE, in consideration of the parties' mutual covenants, warranties, representations and promises contained herein, and other good and valuable

consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. **SPONSORSHIP**

BSU Athletics shall provide the sponsorship and marketing elements to Verizon Wireless during the Term (defined in Section 3), as specified in Exhibit A and Verizon Wireless shall pay to BSU Athletics the sponsorship fee as set forth in Exhibit A.

2. OFFICIAL RIGHTS; EXCLUSIVITY

During the Term of this Agreement, Verizon Wireless shall be one of four Major Corporate Sponsors ("Big 4 Bronco"). During the Term of this Agreement, BSU Athletics shall not enter into any sponsorship agreement with providers of cellular or other wireless telephone communication services that directly compete with Verizon Wireless in the Boise, Idaho market for the provision of wireless telephone communication services.

1. NAMES AND LOGOS

A. During the Term, BSU Athletics hereby grants to Verizon Wireless the non-exclusive right to use BSU's trade names, logos, emblems or insignia set forth on Exhibit B (collectively, the "Licensed Logos") solely in connection with Verizon Wireless's promotion of its association with BSU and subject to compliance with the provisions of this section. BSU Athletics represents and warrants that it has the full legal power and authority to extend the rights granted to Verizon Wireless under this Agreement with respect to the Licensed Logos. Verizon Wireless agrees that all ownership rights in the Licensed Logos will remain in BSU Athletics, that Verizon Wireless will not claim any right, title, or interest in and to the Licensed Logos, except the limited right to use pursuant to this Agreement, and that Verizon Wireless will not apply for nor obtain any state or federal service mark or trademark registration, or any foreign service mark or trademark registration, covering or including the Licensed Logos. Verizon Wireless will submit in writing all uses by it of the Licensed Logos to BSU Athletics for its written approval, which approval will not be unreasonably withheld.

However, Verizon Wireless will comply with all reasonable written instructions of BSU Athletics regarding the manner of display of copyright or trademark notices of any such material. If BSU Athletics does not object to any such use or uses within seven days after the submission of the proposed use, any such use or uses will be deemed to be approved. Verizon Wireless will not depart from the submitted use or uses without obtaining BSU Athletics prior written consent. Verizon Wireless will take no action inconsistent with or damaging to BSU Athletics trademarks, names, designs, emblems, slogans, logos or insignia or the goodwill associated therewith. Any right to use the Licensed Logos under this Agreement shall terminate upon termination of this Agreement.

B. During the Term, Verizon Wireless hereby grants to BSU Athletics the non-exclusive right to use Verizon Wireless's trade names and logos set forth on Exhibit C (the "Verizon Wireless Logos") solely in connection with BSU Athletics promotion of the event(s) being sponsored pursuant to this Agreement and Verizon Wireless's sponsorship of such events and subject to compliance with the provisions of this section. BSU Athletics agrees that all ownership rights in the Verizon Wireless Logos will remain in Verizon Wireless, that BSU Athletics will not claim any right, title or interest in and to the Verizon Wireless Logos, except the limited right to use pursuant to this Agreement, and that BSU Athletics will not apply for nor obtain any state or federal service mark or trademark registration, or any foreign service mark or trademark registration, covering or including the Verizon Wireless Logos. BSU Athletics will submit in writing all uses by it of the Verizon Wireless Logos to Verizon Wireless for its written approval, which approval will not be unreasonably withheld. However, BSU Athletics will comply with all reasonable written instructions of Verizon Wireless regarding the manner of display of copyright or trademark notices of any such material. If Verizon Wireless does not object to any such use or uses within seven days after the submission of the proposed use, any such use or uses will be deemed to be approved. BSU Athletics will not depart from the submitted use or uses without obtaining Verizon Wireless's prior written consent. BSU Athletics will take no action inconsistent with or damaging to Verizon Wireless's trademarks, names, designs, emblems, slogans, logos

or insignia or the goodwill associated therewith. Any right to use the Verizon Wireless Logos under this Agreement shall terminate upon termination of this Agreement.

4. **TERM OF AGREEMENT**

The term of this Agreement shall commence on the July 1, 2005 ("Effective Date") and shall terminate on June 30, 2007 (the "Term"). This Agreement shall not be extended except upon written agreement by the parties.

5. **INSURANCE**

A. At all times during the Term, BSU, at its sole expense, shall maintain in full force and effect a policy of automobile liability insurance and commercial general liability insurance, including coverage against claims for Bodily Injury, Personal Injury and Property Damage caused by or occurring in conjunction with the operation of BSU's business, including all activities authorized or required to be performed under this Agreement, in which Verizon Wireless and its agents, employees, partners, officers and directors are designated as additional insureds. Such insurance coverage shall be maintained under one or more policies of insurance from an insurance company(ies) satisfactory to Verizon Wireless and shall provide a minimum liability protection of $500,000 per occurrence with an aggregate limit of at least $500,000 which shall be kept in full force and unimpaired. In addition, at all times during the Term, BSU at is sole expense, shall maintain in full force and effect a policy of workers' compensation insurance with statutory limits and employers' liability insurance with limits of not less than $500,000 for each accident. All insurance policies required by this Agreement shall provide that they may not be canceled or materially altered except upon thirty (30) days' prior written notice to Verizon Wireless. BSU shall provide to Verizon Wireless a Certificate of Insurance evidencing such insurance within ten (10) days of the execution of this Agreement.

0. **INDEMNITY**

Each party to this Agreement (the "Indemnifying Party") shall defend, indemnify, and hold harmless the other party (the "Indemnified Party"), the Indemnified Party's

officers, employees, partners, agents and affiliates from and against any loss, cost, expense, and liability, including reasonable attorneys' fees, to the extent resulting from any negligent or intentionally wrongful act or omission arising out of the exercise of their rights or the performance or breach of their obligations under this Agreement. Notwithstanding the preceding, this obligation to indemnify shall not apply to any claim to the extent arising from any negligent or intentional conduct of the Indemnified Party or of any agent, employee or licensee of the Indemnified Party. Nothing in this indemnity shall extend BSU's liability beyond the limits of the Idaho Tort Claims Act, Idaho Code 6-901 et. sq.

7. **RELATIONSHIP OF PARTIES**

The parties hereto acknowledge that each party is an independent contractor and is not the agent, partner or joint venturer of the other for any purpose and that nothing contained herein or done pursuant hereto shall be construed to create any relationship between Verizon Wireless and BSU Athletics other than as expressly set forth in this Agreement or to make the parties joint venturers or partners in any respect whatsoever.

8. **FORCE MAJEURE**

If either party hereto shall have been prevented in whole or in part from performing its obligations hereunder by virtue of any cause beyond such party's control, then the obligation of such party shall be excused for a period of time equal to the period during which the party shall have been prevented from performing; provided, however, that if any such event prevents the occurrence of an event covered by the terms of this Agreement, the parties shall cooperate in good faith such that the rights and obligations of the parties hereunder may be fulfilled by rescheduling, substitution, alternate performance, or similar means. If such substitution or rescheduled event does not take place within thirty days from the originally scheduled date of the event, then Verizon Wireless shall be entitled, at its option, to a refund or offset on a pro rata basis of the fees set forth in Exhibit A.

9. **DISPUTE RESOLUTION/ARBITRATION**

A. The parties agree to attempt to settle any dispute arising out of this Agreement through consultation and negotiation in good faith and in the spirit of mutual cooperation. Accordingly, if the parties have a dispute, the parties agree to meet to try to resolve the dispute within fourteen (14) days after one party delivers a written request for a meeting to the other party. If after such meeting, the parties have not succeeded in negotiating a resolution of the dispute within 30 days, then either party may commence arbitration as provided herein by delivering a written demand for arbitration to the other party, except as is otherwise expressly provided for in this Agreement.

B. If either party commences arbitration in the manner described above, the dispute will be subject to binding arbitration before one (1) independent arbitrator familiar with the wireless telecommunications industry. Such arbitration shall be held in Los Angeles, California, pursuant to the Wireless Industry Arbitration ("WIA") rules in effect at the time of the dispute, as modified by this Agreement and administered by the American Arbitration Association ("AAA"). The arbitrator shall be selected by the joint agreement of the parties, but if they do not so agree within fourteen (14) days after the date of the notice referred to above, the selection shall be made by AAA pursuant to the AAA Rules.

C. Any award rendered by the arbitrator shall be conclusive and binding upon the parties; provided, however, that any such award shall be accompanied by a written opinion of the arbitrator giving the reasons for the award. The arbitrator shall have the authority to require the submission (at hearing or otherwise) of such documents, information, testimony, and other items as the arbitrator may deem necessary to make a fair and reasonable decision. In all arbitrations, the arbitrator will decide whether or not an issue is arbitrable. The arbitrator shall have no authority to award relief in excess of what is permitted by this Agreement. The findings of the arbitrator may not change the express terms of this Agreement and shall be consistent with the arbitrator's understanding of the findings that a court of proper jurisdiction would make in applying the applicable law to the facts underlying the dispute.

D. This provision for arbitration shall be specifically enforceable by the parties and the decision of the arbitrator shall be final and binding with no right of appeal. Each party shall pay its own expenses of arbitration, and the expense of the arbitrator shall be shared equally; provided, however, that if in the opinion of the arbitrator any party's delay in the arbitration process was unreasonable, the arbitrator may assess, all or any part of the arbitration expenses of the other party (including reasonable attorneys' fees) and of the arbitrator against the party causing such unreasonable delay as part of the award. **THE ARBITRATOR SHALL NOT AWARD ANY PARTY PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES, AND EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT TO SEEK SUCH DAMAGES.**

E. All applicable statutes of limitation and defenses based upon the passage of time shall be tolled while the procedures specified in this Section 9 are pending. The parties will take such actions, if any, required to effectuate such tolling. The parties will not be prohibited from seeking injunctive relief to preserve the status quo pending resolution under this provision. The arbitration shall be governed by the United States Arbitration Act, 9 USC §§1-16, as amended. In the event of any conflict between the United States Arbitration Act and the WIA rules in effect at the time of the dispute, as modified by this Agreement and administered by the AAA, the WIA rules shall govern.

F. EVEN IF APPLICABLE LAW PERMITS CLASS ACTIONS OR CLASS ARBITRATIONS, BOTH PARTIES HEREBY WAIVE ANY RIGHT TO PURSUE ON A CLASS BASIS ANY SUCH CONTROVERSY OR CLAIM AGAINST THE OTHER PARTY, OR ANY OF ITS AFFILIATES OR PREDECESSORS IN INTEREST. If multiple claims are joined in one action, some of which would not be subject to arbitration, the latter claims must be dismissed, stayed or severed. If claims are asserted against multiple parties, some of whom are not required to arbitrate, the claims subject to arbitration must be severed. Procedurally, no arbitrator may order consolidation or class arbitration. In a Large/Complex Case arbitration, the arbitrators must apply the rules of evidence that would apply had the arbitration been commenced in a court having jurisdiction in the place of the arbitration (this means a federal court, if a federal court would have had jurisdiction, and otherwise the appropriate state court).

In a Large/Complex Case arbitration, the losing party may have the award reviewed by a review panel of three (3) arbitrators.

G. ALL DISCUSSIONS AND DOCUMENTS PREPARED PURSUANT TO ANY ATTEMPT TO RESOLVE A DISPUTE UNDER THIS PROVISION ARE CONFIDENTIAL AND FOR SETTLEMENT PURPOSES ONLY AND SHALL NOT BE ADMITTED IN ANY COURT OR OTHER FORUM AS AN ADMISSION OR OTHERWISE AGAINST A PARTY FOR ANY PURPOSE, INCLUDING THE APPLICABILITY OF FEDERAL AND STATE COURT RULES.

H. If for any reason the provisions of this Agreement requiring arbitration are declared unenforceable, void, or voidable, or if any action or judicial proceeding is permitted other than as contemplated by these provisions, each party waives any right it may have to trial by jury.

0. **ATTORNEYS' FEES AND COSTS**

If any legal action, arbitration, or other proceeding is brought for the enforcement of or to declare rights or obligations under this Agreement or as a result of a breach, default, or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing party shall be entitled to recover reasonable attorneys' fees and other costs incurred in any such action, arbitration, or proceeding in addition to any other relief to which that party may be entitled.

0. **TERMINATION**

In addition to whatever rights or remedies either party may have under this Agreement or otherwise, either party may terminate this Agreement at any time, upon thirty (30) days' written notice, in the event that the other party: (a) becomes insolvent as defined by the Federal Bankruptcy Code; or (b) materially breaches any of the terms of this Agreement, and said breach is not cured within fifteen (15) days of receipt of written notice of said breach. If this Agreement is terminated, all rights and obligations of the parties hereto shall cease, except with respect to any liability arising out of any breach or default hereunder and any liabilities or obligations accrued under the terms

hereof prior to such termination and remaining unsatisfied at the time such termination becomes effective.

0. **BINDING AGREEMENT**

This Agreement is firm and non-cancelable, except as expressly provided for in this Agreement.

0. **WAIVER**

Failure by either party at any time to require performance by the other party of any provisions hereof shall in no way affect the right to require full performance any time thereafter, nor shall waiver by either party of a breach of any provision of this Agreement constitute a waiver of any succeeding breach of the same or of any other provisions, nor constitute a waiver of the provision itself.

0. **NOTICES**

All notices required to be given hereunder shall be given in writing by (a) certified or registered mail, return receipt requested, postage prepaid, (b) overnight courier or (c) facsimile at the respective addresses set forth below, or such other address as may be designated in writing by the parties hereto. Notice shall be deemed given on the date of delivery thereof.

Notices to Verizon Wireless shall be sent to:

Director of Marketing Communications
Verizon Wireless
15505 Sand Canyon Ave.
Irvine, California 92618

Fax No.: (949) 286-8920

with a copy to:

Verizon Wireless
Legal Department
15505 Sand Canyon Ave.
Irvine, California 92618

Fax No.: (949) 286-7010

Notices to BSU Athletics shall be sent to:

Brad Larrondo

Assistant Athletic Director
1910 University Drive
Boise, ID 83725

Fax No.: (208) 426-1778

0. **GOVERNING LAW**

This Agreement shall be governed by the internal laws of the State of Idaho without reference to any conflict of laws provisions.

0. **MODIFICATIONS**

No waiver of any term or condition or breach of this Agreement and no modification, alteration, or amendment of this Agreement shall be valid or binding unless in writing signed by any party to be charged with such waiver, modification, alteration, or amendment.

0. **SEVERABILITY**

If one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal, or unenforceable, in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

0. **INTERPRETATION**

The parties to this Agreement acknowledge and agree that they have each participated in the negotiation and drafting of this Agreement, and that this Agreement shall not be interpreted against either party.

19. **RIGHTS CUMULATIVE**

The rights and remedies provided by this Agreement are given in addition to any other rights and remedies either party may have by law, statute, ordinance, or otherwise. All such rights and remedies are intended to be cumulative, and the use of any right or remedy by either party shall not preclude or waive its right to use any or all other rights or remedies.

20. **AUTHORITY**

Each person signing this Agreement represents and warrants that (s)he is authorized to execute and deliver this Agreement, that this Agreement is binding upon the party for whom (s)he has signed, and that the signature of no one else is required to bind that party. Each individual executing this Agreement on behalf of an entity represents and warrants that (s)he is duly authorized to execute and deliver this Agreement on behalf of such entity, in accordance with a duly adopted resolution of the members or directors of such entity, if required, and/or in accordance with the organizational documents of such entity, and that this Agreement is binding upon such entity in accordance with its terms.

21. **MAINTENANCE OF SIGNS**

BSU Athletics will cause to be maintained in good condition and in good working order throughout the term of this Agreement the signage described in Exhibit A and its backlighting and/or fixed lighting and will cause to be promptly repaired or replaced at BSU Athletics expense during the Term of this Agreement any such cracked or broken signage.

22. **ENTIRE UNDERSTANDING**

This Agreement, including exhibits, contains the entire understanding of the parties with respect to the subject matter hereof and contains all of the terms, conditions, understandings, and promises of the parties hereto and supersedes and replaces all prior agreements and understandings.

23. **ASSIGNMENT**

Neither party shall assign its rights or delegate its duties under this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld, delayed or conditioned. Notwithstanding the foregoing, Verizon Wireless may assign this Agreement, without BSU Athletics consent, to (i) any parent, subsidiary or Affiliate entity, (ii) to a successor in interest of all or substantially all of the assets, stock or business of a party to which this Agreement pertains, or (iii) any partnership or entity resulting from that certain U.S. Wireless Alliance Agreement between Verizon Wireless's parents, Vodafone Group plc., and Verizon Communications. Any attempted assignment or delegation in contravention of this section shall be void and of no effect, and shall be considered a material default of this Agreement. Subject to the provisions of this section, this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns, if any, of the parties hereto.

0. **MISCELLANEOUS PROVISIONS**

The captions in this Agreement are intended for convenience of reference only. This Agreement may be executed in counterparts. Any provision of this Agreement may survive this Agreement's termination if the provision's context shows that the parties to this Agreement intended the provision to survive.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in their respective names, by their proper officers thereunto duly authorized, on the later of the dates written below.

Boise City MSA Limited Partnership
d/b/a Verizon Wireless
By: Verizon Wireless (VAW) LLC, Its General Partner

By: _____

Name: _____

Title: _____

Date: _____

BSU Athletics

By: _____

Name: Gene Bleymaier

Title: Director of Athletics

Date: _____

Acknowledged by:
Boise State University

By: _____

Name: Stacy Pearson

Title: Vice President, Finance & Administration

Date: _____

EXHIBIT A

Sponsorship Element and Fees

1. Sponsorship Elements. BSU Athletics shall provide Verizon Wireless with the following elements during each Season during the Term of the Agreement:

- Bronco Stadium:
  - Stadium Interior
    0. One 12' x '14' back-lit static ad panel on Bronco Vision Video Board;
    0. One 3' x 8' back-lit ad panel on south auxiliary scoreboard; and
    0. One 3' x 18' Sideline Signature for all Football home games on the East sideline;
  - Stadium Exterior
    0. One 7'x 24' on Stadium facing Broadway Avenue.
  - MPC Computers Bowl
    0. All Verizon Wireless's permanent signage to remain in place for the MPC Computers Bowl, held in Bronco Stadium (this does not include the temporary sideline signatures).
- Taco Bell Arena
  - Taco Bell Arena Interior
    0. One 2 x 8 foot back lit ad panel on Bronco Vision Video Board;
    0. One 2 x 4 foot back lit ad panel on Bronco Vision Video Board;
    0. One 3 x 9 foot back lit ad panels behind each basket next to game scoring mechanisms;
    0. One 2 x 2 foot back lit ad panel located to scoring mechanism behind north basket;
    0. Three 3 x 9 foot back lit rotator ad panel on each side of the basketball floor; and
    0. One 3 x 9 foot back lit static ad panel on each side of the basketball floor.
  - Taco Bell Arena Exterior
    0. 13' x 25' electronic message board with back-lit presence of Big 4 Bronco Logo; and
    0. Business Logo and Electronic Messages on Taco Bell Arena Exterior Reader Board.
- Bronco Vision and Game Promotions
  - Bronco Vision Video Board
    0. Replay sponsor during all football/basketball home games (Verizon Wireless' logo leads into each Bronco Vision replay for one quarter each football/basketball home game).
    0. One 30 second promotional spot per home football and basketball game.

3. One Interactive Text Messaging Promotional Feature per home football and basketball games (actual feature TBD).
4. One In-Game Verizon Wireless Thank-You by Head Football and Basketball Coach (shown at least once per home game).

d. V-Team Promotional Appearances
   i. V-Team promotional presence at minimum of half of all home football and basketball games. Verizon Wireless to coordinate scheduling of V-Team appearances with BSU prior to start of respective football and basketball seasons.

e. Hopeline Promotion
   i. Hopeline promotion and collection of used mobile phone donations (to be re-programmed and given to victims of domestic violence) to occur at (1) basketball and (1) football game each season with promotions leading up to the event date.

f. Additional Venue Signage
   i. Bronco Venues
      1. Boas Soccer Complex (3 x 9 foot static ad panel on score board with Verizon Wireless' Logo); and
      2. Jackson's Indoor Track (4.5 x 5 foot static ad panel on score board with Big 4 Logo)

g. Radio & Television
   i. KBOI 670AM
      1. One Special Coaches Thank-You during all football and Men's basketball broadcasts (45 total broadcasts); and
      2. Rotating Tag Lines as Corporate Sponsor on Boise State Athletics promotional airtime (approximately 700 spots).
   ii. Boise State Radio
      1. 100 Underwriting spots as Corporate Sponsor of Bronco Athletics per year on Boise State Radio Network (4 stations total reaching from McCall to Sun Valley).
   iii. Television (KTVB Media Group)
      1. One 30-second promotional spot during each live or replayed Bronco football and basketball telecast by the KTVB Media Group (92 total broadcasts);
      2. Rotating spots on KTVB and KTVB 2 from September to March (minimum of 25 spots on KTVB during Prime Time and minimum of 250 spots on KTVB 2); and
      3. Rotating Tag Lines as Corporate Sponsor on Boise State Athletics promotional airtime (approximately 400 spots).

h. Print Advertising
   i. Game Program Advertising
      1. One full page color ad in all football and basketball game programs (Verizon Wireless' ad will be placed on page 1 of game program).
   ii. Outdoor Advertising
      1. Bottom 1/3 of (2) 14' x 48' billboards per football and men's basketball Season (Aug-March); and

2. Panel Advertising on Bronco Bus from Valley Ride for three months per year.

iii. Big 4 Bronco Logo present on all of the following:

1. Schedule Cards (150,000);
2. Game Programs Covers (90,000);
3. Media Guides (10,000);
4. Team Posters (20,000);
5. BAA Membership Magazine (14,000);
6. Season Ticket Stock (175,000);
7. Season Ticket Mailers (8,000);
8. Summer Sports Camp Brochures (50,000); and
9. Select-A-Seat Ticket Stock (350,000).

i. Internet

i. Broncosports.com

1. Big 4 Bronco logo on BSU Athletic Home Page;
2. Direct link to each Big 4 Bronco Home Page (subject to Verizon Wireless IT security rules, requirements and procedures); and
3. Available promotional opportunities on Web Page to be determined

j. Athletic Department Mailings

i. Football and basketball season ticket mailings

1. Inclusion in all season ticket mailings done by Boise State Athletics (materials provided by Verizon Wireless).

k. Corporate Hospitality and Entertainment

i. Motivational Speakers

1. Use of a Boise State head coach of any sport to speak to your employees and/or customers for 60 minutes per year, and ability to purchase additional speaking engagements at discounted rate.
2. Use of a Boise State head coach, staff member, cheerleaders, mascot or marching band for a promotional commercial shoot per year.

ii. Team Travel

1. Two spots on team charter to an away football game to be determined by Boise State.

iii. Logo Rights

1. Ability to utilize athletic mark whenever needed to help promote Verizon Wireless, along with the use of Big Four logo in all marketing efforts.

iv. Passes

1. Two sideline passes to all Bronco home football games;
2. Six parking passes to all athletic events throughout the season; and
3. 16 pre-game tailgate/hospitality passes to each home football game and each Saturday home basketball game.

v. Facility Usage and Retail Site Promotions

1. Use of Boise State athletic facilities (i.e. – Hall of Fame Gallery, Football Center, Bronco Stadium, Taco Bell Arena,

etc.) when available for corporate gatherings, meetings or promotional events. Scheduling of facilities to be coordinated with Assistant Athletic Director/Director of Marketing.

2. Ability to hold off-campus promotional events at Verizon Wireless retail locations, including appearances by Boise State coaches, staff members, cheerleaders and band. Events to be coordinated with Assistant Athletic Director/Director of Marketing, and based on availability of coaches and staff.

vi. Game Sponsorship

1. Title sponsor for one home football and basketball game during each season;
2. 50 additional VIP tickets for select football and basketball game;
3. Pre-game hospitality tent with food and beverages included ;
4. Company banner above each stadium / arena entrance;
5. Individual logo on game programs and tickets for selected game;
6. All TV, Radio, and Print advertising surrounding your game…"Brought to you by…";
7. Promotional giveaway opportunity or specialized Verizon Wireless promotion to reach fans; and
8. All invited guests down on the field / court to form the tunnel to welcome the Broncos.

vii. Season Tickets

1. 16 VIP season tickets to all BSU Athletic Events; and
2. 6 Bronco Athletic Association Memberships Tied To Season Tickets

2. Compensation. In consideration for all rights and benefits granted to Verizon Wireless in this Agreement, Verizon Wireless shall pay to BSU a Sponsorship Fee and provide an In Kind Contribution for each of the 2005-2006 and 2006-2007 Seasons as follows:

1. Sponsorship Fee. Verizon Wireless Pay BSU Athletics the full amount in cash by May 30th of 2006 and 2007 as follows: Payment structure to be determined by both parties.

- Year #1: $100,000
  - Payment #1 ($25,000) Due on July 30, 2005
  - Payment #2 ($25,000) Due on September 30, 2005
  - Payment #3 ($25,000) Due on October 30, 2005
  - Payment #4 $25,000) Due on November 30, 2005

- Year #2: $120,000
  - Payment #1 ($30,000) Due on January 30, 2006
  - Payment #2 ($30,000) Due on April 30, 2006

- Payment #3 ($30,000) Due on July 30, 2006
- Payment #4 $30,000) Due on October 30, 2006

2. In-Kind Contribution. Verizon Wireless will provide BSU Athletics a cellular phone service and equipment credit during each year of the Term in the following amounts, and subject to the following terms and conditions:

    - Year #1: up to $50,000.00 yearly Cellular Service and Equipment Credit
    - Year #2: up to $30,000.00 yearly Cellular Service and Equipment Credit

    a. Plans and equipment will be determined prior to each year of the Agreement starting on July 15th of each year of the Term. Verizon Wireless, in its sole discretion, will determine the make and model of any equipment provided to BSU Athletics.

    b. BSU Athletics shall be responsible for all amounts for usage in excess of the yearly credited services and equipment, including taxes, fees or surcharges.

    a. All services and equipment provided by Verizon Wireless shall be governed by the terms and conditions of the Major Account Agreement to be executed by and between the parties.

    b. Verizon Wireless shall pay the applicable taxes directly, if any, arising out of the use of the credited service or equipment under this Agreement by BSU Athletics, whenever such tax may be assessed, provided, however, BSU Athletics shall be responsible for all amounts for usage in excess of the credited services and equipment, including taxes, fees or surcharges.

3. Unless otherwise stated herein, all payments hereunder shall be deemed to include all applicable taxes, duties and charges.
4. Payment shall not constitute acceptance, and invoices shall be subject to adjustment for defects in quality or other failure of BSU Athletics to meet the requirements of this Agreement.
5. Verizon Wireless may at any time set off against such invoices any amounts otherwise owed by BSU Athletics to Verizon Wireless or its affiliates.

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

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.

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INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY

SUBJECT

Boise State University requests approval to enter a corporate sponsorship agreement with Carl's Jr. and CKE Restaurants

APPLICABLE STATUE, RULE, OR POLICY

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

BACKGROUND

Boise State University athletics department actively promotes corporate sponsorships of its intercollegiate athletic teams and facilities. These sponsorships give the sponsors an opportunity to advertise and promote their organization at university athletics events and in media advertising these events in exchange for a multi-year monetary commitment and in kind contribution. This sponsorship is designated as one of six Team Bronco Partners and receive partnership benefits that include signage and media advertisement in the athletics venues, radio, television and print advertisement and corporate hospitality (rights to game sponsorship, use of logo in advertising, season tickets and access to coaches for speaking engagements). Team Bronco Partners receive fewer benefits than the Big Four Sponsors for less consideration. The value of this consideration is based on the success of the intercollegiate athletics program and the sponsors' interest in being affiliated with the program.

DISCUSSION

State Board policy requires that agreements in excess of $250,000 be approved by the Board. Boise State University has negotiated and accepted, contingent upon Board Approval, the following corporate sponsorship agreement for the listed consideration and included it as an Attachment to this item.

ATTACHMENT (page 3): Carl's Jr. and CKE Restaurants, $264,000, 07/01/2005 through 06/30/2008

IMPACT

In exchange for such consideration there would be provided to the corporate sponsors the opportunity to advertise in various formats and venues including radio/television advertising spots, print and internet advertising, logo rights, games passes, and a number of other opportunities to capitalize on Boise State's winning athletics teams. These sponsorships have increased in value from prior agreements and are now at a level that requires Board approval.

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY - continued

STAFF COMMENTS AND RECOMMENDATIONS

This sponsorship requires Board approval because the annual payment amount in each circumstance exceeds $250,000.

Staff has reviewed this agreement and has suggested several substantive and/or grammatical changes. Any subsequent changes made to the agreement had not been received at the Board office or reviewed by staff prior to publication of the agenda. Accordingly, there is no staff recommendation.

BOARD ACTION

A motion to approve Boise State University's request to enter into a corporate sponsorship agreement with Carl's Jr. and CKE Restaurants.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

CORPORATE PARTNER AGREEMENT

THIS AGREEMENT, made this ____ day of June, by and between Boise State University (herein after BSU) and **Carl's Jr. and CKE Restaurants,** (herein after Partner).

Witnesseth:

WHEREAS, BSU has a proprietary interest in its intercollegiate athletic teams and facilities and in the use of any material relating to those terms and facilities; and WHEREAS, Partner desires to purchase certain rights from BSU pertaining to the advertising and partnership of BSU athletics and summer camps; and

WHEREAS, BSU is willing to sell such rights to Partner upon the terms and conditions set forth below;

NOW, THEREFORE, in consideration of the covenants and terms of the Agreement, BSU agrees to sell to Partner rights to advertising and partner BSU athletics as set forth herein:

A. BSU hereby grants to partner the rights to be one of six Team Bronco Partners for BSU Athletics beginning July 1, 2005 through June 30, 2008.

B. BSU shall provide Partner the following:

Bronco Stadium

Facia Scoreboard

- Two (2) 3' x 14' backlit ad panels (1 on each side of stadium)

Field Level End Zone Ad Panel

- One (1) 4' x 8' back-lit ad panel in North End Zone

Sideline Signature Signs

- One (1) 3'x 18' Sideline Signature Sign for all home football games. Sideline Signature to be placed on east sideline a minimum of four games during a six game football season, and a minimum of five games during a seven game football season. Sideline signature to be placed on East Sideline for nationally televised games.

Bronco Vision Video Board

- One 30-second promotional spot per home game
- One In-Game Promotional Feature (i.e. – Carl's Jr. Player of the Game)
- One in game Partner Thank-You by Head Football Coach (shown at least once per home game)
- Game Program Feature (signed game program give away)

Additional Items

- Carl's Jr. has the right to display the Carl's Jr. inflatable cup on the Northeast End Zone Building in conjunction with Coca-Cola and to promote the Aramark Go Large promotion
- Carl's Jr. has the right to provide 32 oz special souvenir promotional cups to Aramark to be sold as large drinks in the stadium and Taco Bell Arena for all events. Cups to be approved by Boise State and Aramark.
- Carl's Jr. has the right to use Mascot and Carl's Jr. promotions team on side lines of each game (limit 4 participants)
- All in Permanent Signage excluding the Sideline Signature shall remain lit and in place for all Stadium Events

Taco Bell Arena

Rotating ad Panels behind each basket on mezzanine level

- One (1) 5' x 10 illuminated tri vision ad panel behind each basket

Basketball Floor Panels

- Three (3) 3' x 9' rotating back-lit ad panel on east sideline
- Three (3) 3' x 9' rotating back-lit ad panel on west sideline
- One (1) 3' x 9' static back-lit ad panel on east sideline

Taco Bell Exterior

- Business Logo and Electronic Messages on Taco Bell Arena Exterior Reader Board

Bronco Vision Video Board

- One 30-second promotional spot per home game
- One In-Game Bronco Vision Promotional Feature (i.e. – Carl's Jr. Player of the Game)
- One in game Partner Thank-You by Head Basketball Coach (shown at least once per home game)
- Game Program feature (signed game program give away)

Additional Items

- All in Permanent Signage excluding shall remain lit and in place for all Events with the exception of NCAA.
- Carl's Jr. has the right to use Mascot and Carl's Jr. promotions team in the area for each game (limit 4 participants)

Print Advertising

"The Game" Program Advertising

- One full page color ad in all football and basketball game programs

Ticket Backs

- Carl's Jr. Coupon to be placed on the back of all Football Season Ticket Stock

Television Advertising

KTVB Media Group

- Two 30-second promotional spots during each live or replayed Bronco football and basketball telecast by the KTVB Media Group
  Note: If a minimum of 5 live football games (on KTVB) and 15 live basketball (on KTVB2) are not broadcast on the KTVB Media Group plus a minimum of 3 replays per game on KTVB 2, Boise State and Carl's Jr. will work with KTVB to place a mutually agreed to value of missed spots in other comparable KTVB programming, or Boise State will provide Carl's Jr. additional sponsorship value comparable to missed game broadcast spots.
- 40 Prime Time Rotating spots (5:30 pm to 10:30 pm) on KTVB from September to March
- 500 Rotating Spots on KTVB 2 from September to March
- Proof of airing to be submitted monthly to local Carl's Jr. franchisee.
- Live in game 30-second promotional spots to be placed as follows: 1 in first half (1st position of commercial break) and 1 in second half (1st position of commercial break).

Radio Advertising

KBOI 670AM

- One Head Coaches Corporate Partner Thank-You during all Football and Men's Basketball broadcasts (45 total broadcasts)

Boise State Radio

- 50 Underwriting spots as Corporate Partner of Bronco Athletics per year on Boise State Radio Network (4 stations total reaching from McCall to Sun Valley)

Internet

Broncosports.com

- Team Bronco logo on BSU athletic home page
- Direct link to Partner homepage

Athletic Department Mailings

Football and Basketball Season Ticket Mailings

- Inclusion in all season ticket mailings done by Boise State Athletics (materials provided by Partner)

Corporate Hospitality and Entertainment

Passes

- Two sideline passes for Carl's Jr. promotional use to all Bronco home football games (per NCAA or conference rules)
- Two sideline passes for use exclusively by Carl's Jr. to all Bronco home football games (per NCAA or conference rules)
- Six parking passes to all athletic events throughout the season

Season Tickets

- 12 VIP season tickets to all BSU Athletic Events
- Six Bronco Athletic Association Memberships Tied To Season Tickets
- 4 Tickets to all non-athletic events at Taco Bell Arena

Motivational Speakers

- Use of a Boise State head coach of any sport to speak to your employees and/or customers for 60 minutes per year, and ability to purchase additional speaking engagements at discounted rate
- Use of a Boise State head coach, staff member, cheerleaders, mascot or marching band for 2 :30 second TV spots for use in stadium and television per year of contract.

Team Travel

- Two spots on team charter to one away football game per season (To be determined by Boise State)

C. Partner agrees to:

1. Pay BSU the full amount in cash by May 30th of 2006, 2007 and 2008 as follows: Payment structure to be determined by both parties:

   - Year #1: $88,000
   - Year #2: $88,000
   - Year #3 $88,000

D. In establishing this new long-term partnership with Boise State University Athletics, your company shall be industry exclusive throughout Boise State Athletics. No other competitor shall have any permanent presence in Bronco Stadium or the Taco Bell Arena during the term of this agreement.

E. The Partner shall comply with all University policies; and local, state and federal laws in the performance of this Agreement and in the usage of the rights granted hereunder.

F. Boise State University reserves the right to review and approve all Carl's Jr. television commercials to be shown in conjunction with advertising listed within this agreement. Such approval will not be unreasonably withheld nor arbitrary and capricious.

G. Any questions or concerns regarding this Agreement should be addressed to:

Brad Larrondo
Assistant Athletic Director
Boise State University
1910 University Drive
Boise, ID 83725

H. Either party shall have the right to terminate this Agreement in the event that the other party is in breech of its obligations hereunder and such breach has not been cured within thirty (30) days of written notice thereof from the non-breaching party.

I. In the event litigation is brought by either party in order to enforce the terms of this Agreement, the party found in breach of contract shall pay the reasonable attorney's fees and costs of litigation of the successful party.

J. Carl's Jr., will have the first right of negotiation to extend this agreement for another three year period and will exercise this option no later than March 15, 2008 or 75 days following the delivery of the proposal from BSU, whichever date is later.

K. 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.

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

CARL'S JR.

By _____
Clayton Jones
Franchise Owner

By _____
CKE Restaurants

BOISE STATE UNIVERSITY

By _____
Gene Bleymaier
Director of Athletics

By _____
Stacy Pearson
Vice President, Finance & Administration

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

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.

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INSTITUTION / AGENCY AGENDA
IDAHO STATE UNIVERSITY

SUBJECT

Center for Advanced Energy Studies (CAES)

REFERENCE

April, 2005	Overview of CAES by Dr. Leonard Bond at SBOE regular meeting

APPLICABLE STATUE, RULE OR POLICY

N/A – Information item.

BACKGROUND

At the April 21, 2005, SBOE meeting Dr. Leonard Bond, Director for the Center for Advanced Energy Studies (CAES), provided an overview of the Center mission and its programs to be located in Idaho Falls. A chronology representing the history of the building which will house the CAES program was prepared by Ken Prolo, ISU VP, Financial Services, and sent to the Board office June 1, 2005. This chronology provides background information for the first proposed facility to be named the Center for Science & Technology (CST) and current activity associated with CAES, including maps of the proposed location of the building in proximity to ISU/UI University Place in Idaho Falls.

DISCUSSION

CAES is designed to become a nationally and internationally recognized focal point for the advancement of education in energy science and technology. The Center is a collaborative effort between the State of Idaho, INL, the universities in Idaho and throughout the nation.

There has been on-going planning since the Board presentation in April 2005. This has included a meeting on June 30, 2005, with the Idaho Universities, CAES, and INL related units to plan the facility space requirements, especially shared lab space. Conference calls have occurred among the Idaho university finance and legal staffs to discuss leasing and financing options and these discussions have included outside counsel.

A time chart is included in the presentation material showing a planned building completion date of 2008 and presentation to the Board for approval to proceed with a request for proposal (RFP) at the October 2005 Board meeting. The presentation will include: space utilization, funding sources, existing documents, equipment/furnishing needs, financing, and open issues.

INSTITUTION / AGENCY AGENDA
IDAHO STATE UNIVERSITY - continued

IMPACT

N/A

STAFF COMMENTS AND RECOMMENDATIONS

As noted in the "Discussion" section, a full presentation of the program need, construction costs and sources of funds, and ongoing operational costs and sources of funds will be presented at the October meeting. Staff will work with officials at Idaho State University and INL to become familiar with the proposal.

BOARD ACTION

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

IDAHO STATE UNIVERSITY

Vice President for Financial Services
Campus Box 8219
Pocatello, Idaho
83209-8219

June 1, 2005

MEMORANDUM

TO: Gary Stivers, Executive Director
Office of the State Board of Education

FROM: Ken Prolo
Vice President for Financial Services

RE: Proposed Research Building in Idaho Falls

The attached chronology presents the history of a proposed research building in Idaho Falls. This building began as a partnership with Idaho State University, University of Idaho, and the INEEL as the Center for Science and Technology (CST) and currently includes the three Idaho universities and the Idaho National Laboratory as a Center for Advanced Energy Studies (CAES). This history includes background information and primarily covers documents and meetings which relate to the future financing of the building. I will maintain the currency of the chronology with updates as appropriate. Also included are two maps: (1) the INL ten year plan with the CAES facility identified north of the railroad tracks near the river and (2) the existing buildings with the ownership of the land north of the rail road tracks indicated.

I have copies of the documents referenced in the chronology as well as other drawings if you wish additional information.

dr

Attachments

cc: Dr. Richard Bowen
Dr. Robert Wharton

Phone: (208) 282-2404
FAX: (208) 282-4725

ISU Is An Equal Opportunity Employer

RESEARCH BUILDING IN IDAHO FALLS
BSU, ISU, UI, & INL

CHRONOLOGY

1. September 2000

   A proposal to establish the Center for Science and Technology for Eastern Idaho.

   The University of Idaho, in partnership with Idaho State University, proposes that $6M from the INEEL Settlement Fund be allocated to develop the Center for Science and Technology (CST). The Center will include a 50,000 sq. ft. building on two acres at the ISU/UI Center for Higher Education at University Place in Idaho Falls. The premise underlying the CST proposal is that such a facility in Eastern Idaho will: (a) create quality jobs, (b) induce investment and act as a catalyst for high-tech growth, (c) reduce Idaho's dependence on DOE, and (d) be compatible with goals of neighboring communities and their economic development efforts. Tenants who have expressed interest in the CST facility include: Bechtel, Inland Northwest Research Alliance, Idaho Water Resources Research Institute, University of Idaho and Idaho State University. This is the proposal submitted in application for the INEEL Settlement Funds.

2. FY 2000

   Application form for FY 2000 EDI – Special Project Grant for $925,000.

   The UI, in partnership with ISU, proposes the formation of a research and development Center for Science and Technology (CST) at the ISU/UI Center for Higher Education at University Place in Idaho Falls. The CST is expected to contain approximately 50,000 sq. ft. on two acres. The $925,000 from this HUD grant will be generally applied to cover architectural and engineering fees for planning through completion of construction documents for the CST. A second federal grant will be used to cover the cost of developing site infrastructure including access and utilities connections. Funding for construction of the building and related costs is anticipated to come from an INEEL Settlement Fund grant and debt construction expenses. A preliminary estimate of the total project cost is $10.9M. Signed by grant officer U.S. Dept. of Housing and Urban Development and Mike Allred, Assistant VP Finance & Administration, UI.

3. FY 2001

   Application form for FY 2001 EDI – Special Project Grant for $1,017,756

   This second federal grant in the amount of $1,017,756 will be used to cover the cost of developing site infrastructure including access and utilities connections. Funding for construction of the building and related costs is anticipated to come from the INEEL

Settlement Fund. A preliminary estimate of the total project cost is $7M. A strategy for the delivery of a complete project program at 48,000 sq. ft. includes a phased approach that puts in place a portion of the building shell and develops a third of the space as labs. Signed by Laura Hubbard, VP Finance and Administration, UI.

4. June 21-22, 2001

   State Board of Education (SBOE) agenda on Business Affairs and Human Resources Committee page 49-63.

   University of Idaho requests approval and execution of an agreement (Exhibit B) between the Regents of the UI and the Trustees from ISU and the Office of the Governor of the State of Idaho to accept $5,000,000 from the Governor of the State of Idaho for purposes of constructing the Center for Science and Technology building in Idaho Falls. The funding is provided from INEEL Settlement Fund. The development of the project planning process is described in Exhibit A of the agreement.

5. June 21, 2001

   Agreement between the State and the Universities

   This agreement is entered into by and between the Office of the Governor of the State of Idaho and the Regents of the University of Idaho and the Trustees of Idaho State University. To satisfy the intent and terms of a court settlement, dated October 16, 1995, and a subsequent settlement agreement, dated September 23, 1996, between the state and the U.S. Dept. of Energy, the state will provide funds to the Regents from the INEEL Settlement Fund. The state will provide the Regents with $5M. Of this sum, the state shall provide the Universities with $100,000 within fourteen calendar days of execution of this agreement for the purpose of completing the conditions for transfer of the remaining $4,900,000.

6. October 19, 2001

   Facility Program for the Center for Science and Technology prepared by NBBJ.

   Detailed document of the interior facilities for the 50,000 sq. ft. CST building including vision, mission, and goals.

7. September 2003

   Draft Project Planning Guide CST, University Place, Idaho Falls
   Prepared by Brian Johnson UI Assistant VP for Facilities

   UI, in partnership with ISU, proposes the construction of a research and development center. In 2001, a team of officials from UI, ISU, INL, INRA, city of Idaho Falls, Eastern Idaho Economic Development Council, and various consultants developed a detailed facilities program for the CST. Phase 1 program totals 18,000 gsf. Originally the site was to be north

of the railroad tracks by INL's proposed Subsurface Geosciences Lab (SGL) building. Since the future of the SGL is questionable, the CST is now to be built on the 26-acre south campus, at the northwest corner of the UI Foundation property. A total of about $7M in state and federal funding is to be allocated to Phase 1. A formal operations and maintenance agreement is to be established to codify roles and responsibilities of the parties. ISU and UI are to share jointly in O&M costs with a 40%-60% cost share, respectively.

8. December 10, 2003

   Project budget summary for architectural and engineering services to date.

   Detailed estimated budget and expenditures to date: Fees: mostly pre-design and environmental assessment; expended $262,390. Topographical survey and administrative expended total $36,997. Total expended to date: $299,387.46 with a balance remaining of $6,643,368.54. Architect: NBBJ, Seattle; civil engineer: CH2M Hill, Boise; master plan: hatchmueller P.C., Coeur d'Alene; and geotechnical engineering: Materials Testing & Inspection, Idaho Falls.

9. July 2004

   Memorandum of Agreement Between the State of Idaho, ISU, UI, BSU, Battelle Memorial Institute, and Washington Group International (WGI) in connection with the management of the Idaho National Laboratory.

   The MOU will establish a joint laboratory/university Center for Advanced Energy Studies (CAES) which will also serve as a research center for the INL with the construction of a State-owned building to house the CAES. The State renews its commitment to disburse a total of $5M from the INEEL Settlement Fund. ISU and UI agree to make the following resources available: total of $1,942,756 from the US Dept. of Housing and Urban Development from UI; $7M from federal income tax-exempt bonds issued by ISU; and land acreage (estimated to be 7 acres) owned by an Idaho university or its foundation. Battelle, if awarded the contract, commits to guarantee payment of sufficient funds over a period of 20 years to retire the bonds. WGI, if awarded the contract, commits to providing the design and construction management of the CAES at cost with no fee.

10. December 9, 2004

    Idaho University Collaboration with INL – Presidential Talking Points

    Drafted by Hatch, Owens, and Wharton on 11/30/2004 and revised 12/9/2004.
    The Battelle Energy Alliance (BEA) provides an opportunity for the Idaho Universities to play a leadership role in CAES in educational, research, and technology transfer programs. The Idaho Universities key collaborators are: Dr. Bowen as member of the INL Governing Board and representative for the Idaho Universities Presidents; Dr. Wharton as representative for the chief research offices of the Idaho Universities; and Dr. Lineberry as Director of the Institute for Nuclear Science and Engineering.

11. January 14, 2005

E-mail message from Darrell Buffaloe (ISU Director, Physical Plant) to Larry Osgood (Administrator, Division of Public Works)

Note to inform DPW of the proposed research building in Idaho Falls to house CAES and confirmation that the design could not be sole sourced to WGI.

12. January 21, 2005

Letter from Nick Miller of Hawley Troxell Ennis & Hawley to Ken Prolo

Letter was to follow up with a conversation the previous week concerning financing issues related to a research building at University Place in Idaho Falls. Even though Battelle is a 501(c)(3) corporation it does not meet IRS revenue procedures relating to sponsored research, therefore, tax-exempt bonds are not available to finance a facility in which most of the research is used by non-exempt persons such as corporations and the federal government. Defining space allocations is critical in determining the amount of tax-exempt bonds. Battelle will be required to sign a lease ("build-to-suit lease") which obligates it to repay the amounts needed to service the debt on the project.

13. February, March, and April, 2005

Various meetings, phone conversations, and e-mail messages with INL (Doyle Batt (Manager, Site Strategic Design), Carol Johnson (Director, Infrastructure, Optimization, Integration & Planning), Leonard Bond (Director, Center for Advanced Energy Studies); University representatives from BSU, ISU, and UI; Nick Miller (bond counsel at Hawley Troxell) to discuss the research building at Idaho Falls.

14. March 15, 2005

Meeting with Doyle Batt, Ken Prolo, and Blake Hall (SBOE member) in Mr. Hall's office in Idaho Falls. Discussed the CAES project and the proposed building which would house the project.

15. April 1, 2005

Letter from Nick Miller of Hawley Troxell Ennis & Hawley to Ken Prolo.

Letter continued discussing financing and lease issues. From a financing standpoint ISU can be the lead University and each University can assume the financial obligation in some form for its proportionate share of the total financing without any University suffering a disproportionate impact on its debt rating or debt capacity. One of the key items is the financial terms of Battelle's financial commitment to pay a certain amount of rent, and whether the rent amount is tied strictly to debt service or is based upon a fair market square footage computation or some other mechanism that generates the cash flow which is at least

equal to and perhaps exceeds debt service and operating costs. According to Dick King of Lehman Brothers, Battelle has agreed in the past (Tri-Cities in Washington State and Oak Ridge) to pay the lease even if they are terminated as the COE-approved contractor. There may be some subsidiary issues such as the enforceability of federal contracts generally – the so-called "termination for convenience" clause that is frequently in government contracts. This possibility, as well as others, must be communicated to the State Board of Education. It would be possible under the Revenue Bond Act for all the Universities to join together and jointly issue the bonds, but having a single issuer that then relies on the other institutions to fund part of the debt service obligation through a lease or contract will be much simpler. It is probably not possible or beneficial from a financing standpoint to have the bonds secured solely by the stream of rental income from this project alone. Dick King can provide additional advice here, but the rating agencies will more likely want to have this structured as on a parity with other ISU debt and have it be the general obligation of ISU like all of ISU's other bonds. As with all University financings State Board approval will be required. In summary, ISU can do a tax exempt bond issue for the INL Project and do it without suffering an impact to its debt capacity than is more than proportionate to its use of the project.

16. April 17, 2005

    CAES Facility Workshop with numerous attendees from INL, BSU, ISU, UI, WGI.

    Presentations concerning CAES functions and plans were given including the financial sources for the building.

17. April 21-22, 2005

    State Board of Education (SBOE) Meeting; Agenda item: Instruction, Research, and Student Affairs, Tab 2, page 1, Center for Advanced Energy Studies (CAES), Informational item presented by Dr. Leonard Bond, INL.

    The Center is a collaborative effort between the State of Idaho, INL, and universities in Idaho and throughout the nation. Governor Kempthorne signed a proclamation on February 1, 2005, to designate this date as Idaho National Laboratory Day. Dr. Bond presented an overview of the center mission and programs and the facility that is targeted for completion in 2008 at University Place in Idaho Falls.

18. May 2005

    Document describing the "CAES New Building"

    The CAES program will begin initial operations in May 2005. In 2008 a CAES building will be completed and ready for occupancy. Planning has begun on this new $14M, approximately 60,000 sq. ft. building, which is to be located on the University Place Campus, Idaho Falls. The project team for the design and construction of the facility will be lead by an Idaho State University Project Manger. Core project team members will include an engineering manager (ISU), a project controls lead (ISU), a construction lead, a finance lead

(ISU), an INL representative, a UI representative, a BSU representative, and a project architect from the Idaho Division of Public Works. The requirements for this building will be constrained by the fixed funding.

19. May 9, 2005

Conference call with financial representatives from BSU, ISU, UI and Nick Miller.

The financing options for the CAES facility in Idaho Falls were discussed. The basic assumptions identified were: BSU, ISU, and UI would be partners in the facility; all three institutions would contribute toward the development and operations of the facility; and INL would also be a partner in the facility and that we would anticipate that INL would occupy 50% of the space. Various financing options were discussed with the most practicable being to bond through ISU or one of the other universities along with a joint powers or similar agreement.

20. May 9, 2005

Letter from President Bowen to Presidents Kustra and White
Subject: CAES Building in Idaho Falls

While we have agreed that the three universities share equally in this project, it is appropriate to identify specific individuals to be the primary contact to work with their respective counterparts at each of the institutions. Dr. Wharton, ISU's Interim Vice President for Academic Affairs, was designated as the research representative for the consortium. Ken Prolo, ISU's Vice President for Financial Services, has initiated conversations with the financial vice presidents. It would appear that Ken should be the primary contact person for the financing. The original MOU written in 2003 for a research building did not include BSU, so it would be appropriate that we update the MOU to include the three institutions. This project must go through DPW, which actually is a significant advantage. Our Physical Plant Director, Darrel Buffaloe, would take the lead with this relationship and serve as project manager.

21. May 9, 2005

Draft CAES Implementation Plan written by Dr. Bond.

We have a CAES Steering Committee: three Idaho university representatives, (Bob Wharton, Chuck Hatch and John Owens); INL CRO (Bill Rogers); and the CAES Director. The steering committee meets or teleconferences weekly. At the request of the Secretary's office, the formal 'Launch" of CAES will occur on June 1, 2005. This is a 61 page draft document which was sent to various government and university institutions.

22. Prolo made contact with Kurt Kaufman, bond counsel (Sherman & Howard in Denver)

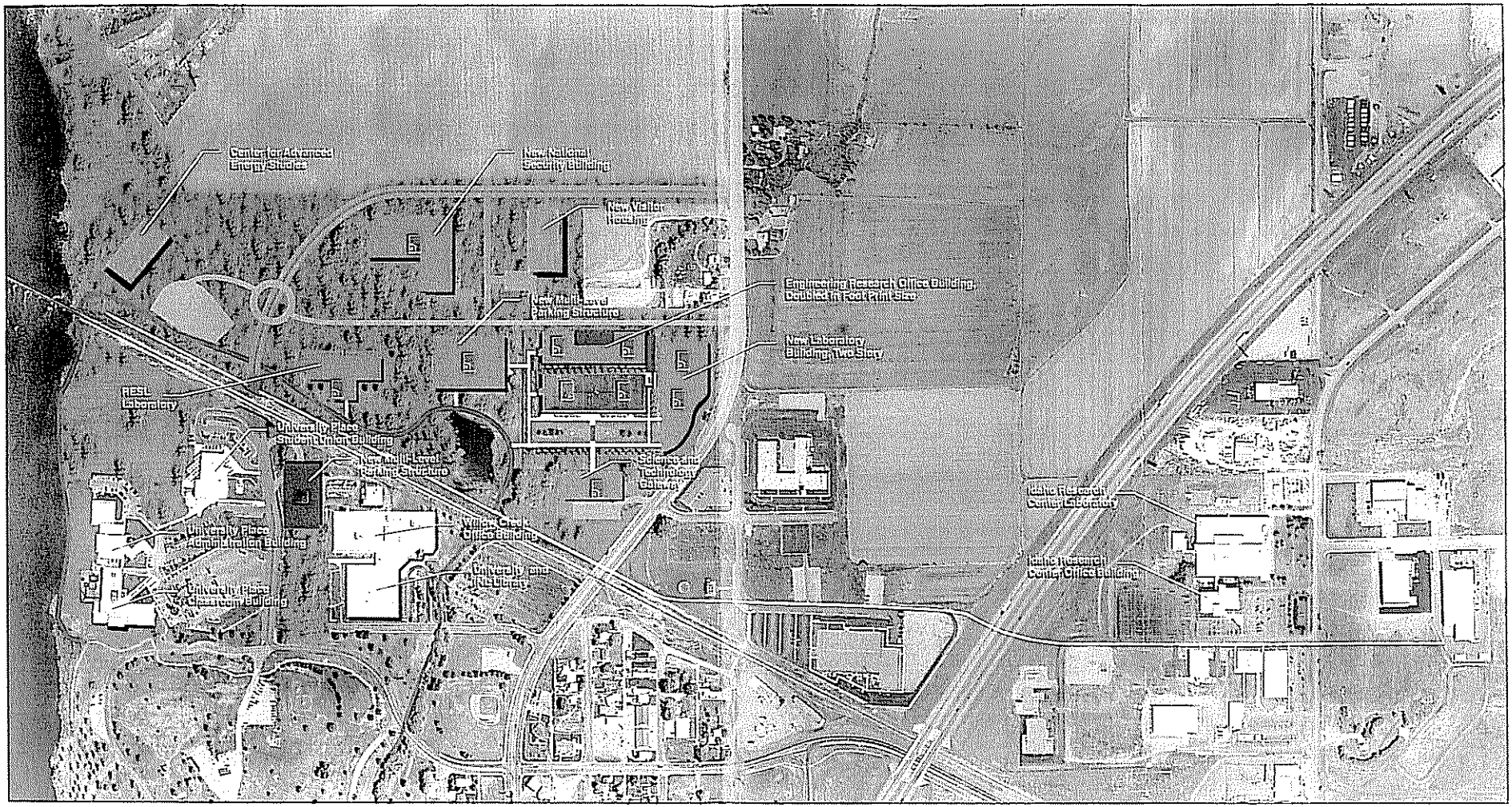
23. Kaufman was recommended by Nick Miller. Miller feels that the Bar Rules make it difficult for Hawley Troxell to act as bond counsel where all universities may support the debt in some way.

24. June 1, 2005

    Inauguration of the Program Activities for CAES.

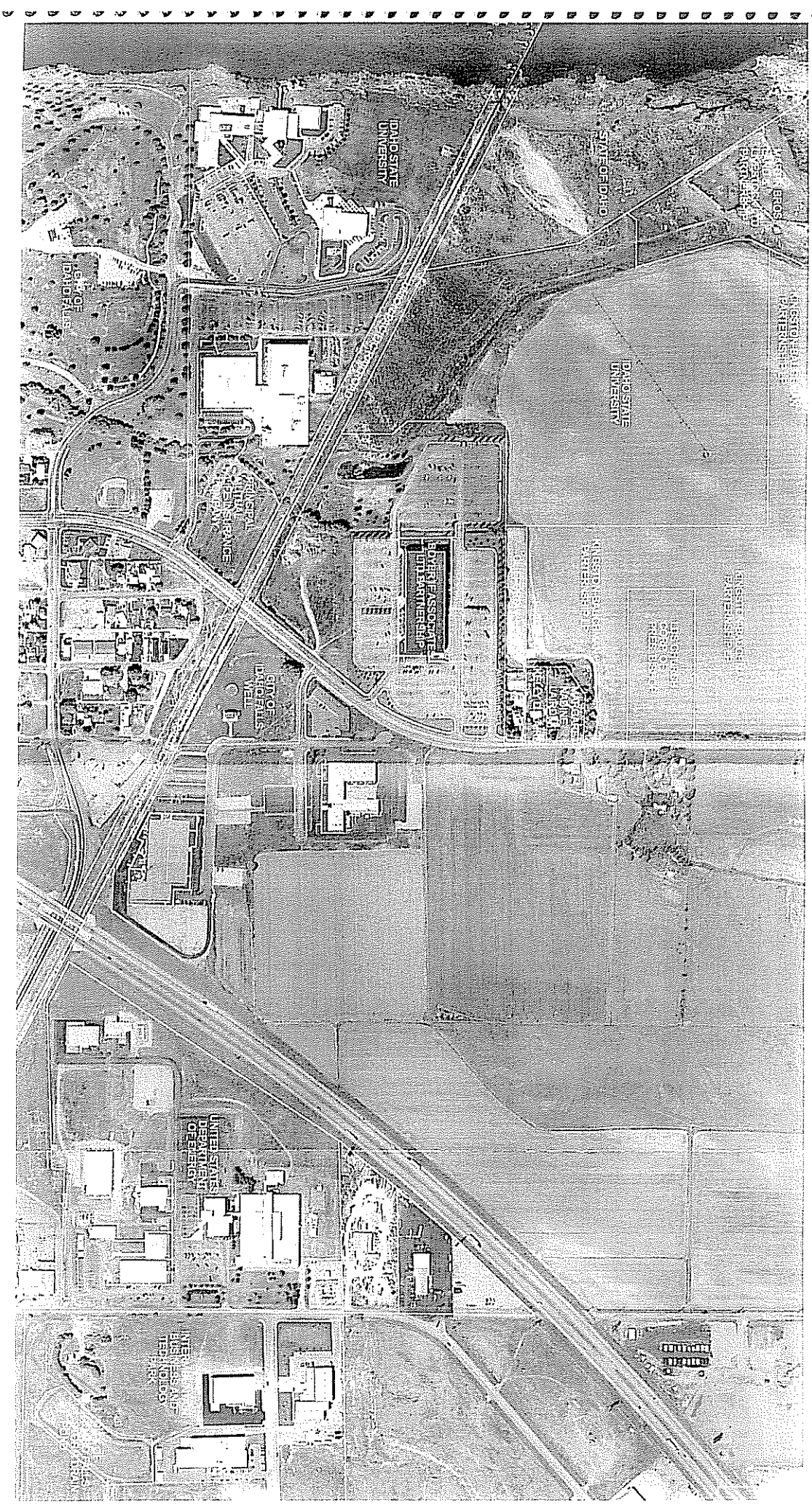
Prepared by: Ken Prolo, VP Financial Services, ISU
May 26, 2005

Ten Year Idaho National Laboratory Campus Development Plan



West Campus

East Campus


IDAHO STATE UNIVERSITY
STATE OF IDAHO
IDAHO STATE UNIVERSITY
UNITED STATES POSTAL SERVICE

INSTITUTION / AGENCY AGENDA
EASTERN IDAHO TECHNICAL COLLEGE

SUBJECT

Eastern Idaho Technical College (EITC) requests Board approval of a transaction relating to a health education building at the college. The Idaho State Building Authority (ISBA) will issue and sell bonds to fund the design and construction of the building.

REFERENCE

June 17-18, 2004	Project approved at regular board meeting, pending bond issuance.
April 22-23, 2004	Agreement to use facility between Idaho State University and EITC approved at regular board meeting.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V. I.
House Concurrent Resolution 30 (2003)
Senate Concurrent Resolution 134 (2004)

BACKGROUND

The legislature approved EITC to enter into an agreement with the Idaho State Building Authority for a health care building (HCR 30). Financing for the facility was amended (SCR 134) from the original legislative authorization so the entire amount can be acquired from the Idaho State Building Authority (ISBA), if necessary.

DISCUSSION

Approval of the request will authorize the college to enter into an agreement with the ISBA for a site lease of real property where the facility will be constructed, a facility lease, and a development agreement. Further, an operating agreement will be executed between EITC and the Department of Administration (DOA) outlining the respective responsibilities of each entity relative to the terms of the facility lease and the development agreement.

The Idaho State Building Authority (ISBA) is authorized by Section 67-6401 Idaho Code to issue bonds to finance, build and own buildings for units of State government, including educational institutions. Using ISBA to finance the projects requires four agreements to be approved by the Board before the bonds can be issued. The Board previously approved agreements for the EITC healthcare building in June 2004. EITC now seeks reapproval of the design/construction transaction.

INSTITUTION / AGENCY AGENDA
EASTERN IDAHO TECHNICAL COLLEGE - continued

ATTACHMENT 1a & 1b: The **Site Lease** (between EITC and ISBA) is the first stage of the development. EITC will lease the ground where the facility is to be built to the ISBA on a 35-year ground lease (the bonds will be paid in 20 years, but the lease is longer to provide adequate coverage for the bondholders). The lease gives the ISBA the right to construct the Facility on that parcel and provides the appropriate easements and right of ways for utilities necessary to ensure proper access for construction and use of the Facility. The Lease is terminable as soon as the Bonds are paid in full. Once the Lease so terminates, the land and the new Facility revert to the full ownership of EITC. (Redline, page 5 / Clean, page 17)

ATTACHMENT 2a & 2b: The **Development Agreement** (between EITC, DOA and ISBA) sets forth the overall nature of the transaction. In this agreement, EITC and the DOA agree to provide final plans for the Facility and the ISBA agrees to provide a set level of financing to construct the Facility. The agreement sets forth the construction and payment processes and the responsibilities of the parties for the same. (Redline, page 29 / Clean, page 41)

ATTACHMENT 3a & 3b: The **Facilities Lease** (between EITC, DOA and ISBA) is to lease the Facility, once constructed, to EITC and DOA. DOA and EITC lease the Facility from the ISBA (technically on an annual basis) since the ISBA owns the Facility until it reverts to EITC ownership. The "rent" paid by DOA will be the amount necessary to make Bond coverage requirements and to cover the ISBA's expenses. All operation and maintenance of the Facility, insurance requirements, liability, furnishings and similar "ownership" obligations are the duty of EITC. If DOA would ever fail to pay "rent", ISBA has the right to retake possession and lease the Facility to another party. Once the Bonds are paid, the Facility becomes the property of EITC. (Redline, page 53 / Clean, page 75)

ATTACHMENT 4a & 4b: The **Operating Agreement** (between EITC and DOA) provides that once the Facility is built, DOA's only responsibility is to make the annual rent payment. All other duties and obligations of the "State" with regard to the transaction must be carried out by EITC. (Redline, page 97 / Clean, page 103)

Further, the agreement provides that any money remaining in the construction budget will be used to make a Bond payment and will not be returned to EITC since EITC's contributed funds will be used first, before the Bond Proceeds are used.

INSTITUTION / AGENCY AGENDA
EASTERN IDAHO TECHNICAL COLLEGE - continued

ATTACHMENT 5: Although not part of the Facility financing process, it should be noted that at the April, 2004 Board meeting, the Board approved an **Agreement between Eastern Idaho Technical College and Idaho State University** whereby the two institutions committed to cooperate in the use of the Facility. (page 109)

IMPACT

The facility will allow for high-quality health education to be offered in Idaho Falls, benefiting students, citizens, and the general health care community in the entire region.

STAFF COMMENTS AND RECOMMENDATIONS

The proposed financing has not changed from 2004 when the Legislature authorized, via SCR 134, this project to be funded entirely from Idaho State Building Authority bonds instead of a combination of ISBA bonds and a federal grant. This financing process is exactly the same as was brought to the Board by EITC in June 2004, and by the other institutions one year prior to that.

Documents included in this agenda item have been updated to include current dates and other minor concerns. The black-line and red-line versions of each document are attached. The red-line version shows changes from the June 2004 approved document.

Board staff recommends approval of this request.

BOARD ACTION

A motion to authorize EITC to enter into and complete the Health Education Facility project transaction and to authorize the President or his designee to finalize and execute the Site Lease, Facilities Lease, Development Agreement and the Operating Agreement for the Health Education Facility at EITC in the same form as presented to the Board.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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SITE LEASE ~~04~~05 **ATTACHMENT 1a**
July ~~20,~~26, 2005 **Redline Version**

SITE LEASE

(Eastern Idaho Technical College Health Education Building)

THIS SITE LEASE is entered into as of the ____ day of _____, 2005, by and between the State of Idaho acting by and through EASTERN IDAHO TECHNICAL COLLEGE, with consent and approval of THE STATE BOARD FOR PROFESSIONAL-TECHNICAL EDUCATION (hereinafter the "State"), and the IDAHO STATE BUILDING AUTHORITY (hereinafter the "Authority"). This agreement is hereinafter referred to as the "Site Lease."

RECITALS

A. The State Board for Professional-Technical Education is vested with the general supervision, governance and control of Eastern Idaho Technical College pursuant to Idaho Code §§ 33-2209 and 33-2211. Eastern Idaho Technical College is a body politic and corporate. References to "EITC" herein shall mean Eastern Idaho Technical College and the State Board for Professional-Technical Education acting pursuant to its authority to supervise, govern and control Eastern Idaho Technical College; and,

B. The State is the owner of certain real property described in Exhibit A hereto and desires to lease such property to the Authority for the purpose of financing and developing a health and education building to be constructed thereon described on Exhibit B attached hereto (the "Facilities") to be leased to the State of Idaho, acting through the Department of Administration ("IDOA") and EITC under an annually renewable lease (the "Facilities Lease"), entered into coincidentally herewith; and,

C. In accordance with the provisions of Idaho Code, Section 67-6410(a), the Idaho Legislature, pursuant to Senate Concurrent Resolution No. 134, Second Regular Session of the Fifty-seventh Legislature, has authorized the State to enter into agreements as may be reasonable and necessary with the Authority for the purpose of providing financing to develop and construct facilities for use by the State; and,

D. The Authority intends to finance and develop the Facilities on the Premises (as hereinafter defined) and to lease the Facilities and Premises to IDOA and EITC in accordance with the Facilities Lease, entered into coincidentally herewith; and,

E. The State and the Authority acknowledge that there shall be no merger of the State's leasehold interest under the Facilities Lease and the State's ownership interest in the Premises, which merger would cause the cancellation or termination of this Site Lease; and

F. The State represents that neither the execution and delivery of this Site Lease, the consummation of the transactions contemplated by this Site Lease, nor the fulfillment of or compliance with the terms and conditions of this Site Lease conflict with or results in a breach of any terms, conditions or provisions of any restriction, agreement, or instrument to which the State is now a party or to which the State is bound.

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**: The State hereby leases to the Authority, subject to the conditions expressed herein, certain real property located in Bonneville County, Idaho, specifically described in Exhibit A attached hereto and incorporated herein together with all easements and rights appurtenant thereto and all other improvements thereon (the "Premises").

As used herein the term "Premises" refers solely to the real property and existing improvements and not to any improvements to be constructed thereon from time to time during the term of this lease.

3. **Term**: The Term of this Site Lease shall be a period commencing on the date hereof and expiring June 30, 2040, unless earlier terminated pursuant to paragraph 9 hereof.

4. **Rent**: The Premises are leased to the Authority without consideration as authorized pursuant to Idaho Code, Section 67-6421.

5. **Development**: The Authority shall have the right to raze existing improvements, and develop, acquire and construct Facilities on the portion of the Premises described on Exhibit A in accordance with the Facilities Lease. In the event the Facilities Lease expires or is terminated for any reason except by the State as provided in paragraph 9 below, the Authority may use the Premises for any lawful purpose.

6. **Permanent Easements**: At the Authority's request or as may be reasonably required, the State shall grant to public entities, public service corporations, or to the Authority such rights-of-way, utility, or other permanent easements on, over or through the Premises and adjacent property owned by the State 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 the Authority.

7. **Utility Services to Premises in Event of Expiration or Termination of the Facilities Lease**: Facilities to be constructed on the Premises by the Authority are or may be designed and constructed to use water, sewer and other utility services furnished by or through facilities owned or operated by the State, in which event the Facilities will not be connected directly to public utility services or lines. In the event the State fails to renew the

Facilities Lease or the State's rights to use of the Facilities under the Facilities Lease otherwise terminate, except termination by the State pursuant to paragraph 9 hereof, the State shall continue to provide all such utility services and all other public utility services to the Facilities and pay all costs and charges thereof. The Authority may, but shall not be required to, connect the Facilities directly to public utility services and provide such connections thereto. If such service crosses land owned by the State or third parties, the State will furnish permanent easements across such land for domestic water and sanitary sewer lines. The State shall permit, without charge therefor, continued use by the Authority of all utility services provided through the State from adjacent property until the Facilities are fully connected and serviced directly by public utilities.

8. **Right to Assign**: Subject to the rights of the State under the Facilities Lease and subject to the State's consent, which shall not be unreasonably withheld, the Authority shall have the right to assign this Site Lease. The State hereby consents to any assignment by the Authority to secure any Mortgage described in paragraph 10 hereof. In the event of such an assignment, except assignments to secure such Mortgages, the Authority shall be released from any and all liabilities arising or accruing under this Site Lease after the date of such assignment.

9. **Optional Termination**: At such time as all sums owing for any bonds or notes issued by the Authority to finance Facilities and all other obligations of the Authority relating to the Facilities or the Premises have been paid in full or provisions for such full payment have been made to the satisfaction of the Authority, the State shall have the right, at its option, to terminate this Site Lease by written notice to the Authority and all alterations, improvements, replacements and appurtenances on or to the Premises, including the Facilities, shall be deemed to be part of the Premises and shall revert to the State and shall become the sole and absolute property of the State.

10. **Mortgages**: The Authority shall have the right at any time and from time to time to pledge, lien or otherwise encumber its leasehold interest herein granted and its interest in any or all improvements thereon and appurtenances thereto by one or more mortgages, deeds of trust, assignment, or other encumbrances (herein referred to as "Mortgages"), as security for a loan or loans or other obligation of the Authority relating to the Facilities or the Premises, provided that:

(a) The Mortgages and all rights acquired thereunder shall be subject to each and all of the covenants, conditions, and restrictions set forth in this Site Lease and shall be subject to all rights and interests of the State as provided in this Site Lease and shall not encumber the State's fee title to the Premises.

(b) The Authority shall give the State prior notice of any such Mortgages, and shall accompany the notice with a true copy of such Mortgages and any indebtedness secured thereby.

11. **Indemnification**: The Authority shall indemnify and hold the State, its agents, representatives, employees and assigns, harmless from and/or against any and all

claims, damages, costs, liabilities, and expenses (including reasonable attorneys' fees and defense costs) arising out of or relating to the Authority's possession, operations or performance under this Site Lease.

This indemnification does not apply to claims, damages, costs, liabilities, and expenses (including reasonable attorneys' fees and defense costs) which are or are alleged to be caused, in whole or in part by any act or omission for which the Authority is indemnified under the Facilities Lease, or by negligent or otherwise wrongful acts, errors, omissions or fault on the part of the State, or its employees, agents, representatives, or assigns, or is a result of the State's breach of this Site Lease.

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, the State, at the State'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. The State hereby agrees to indemnify, defend, and hold the Authority 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.

The Authority 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. The Authority shall comply with any lawful order by an entity reposed with the Authority to regulate the use, accumulation, storage or disposal of hazardous waste. The Authority shall not be responsible for any of such materials placed on the Premises by or through the State prior to or during any term of the Facilities 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. The State warrants that such ordinances, restrictions, limitations and easements do not prevent the use of the Premises as provided for in the Facilities Lease.

14. **Waste and Nuisance Prohibited**: The Authority 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 State or forfeiture of the State's title to the Premises. The Authority 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 State or the Authority 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 Authority, nor any official, officer, employee or agent of the State 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**: The State covenants that the Authority shall have the peaceful and quiet enjoyment of the Premises for the term of the Site Lease.

18. **Right of Entry**: The Authority shall permit the State and the agents and employees of the State to enter into and upon the Premises at all reasonable times for the purpose of inspecting the same, or for the purpose of posting notices of non-responsibility for alterations, additions, or repairs, without any rebate of rent and without any liability to the Authority for any loss of occupancy or quiet enjoyment of the Premises thereby occasioned; provided, however, that the State 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 Authority. Such notice and inspection procedures shall not apply during any term of the Facilities Lease.

19. **Default**: In the event the State shall at any time deem the Authority to be in breach of this Site Lease, the State shall promptly notify the Authority, in writing, stating specifically the nature of any such alleged breach. The Authority shall not be deemed to be in default hereunder unless the Authority 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 the State 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 and 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**: The State warrants to the Authority 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. The State further warrants that the State has good and marketable title to Premises, free and clear of all claims, liens and encumbrances except as described in Exhibit A hereof.

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 State: Eastern Idaho Technical College
Attn: Office of the President
1600 S. 25th E.
Idaho Falls, ID 83404

with copy to: Department of Administration
Attn: Director
Statehouse Mail
Boise, Idaho 83720

If to the Authority: Idaho State Building Authority
Attn: Executive Director
Post Office Box 2802
Boise, Idaho 83701

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.

[The remainder of this page has been intentionally left blank.]

IN WITNESS WHEREOF, the parties have caused this Site Lease to be executed effective as of the day and year first above written.

THE STATE: THE AUTHORITY:

EASTERN IDAHO TECHNICAL COLLEGE IDAHO STATE BUILDING AUTHORITY

By_____

By_____

_____, _____William A. Robertson, Its President V. L. "Bud" Tracy, Its Chairman

Attest_____
Wayne V Meuleman, Its Secretary

STATE OF IDAHO)
) ss.
County of _____)

On this ____ day of _____, ~~2004,~~2005, before me, the undersigned, a Notary Public in and for said State, personally appeared _____William A. Robertson, known or identified to me to be the _____President of Eastern Idaho Technical College, who acknowledged to me that [he/she] executed the within Site Lease on behalf of Eastern Idaho Technical College in ~~[~~his~~/her]~~ representative capacity.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this first above written.

_____
Notary Public for Idaho
Residing at _____
Commission Expires:

STATE OF IDAHO)
) ss.
County of Ada)

On this _____ day of _____, ~~2004,~~2005, before me, the undersigned, a Notary Public in and for the state of Idaho, personally appeared V.L. Bud Tracy and Wayne V Meuleman, known or identified to me to be respectively the Chairman and Secretary of Idaho State Building Authority, each of whom acknowledged to me that they executed the within Site Lease on behalf of the Idaho State Building Authority in their representative capacity.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this first above written.

_____
Notary Public for Idaho
Residing at Boise, Idaho
Commission Expires:

EXHIBIT A
SITE LEASE

PREMISES DESCRIPTION

Parcel A (Building Site) – The exclusive right in and to the following described property:

Beginning at a point that is S00°16'52"W 618.33 feet along the section line and N89°43'08"W 665.93 feet from the East quarter corner of Section 21, Township 2 North, Range 38 East of the Boise Meridian Bonneville County, Idaho and running thence S00°11'28"W 388.48 feet; thence N89°45'07"W 303.39 feet; thence N00°18'44"E 388.61 feet; thence S89°43'41"E 302.57 feet to a point of beginning, containing 2.709 acres.

AND

Parcel B (Access Parcel) – The non-exclusive right to use the following described property for ingress and egress to Parcel A:

Beginning at a point that is S00°16'52"W 596.96 along the section line and N89°43'08"W 114.00 feet from the East quarter corner of Section 21, Township 2 North, Range 38 East of the Boise Meridian, Bonneville County, Idaho point of beginning also being on the West right of way line of Hitt road and running thence N89°43'03"W 51.85 feet to a point of a curve with a radius of 60.53 feet and a chord that bears S66°30'22"W 48.81 feet; thence to the left along said curve 50.24 feet thru a central angle of 47°33'09" to a point of a reverse curve with a radius of 5.00 feet and a chord that bears S66°30'04"W 4.03 feet; then to the right along said curve 4.15 feet thru a central angel of 47°32'32"; thence N89°43'41"W 451.72 feet; thence S00°11'28"W 28.26 feet; thence S89°43'41"E 457.93 feet to a point of a curve with a radius of 19.99 feet and a chord that bears N63°26'18"E 18.04 feet; thence to the left along said curve 18.72 feet thru a central angle of 53°40'02" to a point of a reverse curve with a radius of 32.27 feet and a chord that bears N63°26'23"E 29.14 feet; thence to the right along said curve 30.23 feet thru a central angle of 53°40'39"; thence S89°43'03"E 51.85 feet to said right of way line; thence N00°16'52"E 28.26 feet to the point of beginning.

Parcels A is subject to an option to purchase an easement to construct and operate a natural gas pipeline recorded October 1, 1957 and Parcel B is subject to two easements and right of way granted to City of Idaho Falls for construction and maintenance of a main or interceptor sewer recorded April 2, 1971 and May 14, 1971 respectively.

Parcels A and B are shown on the attached Concept Site Plan.

LEGAL DESCRIPTION

EITC – New Health Education Building Site

Beginning at a point that is S00°16'52"W 618.33 feet along the section line and N89°43'08"W 665.93 feet from the East quarter corner of Section 21, Township 2 North, Range 38 East of the Boise Meridian Bonneville County, Idaho and running thence S00°11'28"W 388.48 feet; thence N89°45'07"W 303.39 feet; thence N00°18'44"E 388.61 feet; thence S89°43'41"E 302.57 feet to the point of beginning, containing 2.709 acres.

BUILDING SITE EASEMENT / BOUNDARY

INGRESS / EGRESS EASEMENT

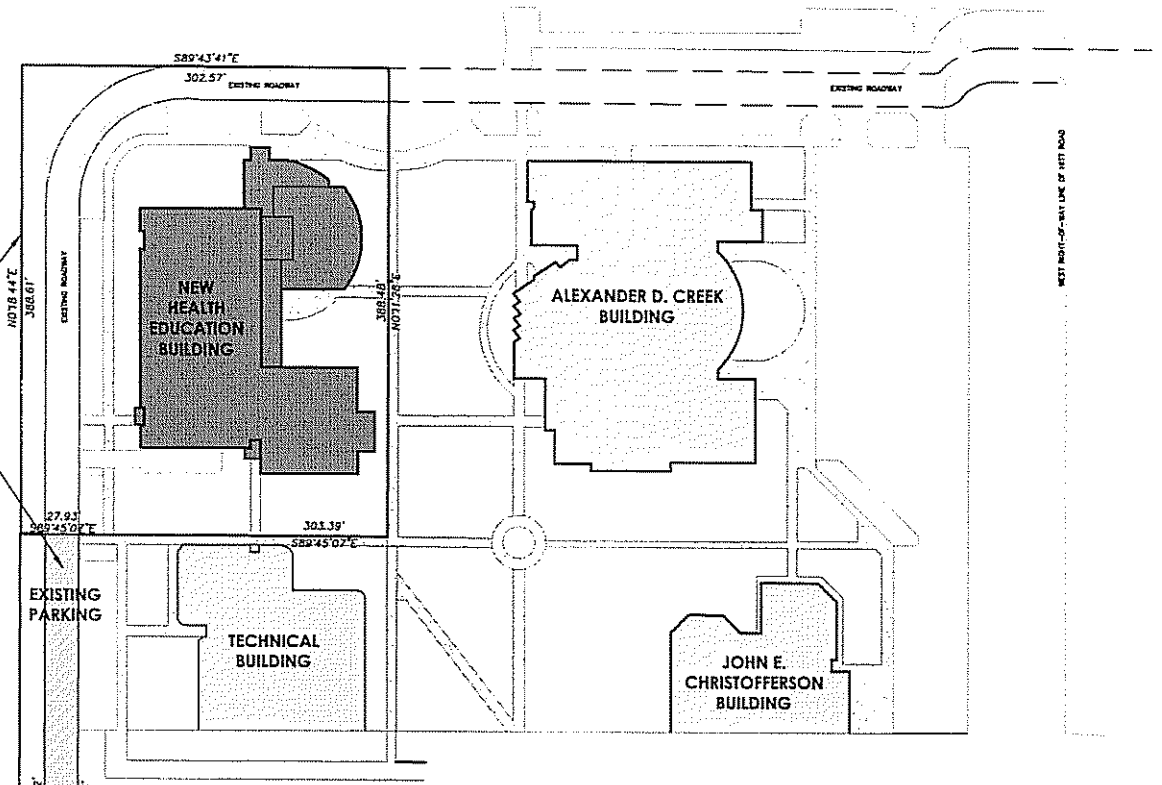
LEGAL DESCRIPTION

Job No. 04087
6-18-04
T.R.M.

LEGAL DESCRIPTION
FOR
EASTERN IDAHO TECHNICAL COLLEGE
(ACCESS EASEMENT FROM ASHMENT AVENUE)

Part of the Southeast Quarter of Section 21, Township 2 North, Range 38 East of the Boise Meridian, Bonneville County, Idaho described as follows:

Beginning at a point that is S.00°16'52"W. 1006.96 feet along the section line and N.89°43'08"W. 920.78 feet from the East Quarter corner of said Section 21 and running thence S.00°18'02"W. 483.35 feet to a point of curve; thence 97.55 feet along said curve to the right, Curve Data: Delta = 89°34'01", Radius = 62.40 feet, Chord bearing = S.45°05'02"W. 87.91 feet; thence S.89°52'03"W. 119.07 feet to a point of curve; thence 22.07 feet along said curve to the left, Curve Data: Delta = 48°54'43", Radius = 25.86 feet; Chord bearing = S.65°55'41"W. 21.41 feet to the east line of Ashment Addition, Division No. 1 to the City of Idaho Falls, Idaho, recorded in the Bonneville County courthouse as Instrument No. 525577 and also being the east line of Ashment Avenue; thence N.00°05'41"W. 66.03 feet along said east line to a point on a curve; thence 22.53 feet along said curve to the left, Curve Data: Delta = 48°13'45", Radius = 26.77, Chord bearing = S.64°22'54"E. 21.88 feet; thence N.89°53'18"E. 117.99 feet to a point of curve; thence 55.38 feet along said curve to the left, Curve Data: Delta = 89°34'33", Radius = 35.42 feet, Chord bearing = N.45°06'01"E. 49.91 feet; thence N.00°18'45"E. 462.52 feet; thence S.89°45'07"E. 27.93 feet to the point of beginning.



CONCEPT SITE PLAN

SCALE: 1" = 100'

CURVE TABLE					
CURVE 1	T=48°13'45"	R=26.77'	L=22.53'	C=21.87'	CB=N64°22'54"W
CURVE 2	T=89°34'33"	R=35.42'	L=55.38'	C=49.91'	CB=N45°06'01"E
CURVE 3	T=89°34'01"	R=62.40'	L=97.55'	C=87.91'	CB=N45°05'02"E
CURVE 4	T=48°54'43"	R=25.86'	L=22.07'	C=21.41'	CB=N65°55'41"E

Myers ■ Anderson
▪ Architecture
▪ Interior Design
▪ Landscape Architecture
101 North Main Street
Pocatello, Idaho 83204
Tel. (208) 232 - 3741
Fax (208) 232 - 3782

EASTERN IDAHO TECHNICAL COLLEGE
DPW# 02778
IDAHO FALLS, IDAHO

DRAWN BY: BHN
CHECKED BY: JTM
JOB NUMBER: 02778
PROJECT DATE: MAY 2005
SHEET 1 OF 1

EXHIBIT B
SITE LEASE

EASTERN IDAHO TECHNICAL COLLEGE / HEALTH AND EDUCATION BUILDING

This project will provide a new facility for Nursing/Health Education programs on the campus of EITC. The building will provide a full range of instructional spaces including classrooms, laboratories, preparation rooms, offices, computer laboratories, and distance education facilities.

Approximate Total Square Footage: 40,000

SITE LEASE 05 **ATTACHMENT 1b**
July 26, 2005 **Clean Version**

SITE LEASE

(Eastern Idaho Technical College Health Education Building)

THIS SITE LEASE is entered into as of the ____ day of _____, 2005, by and between the State of Idaho acting by and through EASTERN IDAHO TECHNICAL COLLEGE, with consent and approval of THE STATE BOARD FOR PROFESSIONAL-TECHNICAL EDUCATION (hereinafter the "State"), and the IDAHO STATE BUILDING AUTHORITY (hereinafter the "Authority"). This agreement is hereinafter referred to as the "Site Lease."

RECITALS

A. The State Board for Professional-Technical Education is vested with the general supervision, governance and control of Eastern Idaho Technical College pursuant to Idaho Code §§ 33-2209 and 33-2211. Eastern Idaho Technical College is a body politic and corporate. References to "EITC" herein shall mean Eastern Idaho Technical College and the State Board for Professional-Technical Education acting pursuant to its authority to supervise, govern and control Eastern Idaho Technical College; and,

B. The State is the owner of certain real property described in Exhibit A hereto and desires to lease such property to the Authority for the purpose of financing and developing a health and education building to be constructed thereon described on Exhibit B attached hereto (the "Facilities") to be leased to the State of Idaho, acting through the Department of Administration ("IDOA") and EITC under an annually renewable lease (the "Facilities Lease"), entered into coincidentally herewith; and,

C. In accordance with the provisions of Idaho Code, Section 67-6410(a), the Idaho Legislature, pursuant to Senate Concurrent Resolution No. 134, Second Regular Session of the Fifty-seventh Legislature, has authorized the State to enter into agreements as may be reasonable and necessary with the Authority for the purpose of providing financing to develop and construct facilities for use by the State; and,

D. The Authority intends to finance and develop the Facilities on the Premises (as hereinafter defined) and to lease the Facilities and Premises to IDOA and EITC in accordance with the Facilities Lease, entered into coincidentally herewith; and,

E. The State and the Authority acknowledge that there shall be no merger of the State's leasehold interest under the Facilities Lease and the State's ownership interest in the Premises, which merger would cause the cancellation or termination of this Site Lease; and

F. The State represents that neither the execution and delivery of this Site Lease, the consummation of the transactions contemplated by this Site Lease, nor the fulfillment of or compliance with the terms and conditions of this Site Lease conflict with or results in a breach of any terms, conditions or provisions of any restriction, agreement, or instrument to which the State is now a party or to which the State is bound.

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**: The State hereby leases to the Authority, subject to the conditions expressed herein, certain real property located in Bonneville County, Idaho, specifically described in Exhibit A attached hereto and incorporated herein together with all easements and rights appurtenant thereto and all other improvements thereon (the "Premises").

As used herein the term "Premises" refers solely to the real property and existing improvements and not to any improvements to be constructed thereon from time to time during the term of this lease.

3. **Term**: The Term of this Site Lease shall be a period commencing on the date hereof and expiring June 30, 2040, unless earlier terminated pursuant to paragraph 9 hereof.

4. **Rent**: The Premises are leased to the Authority without consideration as authorized pursuant to Idaho Code, Section 67-6421.

5. **Development**: The Authority shall have the right to raze existing improvements, and develop, acquire and construct Facilities on the portion of the Premises described on Exhibit A in accordance with the Facilities Lease. In the event the Facilities Lease expires or is terminated for any reason except by the State as provided in paragraph 9 below, the Authority may use the Premises for any lawful purpose.

6. **Permanent Easements**: At the Authority's request or as may be reasonably required, the State shall grant to public entities, public service corporations, or to the Authority such rights-of-way, utility, or other permanent easements on, over or through the Premises and adjacent property owned by the State 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 the Authority.

7. **Utility Services to Premises in Event of Expiration or Termination of the Facilities Lease**: Facilities to be constructed on the Premises by the Authority are or may be designed and constructed to use water, sewer and other utility services furnished by or through facilities owned or operated by the State, in which event the Facilities will not be connected directly to public utility services or lines. In the event the State fails to renew the

Facilities Lease or the State's rights to use of the Facilities under the Facilities Lease otherwise terminate, except termination by the State pursuant to paragraph 9 hereof, the State shall continue to provide all such utility services and all other public utility services to the Facilities and pay all costs and charges thereof. The Authority may, but shall not be required to, connect the Facilities directly to public utility services and provide such connections thereto. If such service crosses land owned by the State or third parties, the State will furnish permanent easements across such land for domestic water and sanitary sewer lines. The State shall permit, without charge therefor, continued use by the Authority of all utility services provided through the State from adjacent property until the Facilities are fully connected and serviced directly by public utilities.

8. **Right to Assign**: Subject to the rights of the State under the Facilities Lease and subject to the State's consent, which shall not be unreasonably withheld, the Authority shall have the right to assign this Site Lease. The State hereby consents to any assignment by the Authority to secure any Mortgage described in paragraph 10 hereof. In the event of such an assignment, except assignments to secure such Mortgages, the Authority shall be released from any and all liabilities arising or accruing under this Site Lease after the date of such assignment.

9. **Optional Termination**: At such time as all sums owing for any bonds or notes issued by the Authority to finance Facilities and all other obligations of the Authority relating to the Facilities or the Premises have been paid in full or provisions for such full payment have been made to the satisfaction of the Authority, the State shall have the right, at its option, to terminate this Site Lease by written notice to the Authority and all alterations, improvements, replacements and appurtenances on or to the Premises, including the Facilities, shall be deemed to be part of the Premises and shall revert to the State and shall become the sole and absolute property of the State.

10. **Mortgages**: The Authority shall have the right at any time and from time to time to pledge, lien or otherwise encumber its leasehold interest herein granted and its interest in any or all improvements thereon and appurtenances thereto by one or more mortgages, deeds of trust, assignment, or other encumbrances (herein referred to as "Mortgages"), as security for a loan or loans or other obligation of the Authority relating to the Facilities or the Premises, provided that:

(a) The Mortgages and all rights acquired thereunder shall be subject to each and all of the covenants, conditions, and restrictions set forth in this Site Lease and shall be subject to all rights and interests of the State as provided in this Site Lease and shall not encumber the State's fee title to the Premises.

(b) The Authority shall give the State prior notice of any such Mortgages, and shall accompany the notice with a true copy of such Mortgages and any indebtedness secured thereby.

11. **Indemnification**: The Authority shall indemnify and hold the State, its agents, representatives, employees and assigns, harmless from and/or against any and all

claims, damages, costs, liabilities, and expenses (including reasonable attorneys' fees and defense costs) arising out of or relating to the Authority's possession, operations or performance under this Site Lease.

This indemnification does not apply to claims, damages, costs, liabilities, and expenses (including reasonable attorneys' fees and defense costs) which are or are alleged to be caused, in whole or in part by any act or omission for which the Authority is indemnified under the Facilities Lease, or by negligent or otherwise wrongful acts, errors, omissions or fault on the part of the State, or its employees, agents, representatives, or assigns, or is a result of the State's breach of this Site Lease.

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, the State, at the State'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. The State hereby agrees to indemnify, defend, and hold the Authority 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.

The Authority 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. The Authority shall comply with any lawful order by an entity reposed with the Authority to regulate the use, accumulation, storage or disposal of hazardous waste. The Authority shall not be responsible for any of such materials placed on the Premises by or through the State prior to or during any term of the Facilities 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. The State warrants that such ordinances, restrictions, limitations and easements do not prevent the use of the Premises as provided for in the Facilities Lease.

14. **Waste and Nuisance Prohibited**: The Authority 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 State or forfeiture of the State's title to the Premises. The Authority 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 State or the Authority 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 Authority, nor any official, officer, employee or agent of the State 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**: The State covenants that the Authority shall have the peaceful and quiet enjoyment of the Premises for the term of the Site Lease.

18. **Right of Entry**: The Authority shall permit the State and the agents and employees of the State to enter into and upon the Premises at all reasonable times for the purpose of inspecting the same, or for the purpose of posting notices of non-responsibility for alterations, additions, or repairs, without any rebate of rent and without any liability to the Authority for any loss of occupancy or quiet enjoyment of the Premises thereby occasioned; provided, however, that the State 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 Authority. Such notice and inspection procedures shall not apply during any term of the Facilities Lease.

19. **Default**: In the event the State shall at any time deem the Authority to be in breach of this Site Lease, the State shall promptly notify the Authority, in writing, stating specifically the nature of any such alleged breach. The Authority shall not be deemed to be in default hereunder unless the Authority 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 the State 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 and 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**: The State warrants to the Authority 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. The State further warrants that the State has good and marketable title to Premises, free and clear of all claims, liens and encumbrances except as described in Exhibit A hereof.

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 State: Eastern Idaho Technical College
Attn: Office of the President
1600 S. 25th E.
Idaho Falls, ID 83404

with copy to: Department of Administration
Attn: Director
Statehouse Mail
Boise, Idaho 83720

If to the Authority: Idaho State Building Authority
Attn: Executive Director
Post Office Box 2802
Boise, Idaho 83701

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.

[The remainder of this page has been intentionally left blank.]

IN WITNESS WHEREOF, the parties have caused this Site Lease to be executed effective as of the day and year first above written.

THE STATE:

EASTERN IDAHO TECHNICAL COLLEGE

By_____
William A. Robertson, Its President

THE AUTHORITY:

IDAHO STATE BUILDING AUTHORITY

By_____
V. L. "Bud" Tracy, Its Chairman

Attest_____
Wayne V Meuleman, Its Secretary

STATE OF IDAHO)
) ss.
County of _____)

On this ____ day of _____, 2005, before me, the undersigned, a Notary Public in and for said State, personally appeared William A. Robertson, known or identified to me to be the President of Eastern Idaho Technical College, who acknowledged to me that [he/she] executed the within Site Lease on behalf of Eastern Idaho Technical College in his representative capacity.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this first above written.

_____
Notary Public for Idaho
Residing at _____
Commission Expires:

STATE OF IDAHO)
) ss.
County of Ada)

On this _____ day of _____, 2005, before me, the undersigned, a Notary Public in and for the state of Idaho, personally appeared V.L. Bud Tracy and Wayne V Meuleman, known or identified to me to be respectively the Chairman and Secretary of Idaho State Building Authority, each of whom acknowledged to me that they executed the within Site Lease on behalf of the Idaho State Building Authority in their representative capacity.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this first above written.

_____
Notary Public for Idaho
Residing at Boise, Idaho
Commission Expires:

EXHIBIT A
SITE LEASE

PREMISES DESCRIPTION

Parcel A (Building Site) – The exclusive right in and to the following described property:

Beginning at a point that is S00°16'52"W 618.33 feet along the section line and N89°43'08"W 665.93 feet from the East quarter corner of Section 21, Township 2 North, Range 38 East of the Boise Meridian Bonneville County, Idaho and running thence S00°11'28"W 388.48 feet; thence N89°45'07"W 303.39 feet; thence N00°18'44"E 388.61 feet; thence S89°43'41"E 302.57 feet to a point of beginning, containing 2.709 acres.

AND

Parcel B (Access Parcel) – The non-exclusive right to use the following described property for ingress and egress to Parcel A:

Beginning at a point that is S00°16'52"W 596.96 along the section line and N89°43'08"W 114.00 feet from the East quarter corner of Section 21, Township 2 North, Range 38 East of the Boise Meridian, Bonneville County, Idaho point of beginning also being on the West right of way line of Hitt road and running thence N89°43'03"W 51.85 feet to a point of a curve with a radius of 60.53 feet and a chord that bears S66°30'22"W 48.81 feet; thence to the left along said curve 50.24 feet thru a central angle of 47°33'09" to a point of a reverse curve with a radius of 5.00 feet and a chord that bears S66°30'04"W 4.03 feet; then to the right along said curve 4.15 feet thru a central angel of 47°32'32"; thence N89°43'41"W 451.72 feet; thence S00°11'28"W 28.26 feet; thence S89°43'41"E 457.93 feet to a point of a curve with a radius of 19.99 feet and a chord that bears N63°26'18"E 18.04 feet; thence to the left along said curve 18.72 feet thru a central angle of 53°40'02" to a point of a reverse curve with a radius of 32.27 feet and a chord that bears N63°26'23"E 29.14 feet; thence to the right along said curve 30.23 feet thru a central angle of 53°40'39"; thence S89°43'03"E 51.85 feet to said right of way line; thence N00°16'52"E 28.26 feet to the point of beginning.

Parcels A is subject to an option to purchase an easement to construct and operate a natural gas pipeline recorded October 1, 1957 and Parcel B is subject to two easements and right of way granted to City of Idaho Falls for construction and maintenance of a main or interceptor sewer recorded April 2, 1971 and May 14, 1971 respectively.

Parcels A and B are shown on the attached Concept Site Plan.

LEGAL DESCRIPTION

EITC – New Health Education Building Site

Beginning at a point that is S00°16'52"W 618.33 feet along the section line and N89°43'08"W 665.93 feet from the East quarter corner of Section 21, Township 2 North, Range 38 East of the Boise Meridian Bonneville County, Idaho and running thence S00°11'28"W 388.48 feet; thence N89°45'07"W 303.39 feet; thence N00°18'44"E 388.61 feet; thence S89°43'41"E 302.57 feet to the point of beginning, containing 2.709 acres.

BUILDING SITE EASEMENT / BOUNDARY

INGRESS / EGRESS EASEMENT

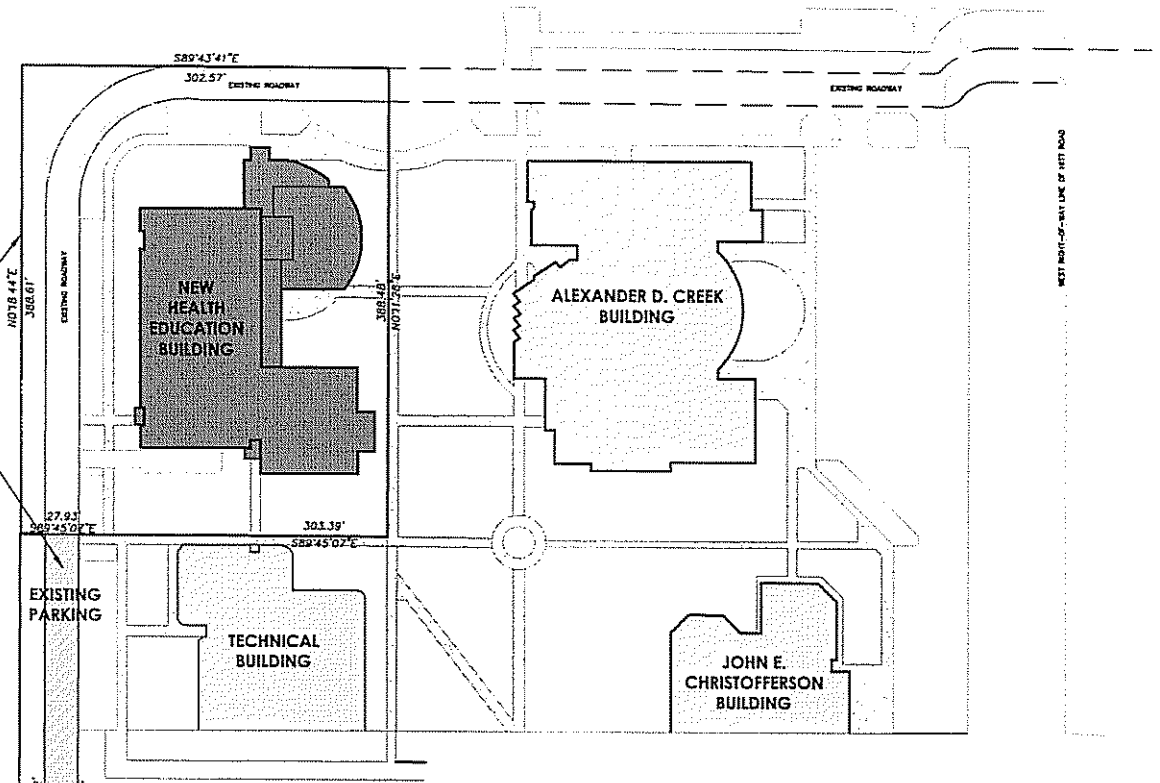
LEGAL DESCRIPTION

Job No. 04087
6-18-04
T.R.M.

LEGAL DESCRIPTION
FOR
EASTERN IDAHO TECHNICAL COLLEGE
(ACCESS EASEMENT FROM ASHMENT AVENUE)

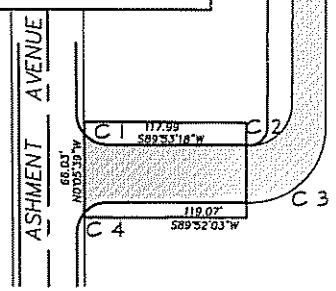
Part of the Southeast Quarter of Section 21, Township 2 North, Range 38 East of the Boise Meridian, Bonneville County, Idaho described as follows:

Beginning at a point that is S.00°16'52"W. 1006.96 feet along the section line and N.89°43'08"W. 920.78 feet from the East Quarter corner of said Section 21 and running thence S.00°18'02"W. 483.35 feet to a point of curve; thence 97.55 feet along said curve to the right, Curve Data: Delta = 89°34'01", Radius = 62.40 feet, Chord bearing = S.45°05'02"W. 87.91 feet; thence S.89°52'03"W. 119.07 feet to a point of curve; thence 22.07 feet along said curve to the left, Curve Data: Delta = 48°54'43", Radius = 25.86 feet; Chord bearing = S.65°55'41"W. 21.41 feet to the east line of Ashment Addition, Division No. 1 to the City of Idaho Falls, Idaho, recorded in the Bonneville County courthouse as Instrument No. 525577 and also being the east line of Ashment Avenue; thence N.00°05'41"W. 66.03 feet along said east line to a point on a curve; thence 22.53 feet along said curve to the left, Curve Data: Delta = 48°13'45", Radius = 26.77, Chord bearing = S.64°22'54"E. 21.88 feet; thence N.89°53'18"E. 117.99 feet to a point of curve; thence 55.38 feet along said curve to the left, Curve Data: Delta = 89°34'33", Radius = 35.42 feet, Chord bearing = N.45°06'01"E. 49.91 feet; thence N.00°18'45"E. 462.52 feet; thence S.89°45'07"E. 27.93 feet to the point of beginning.



CONCEPT SITE PLAN

SCALE: 1" = 100'



CURVE TABLE					
CURVE 1	T=48°13'45"	R=26.77'	L=22.53'	C=21.87'	CB=N64°22'54"W
CURVE 2	T=89°34'33"	R=35.42'	L=55.38'	C=49.91'	CB=N45°06'01"E
CURVE 3	T=89°34'01"	R=62.40'	L=97.55'	C=87.91'	CB=N45°05'02"E
CURVE 4	T=48°54'43"	R=25.86'	L=22.07'	C=21.41'	CB=N65°55'41"E

Myers ■ Anderson
▪ Architecture
▪ Interior Design
▪ Landscape Architecture
101 North Main Street
Pocatello, Idaho 83204
Tel. (208) 232 - 3741
Fax (208) 232 - 3782

EASTERN IDAHO TECHNICAL COLLEGE
DPW# 02778
IDAHO FALLS, IDAHO

DRAWN BY: BHN
CHECKED BY: JTM
JOB NUMBER: 02778
PROJECT DATE: MAY 2005
SHEET 1 OF 1

EXHIBIT B
SITE LEASE

EASTERN IDAHO TECHNICAL COLLEGE / HEALTH AND EDUCATION BUILDING

This project will provide a new facility for Nursing/Health Education programs on the campus of EITC. The building will provide a full range of instructional spaces including classrooms, laboratories, preparation rooms, offices, computer laboratories, and distance education facilities.

Approximate Total Square Footage: 40,000

Development Agreement ~~05~~06 **ATTACHMENT 2a**
July ~~20,~~26, 2005 **Redline Version**

DEVELOPMENT AGREEMENT

(Eastern Idaho Technical College Health Education Building)

THIS DEVELOPMENT AGREEMENT ("Agreement") is made and entered into as of the ____ day of ~~July~~ _____, 2005, by and between the IDAHO STATE BUILDING AUTHORITY (the "Authority") and the STATE OF IDAHO (the "State"), acting by and through its Department of Administration ("IDOA") and EASTERN IDAHO TECHNICAL COLLEGE ("EITC").

RECITALS

A. The Authority intends to acquire certain educational and academic facilities described on Exhibit B attached hereto (the "Facilities") to be constructed on the Campus of EITC located at Idaho Falls, Idaho.

B. Real property located within EITC has been leased to the Authority under a Site Lease dated as of _____, 2005, upon which the State shall cause the Facilities to be constructed for the Authority.

C. The Authority intends to issue revenue bonds to provide funds, which shall be applied to payment of costs of planning, designing and constructing the Facilities.

D. The State will enter into a professional services agreement (the "Architect Agreement") with a qualified and licensed architect, (the "Architect") to prepare plans and specifications (the "Plans") for the Facilities. Additionally, the State will enter into additional contracts as may be necessary and appropriate to cause the Facilities to be completed in accordance herewith. Herein, all such contracts are collectively referred to as the "State Contracts."

E. The State, acting through IDOA and EITC has agreed to lease the Facilities from the Authority pursuant to a lease agreement dated as of ~~June 23, 2004~~ _____, 2005 (the "Facilities Lease").

F. The Authority and State desire to set forth in this Agreement their respective responsibilities and agreements with respect to the Facilities and the planning, design and construction thereof.

NOW, THEREFORE, IT IS AGREED:

1. **Recitals**: The parties acknowledge the foregoing Recitals are true and are incorporated into this Development Agreement as if set forth in full.

2. **Authority of DPW to Act for State**: The Division of Public Works ("DPW") is authorized and empowered to act on behalf of the State in all respects pertaining to the planning, design and construction of the Facilities and as to all of the obligations of the State under this Agreement. IDOA and EITC hereby authorize DPW to act as their representative and agent and agree to be fully bound by all acts, authorizations, representations and decisions of DPW, except as otherwise expressly provided in this Agreement.

3. **Final Design and Approvals**: The State shall secure the completion of the final Plans for the Facilities, which shall include detailed plans and specifications suitable for bidding and award of construction contracts, and shall secure the written approval thereof, in a form acceptable to the Authority, EITC, the Permanent Building Fund Advisory Council and the Administrator of DPW. A complete set of the approved Plans shall be provided to the Authority.

4. **Design and Construction of Facilities**: The State agrees that it shall cause the design and construction of the Facilities to be substantially completed in every material respect as follows:

(a) The final Plans for the Facilities shall be subject to the written approval of EITC and shall not be materially changed without the written approval of EITC and the prior written consent of the Authority, which consent shall not be unreasonably withheld.

(b) The Facilities and every part thereof shall be constructed in a sound and workmanlike manner and shall be free from all material design or construction defects.

(c) The Facilities and every part thereof shall be constructed in accordance with the approved Plans, applicable building codes and all other applicable governmental regulations and requirements.

(d) The State shall have full responsibility to cause the design and construction of the Facilities to be properly completed in all substantial respects in accordance with the objectives, requirements and needs of EITC for use of the Facilities as educational and academic facilities.

(e) DPW shall, at its expense, provide qualified personnel to perform necessary services in the administration of the State Contracts and in the inspection of work and services through the design and construction of the Facilities.

5. **Costs**:

(a) Budget: The State has approved a budget which includes a reasonable estimate of all costs and expenses for the construction of the Facilities, including a reasonable amount for contingencies, a copy of which is attached hereto as Exhibit A ("Budget"). The State hereby represents and warrants to the Authority that the planned Facilities can be completed for the amount set forth in the Budget on or before the completion date set forth in Article 8 hereof.

(b) Expenditures to Date: As of the date of this Agreement, the State hereby represents, warrants and agrees that it has expended the amounts for the planning, design and construction of the Facilities shown as "Paid to Date" in the Budget.

6. **Financing by Authority**: The Authority agrees to issue revenue bonds or notes from which a total of Nine Million Eight Hundred Sixty Thousand Dollars ($9,860,000) shall be deposited into the Construction Fund to be applied to pay Costs of Acquisition and Construction as defined in the Facilities Lease. The Authority shall pay from its Construction Fund costs of the Facilities, not to exceed the total available funds in the Construction Fund, as follows:

(a) All costs incurred directly by the Authority in connection with the Cost of Acquisition and Construction as defined in the Facilities Lease.

(b) All reasonable costs incurred by the State pertaining to the planning, design and construction of the Facilities, including:

(i) the actual amounts owing by the State under the State Contracts, as and when due, less amounts previously paid thereunder by the State; and

(ii) the actual amounts owing by the State for any other purpose pertaining to the Facilities approved in advance by the Authority and not to exceed the amount approved in advance by the Authority.

The Authority agrees to provide to the State, upon request, periodic statements detailing expenditures from the Construction Fund.

7. **Guaranty of Completion and Cost**: The State has undertaken or will undertake the planning, management, control and direction of the design and construction of the Facilities and does hereby guaranty to the Authority that the Facilities shall be completed as required in this Agreement. The State agrees to be responsible for all risks relating to the planning, design and construction of the Facilities, including but not limited to:

(a) The faults, failure or defaults of any employee, agent, representative, or contractor engaged by the State to perform any service or work pertaining to the Facilities;

(b) Cost overruns for any reason including, without limitation, any foreseen or unforeseen, anticipated or unanticipated conditions, delays, material shortages; actions of any persons or entity (other than the Authority); any State actions to control the progress of the work; any legal restrictions upon the States' ability to enter into or perform the State Contracts or other events which may entitle any contractor or other person or entity to additional funds; and

(c) Failure to substantially complete the construction of the Facilities to be available for occupancy not later than December 31, ~~2006~~2007 subject to reasonable extensions approved by the Authority, which approval shall not be unreasonably withheld.

8. **Payment Procedure**: The State shall submit to the Authority not more frequently than monthly a written application for payment based upon the work completed during the immediately preceding month. On or before the requested payment becomes payable by the State, but not less than 15 calendar days after receipt of the application, the Authority shall make payment on behalf of the State, the sum representing work completed, equipment and materials stored at the site or other approved locations, or other appropriate work or services completed for the benefit of the Facilities. The amount payable by the Authority shall not exceed the sum actually owing by the State for which such application is made. The State shall monthly provide to the Authority an estimate of cash flow requirements for the succeeding three (3) months and the Authority agrees to arrange the availability of funds to be paid hereunder accordingly, if possible, or to notify the State of its inability to do so.

9. **Construction Progress Certifications**: At any time upon request and regularly with any application for payment of sums owing under the State Contracts, the State shall furnish to the Authority certifications, in a form acceptable to the Authority, signed by the Architect, and DPW. Such certifications shall be in accordance with the certificates required by and pursuant to the State Contracts, and subject to the rights and obligations of the Architect, and the DPW thereunder, shall state that the amount applied for fairly represents the value of work then performed and shall further state that:

(a) The work represented thereby has reached the stated percentage or degree of completion;

(b) That, to the best of the certifier's knowledge, information and belief, all work performed substantially complies with the applicable State Contract, the Plans and this Agreement, or that, if any work does not so substantially comply, the certification shall include a report specifying in reasonable detail all areas and aspects in which the work does not comply and such progress payment shall not be made for such non-conforming work; and

(c) That the unpaid balance of monies thereafter payable under the applicable State Contracts, together with unexpended funds available for change orders as provided herein, is sufficient to complete the Facilities.

10. **Conditional Assignment of Contract Rights**: The State hereby assigns to the Authority all of its rights and interest in and to the State Contracts. This assignment is to secure the State's strict performance of the terms of this Agreement and shall be fully effective only upon the default of the State hereunder. The State, and not the Authority, shall remain solely responsible for performance of the State Contracts notwithstanding such assignment. Nothing hereunder shall obligate the Authority either now or in the future to assume or perform the State's obligations under the State Contracts.

11. **Conveyance of Facilities**: The State hereby sells, assigns, grants and conveys to the Authority all of the following:

(a) The interest of the State in and to the Plans and all drawings and design documents and materials of every kind or nature relating to the design of the Facilities; however, the State retains the right to use of the Plans, drawings, design documents and other materials to expand, alter, modify, repair or improve the Facilities during the term of the Facilities Lease;

(b) All work in progress, materials, equipment, supplies, and other personal property of every kind or nature furnished under the State Contracts, whether or not stored on the site of the Facilities, and whether or not paid for with funds furnished by the State, or paid for with funds furnished by or through the Authority; and

(c) The Facilities and all rights and interests of the State thereto subject to the provisions of the Site Lease.

12. **Notice Upon Default by Contractors**: In the event of a material default by any contractor under the State Contracts and prior to the State taking action to (i) terminate such contract or suspend performance of the work, (ii) employ a separate contractor to perform portions of the work, or (iii) otherwise take action with respect to such defaulting contractor, the State shall provide the Authority written notice of its proposed or intended actions at least five (5) days prior to taking any such action and shall secure the Authority's written consent to such action, which consent shall not be unreasonably withheld by the Authority.

13. **Authority Consent for Changes Required**: Consent by the Authority shall be required for (a) any single change affecting the cost of the Facilities by more than Fifty Thousand Dollars ($50,000), or cumulative changes having an aggregate cost of more than Two Hundred Thousand Dollars ($200,000) and (b) to any single change delaying substantial completion of the Facilities by more than thirty (30) days or cumulative changes delaying substantial completion in the aggregate by more

than sixty (60) days. The consent of the Authority may be withheld until, or conditioned upon, receipt by the Authority of necessary funds to complete the items in the change order. The State shall not approve or initiate changes so affecting costs or delays without the prior written consent of the Authority, which consent shall not be unreasonably withheld. The Authority agrees to provide its consent hereunder within a reasonable time as determined by the circumstances giving rise to such changes and within sufficient time to permit the State to take appropriate action regarding such changes. In any instance in which changes occur which affect costs in excess of such amounts, the express written concurrence of EITC shall be obtained prior to requesting the Authority's consent to such changes. The Authority's consent to any such changes or delays shall not modify the obligation of the State to pay rent commencing July 1, ~~2006~~2007 as provided in the Facilities Lease.

14. **Access to Facilities and Information**: The Authority, its agents, employees and representatives, shall have reasonable access to the construction site of the Facilities, to all materials, equipment and/or supplies relating thereto, to all materials, documents and information held by the State or any project representative or any third party employed by, representing, or acting in any way as the agent of the State, and to all documents, materials, plans and other information held by the contractor or its agents, subcontractors, or suppliers that is legally or in fact available to the State.

Upon completion of the Facilities, the DPW shall maintain for the benefit of the Authority (i) one complete set of "as-built" Plans (drawings and specifications) of the Facilities, (ii) one complete set of operating manuals, and (iii) copies of all written warranties.

15. **Insurance**: In addition to the insurance required under the Facilities Lease, the State shall procure and maintain builder's all risk insurance insuring the Facilities against loss or damage from insurable perils, including flood and earthquake if available on reasonable terms. Such insurance shall be in the amount of the full replacement cost of the Facilities and shall include loss of use or loss of rents and soft costs with limits acceptable to the Authority. All such insurance shall include the Authority as an additional named insured and shall contain a loss payable clause covering the interest of any trustee appointed by the Authority in connection with the issuance of bonds. Prior to commencing construction of the Facilities, the State shall provide to the Authority and its trustee a certificate of insurance, in a form acceptable to the Authority, evidencing such insurance.

16. **Indemnification**: The State shall indemnify, defend and hold the Authority harmless from any claim, liability, loss, or expenses of any nature relating to or arising out of this Agreement, the Facilities, or any work performed in connection therewith, the State Contracts or arising out of or relating to any act or omission of any employee, agent, representative, consultant or other person acting on behalf of the State. This indemnification shall run to the Authority, its officers, directors, employees, and representatives. This indemnification shall include all reasonable attorney's fees

and other reasonable defense costs. In the event the State fails or refuses to indemnify or defend the Authority without reservation or condition as to any such claim against the Authority, the Authority may, if it so elects, defend itself with counsel it selects without limiting in any way the obligations of the State hereunder, and all costs incurred by the Authority in such instance, and any judgment or other claim rendered against the Authority or determined by the Authority to be due, shall be immediately due and payable from the State.

Nothing in this paragraph ~~17~~16 shall be construed as the agreement of the State to indemnify the Authority from liability for damages arising out of director's and officer's liability, personal injury or damage to property caused exclusively by the malfeasance or negligence of the Authority.

17. **Non-Assignment by State**: The State shall not assign this Agreement. In the event the State delegates any of its obligations under this Agreement to any independent third party engaged by or employed by the State in connection with the Facilities, no such delegation shall reduce or in any way limit the State's obligations hereunder.

18. **Assumption of Rights of Authority**: The rights of the Authority hereunder run to the Authority, and its successors and assigns, and all rights of the Authority hereunder shall be assignable to and enforceable by any bondholder of the Authority, or any trustee representing the same to the same effect and in the same manner as enforceable by the Authority itself.

19. **Notice of Default**: In the event any party contends that a default or claimed default has occurred hereunder, such party shall prior to taking any legal action to enforce its rights hereunder, give written notice of such default or claimed default to the other, specifying with reasonable detail the nature of such defaults. The party allegedly in default shall have fifteen (15) days from the date such notice is given to cure such default. Provided, however, such notice shall not be required if the default itself or any delay in taking legal action for the period required for notice has the effect of limiting or terminating the rights of party not in default or if such default is such that it cannot be cured by the defaulting party, and in such instance, the non-defaulting party shall use reasonable efforts to give notice to the other as may be reasonable and practical in the circumstances, but may take immediate action itself to correct or cure the default and exercise all other rights hereunder. No obligation assumed by or imposed upon the State by this Development Agreement shall require the performance of any act by the State, including, but not limited to, the payment of any amounts due hereunder, except to the extent that funds may be available for such performance or payment from general State appropriations or other funds legally available therefor. This Development Agreement shall not be construed as obligating the Legislature of the State of Idaho to make future appropriations for the payment of any amounts due hereunder beyond the then current fiscal year of the State.

20. **Remedies on Default of State**: In the event of any default hereunder, the Authority shall have any or all of the following remedies:

(a) All remedies provided under the Facilities Lease;

(b) The right to recover all of its damages, including but not limited to compensation for loss of use of the Facilities and/or loss of rental income resulting from the State's failure to cause the completion of the Facilities as required by this Agreement;

(c) Upon written notice pursuant to paragraph ~~20~~19 to the State of its default, the Authority shall succeed to all rights and remedies of the State under the State Contracts assigned hereunder to the Authority, but shall not thereby itself become liable under any of such contracts;

(d) If the State's default may be cured or mitigated by the payment of money or by completion of the work, the Authority may in its sole discretion, but shall not be obligated to, pay such sums as the Authority deems appropriate, or complete the work or such portion thereof as the Authority deems appropriate, and all sums incurred or paid by the Authority shall be immediately due and payable to the Authority by the State;

(e) Injunction, specific performance, equitable relief, and

(f) No remedy hereunder shall be exclusive, nor shall the Authority's decision to pursue one remedy constitute an election of remedies.

21. **Notice**: In the event notice is required hereunder, such notice shall be deemed given upon depositing the same in the United States mail by certified mail, return receipt requested, to the following persons at the following addresses:

Idaho State Building Authority
Post Office Box 2802
Boise, Idaho 83701
Attention: Executive Director

Idaho Department of Administration
Statehouse Mail
Boise, Idaho 83720
Attention: Director

Eastern Idaho Technical College
1600 South 25th East
Idaho Falls, Idaho 83404
Attention: Office of the President

22. **Authorized Representative**: The Executive Director of the Authority is authorized to act for the Authority regarding all matters contained in this Agreement. The Administrator for Division of Public Works shall represent the State of Idaho as to all matters contained in this Agreement.

23. **Attorney Fees**: In the event any party to this Agreement is required to initiate or defend litigation with respect to the terms hereof or to enforce any of its rights hereunder, the prevailing party in such litigation shall be entitled to reasonable attorney's fees incurred in such litigation, including all discovery costs and costs of expert witnesses, together with all reasonable litigation expenses.

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EXECUTED on the dates set forth below.

IDAHO STATE BUILDING AUTHORITY

By: _____
Chairman
Date: _____

STATE OF IDAHO
DEPARTMENT OF ADMINISTRATION

By: _____
Pamela I. Ahrens, Its Director
Date: _____

EASTERN IDAHO TECHNICAL COLLEGE

By: _____

_____
William A. Robertson, Its President
Date: _____

EXHIBIT A
Development Agreement

Eastern Idaho Technical College
Health Education Building
DPW #02135

Sources of Construction Funds

ISBA Bond Proceeds	9,860,000.00
Agency	60,062.70
Total Funds Available	**$9,920,062.70**

Uses of Construction Funds	Budget	Paid to Date	Balance
Design Fees and Costs	820,000.00	(60,000)	760,000
Construction Contracts	8,000,000.00		8,000,000
Construction Testing	30,000.00		30,000
Consultant Services	25,000.00		25,000
Special Equipment	320,000.00		320,000
Plan Check/Advertising	15,062.70	(62.70)	15,000
Insurance	38,000.00		38,000
Site Survey/Investigation	11,000.00		11,000
Contingency Allowance	639,000.00		639,000
Total	$9,920,062.70	($60,062.70)	$9,860,000

EXHIBIT B
Development Agreement

EASTERN IDAHO TECHNICAL COLLEGE
NURSING/HEALTH EDUCATION BUILDING

This project will provide a new facility for Nursing/Health Education programs on the campus of EITC. The building will provide a full range of instructional spaces including classrooms, laboratories, preparation rooms, offices, computer laboratories, and distance education facilities.

Approximate Total Square Footage: 40,000

Development Agreement 06 **ATTACHMENT 2b**
July 26, 2005 **Clean Version**

DEVELOPMENT AGREEMENT

(Eastern Idaho Technical College Health Education Building)

THIS DEVELOPMENT AGREEMENT ("Agreement") is made and entered into as of the ____ day of _____, 2005, by and between the IDAHO STATE BUILDING AUTHORITY (the "Authority") and the STATE OF IDAHO (the "State"), acting by and through its Department of Administration ("IDOA") and EASTERN IDAHO TECHNICAL COLLEGE ("EITC").

RECITALS

A. The Authority intends to acquire certain educational and academic facilities described on Exhibit B attached hereto (the "Facilities") to be constructed on the Campus of EITC located at Idaho Falls, Idaho.

B. Real property located within EITC has been leased to the Authority under a Site Lease dated as of _____, 2005, upon which the State shall cause the Facilities to be constructed for the Authority.

C. The Authority intends to issue revenue bonds to provide funds, which shall be applied to payment of costs of planning, designing and constructing the Facilities.

D. The State will enter into a professional services agreement (the "Architect Agreement") with a qualified and licensed architect, (the "Architect") to prepare plans and specifications (the "Plans") for the Facilities. Additionally, the State will enter into additional contracts as may be necessary and appropriate to cause the Facilities to be completed in accordance herewith. Herein, all such contracts are collectively referred to as the "State Contracts."

E. The State, acting through IDOA and EITC has agreed to lease the Facilities from the Authority pursuant to a lease agreement dated as of _____, 2005 (the "Facilities Lease").

F. The Authority and State desire to set forth in this Agreement their respective responsibilities and agreements with respect to the Facilities and the planning, design and construction thereof.

NOW, THEREFORE, IT IS AGREED:

1. **Recitals**: The parties acknowledge the foregoing Recitals are true and are incorporated into this Development Agreement as if set forth in full.

2. **Authority of DPW to Act for State**: The Division of Public Works ("DPW") is authorized and empowered to act on behalf of the State in all respects pertaining to the planning, design and construction of the Facilities and as to all of the obligations of the State under this Agreement. IDOA and EITC hereby authorize DPW to act as their representative and agent and agree to be fully bound by all acts, authorizations, representations and decisions of DPW, except as otherwise expressly provided in this Agreement.

3. **Final Design and Approvals**: The State shall secure the completion of the final Plans for the Facilities, which shall include detailed plans and specifications suitable for bidding and award of construction contracts, and shall secure the written approval thereof, in a form acceptable to the Authority, EITC, the Permanent Building Fund Advisory Council and the Administrator of DPW. A complete set of the approved Plans shall be provided to the Authority.

4. **Design and Construction of Facilities**: The State agrees that it shall cause the design and construction of the Facilities to be substantially completed in every material respect as follows:

(a) The final Plans for the Facilities shall be subject to the written approval of EITC and shall not be materially changed without the written approval of EITC and the prior written consent of the Authority, which consent shall not be unreasonably withheld.

(b) The Facilities and every part thereof shall be constructed in a sound and workmanlike manner and shall be free from all material design or construction defects.

(c) The Facilities and every part thereof shall be constructed in accordance with the approved Plans, applicable building codes and all other applicable governmental regulations and requirements.

(d) The State shall have full responsibility to cause the design and construction of the Facilities to be properly completed in all substantial respects in accordance with the objectives, requirements and needs of EITC for use of the Facilities as educational and academic facilities.

(e) DPW shall, at its expense, provide qualified personnel to perform necessary services in the administration of the State Contracts and in the inspection of work and services through the design and construction of the Facilities.

5. **Costs**:

(a) Budget: The State has approved a budget which includes a reasonable estimate of all costs and expenses for the construction of the Facilities, including a reasonable amount for contingencies, a copy of which is attached hereto as Exhibit A ("Budget"). The State hereby represents and warrants to the Authority that the planned Facilities can be completed for the amount set forth in the Budget on or before the completion date set forth in Article 8 hereof.

(b) Expenditures to Date: As of the date of this Agreement, the State hereby represents, warrants and agrees that it has expended the amounts for the planning, design and construction of the Facilities shown as "Paid to Date" in the Budget.

6. **Financing by Authority**: The Authority agrees to issue revenue bonds or notes from which a total of Nine Million Eight Hundred Sixty Thousand Dollars ($9,860,000) shall be deposited into the Construction Fund to be applied to pay Costs of Acquisition and Construction as defined in the Facilities Lease. The Authority shall pay from its Construction Fund costs of the Facilities, not to exceed the total available funds in the Construction Fund, as follows:

(a) All costs incurred directly by the Authority in connection with the Cost of Acquisition and Construction as defined in the Facilities Lease.

(b) All reasonable costs incurred by the State pertaining to the planning, design and construction of the Facilities, including:

(i) the actual amounts owing by the State under the State Contracts, as and when due, less amounts previously paid thereunder by the State; and

(ii) the actual amounts owing by the State for any other purpose pertaining to the Facilities approved in advance by the Authority and not to exceed the amount approved in advance by the Authority.

The Authority agrees to provide to the State, upon request, periodic statements detailing expenditures from the Construction Fund.

7. **Guaranty of Completion and Cost**: The State has undertaken or will undertake the planning, management, control and direction of the design and construction of the Facilities and does hereby guaranty to the Authority that the Facilities shall be completed as required in this Agreement. The State agrees to be responsible for all risks relating to the planning, design and construction of the Facilities, including but not limited to:

(a) The faults, failure or defaults of any employee, agent, representative, or contractor engaged by the State to perform any service or work pertaining to the Facilities;

(b) Cost overruns for any reason including, without limitation, any foreseen or unforeseen, anticipated or unanticipated conditions, delays, material shortages; actions of any persons or entity (other than the Authority); any State actions to control the progress of the work; any legal restrictions upon the States' ability to enter into or perform the State Contracts or other events which may entitle any contractor or other person or entity to additional funds; and

(c) Failure to substantially complete the construction of the Facilities to be available for occupancy not later than December 31, 2007 subject to reasonable extensions approved by the Authority, which approval shall not be unreasonably withheld.

8. **Payment Procedure**: The State shall submit to the Authority not more frequently than monthly a written application for payment based upon the work completed during the immediately preceding month. On or before the requested payment becomes payable by the State, but not less than 15 calendar days after receipt of the application, the Authority shall make payment on behalf of the State, the sum representing work completed, equipment and materials stored at the site or other approved locations, or other appropriate work or services completed for the benefit of the Facilities. The amount payable by the Authority shall not exceed the sum actually owing by the State for which such application is made. The State shall monthly provide to the Authority an estimate of cash flow requirements for the succeeding three (3) months and the Authority agrees to arrange the availability of funds to be paid hereunder accordingly, if possible, or to notify the State of its inability to do so.

9. **Construction Progress Certifications**: At any time upon request and regularly with any application for payment of sums owing under the State Contracts, the State shall furnish to the Authority certifications, in a form acceptable to the Authority, signed by the Architect, and DPW. Such certifications shall be in accordance with the certificates required by and pursuant to the State Contracts, and subject to the rights and obligations of the Architect, and the DPW thereunder, shall state that the amount applied for fairly represents the value of work then performed and shall further state that:

(a) The work represented thereby has reached the stated percentage or degree of completion;

(b) That, to the best of the certifier's knowledge, information and belief, all work performed substantially complies with the applicable State Contract, the Plans and this Agreement, or that, if any work does not so substantially comply, the certification shall include a report specifying in reasonable detail all areas and aspects in which the work does not comply and such progress payment shall not be made for such non-conforming work; and

(c) That the unpaid balance of monies thereafter payable under the applicable State Contracts, together with unexpended funds available for change orders as provided herein, is sufficient to complete the Facilities.

10. **Conditional Assignment of Contract Rights**: The State hereby assigns to the Authority all of its rights and interest in and to the State Contracts. This assignment is to secure the State's strict performance of the terms of this Agreement and shall be fully effective only upon the default of the State hereunder. The State, and not the Authority, shall remain solely responsible for performance of the State Contracts notwithstanding such assignment. Nothing hereunder shall obligate the Authority either now or in the future to assume or perform the State's obligations under the State Contracts.

11. **Conveyance of Facilities**: The State hereby sells, assigns, grants and conveys to the Authority all of the following:

(a) The interest of the State in and to the Plans and all drawings and design documents and materials of every kind or nature relating to the design of the Facilities; however, the State retains the right to use of the Plans, drawings, design documents and other materials to expand, alter, modify, repair or improve the Facilities during the term of the Facilities Lease;

(b) All work in progress, materials, equipment, supplies, and other personal property of every kind or nature furnished under the State Contracts, whether or not stored on the site of the Facilities, and whether or not paid for with funds furnished by the State, or paid for with funds furnished by or through the Authority; and

(c) The Facilities and all rights and interests of the State thereto subject to the provisions of the Site Lease.

12. **Notice Upon Default by Contractors**: In the event of a material default by any contractor under the State Contracts and prior to the State taking action to (i) terminate such contract or suspend performance of the work, (ii) employ a separate contractor to perform portions of the work, or (iii) otherwise take action with respect to such defaulting contractor, the State shall provide the Authority written notice of its proposed or intended actions at least five (5) days prior to taking any such action and shall secure the Authority's written consent to such action, which consent shall not be unreasonably withheld by the Authority.

13. **Authority Consent for Changes Required**: Consent by the Authority shall be required for (a) any single change affecting the cost of the Facilities by more than Fifty Thousand Dollars ($50,000), or cumulative changes having an aggregate cost of more than Two Hundred Thousand Dollars ($200,000) and (b) to any single change delaying substantial completion of the Facilities by more than thirty (30) days or cumulative changes delaying substantial completion in the aggregate by more

than sixty (60) days. The consent of the Authority may be withheld until, or conditioned upon, receipt by the Authority of necessary funds to complete the items in the change order. The State shall not approve or initiate changes so affecting costs or delays without the prior written consent of the Authority, which consent shall not be unreasonably withheld. The Authority agrees to provide its consent hereunder within a reasonable time as determined by the circumstances giving rise to such changes and within sufficient time to permit the State to take appropriate action regarding such changes. In any instance in which changes occur which affect costs in excess of such amounts, the express written concurrence of EITC shall be obtained prior to requesting the Authority's consent to such changes. The Authority's consent to any such changes or delays shall not modify the obligation of the State to pay rent commencing July 1, 2007 as provided in the Facilities Lease.

14. **Access to Facilities and Information**: The Authority, its agents, employees and representatives, shall have reasonable access to the construction site of the Facilities, to all materials, equipment and/or supplies relating thereto, to all materials, documents and information held by the State or any project representative or any third party employed by, representing, or acting in any way as the agent of the State, and to all documents, materials, plans and other information held by the contractor or its agents, subcontractors, or suppliers that is legally or in fact available to the State.

Upon completion of the Facilities, the DPW shall maintain for the benefit of the Authority (i) one complete set of "as-built" Plans (drawings and specifications) of the Facilities, (ii) one complete set of operating manuals, and (iii) copies of all written warranties.

15. **Insurance**: In addition to the insurance required under the Facilities Lease, the State shall procure and maintain builder's all risk insurance insuring the Facilities against loss or damage from insurable perils, including flood and earthquake if available on reasonable terms. Such insurance shall be in the amount of the full replacement cost of the Facilities and shall include loss of use or loss of rents and soft costs with limits acceptable to the Authority. All such insurance shall include the Authority as an additional named insured and shall contain a loss payable clause covering the interest of any trustee appointed by the Authority in connection with the issuance of bonds. Prior to commencing construction of the Facilities, the State shall provide to the Authority and its trustee a certificate of insurance, in a form acceptable to the Authority, evidencing such insurance.

16. **Indemnification**: The State shall indemnify, defend and hold the Authority harmless from any claim, liability, loss, or expenses of any nature relating to or arising out of this Agreement, the Facilities, or any work performed in connection therewith, the State Contracts or arising out of or relating to any act or omission of any employee, agent, representative, consultant or other person acting on behalf of the State. This indemnification shall run to the Authority, its officers, directors, employees, and representatives. This indemnification shall include all reasonable attorney's fees

and other reasonable defense costs. In the event the State fails or refuses to indemnify or defend the Authority without reservation or condition as to any such claim against the Authority, the Authority may, if it so elects, defend itself with counsel it selects without limiting in any way the obligations of the State hereunder, and all costs incurred by the Authority in such instance, and any judgment or other claim rendered against the Authority or determined by the Authority to be due, shall be immediately due and payable from the State.

Nothing in this paragraph 16 shall be construed as the agreement of the State to indemnify the Authority from liability for damages arising out of director's and officer's liability, personal injury or damage to property caused exclusively by the malfeasance or negligence of the Authority.

17. **Non-Assignment by State**: The State shall not assign this Agreement. In the event the State delegates any of its obligations under this Agreement to any independent third party engaged by or employed by the State in connection with the Facilities, no such delegation shall reduce or in any way limit the State's obligations hereunder.

18. **Assumption of Rights of Authority**: The rights of the Authority hereunder run to the Authority, and its successors and assigns, and all rights of the Authority hereunder shall be assignable to and enforceable by any bondholder of the Authority, or any trustee representing the same to the same effect and in the same manner as enforceable by the Authority itself.

19. **Notice of Default**: In the event any party contends that a default or claimed default has occurred hereunder, such party shall prior to taking any legal action to enforce its rights hereunder, give written notice of such default or claimed default to the other, specifying with reasonable detail the nature of such defaults. The party allegedly in default shall have fifteen (15) days from the date such notice is given to cure such default. Provided, however, such notice shall not be required if the default itself or any delay in taking legal action for the period required for notice has the effect of limiting or terminating the rights of party not in default or if such default is such that it cannot be cured by the defaulting party, and in such instance, the non-defaulting party shall use reasonable efforts to give notice to the other as may be reasonable and practical in the circumstances, but may take immediate action itself to correct or cure the default and exercise all other rights hereunder. No obligation assumed by or imposed upon the State by this Development Agreement shall require the performance of any act by the State, including, but not limited to, the payment of any amounts due hereunder, except to the extent that funds may be available for such performance or payment from general State appropriations or other funds legally available therefor. This Development Agreement shall not be construed as obligating the Legislature of the State of Idaho to make future appropriations for the payment of any amounts due hereunder beyond the then current fiscal year of the State.

20. **Remedies on Default of State**: In the event of any default hereunder, the Authority shall have any or all of the following remedies:

(a) All remedies provided under the Facilities Lease;

(b) The right to recover all of its damages, including but not limited to compensation for loss of use of the Facilities and/or loss of rental income resulting from the State's failure to cause the completion of the Facilities as required by this Agreement;

(c) Upon written notice pursuant to paragraph 19 to the State of its default, the Authority shall succeed to all rights and remedies of the State under the State Contracts assigned hereunder to the Authority, but shall not thereby itself become liable under any of such contracts;

(d) If the State's default may be cured or mitigated by the payment of money or by completion of the work, the Authority may in its sole discretion, but shall not be obligated to, pay such sums as the Authority deems appropriate, or complete the work or such portion thereof as the Authority deems appropriate, and all sums incurred or paid by the Authority shall be immediately due and payable to the Authority by the State;

(e) Injunction, specific performance, equitable relief, and

(f) No remedy hereunder shall be exclusive, nor shall the Authority's decision to pursue one remedy constitute an election of remedies.

21. **Notice**: In the event notice is required hereunder, such notice shall be deemed given upon depositing the same in the United States mail by certified mail, return receipt requested, to the following persons at the following addresses:

Idaho State Building Authority
Post Office Box 2802
Boise, Idaho 83701
Attention: Executive Director

Idaho Department of Administration
Statehouse Mail
Boise, Idaho 83720
Attention: Director

Eastern Idaho Technical College
1600 South 25th East
Idaho Falls, Idaho 83404
Attention: Office of the President

22. **Authorized Representative**: The Executive Director of the Authority is authorized to act for the Authority regarding all matters contained in this Agreement. The Administrator for Division of Public Works shall represent the State of Idaho as to all matters contained in this Agreement.

23. **Attorney Fees**: In the event any party to this Agreement is required to initiate or defend litigation with respect to the terms hereof or to enforce any of its rights hereunder, the prevailing party in such litigation shall be entitled to reasonable attorney's fees incurred in such litigation, including all discovery costs and costs of expert witnesses, together with all reasonable litigation expenses.

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EXECUTED on the dates set forth below.

IDAHO STATE BUILDING AUTHORITY

By: _____
Chairman
Date: _____

STATE OF IDAHO
DEPARTMENT OF ADMINISTRATION

By: _____
Pamela I. Ahrens, Its Director
Date: _____

EASTERN IDAHO TECHNICAL COLLEGE

By: _____
William A. Robertson, Its President
Date: _____

EXHIBIT A
Development Agreement

Eastern Idaho Technical College
Health Education Building
DPW #02135

Sources of Construction Funds

ISBA Bond Proceeds	9,860,000.00
Agency	60,062.70
Total Funds Available	**$9,920,062.70**

Uses of Construction Funds	Budget	Paid to Date	Balance
Design Fees and Costs	820,000.00	(60,000)	760,000
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Consultant Services	25,000.00		25,000
Special Equipment	320,000.00		320,000
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Insurance	38,000.00		38,000
Site Survey/Investigation	11,000.00		11,000
Contingency Allowance	639,000.00		639,000
Total	$9,920,062.70	($60,062.70)	$9,860,000

EXHIBIT B
Development Agreement

EASTERN IDAHO TECHNICAL COLLEGE
NURSING/HEALTH EDUCATION BUILDING

This project will provide a new facility for Nursing/Health Education programs on the campus of EITC. The building will provide a full range of instructional spaces including classrooms, laboratories, preparation rooms, offices, computer laboratories, and distance education facilities.

Approximate Total Square Footage: 40,000

Facilities Lease ~~04~~05 **ATTACHMENT 3a**
July ~~20,~~26, 2005 **Redline Version**

FACILITIES LEASE

(Eastern Idaho Technical College Health Education Building)

THIS FACILITIES LEASE, made as of the __ day of _____, 2005, between the IDAHO STATE BUILDING AUTHORITY (the "Authority"), as lessor, and the STATE OF IDAHO (the "State"), acting through the IDAHO DEPARTMENT OF ADMINISTRATION ("IDOA") and EASTERN IDAHO TECHNICAL COLLEGE ("EITC"), with the consent and approval of the STATE BOARD FOR PROFESSIONAL-TECHNICAL EDUCATION, as lessee.

RECITALS

A. The Authority was created by the Idaho State Building Authority Act, Title 67, Chapter 64, Idaho Code, to finance, construct, and operate facilities for the purposes set forth in the Act; and

B. The Authority is empowered by the Act, among other powers, to acquire property; to enter into agreements with the State of Idaho or any agency, board, department or commission thereof for the financing of facilities; to provide for the acquisition, development, construction, reconstruction, improvement, alteration, maintenance, operation, or repair of facilities or parts thereof; and to lease such facilities as provided by the Act; and

C. In accordance with the provisions of Idaho Code, Section 67-6410(a), the Idaho Legislature, pursuant to Senate Concurrent Resolution No. 134, Second Regular Session of the Fifty-seventh Legislature, has authorized the IDOA and EITC to enter into agreements with the Authority as may be reasonable and necessary for the purpose of providing financing and development of educational facilities (defined herein as the "Facilities"), for use by EITC; and

D. Concurrently herewith, the Authority has leased the real property described in Exhibit A pursuant to the Site Lease, as defined hereinafter, as the site for the Facilities, and hereby agrees to lease the Facilities back to the State pursuant to this Facilities Lease; and

E. The Authority intends to finance the cost of acquisition of the Facilities and related costs by the issuance of bonds, notes or other evidences of indebtedness as authorized by the Act; and

F. The State and the Authority acknowledge that there shall be no merger of the State's leasehold interest in the Facilities and its ownership interest in the real property described in Exhibit A; and

G. The State will be responsible for the design and construction of the Facilities pursuant to the terms of the Development Agreement, as hereinafter defined, and will lease the Facilities from the Authority upon the terms and conditions set forth in this Facilities Lease.

NOW, THEREFORE, in consideration of the mutual promises, conditions, and covenants set forth herein, the parties agree:

ARTICLE 1
FINDINGS AND DECLARATION

Section 1.1 Findings: The Authority has found and declared, in accordance with Section 67-6410(c), Idaho Code, that the Facilities will be of public use and will provide a public benefit to the people of the State of Idaho.

Section 1.2 Declaration: The parties agree and acknowledge that the Recitals contained in this Facilities Lease are true and are incorporated into this Facilities Lease as if set forth in full. This Facilities Lease shall constitute the agreement of the Authority to provide the Facilities as required by Section 67-6410(b), Idaho Code.

ARTICLE 2
DEFINITIONS

The terms used herein shall have the following meanings:

Section 2.1 "**Act**" shall mean Chapter 64, Title 67, Idaho Code, as it now exists and as it may hereafter be amended and supplemented.

Section 2.2 "**Administrative Costs**" shall mean the Authority's expenses (including reasonable reserves for such expenses) for real property assessments, allocable administration and general expenses of the Authority, expenses for maintenance and repairs, insurance premiums, arbitrage rebate calculation expenses, utility charges, legal, financial, architectural and engineering expenses, fees and expenses of fiduciaries under the Bond Resolution, bond insurance, guaranty and/or letter of credit fees, interest and finance charges, and any other expenses or contingencies to be paid or provided for by the Authority, all to the extent properly attributable to the Facilities and payable by the Authority. Administrative Costs shall not include any Cost of Acquisition and Construction or any provision for depreciation, amortization or similar charges or any expenses for maintenance and repairs, utility services or insurance paid for or provided by the State pursuant to this Facilities Lease.

Section 2.3 "**Annual Rent**" shall mean, with respect to the initial term of this Facilities Lease and each renewal term thereof, the Basic Rent and Additional Rent determined in accordance with Article 6 hereof due and payable by the State to the Authority with respect to the Facilities for such lease term.

Section 2.4 "**Authority**" shall mean the Idaho State Building Authority, an independent public body corporate and politic of the State of Idaho, created by and existing under the Act.

Section 2.5 "**Bonds**" shall mean the portion of any bond or bonds, note or notes, or other evidences of indebtedness issued by the Authority for the purpose of financing the Cost of Acquisition and Construction and bonds or notes issued to refinance all or any part thereof and any bonds or notes issued to finance any additions, modifications or replacements of the Facilities from time to time hereafter.

Section 2.6 "**Bond Resolution**" shall mean the resolution or resolutions of the Authority, as amended and supplemented, authorizing the issuance of Bonds.

Section 2.7 "**Code**" means the Internal Revenue Code of 1986, as amended, regulations thereunder and rulings and judicial decisions interpreting or construing the Code.

Section 2.8 "**Cost of Acquisition and Construction**" shall mean any proper and reasonable cost, whether or not specifically mentioned herein, of the lease, development and design and construction of the Facilities and furniture, fixtures, machinery, apparatus and equipment therefore; of engineering and architectural services, designs, plans, specifications and surveys; of planning, analysis, project management, administration, inspection and similar services in connection with the Facilities; of acquisition or lease of any land or interest therein for use in connection therewith; of preparation of the sites thereof and of any land to be used in connection therewith; of any indemnity and surety bonds and insurance premiums; of allocable administrative and general expenses of the Authority; of allocable portions of legal fees, audits, fees and expenses of any trustees, depositories and paying agents, financial advisors, underwriters and others for the Bonds; of issuance of the Bonds and interest thereon and other financing charges, and of fees and expenses of other advisors and consultants necessary or appropriate in connection therewith; of the payment of any Bonds of the Authority (including any interest and redemption premiums) issued to temporarily finance the payment of any item or items of cost of the Facilities; of expenses necessary or incidental to determining the feasibility or practicability of the Facilities; and of all other reasonable expenses not specified herein as may be necessary or incidental to the development, design, construction and acquisition of the Facilities, the financing thereof, and the placing of the same in use and operation.

Section 2.9 "**Development Agreement**" shall mean an agreement entered into between the Authority and the State whereby the State agrees to complete the design and construction of the Facilities satisfactory to the Authority and to convey ownership of the Facilities to the Authority as the design and construction progresses.

Section 2.10 "**Facilities**" shall mean the Authority's interest in the real property described in Exhibit A attached hereto created by the Site Lease together with all easements and rights appurtenant thereto together with all improvements located thereon and improvements to be constructed thereon described in Exhibit B, together with all

equipment, furniture, fixtures, improvements, and appurtenances designed, constructed or installed thereon by or for the Authority.

Section 2.11 "**Facilities Lease**" shall mean this Facilities Lease, including any amendments or supplements thereto.

Section 2.12 "**Fiscal Year**" shall mean the twelve-month period of each year beginning July 1 and ending on the following June 30.

Section 2.13 "**Site Lease**" shall mean the Site Lease entered into between the Authority and the State of Idaho acting by and through EITC coincidentally herewith, containing the terms and conditions of the lease of real property and easements, described in Exhibit A, to the Authority.

ARTICLE 3
LEASE OF PROJECT; TERM OF LEASE

Section 3.1 Lease of Facilities: The Authority hereby leases the Facilities to the State for use in furtherance of the public benefit, and the State hereby leases the Facilities from the Authority on the terms and conditions set forth herein.

As affects this Facilities Lease, EITC shall have the primary responsibility to act on behalf of the State in all respects pertaining to the obligations of the State under this Facilities Lease. The State hereby authorizes EITC to act as its representative and agent in all respects pertaining to this Facilities Lease, and the State shall be fully bound by all acts, authorizations, representations and decisions of EITC, except as otherwise expressly provided in this Facilities Lease.

Section 3.2 Term of Lease: This Facilities Lease shall be in full force and effect from the effective date hereof. The initial term of this Facilities Lease shall extend from the effective date hereof through June 30, ~~2006.~~2007. The State shall have the option to renew this Facilities Lease in accordance with the provisions hereof for successive terms concurrent with and equal to succeeding Fiscal Years thereafter and each such renewal of this Facilities Lease shall be deemed to be exercised, automatically and without further action by the State, unless the State shall notify the Authority in writing of its intent not to renew this Facilities Lease not later than ten (10) months prior to the expiration of any lease term; provided, however, no term of this Facilities Lease shall extend beyond the term of the Site Lease.

ARTICLE 4
ACQUISITION, DEVELOPMENT AND FINANCING

Section 4.1 Acquisition and Development of Facilities: The Authority agrees to acquire real property and parking for use as the site of the Facilities by the Site Lease entered into coincidentally herewith. Pursuant to the terms of the Site Lease, the Authority will own fee title to the improvements constructed thereon as provided in the Development Agreement entered into coincidentally herewith. This Facilities Lease and the rights, title

and interest of the State in this Facilities Lease and the Facilities shall be subject to the interests of the Authority in the real property and parking acquired therefor.

Section 4.2 Financing of Facilities by the Authority: The Authority agrees to finance the Cost of Acquisition and Construction of the Facilities by issuance of Bonds as authorized by the Act. The Authority may from time to time refinance or refund such Bonds as the Authority may deem appropriate; provided the Authority shall not refinance or refund such Bonds without the written consent of the State if to do so would increase the Basic Rent due hereunder. The Authority shall give written notice to the State of its intent to refinance or refund such Bonds.

Section 4.3 Bond Anticipation Notes: The Authority may issue bond anticipation notes payable from proceeds of Bonds.

ARTICLE 5
USE OF FACILITIES

Section 5.1 Use of Facilities: The State agrees that the Facilities shall be used by EITC and such other institutions, departments and agencies of the State as deemed necessary or appropriate by the State. With the written consent of the Authority, which shall not be unreasonably withheld, the State may enter into agreements with other entities ("Non-State Entities") for the operation and/or maintenance of the Facilities or for the use or occupancy of portions of the Facilities by Non-State Entities upon the following conditions:

(a) the nature and extent of the proposed agreements with Non-State Entities will not adversely affect the tax-exempt status of the Bonds; and

(b) such proposed users or uses shall be compatible with and complimentary to the interests in and uses of the Facilities by the State; and

(c) the nature and extent of the proposed uses of the Facilities conforms to policies relating to permitted uses of the Facilities adopted by the Board of Commissioners of the Authority.

ARTICLE 6
RENT

Section 6.1 Payment of Annual Rent: In consideration of the lease of the Facilities, the State shall pay to the Authority, in advance and without any set off or deduction whatsoever, the following Annual Rent:

(1) For the period of the initial term of this Facilities Lease in the Fiscal Year ending June 30, ~~2006,~~2007, the State shall pay no Annual Rent.

(2) For the renewal term of this Facilities Lease commencing July 1, ~~2006~~2007 and for each annual renewal term thereafter, the State shall, within 30 calendar days following the commencement of such renewal terms, pay in advance:

(a) As and for Basic Rent, an amount for such term which shall equal the principal installments, including sinking fund deposits, and interest payable in the corresponding Fiscal Year in accordance with the Bond Resolution with respect to the Bonds; and

(b) As and for Additional Rent as follows:

(i) the amount estimated by the Authority to be sufficient to provide the Authority with adequate monies to pay all Administrative Costs attributable to the Facilities for the applicable term of this Facilities Lease, plus

(ii) any amount payable as rebate or other sums payable with respect to the bonds and the amount, if any, of deposits to any debt service reserve account, any operating fund, and any other reserve or expense accounts required to meet all terms and conditions of the Bond Resolution. The Authority will provide to the State an estimate of Administrative Costs which shall accompany its statement for Additional Rent.

(3) Annual Rent payable for any renewal term shall not be deferred or abated because of delays in completion of the construction of the Facilities or delays in completion of any repair or replacement of damage to the Facilities.

(4) Any installment of Annual Rent which is not paid by the State on or before the due date thereof shall, from and after said due date, bear interest until paid at the highest rate per annum borne by any of the Bonds then outstanding; time being of the absolute essence of this obligation.

(5) The Authority and the State hereby agree that the Basic Rent in any lease term shall be reduced by any amounts on deposit with the Authority legally available for and allocated by the Authority to the payment of principal and interest on the Bonds, including without limitation capitalized interest deposited from the proceeds of the Bonds and funds on deposit in the debt service account established under the Bond Resolution. Basic Rent shall be increased or decreased as appropriate to reflect the issuance by the Authority of Bonds bearing interest at variable rate and issuance of any additional Bonds issued to refinance the Facilities, in whole or in part, or any additional Bonds issued for the purposes set forth in Section 9.1 hereof or issued to finance additions, modification or replacement of the Facilities or any part thereof.

(6) Annual Rents shall be payable in lawful money of the United States of America, which shall be legal tender for public and private debts under the laws of the United States at the time of payment, provided that, upon prior written approval of the Authority, the State may transfer funds through electronic funds transfer. Payment shall be made at the office of the Authority or such other place or places as may be designated in writing by the Authority.

(7) The State and the Authority have agreed and determined that such Annual Rent represents the fair market rental value of the Facilities. In making such determination, consideration has been given to the Cost of Acquisition and Construction,

and the costs of financing of the Facilities and the Administrative Costs thereof, and the uses and purposes of the Facilities which will accrue to the State and the Authority and the general public by reason of the use and occupancy thereof by the State and ownership by the Authority.

(8) The parties agree that the Annual Rent hereunder constitutes ordinary operating expense of the State within the provisions of Article VIII Section 1 of the Idaho Constitution.

Section 6.2 Application of Rent: The Authority covenants to use and apply Annual Rent to payment of debt service of the Bonds, Administrative Costs, deposits to required reserve accounts and other appropriate purposes pertaining to the Facilities and/or the Bonds.

ARTICLE 7
OPERATION AND MAINTENANCE OF THE FACILITIES

Section 7.1 Operation, Repairs, and Maintenance: The State shall, throughout the term of this Facilities Lease and each renewal term thereof, at the State's cost and expense, keep and maintain or cause to be kept and maintained, the Facilities and all equipment, fixtures, additions and improvements thereof, in good order and condition, and shall, at the State's cost and expense, make or cause to be made all necessary repairs, renewals, and replacements with respect to the Facilities. To the extent repairs or replacements are insured under policies maintained by the Authority and insurance proceeds are paid to the Authority, the State shall be entitled to such insurance proceeds to the extent of the actual costs incurred by the State and except to the extent the insurance proceeds are required to be otherwise applied in accordance with the terms of the Bonds. Subject to Section 10.1, in the event the Facilities or any part thereof are damaged or destroyed by uninsured or partially uninsured casualty of any kind, the State shall either replace or rebuild the Facilities in equal value, or pay such sums to the Authority as may be required to fully pay and discharge the Bonds.

Section 7.2 Utilities: The State shall pay or cause to be paid all costs, expenses and charges for water, electricity, lights, heat, power, sewage, telephone, and other utility services, rendered or supplied upon or in connection with the Facilities during the term of this Facilities Lease and each renewal term.

Section 7.3 Insurance:

(1) The State shall maintain or cause to be maintained with responsible insurers or under an established program of self-insurance (as considered to be adequate by an Insurance Consultant as may be engaged by the Authority) the following kinds and amounts of insurance acceptable to the Authority with respect to all existing buildings, improvements, equipment and other property comprising any part of the Facilities and/or the use of the Facilities at all times throughout the initial term and each renewal term of this Facilities Lease:

(a) Commercial general liability insurance (CGL) and, if necessary, commercial umbrella insurance and property damage liability, and errors and omissions liability as shall afford protection to the Authority in an amount of not less than $1,000,000 for each occurrence. The commercial general liability insurance shall cover liability arising from premises, operations, independent contractors, product-completed operations, personal injury and advertising injury, and liability assumed under an insured contract. Such insurance shall protect the Authority to the same extent as the State is protected from claims, demands, causes of actions, penalties, including costs and attorney fees, arising out of the use or occupancy of the Facilities. Upon written request of the Authority, the State will increase the amount of the CGL insurance to an amount determined by the Authority if, in the opinion of the Authority and based on local standards, the amount of the CGL insurance is not adequate.

(b) Commercial property insurance and, as applicable, course of construction insurance, in the amount of the full replacement value of the Facilities or any portion thereof, including fixtures, equipment, lessee improvements and betterments. Commercial property insurance shall, at a minimum, cover the perils insured under the ISO special causes of loss form CP 1030 and, if reasonably available, earthquake and flood insurance, debris removal, operation of building laws, extra expense, consequential loss, loss of rents and/or business interruption. Such loss of rents or business interruption insurance shall be in an amount equal to Annual Rent payable to the Authority by the State with respect to the Facilities during such time or times as the use of the Facilities may be totally or partially interrupted or the construction thereof delayed as a result of damage or destruction resulting from perils insured against pursuant to this subsection (1)(b).

(c) Worker's Compensation Insurance in the amount and in the form which the State is required by law to maintain.

(d) Any other insurance agreed to in writing by the State and the Authority.

(e) Any other insurance required by the terms and conditions of the Bonds.

(2) All insurance procured and any self-insurance plan maintained by the State shall comply with the following requirements:

(a) Each policy or policies of insurance shall be written by insurance companies authorized to do business in the state of Idaho and furnished through an insurance carrier or carriers satisfactory to the Authority or through a self-insurance plan satisfactory to the Authority and an Insurance Consultant pursuant to the Bond Resolution.

(b) True, correct and complete copies of all insurance policies or self-insurance plan and all endorsements, changes, amendments and supplemental provisions thereto shall be continually maintained by the State and shall be available for inspection and copying by the Authority at all times during the State's regular office hours.

(c) All such insurance shall provide that coverage shall not be canceled or amended except upon sixty (60) calendar days prior written notice to the Authority. The Authority shall be furnished current certificates upon the commencement of the initial term and each renewal term of this Facilities Lease showing that all such insurance fully complies with the terms of this Facilities Lease, and current certificates shall be furnished at any other time or times as may be reasonably requested.

(d) All policies of insurance obtained by and any self-insurance plan maintained by the State shall include provisions that coverage shall not be affected, reduced or waived by any inaccurate or misleading statement or information furnished by the State in obtaining such insurance nor shall insurance under such policies furnished to the Authority be reduced by any actual or alleged breach of warranties made by the State in obtaining such insurance. All liability insurance furnished by the State shall include insurance covering the obligations of the State under Article 8 of this Facilities Lease.

(3) The Authority and the State hereby release each other from any and all liability or responsibility to the other as to any person claiming through or under either by way of subrogation or otherwise for any loss or damage to property caused by any casualty insured by the above-described coverages, even if the loss is caused by the fault or negligence of the other party or by any party for whom the other party is responsible.

(4) All insurance provided to the Authority by the State pursuant to this Facilities Lease shall name the Authority as additional named insured and contain a loss payable clause providing for payment of proceeds to the Authority and the trustee of the Bonds to the extent of their interest therein, and the Annual Rent otherwise payable by the State with respect to the Facilities shall be reduced by the amount of business interruption or loss of rents insurance payments, if any, made to the Authority and/or the trustee of the Bonds.

(5) In the event the Authority is able to procure any or all of the insurance coverages herein required at a cost less than the cost incurred by the State thereof, the Authority agrees to do so and the cost thereof shall be included as Administrative Costs of the Authority. In such event the obligation of the State to provide any such insurance shall continue until the insurance coverage procured by the Authority is actually in effect. Upon the expiration or termination of any insurance procured by the Authority hereunder, the State shall immediately, without any interruption in insurance coverage, procure and maintain such coverage.

ARTICLE 8
INDEMNITY

Section 8.1 State's Indemnification: The State hereby agrees to defend, protect, hold harmless and indemnify the Authority and its agents, employees, representatives, successors, and assigns, against all demands, claims, liabilities, causes of action or judgments, and all loss, expense and damage of any and every sort and kind, including, but not limited to, costs of investigations and attorneys' fees and other costs of defense, for:

(1) injury to person or property occurring in, upon or about the Facilities or any adjacent or related real property or improvements owned, occupied or controlled by the State or any of its agencies, departments, bureaus or subgovernmental entities;

(2) injury to person or property arising out of the use or occupancy of the Facilities or relating in any manner to operations conducted thereon;

(3) any other premises liability relating to the Facilities;

(4) any loss to person or property to the extent of its self-insurance, if any; and

(5) all liability whatsoever arising out of any public or governmental activities of the State of any kind or nature whatsoever relating to the Facilities or this Facilities Lease.

Nothing in this Article 8 shall be construed as the agreement of the State to indemnify the Authority from liability for damages arising out of personal injury or damage to property caused solely and exclusively by the negligence or malfeasance of the Authority.

The obligations under this Section are deemed to be ordinary operating expenses of the State within the provisions of Article VIII Section 1 of the Idaho Constitution.

Section 8.2 Authority's Indemnification: The Authority hereby agrees to defend, indemnify and save the State harmless from and against any and all liability, loss, damage, cost and expense, including court costs and attorney fees of whatever nature or type, whether or not litigation is commenced, that the State may incur, by reason of any act or omission of the Authority, its employees or agents or any breach or default of the Authority in the performance of its obligations under this Facilities Lease. The foregoing indemnity shall not apply to any injury, damage or other claim resulting solely from the act or omission of the State.

ARTICLE 9
ALTERATIONS, ADDITIONS, AND IMPROVEMENTS

Section 9.1 Alterations, Additions, and Improvements: The State shall have the right, at any time and from time to time during the term of this Facilities Lease, at the State's costs and expense, to make such, alterations, additions, expansions and improvements, to the Facilities, as the State shall deem necessary or desirable in connection with its use of the Facilities. Notwithstanding the foregoing, the State shall not make any alterations, additions, expansions or improvements which are structural or will lessen the market value of the Facilities without the prior written consent of the Authority which shall not be unreasonably withheld.

Once commenced, all alterations, additions, expansions and improvements shall be diligently pursued to completion. All such alterations, additions and improvements shall be

of such character as to not reduce or otherwise adversely affect the value of the Facilities or the rental value thereof and all the costs thereof shall be promptly paid or discharged so that the Facilities shall at all times be free of liens or claims for labor and materials supplied thereto. All, alterations, additions, fixtures and permanent improvements to the Facilities shall be and become a part of the Facilities and shall become the property of the Authority.

Section 9.2 Furniture, Fixtures, and Equipment: The State shall maintain an inventory of all furniture, fixtures, and equipment and other tangible personal property financed or provided by the Authority as part of the Facilities and shall have the right to replace, at its expense, such tangible personal property as the State shall deem necessary or desirable in connection with its use of the Facilities. The State shall, upon request but in no event more than once per year, provide to the Authority an inventory of furniture, fixtures, and equipment in use at the Facilities provided by the Authority with the Facilities.

ARTICLE 10
DAMAGE, DESTRUCTION, AND CONDEMNATION

Section 10.1 Damage, Destruction, and Condemnation: In the event of damage, destruction, or condemnation of the Facilities, or any part thereof, the net proceeds of any insurance or condemnation awards with respect to the Facilities and, to the extent necessary, the proceeds of any additional Bonds which may be issued by the Authority for such purpose pursuant to the terms and conditions of the Bonds, shall be used and applied by the Authority in accordance with the terms of the Bonds to repair, restore, rebuild, or replace the Facilities; provided, however, that, in the event of total or substantial destruction or condemnation of the Facilities or in the event that the aforesaid insurance proceeds, condemnation awards, and proceeds of Bonds are not sufficient to repair, restore, rebuild, or replace the Facilities, the Authority may elect not to repair, restore, rebuild, or replace the Facilities, in which case the net proceeds of all insurance and condemnation awards, together with all other available funds, shall be applied in accordance with the terms of the Bonds. Any such repair, restoration, rebuilding, or replacement of the Facilities may be in accordance with such different design, plans, and specifications approved by the State as will or may provide facilities of the same or different nature or use, so long as any such change therein or thereof shall not reduce or otherwise adversely affect the value of the Facilities or the rental value thereof. In consideration of the Authority proceeding with the repair, restoration, rebuilding, or replacement of the Facilities as above provided, the State shall continue to pay the Annual Rent due under this Facilities Lease, except to the extent the Authority actually receives proceeds of business interruption or loss of rents insurance described in Section 7.3 hereof.

ARTICLE 11
PARTICULAR COVENANTS

Section 11.1 Compliance with Laws and Regulations: The State shall, at its own cost and expense, promptly comply with, or cause to be complied with, all applicable laws and ordinances, rules, regulations and other governmental requirements, whether or not the same require structural repairs or alterations, which may be applicable to the State, the

Facilities or the use or manner of use of the Facilities. The State shall also observe and comply with the requirements of all policies and arrangements of insurance at any time in force with respect to the Facilities.

Section 11.2 Covenant Against Waste: The State covenants not to do or suffer or permit to exist any hazardous materials, contamination, waste, damage, disfigurement or injury to, or public or private nuisance, in or upon the Facilities in violation of any State of Idaho or federal laws or regulations and agrees to pay all costs, changes, penalties or any other expense reasonably incurred or to be incurred to remove, restore or reclaim the Facilities or premises thereof.

Section 11.3 Right of Inspection: The State covenants and agrees to permit the Authority and the authorized agents and representatives of the Authority to enter the Facilities at reasonable times during usual business hours for the purpose of inspecting the same, subject to reasonable security requirements and procedures of the State.

Section 11.4 Condition of Facilities: The Authority makes no representation regarding the condition of the Facilities or real property underlying or adjacent thereto and the Authority shall not be liable for any latent or patent defects therein.

Section 11.5 Assignment and Subletting: The State shall not assign or mortgage this Facilities Lease or any right hereunder or interest herein and shall not sublease the Facilities or any portion thereof, without prior written consent of the Authority (which consent may be granted or withheld by the executive director of the Authority); provided, that in no event shall the State assign this Facilities Lease or any right hereunder or interest herein or sublease the Facilities or any portion thereof unless the State shall continue to remain liable for the performance of all the terms, covenants, and conditions contained in this Facilities Lease and unless the proposed assignee or sublessee shall agree, in writing, to be bound by all of the terms, covenants, and agreements contained in this Facilities Lease and all other agreements related thereto. The Authority agrees that it will not unreasonably withhold its consent to any such assignment or subleasing.

Section 11.6 Covenant of Quiet Enjoyment: The Authority covenants that it has full right and lawful authority to enter into this Facilities Lease and that, so long as the State shall pay the Annual Rent and shall duly observe all of its covenants and agreements in this Facilities Lease, the State shall have, hold, and enjoy, during the initial term of this Facilities Lease and each renewal term thereof, peaceful, quiet, and undisputed possession of the Facilities. No defect, encumbrance, cloud, lease, restriction or other matter affecting title to the land on which the Facilities shall be developed existing at the time the land is acquired or leased to the Authority or to which this Facilities Lease is subrogated to shall constitute a breach of this Facilities Lease by the Authority.

Section 11.7 Tax Covenant: The State covenants for the benefit of the holders of the Bonds and the Authority that during the term of this Facilities Lease, that no action shall be taken or omitted with respect to the Bonds, the proceeds thereof, any other funds of the State or any Facilities financed or refinanced with the proceeds of the Bonds if such action or omission (i) would cause the interest on the Bonds to lose its exclusion from gross

income for federal income tax purposes under Section 103 of the Code, (ii) would cause the Bonds to become "specified private activity bonds" with the meaning of Section 57(a)(5)(C) of the Code, (iii) would cause interest of the Bonds to lose its exclusion from Idaho taxable income under present Idaho law, or (iv) would otherwise violate the conditions and representations set forth in the Tax Certificate delivered at the closing of the Bonds. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bonds until the date on which all obligations of the Authority in fulfilling the above covenant under the Code have been met.

ARTICLE 12
DEFAULT

Section 12.1 Events of Default: The following shall be events of default under this Facilities Lease:

(1) Failure by the State to pay the Annual Rent as the same shall become due, or

(2) Failure by the State or anyone contracting with the State to observe and perform any other covenant, condition, or agreement to be observed or performed under this Facilities Lease for a period of 90 calendar days after written notice, specifying such failure and requesting that it be remedied, given to the State by the Authority or trustee of the Bonds, unless the Authority or trustee shall agree in writing to an extension of such time prior to its expiration.

Section 12.2 Remedies: Whenever any event of default referred to in Section 12.1 hereof shall occur, the Authority may take any one or more of the following remedial steps:

(1) Declare all Annual Rent payable for the applicable lease term then in effect to be immediately due and payable, together with applicable interest thereon.

(2) Re-enter and take possession of the Facilities, exclude the State from possession thereof, and terminate this Facilities Lease.

(3) Take such action at law or in equity as may appear necessary or desirable to collect all sums due and thereafter to become due, or to enforce performance and observation of any obligation, agreement, or covenant of the State under this Facilities Lease.

Section 12.3 Remedies Not Exclusive: No remedy herein conferred upon or reserved to the Authority is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Facilities Lease, or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In the exercise of any remedy reserved to the Authority in this Article 12, it shall

not be necessary to give any notice, other than such notice as may be herein expressly required.

ARTICLE 13
SURRENDER OF FACILITIES

Section 13.1 Surrender of Facilities: In the event that the State elects not to renew or extend the term of this Facilities Lease or this Facilities Lease is otherwise terminated, the State shall immediately quit and surrender the Facilities to the Authority in the same condition in which it existed at the date the construction of all Facilities was completed by the Authority, subject to any alterations, additions, expansions or improvements made in accordance with Section 9.1 hereof, ordinary wear and tear excepted.

ARTICLE 14
LIMITATION ON OBLIGATIONS

Section 14.1 Obligations of Authority and State: Notwithstanding any other provisions of this Facilities Lease, no obligation assumed by or imposed upon the Authority by this Facilities Lease shall require the performance of any act by the Authority except to the extent, if any, that the cost and expense of such performance may be paid from the proceeds of the Bonds issued by the Authority or from other funds legally available to the Authority to meet the cost and expense of such performance, and no obligation assumed by or imposed upon the State by this Facilities Lease shall require the performance of any act by the State, including, but not limited to, the payment of Annual Rent, except to the extent that funds may be available for such performance or payment from State general appropriations or other funds legally available therefor. This Facilities Lease shall not be construed as obligating the Legislature of the State of Idaho to make future appropriations for the payment of Annual Rent or the performance of any other obligations under this Facilities Lease beyond the initial rental term or for any renewal term hereof. In the event that appropriated funds are not legally available for payment of Annual Rent or other obligations hereunder for any term, then this Facilities Lease shall be terminated. The liability of the State for payment of Annual Rent as it becomes due shall be in consideration of the right of the State, whether or not exercised, to occupy and/or use the Facilities for the then-current lease term.

ARTICLE 15
MISCELLANEOUS

Section 15.1 Pledge of Rent, Proceeds, and Lease: It is expressly understood and agreed by the parties hereto that the Authority has the right to pledge and assign the Annual Rent, all proceeds receivable by the Authority from any sale of the Facilities, and its rights and interest under this Facilities Lease to secure: (i) the payment of the principal of and the interest on and redemption premium, if any, on the Bonds; and (ii) other obligations of the Authority under the terms and conditions of the Bonds.

Section 15.2 Notices: All notices or other communications hereunder shall be sufficiently given and shall be deemed given on the second business day following the day on which the same are mailed by certified mail, postage prepaid, addressed as follows:

(1) If to the State:

Idaho Department of Administration
Attn: Director
Statehouse Mail
Boise, Idaho 83720

AND

Eastern Idaho Technical College
Attn: Office of the President
1600 S. 25th E.
Idaho Falls, Idaho 83404

(2) If to the Authority:

Idaho State Building Authority
Attn: Executive Director
Post Office Box 2802
Boise, Idaho 83701

The State or the Authority may, by notice given hereunder, designate any further or different addresses to which subsequent notices or other communications shall be sent. Notice may be also given by personal delivery of a written notice.

Section 15.3 Severability: If any term or provision of this Facilities Lease or the application of it to any person, entity or circumstance shall to any extent be invalid or unenforceable, the remainder of this Facilities 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 Facilities Lease shall be valid and shall be enforced to the extent permitted by law.

Section 15.4 Attorney Fees: In the event any party to this Agreement is required to initiate or defend litigation with respect to the terms hereof or to enforce any of its rights hereunder, the prevailing party in such litigation shall be entitled to reasonable attorney's fees incurred in such litigation, including all discovery costs and costs of expert witnesses, together with all reasonable litigation expenses.

Section 15.5 Headings: The article and section headings contained herein are for convenience and reference and are not intended to define or limit the scope of any provision of this Facilities Lease.

Section 15.6 Counterparts: This Facilities 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.

Section 15.7 Amendments: The Authority and the State shall not, without the written consent of the trustee of the Bonds or other legally-authorized representative of the interests of the owners of the Bonds, consent or agree to or permit any rescission of or amendment to or otherwise take any action under or in connection with this Facilities Lease which will reduce the payments required to be made by the State hereunder during the initial term or any renewal term hereof, or which will in any manner materially impair or adversely affect the rights of the Authority hereunder, and any action by the Authority or the State in violation of this covenant shall be null and void as to the Authority and the State. Furthermore, any voluntary amendment, modification or termination of this Facilities Lease shall require the written consent of all parties to this Facilities Lease.

Section 15.8 Effective Date: This Facilities Lease shall be effective as of the date stated above upon its execution.

[The remainder of this page has been intentionally left blank.]

IN WITNESS WHEREOF, the parties hereunto have caused this Facilities Lease to be executed as of the day and year first hereinabove set forth.

AUTHORITY:

IDAHO STATE BUILDING AUTHORITY

By:_____
V. L. Bud Tracy, Chairman

Dated: _____, ~~2004~~2005

ATTEST:

By _____
Wayne V Meuleman, Secretary

STATE:

STATE OF IDAHO, by and through

IDAHO DEPARTMENT OF ADMINISTRATION

By:_____
Pamela I. Ahrens, Director

Dated: _____, ~~2004~~2005

EITC:

EASTERN IDAHO TECHNICAL COLLEGE

By: _____
_____, _____
William A. Robertson, President

STATE OF IDAHO)
) ss.
County of Ada)

On this ____ day of _____, 2005, before me, the undersigned, a Notary Public in and for said State, personally appeared V.L. Bud Tracy and Wayne V Meuleman, known or identified to me to be respectively the Chairman and Secretary, respectively, of the IDAHO STATE BUILDING AUTHORITY, each of whom acknowledged to me that they executed the within Facilities Lease on behalf of the Idaho State Building Authority in their representative capacity.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Notary Public for the State of Idaho
Residing at _____
My commission expires _____

STATE OF IDAHO)
) ss.
County of Ada)

On this ____ day of _____, 2005, before me, the undersigned, a Notary Public in and for said State, personally appeared Pamela I. Ahrens, known or identified to me to be the Director of the IDAHO DEPARTMENT OF ADMINISTRATION of the STATE OF IDAHO, who acknowledged to me that she executed the within Facilities Lease on behalf of the State in her representative capacity.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Notary Public for the State of Idaho
Residing at _____
My commission expires _____

STATE OF IDAHO)
) ss.
County of Ada)

On this ____ day of _____, 2005, before me, the undersigned, a Notary Public in and for said State, personally appeared William A. Robertson, known or identified to me to be the President of EASTERN IDAHO TECHNICAL COLLEGE, who acknowledged to me that he executed the within Facilities Lease in his representative capacity.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Notary Public for the State of Idaho
Residing at _____
My commission expires _____

EXHIBIT A
FACILITIES LEASE

PREMISES DESCRIPTION

Parcel A (Building Site) – The exclusive right in and to the following described property:

Beginning at a point that is S00°16'52"W 618.33 feet along the section line and N89°43'08"W 665.93 feet from the East quarter corner of Section 21, Township 2 North, Range 38 East of the Boise Meridian Bonneville County, Idaho and running thence S00°11'28"W 388.48 feet; thence N89°45'07"W 303.39 feet; thence N00°18'44"E 388.61 feet; thence S89°43'41"E 302.57 feet to a point of beginning, containing 2.709 acres.

AND

Parcel B (Access Parcel) – The non-exclusive right to use the following described property for ingress and egress to Parcel A:

Beginning at a point that is S00°16'52"W 596.96 along the section line and N89°43'08"W 114.00 feet from the East quarter corner of Section 21, Township 2 North, Range 38 East of the Boise Meridian, Bonneville County, Idaho point of beginning also being on the West right of way line of Hitt road and running thence N89°43'03"W 51.85 feet to a point of a curve with a radius of 60.53 feet and a chord that bears S66°30'22"W 48.81 feet; thence to the left along said curve 50.24 feet thru a central angle of 47°33'09" to a point of a reverse curve with a radius of 5.00 feet and a chord that bears S66°30'04"W 4.03 feet; then to the right along said curve 4.15 feet thru a central angel of 47°32'32"; thence N89°43'41"W 451.72 feet; thence S00°11'28"W 28.26 feet; thence S89°43'41"E 457.93 feet to a point of a curve with a radius of 19.99 feet and a chord that bears N63°26'18"E 18.04 feet; thence to the left along said curve 18.72 feet thru a central angle of 53°40'02" to a point of a reverse curve with a radius of 32.27 feet and a chord that bears N63°26'23"E 29.14 feet; thence to the right along said curve 30.23 feet thru a central angle of 53°40'39"; thence S89°43'03"E 51.85 feet to said right of way line; thence N00°16'52"E 28.26 feet to the point of beginning.

Parcels A is subject to an option to purchase an easement to construct and operate a natural gas pipeline recorded October 1, 1957 and Parcel B is subject to two easements and right of way granted to City of Idaho Falls for construction and maintenance of a main or interceptor sewer recorded April 2, 1971 and May 14, 1971 respectively.

Parcels A and B are shown on the attached Concept Site Plan.

LEGAL DESCRIPTION

EITC – New Health Education Building Site

Beginning at a point that is S00°16'52"W 618.33 feet along the section line and N89°43'08"W 665.93 feet from the East quarter corner of Section 21, Township 2 North, Range 38 East of the Boise Meridian Bonneville County, Idaho and running thence S00°11'28"W 388.48 feet; thence N89°45'07"W 303.39 feet; thence N00°18'44"E 388.61 feet; thence S89°43'41"E 302.57 feet to the point of beginning, containing 2.709 acres.

BUILDING SITE EASEMENT / BOUNDARY

INGRESS / EGRESS EASEMENT

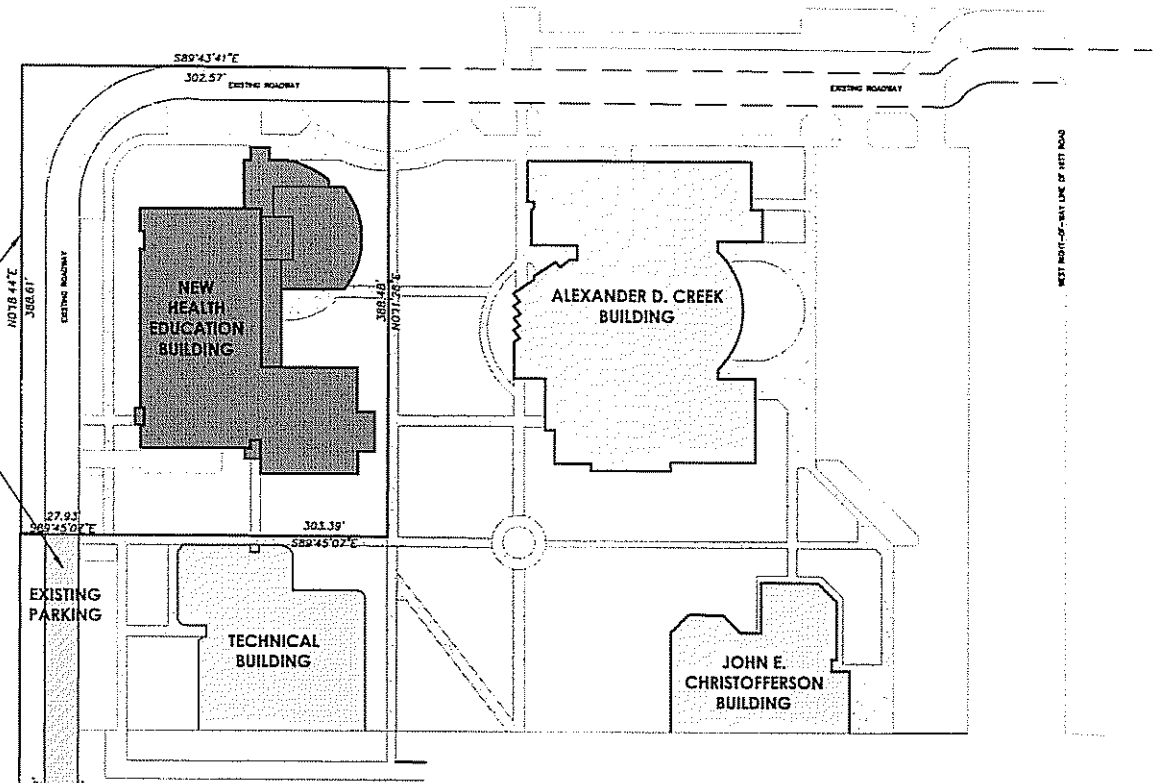
LEGAL DESCRIPTION

Job No. 04087
6-18-04
T.R.M.

LEGAL DESCRIPTION
FOR
EASTERN IDAHO TECHNICAL COLLEGE
(ACCESS EASEMENT FROM ASHMENT AVENUE)

Part of the Southeast Quarter of Section 21, Township 2 North, Range 38 East of the Boise Meridian, Bonneville County, Idaho described as follows:

Beginning at a point that is S.00°16'52"W. 1006.96 feet along the section line and N.89°43'08"W. 920.78 feet from the East Quarter corner of said Section 21 and running thence S.00°18'02"W. 483.35 feet to a point of curve; thence 97.55 feet along said curve to the right, Curve Data: Delta = 89°34'01", Radius = 62.40 feet, Chord bearing = S.45°05'02"W. 87.91 feet; thence S.89°52'03"W. 119.07 feet to a point of curve; thence 22.07 feet along said curve to the left, Curve Data: Delta = 48°54'43", Radius = 25.86 feet; Chord bearing = S.65°55'41"W. 21.41 feet to the east line of Ashment Addition, Division No. 1 to the City of Idaho Falls, Idaho, recorded in the Bonneville County courthouse as Instrument No. 525577 and also being the east line of Ashment Avenue; thence N.00°05'41"W. 66.03 feet along said east line to a point on a curve; thence 22.53 feet along said curve to the left, Curve Data: Delta = 48°13'45", Radius = 26.77, Chord bearing = S.64°22'54"E. 21.88 feet; thence N.89°53'18"E. 117.99 feet to a point of curve; thence 55.38 feet along said curve to the left, Curve Data: Delta = 89°34'33", Radius = 35.42 feet, Chord bearing = N.45°06'01"E. 49.91 feet; thence N.00°18'45"E. 462.52 feet; thence S.89°45'07"E. 27.93 feet to the point of beginning.



CONCEPT SITE PLAN

SCALE: 1" = 100'

CURVE TABLE					
CURVE 1	T=48°13'45"	R=26.77'	L=22.53'	C=21.87'	CB=N64°22'54"W
CURVE 2	T=89°34'33"	R=35.42'	L=55.38'	C=49.91'	CB=N45°06'01"E
CURVE 3	T=89°34'01"	R=62.40'	L=97.55'	C=87.91'	CB=N45°05'02"E
CURVE 4	T=48°54'43"	R=25.86'	L=22.07'	C=21.41'	CB=N65°55'41"E

Myers ■ Anderson
▪ Architecture
▪ Interior Design
▪ Landscape Architecture
101 North Main Street
Pocatello, Idaho 83204
Tel. (208) 232 - 3741
Fax (208) 232 - 3782

EASTERN IDAHO TECHNICAL COLLEGE
DPW# 02778
IDAHO FALLS, IDAHO

DRAWN BY: BHN
CHECKED BY: JTM
JOB NUMBER: 02778
PROJECT DATE: MAY 2005
SHEET 1 OF 1

EXHIBIT B
FACILITIES LEASE

EASTERN IDAHO TECHNICAL COLLEGE / HEALTH AND EDUCATION BUILDING

This project will provide a new facility for Nursing/Health Education programs on the campus of EITC. The building will provide a full range of instructional spaces including classrooms, laboratories, preparation rooms, offices, computer laboratories, and distance education facilities.

Approximate Total Square Footage: 40,000

Facilities Lease 05 **ATTACHMENT 3b**
July 26, 2005 **Clean Version**

FACILITIES LEASE

(Eastern Idaho Technical College Health Education Building)

THIS FACILITIES LEASE, made as of the __ day of _____, 2005, between the IDAHO STATE BUILDING AUTHORITY (the "Authority"), as lessor, and the STATE OF IDAHO (the "State"), acting through the IDAHO DEPARTMENT OF ADMINISTRATION ("IDOA") and EASTERN IDAHO TECHNICAL COLLEGE ("EITC"), with the consent and approval of the STATE BOARD FOR PROFESSIONAL-TECHNICAL EDUCATION, as lessee.

RECITALS

A. The Authority was created by the Idaho State Building Authority Act, Title 67, Chapter 64, Idaho Code, to finance, construct, and operate facilities for the purposes set forth in the Act; and

B. The Authority is empowered by the Act, among other powers, to acquire property; to enter into agreements with the State of Idaho or any agency, board, department or commission thereof for the financing of facilities; to provide for the acquisition, development, construction, reconstruction, improvement, alteration, maintenance, operation, or repair of facilities or parts thereof; and to lease such facilities as provided by the Act; and

C. In accordance with the provisions of Idaho Code, Section 67-6410(a), the Idaho Legislature, pursuant to Senate Concurrent Resolution No. 134, Second Regular Session of the Fifty-seventh Legislature, has authorized the IDOA and EITC to enter into agreements with the Authority as may be reasonable and necessary for the purpose of providing financing and development of educational facilities (defined herein as the "Facilities"), for use by EITC; and

D. Concurrently herewith, the Authority has leased the real property described in Exhibit A pursuant to the Site Lease, as defined hereinafter, as the site for the Facilities, and hereby agrees to lease the Facilities back to the State pursuant to this Facilities Lease; and

E. The Authority intends to finance the cost of acquisition of the Facilities and related costs by the issuance of bonds, notes or other evidences of indebtedness as authorized by the Act; and

F. The State and the Authority acknowledge that there shall be no merger of the State's leasehold interest in the Facilities and its ownership interest in the real property described in Exhibit A; and

G. The State will be responsible for the design and construction of the Facilities pursuant to the terms of the Development Agreement, as hereinafter defined, and will lease the Facilities from the Authority upon the terms and conditions set forth in this Facilities Lease.

NOW, THEREFORE, in consideration of the mutual promises, conditions, and covenants set forth herein, the parties agree:

ARTICLE 1
FINDINGS AND DECLARATION

Section 1.1 Findings: The Authority has found and declared, in accordance with Section 67-6410(c), Idaho Code, that the Facilities will be of public use and will provide a public benefit to the people of the State of Idaho.

Section 1.2 Declaration: The parties agree and acknowledge that the Recitals contained in this Facilities Lease are true and are incorporated into this Facilities Lease as if set forth in full. This Facilities Lease shall constitute the agreement of the Authority to provide the Facilities as required by Section 67-6410(b), Idaho Code.

ARTICLE 2
DEFINITIONS

The terms used herein shall have the following meanings:

Section 2.1 "**Act**" shall mean Chapter 64, Title 67, Idaho Code, as it now exists and as it may hereafter be amended and supplemented.

Section 2.2 "**Administrative Costs**" shall mean the Authority's expenses (including reasonable reserves for such expenses) for real property assessments, allocable administration and general expenses of the Authority, expenses for maintenance and repairs, insurance premiums, arbitrage rebate calculation expenses, utility charges, legal, financial, architectural and engineering expenses, fees and expenses of fiduciaries under the Bond Resolution, bond insurance, guaranty and/or letter of credit fees, interest and finance charges, and any other expenses or contingencies to be paid or provided for by the Authority, all to the extent properly attributable to the Facilities and payable by the Authority. Administrative Costs shall not include any Cost of Acquisition and Construction or any provision for depreciation, amortization or similar charges or any expenses for maintenance and repairs, utility services or insurance paid for or provided by the State pursuant to this Facilities Lease.

Section 2.3 "**Annual Rent**" shall mean, with respect to the initial term of this Facilities Lease and each renewal term thereof, the Basic Rent and Additional Rent determined in accordance with Article 6 hereof due and payable by the State to the Authority with respect to the Facilities for such lease term.

Section 2.4 "**Authority**" shall mean the Idaho State Building Authority, an independent public body corporate and politic of the State of Idaho, created by and existing under the Act.

Section 2.5 "**Bonds**" shall mean the portion of any bond or bonds, note or notes, or other evidences of indebtedness issued by the Authority for the purpose of financing the Cost of Acquisition and Construction and bonds or notes issued to refinance all or any part thereof and any bonds or notes issued to finance any additions, modifications or replacements of the Facilities from time to time hereafter.

Section 2.6 "**Bond Resolution**" shall mean the resolution or resolutions of the Authority, as amended and supplemented, authorizing the issuance of Bonds.

Section 2.7 "**Code**" means the Internal Revenue Code of 1986, as amended, regulations thereunder and rulings and judicial decisions interpreting or construing the Code.

Section 2.8 "**Cost of Acquisition and Construction**" shall mean any proper and reasonable cost, whether or not specifically mentioned herein, of the lease, development and design and construction of the Facilities and furniture, fixtures, machinery, apparatus and equipment therefore; of engineering and architectural services, designs, plans, specifications and surveys; of planning, analysis, project management, administration, inspection and similar services in connection with the Facilities; of acquisition or lease of any land or interest therein for use in connection therewith; of preparation of the sites thereof and of any land to be used in connection therewith; of any indemnity and surety bonds and insurance premiums; of allocable administrative and general expenses of the Authority; of allocable portions of legal fees, audits, fees and expenses of any trustees, depositories and paying agents, financial advisors, underwriters and others for the Bonds; of issuance of the Bonds and interest thereon and other financing charges, and of fees and expenses of other advisors and consultants necessary or appropriate in connection therewith; of the payment of any Bonds of the Authority (including any interest and redemption premiums) issued to temporarily finance the payment of any item or items of cost of the Facilities; of expenses necessary or incidental to determining the feasibility or practicability of the Facilities; and of all other reasonable expenses not specified herein as may be necessary or incidental to the development, design, construction and acquisition of the Facilities, the financing thereof, and the placing of the same in use and operation.

Section 2.9 "**Development Agreement**" shall mean an agreement entered into between the Authority and the State whereby the State agrees to complete the design and construction of the Facilities satisfactory to the Authority and to convey ownership of the Facilities to the Authority as the design and construction progresses.

Section 2.10 "**Facilities**" shall mean the Authority's interest in the real property described in Exhibit A attached hereto created by the Site Lease together with all easements and rights appurtenant thereto together with all improvements located thereon and improvements to be constructed thereon described in Exhibit B, together with all

equipment, furniture, fixtures, improvements, and appurtenances designed, constructed or installed thereon by or for the Authority.

Section 2.11 "**Facilities Lease**" shall mean this Facilities Lease, including any amendments or supplements thereto.

Section 2.12 "**Fiscal Year**" shall mean the twelve-month period of each year beginning July 1 and ending on the following June 30.

Section 2.13 "**Site Lease**" shall mean the Site Lease entered into between the Authority and the State of Idaho acting by and through EITC coincidentally herewith, containing the terms and conditions of the lease of real property and easements, described in Exhibit A, to the Authority.

ARTICLE 3
LEASE OF PROJECT; TERM OF LEASE

Section 3.1 Lease of Facilities: The Authority hereby leases the Facilities to the State for use in furtherance of the public benefit, and the State hereby leases the Facilities from the Authority on the terms and conditions set forth herein.

As affects this Facilities Lease, EITC shall have the primary responsibility to act on behalf of the State in all respects pertaining to the obligations of the State under this Facilities Lease. The State hereby authorizes EITC to act as its representative and agent in all respects pertaining to this Facilities Lease, and the State shall be fully bound by all acts, authorizations, representations and decisions of EITC, except as otherwise expressly provided in this Facilities Lease.

Section 3.2 Term of Lease: This Facilities Lease shall be in full force and effect from the effective date hereof. The initial term of this Facilities Lease shall extend from the effective date hereof through June 30, 2007. The State shall have the option to renew this Facilities Lease in accordance with the provisions hereof for successive terms concurrent with and equal to succeeding Fiscal Years thereafter and each such renewal of this Facilities Lease shall be deemed to be exercised, automatically and without further action by the State, unless the State shall notify the Authority in writing of its intent not to renew this Facilities Lease not later than ten (10) months prior to the expiration of any lease term; provided, however, no term of this Facilities Lease shall extend beyond the term of the Site Lease.

ARTICLE 4
ACQUISITION, DEVELOPMENT AND FINANCING

Section 4.1 Acquisition and Development of Facilities: The Authority agrees to acquire real property and parking for use as the site of the Facilities by the Site Lease entered into coincidentally herewith. Pursuant to the terms of the Site Lease, the Authority will own fee title to the improvements constructed thereon as provided in the Development Agreement entered into coincidentally herewith. This Facilities Lease and the rights, title

and interest of the State in this Facilities Lease and the Facilities shall be subject to the interests of the Authority in the real property and parking acquired therefor.

Section 4.2 Financing of Facilities by the Authority: The Authority agrees to finance the Cost of Acquisition and Construction of the Facilities by issuance of Bonds as authorized by the Act. The Authority may from time to time refinance or refund such Bonds as the Authority may deem appropriate; provided the Authority shall not refinance or refund such Bonds without the written consent of the State if to do so would increase the Basic Rent due hereunder. The Authority shall give written notice to the State of its intent to refinance or refund such Bonds.

Section 4.3 Bond Anticipation Notes: The Authority may issue bond anticipation notes payable from proceeds of Bonds.

ARTICLE 5
USE OF FACILITIES

Section 5.1 Use of Facilities: The State agrees that the Facilities shall be used by EITC and such other institutions, departments and agencies of the State as deemed necessary or appropriate by the State. With the written consent of the Authority, which shall not be unreasonably withheld, the State may enter into agreements with other entities ("Non-State Entities") for the operation and/or maintenance of the Facilities or for the use or occupancy of portions of the Facilities by Non-State Entities upon the following conditions:

(a) the nature and extent of the proposed agreements with Non-State Entities will not adversely affect the tax-exempt status of the Bonds; and

(b) such proposed users or uses shall be compatible with and complimentary to the interests in and uses of the Facilities by the State; and

(c) the nature and extent of the proposed uses of the Facilities conforms to policies relating to permitted uses of the Facilities adopted by the Board of Commissioners of the Authority.

ARTICLE 6
RENT

Section 6.1 Payment of Annual Rent: In consideration of the lease of the Facilities, the State shall pay to the Authority, in advance and without any set off or deduction whatsoever, the following Annual Rent:

(1) For the period of the initial term of this Facilities Lease in the Fiscal Year ending June 30, 2007, the State shall pay no Annual Rent.

(2) For the renewal term of this Facilities Lease commencing July 1, 2007 and for each annual renewal term thereafter, the State shall, within 30 calendar days following the commencement of such renewal terms, pay in advance:

(a) As and for Basic Rent, an amount for such term which shall equal the principal installments, including sinking fund deposits, and interest payable in the corresponding Fiscal Year in accordance with the Bond Resolution with respect to the Bonds; and

(b) As and for Additional Rent as follows:

(i) the amount estimated by the Authority to be sufficient to provide the Authority with adequate monies to pay all Administrative Costs attributable to the Facilities for the applicable term of this Facilities Lease, plus

(ii) any amount payable as rebate or other sums payable with respect to the bonds and the amount, if any, of deposits to any debt service reserve account, any operating fund, and any other reserve or expense accounts required to meet all terms and conditions of the Bond Resolution. The Authority will provide to the State an estimate of Administrative Costs which shall accompany its statement for Additional Rent.

(3) Annual Rent payable for any renewal term shall not be deferred or abated because of delays in completion of the construction of the Facilities or delays in completion of any repair or replacement of damage to the Facilities.

(4) Any installment of Annual Rent which is not paid by the State on or before the due date thereof shall, from and after said due date, bear interest until paid at the highest rate per annum borne by any of the Bonds then outstanding; time being of the absolute essence of this obligation.

(5) The Authority and the State hereby agree that the Basic Rent in any lease term shall be reduced by any amounts on deposit with the Authority legally available for and allocated by the Authority to the payment of principal and interest on the Bonds, including without limitation capitalized interest deposited from the proceeds of the Bonds and funds on deposit in the debt service account established under the Bond Resolution. Basic Rent shall be increased or decreased as appropriate to reflect the issuance by the Authority of Bonds bearing interest at variable rate and issuance of any additional Bonds issued to refinance the Facilities, in whole or in part, or any additional Bonds issued for the purposes set forth in Section 9.1 hereof or issued to finance additions, modification or replacement of the Facilities or any part thereof.

(6) Annual Rents shall be payable in lawful money of the United States of America, which shall be legal tender for public and private debts under the laws of the United States at the time of payment, provided that, upon prior written approval of the Authority, the State may transfer funds through electronic funds transfer. Payment shall be made at the office of the Authority or such other place or places as may be designated in writing by the Authority.

(7) The State and the Authority have agreed and determined that such Annual Rent represents the fair market rental value of the Facilities. In making such determination, consideration has been given to the Cost of Acquisition and Construction,

and the costs of financing of the Facilities and the Administrative Costs thereof, and the uses and purposes of the Facilities which will accrue to the State and the Authority and the general public by reason of the use and occupancy thereof by the State and ownership by the Authority.

(8) The parties agree that the Annual Rent hereunder constitutes ordinary operating expense of the State within the provisions of Article VIII Section 1 of the Idaho Constitution.

Section 6.2 Application of Rent: The Authority covenants to use and apply Annual Rent to payment of debt service of the Bonds, Administrative Costs, deposits to required reserve accounts and other appropriate purposes pertaining to the Facilities and/or the Bonds.

ARTICLE 7
OPERATION AND MAINTENANCE OF THE FACILITIES

Section 7.1 Operation, Repairs, and Maintenance: The State shall, throughout the term of this Facilities Lease and each renewal term thereof, at the State's cost and expense, keep and maintain or cause to be kept and maintained, the Facilities and all equipment, fixtures, additions and improvements thereof, in good order and condition, and shall, at the State's cost and expense, make or cause to be made all necessary repairs, renewals, and replacements with respect to the Facilities. To the extent repairs or replacements are insured under policies maintained by the Authority and insurance proceeds are paid to the Authority, the State shall be entitled to such insurance proceeds to the extent of the actual costs incurred by the State and except to the extent the insurance proceeds are required to be otherwise applied in accordance with the terms of the Bonds. Subject to Section 10.1, in the event the Facilities or any part thereof are damaged or destroyed by uninsured or partially uninsured casualty of any kind, the State shall either replace or rebuild the Facilities in equal value, or pay such sums to the Authority as may be required to fully pay and discharge the Bonds.

Section 7.2 Utilities: The State shall pay or cause to be paid all costs, expenses and charges for water, electricity, lights, heat, power, sewage, telephone, and other utility services, rendered or supplied upon or in connection with the Facilities during the term of this Facilities Lease and each renewal term.

Section 7.3 Insurance:

(1) The State shall maintain or cause to be maintained with responsible insurers or under an established program of self-insurance (as considered to be adequate by an Insurance Consultant as may be engaged by the Authority) the following kinds and amounts of insurance acceptable to the Authority with respect to all existing buildings, improvements, equipment and other property comprising any part of the Facilities and/or the use of the Facilities at all times throughout the initial term and each renewal term of this Facilities Lease:

(a) Commercial general liability insurance (CGL) and, if necessary, commercial umbrella insurance and property damage liability, and errors and omissions liability as shall afford protection to the Authority in an amount of not less than $1,000,000 for each occurrence. The commercial general liability insurance shall cover liability arising from premises, operations, independent contractors, product-completed operations, personal injury and advertising injury, and liability assumed under an insured contract. Such insurance shall protect the Authority to the same extent as the State is protected from claims, demands, causes of actions, penalties, including costs and attorney fees, arising out of the use or occupancy of the Facilities. Upon written request of the Authority, the State will increase the amount of the CGL insurance to an amount determined by the Authority if, in the opinion of the Authority and based on local standards, the amount of the CGL insurance is not adequate.

(b) Commercial property insurance and, as applicable, course of construction insurance, in the amount of the full replacement value of the Facilities or any portion thereof, including fixtures, equipment, lessee improvements and betterments. Commercial property insurance shall, at a minimum, cover the perils insured under the ISO special causes of loss form CP 1030 and, if reasonably available, earthquake and flood insurance, debris removal, operation of building laws, extra expense, consequential loss, loss of rents and/or business interruption. Such loss of rents or business interruption insurance shall be in an amount equal to Annual Rent payable to the Authority by the State with respect to the Facilities during such time or times as the use of the Facilities may be totally or partially interrupted or the construction thereof delayed as a result of damage or destruction resulting from perils insured against pursuant to this subsection (1)(b).

(c) Worker's Compensation Insurance in the amount and in the form which the State is required by law to maintain.

(d) Any other insurance agreed to in writing by the State and the Authority.

(e) Any other insurance required by the terms and conditions of the Bonds.

(2) All insurance procured and any self-insurance plan maintained by the State shall comply with the following requirements:

(a) Each policy or policies of insurance shall be written by insurance companies authorized to do business in the state of Idaho and furnished through an insurance carrier or carriers satisfactory to the Authority or through a self-insurance plan satisfactory to the Authority and an Insurance Consultant pursuant to the Bond Resolution.

(b) True, correct and complete copies of all insurance policies or self-insurance plan and all endorsements, changes, amendments and supplemental provisions thereto shall be continually maintained by the State and shall be available for inspection and copying by the Authority at all times during the State's regular office hours.

(c) All such insurance shall provide that coverage shall not be canceled or amended except upon sixty (60) calendar days prior written notice to the Authority. The Authority shall be furnished current certificates upon the commencement of the initial term and each renewal term of this Facilities Lease showing that all such insurance fully complies with the terms of this Facilities Lease, and current certificates shall be furnished at any other time or times as may be reasonably requested.

(d) All policies of insurance obtained by and any self-insurance plan maintained by the State shall include provisions that coverage shall not be affected, reduced or waived by any inaccurate or misleading statement or information furnished by the State in obtaining such insurance nor shall insurance under such policies furnished to the Authority be reduced by any actual or alleged breach of warranties made by the State in obtaining such insurance. All liability insurance furnished by the State shall include insurance covering the obligations of the State under Article 8 of this Facilities Lease.

(3) The Authority and the State hereby release each other from any and all liability or responsibility to the other as to any person claiming through or under either by way of subrogation or otherwise for any loss or damage to property caused by any casualty insured by the above-described coverages, even if the loss is caused by the fault or negligence of the other party or by any party for whom the other party is responsible.

(4) All insurance provided to the Authority by the State pursuant to this Facilities Lease shall name the Authority as additional named insured and contain a loss payable clause providing for payment of proceeds to the Authority and the trustee of the Bonds to the extent of their interest therein, and the Annual Rent otherwise payable by the State with respect to the Facilities shall be reduced by the amount of business interruption or loss of rents insurance payments, if any, made to the Authority and/or the trustee of the Bonds.

(5) In the event the Authority is able to procure any or all of the insurance coverages herein required at a cost less than the cost incurred by the State thereof, the Authority agrees to do so and the cost thereof shall be included as Administrative Costs of the Authority. In such event the obligation of the State to provide any such insurance shall continue until the insurance coverage procured by the Authority is actually in effect. Upon the expiration or termination of any insurance procured by the Authority hereunder, the State shall immediately, without any interruption in insurance coverage, procure and maintain such coverage.

ARTICLE 8
INDEMNITY

Section 8.1 State's Indemnification: The State hereby agrees to defend, protect, hold harmless and indemnify the Authority and its agents, employees, representatives, successors, and assigns, against all demands, claims, liabilities, causes of action or judgments, and all loss, expense and damage of any and every sort and kind, including, but not limited to, costs of investigations and attorneys' fees and other costs of defense, for:

(1) injury to person or property occurring in, upon or about the Facilities or any adjacent or related real property or improvements owned, occupied or controlled by the State or any of its agencies, departments, bureaus or subgovernmental entities;

(2) injury to person or property arising out of the use or occupancy of the Facilities or relating in any manner to operations conducted thereon;

(3) any other premises liability relating to the Facilities;

(4) any loss to person or property to the extent of its self-insurance, if any; and

(5) all liability whatsoever arising out of any public or governmental activities of the State of any kind or nature whatsoever relating to the Facilities or this Facilities Lease.

Nothing in this Article 8 shall be construed as the agreement of the State to indemnify the Authority from liability for damages arising out of personal injury or damage to property caused solely and exclusively by the negligence or malfeasance of the Authority.

The obligations under this Section are deemed to be ordinary operating expenses of the State within the provisions of Article VIII Section 1 of the Idaho Constitution.

Section 8.2 Authority's Indemnification: The Authority hereby agrees to defend, indemnify and save the State harmless from and against any and all liability, loss, damage, cost and expense, including court costs and attorney fees of whatever nature or type, whether or not litigation is commenced, that the State may incur, by reason of any act or omission of the Authority, its employees or agents or any breach or default of the Authority in the performance of its obligations under this Facilities Lease. The foregoing indemnity shall not apply to any injury, damage or other claim resulting solely from the act or omission of the State.

ARTICLE 9
ALTERATIONS, ADDITIONS, AND IMPROVEMENTS

Section 9.1 Alterations, Additions, and Improvements: The State shall have the right, at any time and from time to time during the term of this Facilities Lease, at the State's costs and expense, to make such, alterations, additions, expansions and improvements, to the Facilities, as the State shall deem necessary or desirable in connection with its use of the Facilities. Notwithstanding the foregoing, the State shall not make any alterations, additions, expansions or improvements which are structural or will lessen the market value of the Facilities without the prior written consent of the Authority which shall not be unreasonably withheld.

Once commenced, all alterations, additions, expansions and improvements shall be diligently pursued to completion. All such alterations, additions and improvements shall be

of such character as to not reduce or otherwise adversely affect the value of the Facilities or the rental value thereof and all the costs thereof shall be promptly paid or discharged so that the Facilities shall at all times be free of liens or claims for labor and materials supplied thereto. All, alterations, additions, fixtures and permanent improvements to the Facilities shall be and become a part of the Facilities and shall become the property of the Authority.

Section 9.2 Furniture, Fixtures, and Equipment: The State shall maintain an inventory of all furniture, fixtures, and equipment and other tangible personal property financed or provided by the Authority as part of the Facilities and shall have the right to replace, at its expense, such tangible personal property as the State shall deem necessary or desirable in connection with its use of the Facilities. The State shall, upon request but in no event more than once per year, provide to the Authority an inventory of furniture, fixtures, and equipment in use at the Facilities provided by the Authority with the Facilities.

ARTICLE 10
DAMAGE, DESTRUCTION, AND CONDEMNATION

Section 10.1 Damage, Destruction, and Condemnation: In the event of damage, destruction, or condemnation of the Facilities, or any part thereof, the net proceeds of any insurance or condemnation awards with respect to the Facilities and, to the extent necessary, the proceeds of any additional Bonds which may be issued by the Authority for such purpose pursuant to the terms and conditions of the Bonds, shall be used and applied by the Authority in accordance with the terms of the Bonds to repair, restore, rebuild, or replace the Facilities; provided, however, that, in the event of total or substantial destruction or condemnation of the Facilities or in the event that the aforesaid insurance proceeds, condemnation awards, and proceeds of Bonds are not sufficient to repair, restore, rebuild, or replace the Facilities, the Authority may elect not to repair, restore, rebuild, or replace the Facilities, in which case the net proceeds of all insurance and condemnation awards, together with all other available funds, shall be applied in accordance with the terms of the Bonds. Any such repair, restoration, rebuilding, or replacement of the Facilities may be in accordance with such different design, plans, and specifications approved by the State as will or may provide facilities of the same or different nature or use, so long as any such change therein or thereof shall not reduce or otherwise adversely affect the value of the Facilities or the rental value thereof. In consideration of the Authority proceeding with the repair, restoration, rebuilding, or replacement of the Facilities as above provided, the State shall continue to pay the Annual Rent due under this Facilities Lease, except to the extent the Authority actually receives proceeds of business interruption or loss of rents insurance described in Section 7.3 hereof.

ARTICLE 11
PARTICULAR COVENANTS

Section 11.1 Compliance with Laws and Regulations: The State shall, at its own cost and expense, promptly comply with, or cause to be complied with, all applicable laws and ordinances, rules, regulations and other governmental requirements, whether or not the same require structural repairs or alterations, which may be applicable to the State, the

Facilities or the use or manner of use of the Facilities. The State shall also observe and comply with the requirements of all policies and arrangements of insurance at any time in force with respect to the Facilities.

Section 11.2 Covenant Against Waste: The State covenants not to do or suffer or permit to exist any hazardous materials, contamination, waste, damage, disfigurement or injury to, or public or private nuisance, in or upon the Facilities in violation of any State of Idaho or federal laws or regulations and agrees to pay all costs, changes, penalties or any other expense reasonably incurred or to be incurred to remove, restore or reclaim the Facilities or premises thereof.

Section 11.3 Right of Inspection: The State covenants and agrees to permit the Authority and the authorized agents and representatives of the Authority to enter the Facilities at reasonable times during usual business hours for the purpose of inspecting the same, subject to reasonable security requirements and procedures of the State.

Section 11.4 Condition of Facilities: The Authority makes no representation regarding the condition of the Facilities or real property underlying or adjacent thereto and the Authority shall not be liable for any latent or patent defects therein.

Section 11.5 Assignment and Subletting: The State shall not assign or mortgage this Facilities Lease or any right hereunder or interest herein and shall not sublease the Facilities or any portion thereof, without prior written consent of the Authority (which consent may be granted or withheld by the executive director of the Authority); provided, that in no event shall the State assign this Facilities Lease or any right hereunder or interest herein or sublease the Facilities or any portion thereof unless the State shall continue to remain liable for the performance of all the terms, covenants, and conditions contained in this Facilities Lease and unless the proposed assignee or sublessee shall agree, in writing, to be bound by all of the terms, covenants, and agreements contained in this Facilities Lease and all other agreements related thereto. The Authority agrees that it will not unreasonably withhold its consent to any such assignment or subleasing.

Section 11.6 Covenant of Quiet Enjoyment: The Authority covenants that it has full right and lawful authority to enter into this Facilities Lease and that, so long as the State shall pay the Annual Rent and shall duly observe all of its covenants and agreements in this Facilities Lease, the State shall have, hold, and enjoy, during the initial term of this Facilities Lease and each renewal term thereof, peaceful, quiet, and undisputed possession of the Facilities. No defect, encumbrance, cloud, lease, restriction or other matter affecting title to the land on which the Facilities shall be developed existing at the time the land is acquired or leased to the Authority or to which this Facilities Lease is subrogated to shall constitute a breach of this Facilities Lease by the Authority.

Section 11.7 Tax Covenant: The State covenants for the benefit of the holders of the Bonds and the Authority that during the term of this Facilities Lease, that no action shall be taken or omitted with respect to the Bonds, the proceeds thereof, any other funds of the State or any Facilities financed or refinanced with the proceeds of the Bonds if such action or omission (i) would cause the interest on the Bonds to lose its exclusion from gross

income for federal income tax purposes under Section 103 of the Code, (ii) would cause the Bonds to become "specified private activity bonds" with the meaning of Section 57(a)(5)(C) of the Code, (iii) would cause interest of the Bonds to lose its exclusion from Idaho taxable income under present Idaho law, or (iv) would otherwise violate the conditions and representations set forth in the Tax Certificate delivered at the closing of the Bonds. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bonds until the date on which all obligations of the Authority in fulfilling the above covenant under the Code have been met.

ARTICLE 12
DEFAULT

Section 12.1 Events of Default: The following shall be events of default under this Facilities Lease:

(1) Failure by the State to pay the Annual Rent as the same shall become due, or

(2) Failure by the State or anyone contracting with the State to observe and perform any other covenant, condition, or agreement to be observed or performed under this Facilities Lease for a period of 90 calendar days after written notice, specifying such failure and requesting that it be remedied, given to the State by the Authority or trustee of the Bonds, unless the Authority or trustee shall agree in writing to an extension of such time prior to its expiration.

Section 12.2 Remedies: Whenever any event of default referred to in Section 12.1 hereof shall occur, the Authority may take any one or more of the following remedial steps:

(1) Declare all Annual Rent payable for the applicable lease term then in effect to be immediately due and payable, together with applicable interest thereon.

(2) Re-enter and take possession of the Facilities, exclude the State from possession thereof, and terminate this Facilities Lease.

(3) Take such action at law or in equity as may appear necessary or desirable to collect all sums due and thereafter to become due, or to enforce performance and observation of any obligation, agreement, or covenant of the State under this Facilities Lease.

Section 12.3 Remedies Not Exclusive: No remedy herein conferred upon or reserved to the Authority is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Facilities Lease, or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In the exercise of any remedy reserved to the Authority in this Article 12, it shall

not be necessary to give any notice, other than such notice as may be herein expressly required.

ARTICLE 13
SURRENDER OF FACILITIES

Section 13.1 Surrender of Facilities: In the event that the State elects not to renew or extend the term of this Facilities Lease or this Facilities Lease is otherwise terminated, the State shall immediately quit and surrender the Facilities to the Authority in the same condition in which it existed at the date the construction of all Facilities was completed by the Authority, subject to any alterations, additions, expansions or improvements made in accordance with Section 9.1 hereof, ordinary wear and tear excepted.

ARTICLE 14
LIMITATION ON OBLIGATIONS

Section 14.1 Obligations of Authority and State: Notwithstanding any other provisions of this Facilities Lease, no obligation assumed by or imposed upon the Authority by this Facilities Lease shall require the performance of any act by the Authority except to the extent, if any, that the cost and expense of such performance may be paid from the proceeds of the Bonds issued by the Authority or from other funds legally available to the Authority to meet the cost and expense of such performance, and no obligation assumed by or imposed upon the State by this Facilities Lease shall require the performance of any act by the State, including, but not limited to, the payment of Annual Rent, except to the extent that funds may be available for such performance or payment from State general appropriations or other funds legally available therefor. This Facilities Lease shall not be construed as obligating the Legislature of the State of Idaho to make future appropriations for the payment of Annual Rent or the performance of any other obligations under this Facilities Lease beyond the initial rental term or for any renewal term hereof. In the event that appropriated funds are not legally available for payment of Annual Rent or other obligations hereunder for any term, then this Facilities Lease shall be terminated. The liability of the State for payment of Annual Rent as it becomes due shall be in consideration of the right of the State, whether or not exercised, to occupy and/or use the Facilities for the then-current lease term.

ARTICLE 15
MISCELLANEOUS

Section 15.1 Pledge of Rent, Proceeds, and Lease: It is expressly understood and agreed by the parties hereto that the Authority has the right to pledge and assign the Annual Rent, all proceeds receivable by the Authority from any sale of the Facilities, and its rights and interest under this Facilities Lease to secure: (i) the payment of the principal of and the interest on and redemption premium, if any, on the Bonds; and (ii) other obligations of the Authority under the terms and conditions of the Bonds.

Section 15.2 Notices: All notices or other communications hereunder shall be sufficiently given and shall be deemed given on the second business day following the day on which the same are mailed by certified mail, postage prepaid, addressed as follows:

(1) If to the State:

Idaho Department of Administration
Attn: Director
Statehouse Mail
Boise, Idaho 83720

AND

Eastern Idaho Technical College
Attn: Office of the President
1600 S. 25th E.
Idaho Falls, Idaho 83404

(2) If to the Authority:

Idaho State Building Authority
Attn: Executive Director
Post Office Box 2802
Boise, Idaho 83701

The State or the Authority may, by notice given hereunder, designate any further or different addresses to which subsequent notices or other communications shall be sent. Notice may be also given by personal delivery of a written notice.

Section 15.3 Severability: If any term or provision of this Facilities Lease or the application of it to any person, entity or circumstance shall to any extent be invalid or unenforceable, the remainder of this Facilities 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 Facilities Lease shall be valid and shall be enforced to the extent permitted by law.

Section 15.4 Attorney Fees: In the event any party to this Agreement is required to initiate or defend litigation with respect to the terms hereof or to enforce any of its rights hereunder, the prevailing party in such litigation shall be entitled to reasonable attorney's fees incurred in such litigation, including all discovery costs and costs of expert witnesses, together with all reasonable litigation expenses.

Section 15.5 Headings: The article and section headings contained herein are for convenience and reference and are not intended to define or limit the scope of any provision of this Facilities Lease.

Section 15.6 Counterparts: This Facilities 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.

Section 15.7 Amendments: The Authority and the State shall not, without the written consent of the trustee of the Bonds or other legally-authorized representative of the interests of the owners of the Bonds, consent or agree to or permit any rescission of or amendment to or otherwise take any action under or in connection with this Facilities Lease which will reduce the payments required to be made by the State hereunder during the initial term or any renewal term hereof, or which will in any manner materially impair or adversely affect the rights of the Authority hereunder, and any action by the Authority or the State in violation of this covenant shall be null and void as to the Authority and the State. Furthermore, any voluntary amendment, modification or termination of this Facilities Lease shall require the written consent of all parties to this Facilities Lease.

Section 15.8 Effective Date: This Facilities Lease shall be effective as of the date stated above upon its execution.

[The remainder of this page has been intentionally left blank.]

IN WITNESS WHEREOF, the parties hereunto have caused this Facilities Lease to be executed as of the day and year first hereinabove set forth.

AUTHORITY:

IDAHO STATE BUILDING AUTHORITY

By:_____
V. L. Bud Tracy, Chairman

Dated: _____, 2005

ATTEST:

By _____
Wayne V Meuleman, Secretary

STATE:

STATE OF IDAHO, by and through

IDAHO DEPARTMENT OF ADMINISTRATION

By:_____
Pamela I. Ahrens, Director

Dated: _____, 2005

EITC:

EASTERN IDAHO TECHNICAL COLLEGE

By: _____
William A. Robertson, President

STATE OF IDAHO)
) ss.
County of Ada)

On this ____ day of _____, 2005, before me, the undersigned, a Notary Public in and for said State, personally appeared V.L. Bud Tracy and Wayne V Meuleman, known or identified to me to be respectively the Chairman and Secretary, respectively, of the IDAHO STATE BUILDING AUTHORITY, each of whom acknowledged to me that they executed the within Facilities Lease on behalf of the Idaho State Building Authority in their representative capacity.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Notary Public for the State of Idaho
Residing at _____
My commission expires _____

STATE OF IDAHO)
) ss.
County of Ada)

On this ____ day of _____, 2005, before me, the undersigned, a Notary Public in and for said State, personally appeared Pamela I. Ahrens, known or identified to me to be the Director of the IDAHO DEPARTMENT OF ADMINISTRATION of the STATE OF IDAHO, who acknowledged to me that she executed the within Facilities Lease on behalf of the State in her representative capacity.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Notary Public for the State of Idaho
Residing at _____
My commission expires _____

STATE OF IDAHO)
) ss.
County of Ada)

On this ____ day of _____, 2005, before me, the undersigned, a Notary Public in and for said State, personally appeared William A. Robertson, known or identified to me to be the President of EASTERN IDAHO TECHNICAL COLLEGE, who acknowledged to me that he executed the within Facilities Lease in his representative capacity.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Notary Public for the State of Idaho
Residing at _____
My commission expires _____

EXHIBIT A
FACILITIES LEASE

PREMISES DESCRIPTION

Parcel A (Building Site) – The exclusive right in and to the following described property:

Beginning at a point that is S00°16'52"W 618.33 feet along the section line and N89°43'08"W 665.93 feet from the East quarter corner of Section 21, Township 2 North, Range 38 East of the Boise Meridian Bonneville County, Idaho and running thence S00°11'28"W 388.48 feet; thence N89°45'07"W 303.39 feet; thence N00°18'44"E 388.61 feet; thence S89°43'41"E 302.57 feet to a point of beginning, containing 2.709 acres.

AND

Parcel B (Access Parcel) – The non-exclusive right to use the following described property for ingress and egress to Parcel A:

Beginning at a point that is S00°16'52"W 596.96 along the section line and N89°43'08"W 114.00 feet from the East quarter corner of Section 21, Township 2 North, Range 38 East of the Boise Meridian, Bonneville County, Idaho point of beginning also being on the West right of way line of Hitt road and running thence N89°43'03"W 51.85 feet to a point of a curve with a radius of 60.53 feet and a chord that bears S66°30'22"W 48.81 feet; thence to the left along said curve 50.24 feet thru a central angle of 47°33'09" to a point of a reverse curve with a radius of 5.00 feet and a chord that bears S66°30'04"W 4.03 feet; then to the right along said curve 4.15 feet thru a central angel of 47°32'32"; thence N89°43'41"W 451.72 feet; thence S00°11'28"W 28.26 feet; thence S89°43'41"E 457.93 feet to a point of a curve with a radius of 19.99 feet and a chord that bears N63°26'18"E 18.04 feet; thence to the left along said curve 18.72 feet thru a central angle of 53°40'02" to a point of a reverse curve with a radius of 32.27 feet and a chord that bears N63°26'23"E 29.14 feet; thence to the right along said curve 30.23 feet thru a central angle of 53°40'39"; thence S89°43'03"E 51.85 feet to said right of way line; thence N00°16'52"E 28.26 feet to the point of beginning.

Parcels A is subject to an option to purchase an easement to construct and operate a natural gas pipeline recorded October 1, 1957 and Parcel B is subject to two easements and right of way granted to City of Idaho Falls for construction and maintenance of a main or interceptor sewer recorded April 2, 1971 and May 14, 1971 respectively.

Parcels A and B are shown on the attached Concept Site Plan.

LEGAL DESCRIPTION

EITC – New Health Education Building Site

Beginning at a point that is S00°16'52"W 618.33 feet along the section line and N89°43'08"W 665.93 feet from the East quarter corner of Section 21, Township 2 North, Range 38 East of the Boise Meridian Bonneville County, Idaho and running thence S00°11'28"W 388.48 feet; thence N89°45'07"W 303.39 feet; thence N00°18'44"E 388.61 feet; thence S89°43'41"E 302.57 feet to the point of beginning, containing 2.709 acres.

BUILDING SITE EASEMENT / BOUNDARY

INGRESS / EGRESS EASEMENT

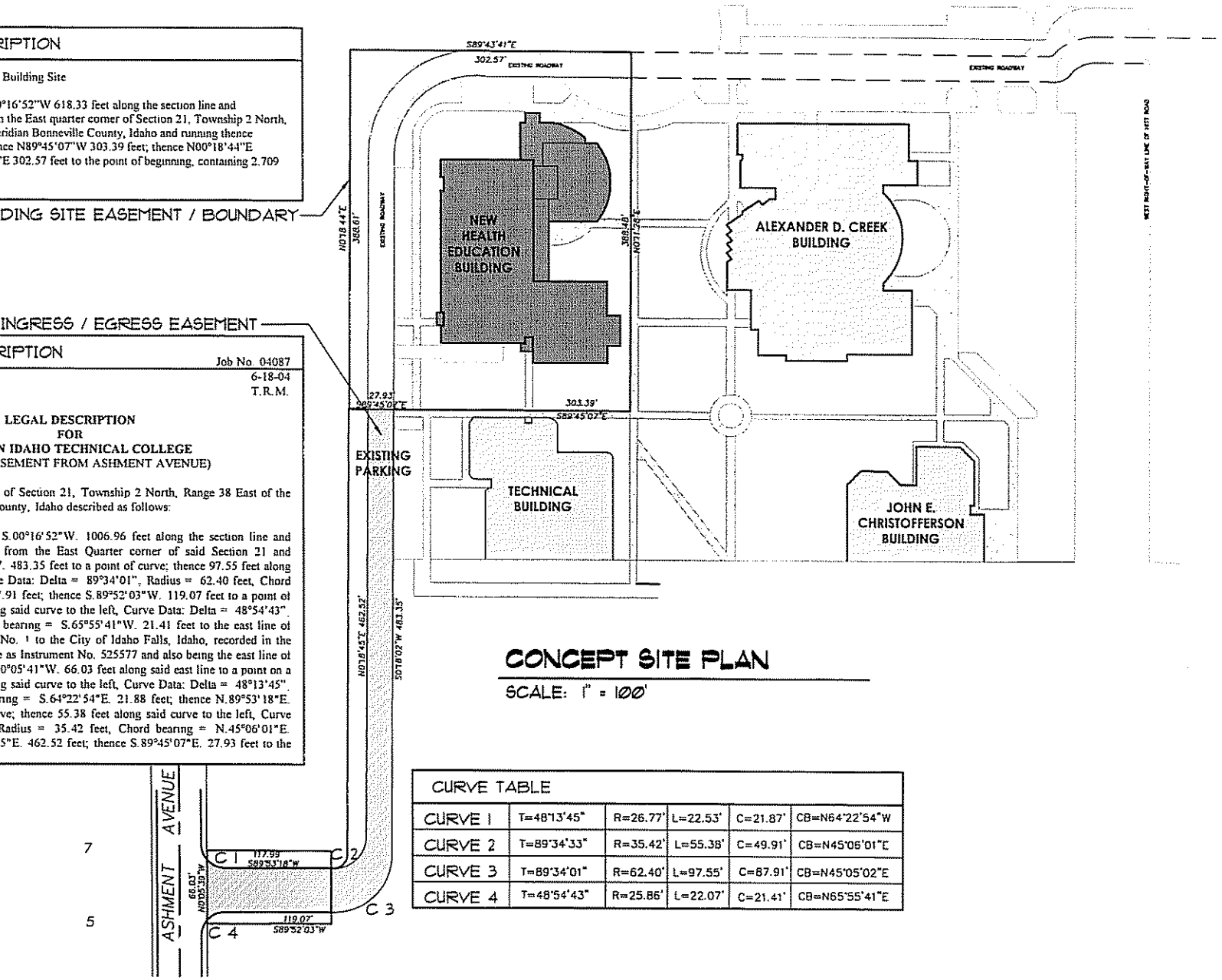
LEGAL DESCRIPTION

Job No. 04087
6-18-04
T.R.M.

LEGAL DESCRIPTION
FOR
EASTERN IDAHO TECHNICAL COLLEGE
(ACCESS EASEMENT FROM ASHMENT AVENUE)

Part of the Southeast Quarter of Section 21, Township 2 North, Range 38 East of the Boise Meridian, Bonneville County, Idaho described as follows:

Beginning at a point that is S.00°16'52"W. 1006.96 feet along the section line and N.89°43'08"W. 920.78 feet from the East Quarter corner of said Section 21 and running thence S.00°18'02"W. 483.35 feet to a point of curve; thence 97.55 feet along said curve to the right, Curve Data: Delta = 89°34'01", Radius = 62.40 feet, Chord bearing = S.45°05'02"W. 87.91 feet; thence S.89°52'03"W. 119.07 feet to a point of curve; thence 22.07 feet along said curve to the left, Curve Data: Delta = 48°54'43", Radius = 25.86 feet; Chord bearing = S.65°55'41"W. 21.41 feet to the east line of Ashment Addition, Division No. 1 to the City of Idaho Falls, Idaho, recorded in the Bonneville County courthouse as Instrument No. 525577 and also being the east line of Ashment Avenue; thence N.00°05'41"W. 66.03 feet along said east line to a point on a curve; thence 22.53 feet along said curve to the left, Curve Data: Delta = 48°13'45", Radius = 26.77, Chord bearing = S.64°22'54"E. 21.88 feet; thence N.89°53'18"E. 117.99 feet to a point of curve; thence 55.38 feet along said curve to the left, Curve Data: Delta = 89°34'33", Radius = 35.42 feet, Chord bearing = N.45°06'01"E. 49.91 feet; thence N.00°18'45"E. 462.52 feet; thence S.89°45'07"E. 27.93 feet to the point of beginning.



CONCEPT SITE PLAN

SCALE: 1" = 100'

CURVE TABLE					
CURVE 1	T=48°13'45"	R=26.77'	L=22.53'	C=21.87'	CB=N64°22'54"W
CURVE 2	T=89°34'33"	R=35.42'	L=55.38'	C=49.91'	CB=N45°06'01"E
CURVE 3	T=89°34'01"	R=62.40'	L=97.55'	C=87.91'	CB=N45°05'02"E
CURVE 4	T=48°54'43"	R=25.86'	L=22.07'	C=21.41'	CB=N65°55'41"E

Myers ■ Anderson
▪ Architecture
▪ Interior Design
▪ Landscape Architecture
101 North Main Street
Pocatello, Idaho 83204
Tel. (208) 232 - 3741
Fax (208) 232 - 3782

EASTERN IDAHO TECHNICAL COLLEGE
DPW# 02778
IDAHO FALLS, IDAHO

DRAWN BY: BHN
CHECKED BY: JTM
JOB NUMBER: 02778
PROJECT DATE: MAY 2005
SHEET 1 OF 1

EXHIBIT B
FACILITIES LEASE

EASTERN IDAHO TECHNICAL COLLEGE / HEALTH AND EDUCATION BUILDING

This project will provide a new facility for Nursing/Health Education programs on the campus of EITC. The building will provide a full range of instructional spaces including classrooms, laboratories, preparation rooms, offices, computer laboratories, and distance education facilities.

Approximate Total Square Footage: 40,000

Operating Agreement ~~04~~05

ATTACHMENT 4a
Redline Version

OPERATING AGREEMENT

THIS OPERATING AGREEMENT is made this day of _____, 200~~4~~5, by and between the Department of Administration (the "Department") and Eastern Idaho Technical College ("EITC").

RECITALS

WHEREAS, the Idaho Legislature, Senate Concurrent Resolution No. 134 ("SCR 134"), Second Regular Session of the Fifty-seventh Legislature, has authorized the Idaho State Building Authority (the "ISBA") to provide financing to develop and construct certain Classroom and Activity Center facilities for use by EITC (the "Facilities");

WHEREAS, pursuant to SCR 134, the ISBA and EITC have entered into, or will enter into simultaneously with the execution of this Operating Agreement, a Site Lease involving the real property on which the Facilities will be constructed;

WHEREAS, pursuant to SCR 134, the Department and EITC have entered into, or will enter into simultaneously with the execution of this Operating Agreement, a Facilities Lease (the "Facilities Lease") and a Development Agreement (the "Development Agreement"), both with the ISBA for the Facilities;

WHEREAS, the Department and EITC desire to address between themselves certain issues related to the Facilities Lease and Development Agreement, upon the terms and conditions set forth below.

AGREEMENT

NOW THEREFORE, in consideration of the above recitals, which are incorporated herein as if set forth in full, and the mutual promises and agreements hereinafter set forth, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Other Documents. This Operating Agreement is intended to co-exist with the Facilities Lease and the Development Agreement; provided however, in the case of any conflict between the terms of this Operating Agreement, as may be amended from time to time, and the Development Agreement and the Facilities Lease, as may be amended from time to time, the terms of this Operating Agreement shall control as between the Department and EITC.

2. Term. The term of this Operating Agreement shall begin on the date set forth herein and continue until the expiration or termination of the Facilities Lease, including renewals, or the Development Agreement, whichever occurs later.

3. Allocation of Responsibility. Anything contained in the Facilities Lease and the Development Agreement notwithstanding, the parties agree as follows:

a. Upon and after occupancy of the Facilities, EITC shall make all decisions regarding the use and routine operation, repair and maintenance of the Facilities. EITC shall, at its cost and expense, comply with all applicable federal, state and municipal laws, ordinances, regulations and orders and any contractual obligations relative to such use, operation, repair and maintenance of the Facilities. EITC shall consult with the Department on any issues concerning the use, operations and maintenance of the Facilities that could have a material and adverse impact on the Department or the Facilities Lease or the Development Agreement.

b. EITC shall not do or suffer or permit to exist any hazardous materials, contamination, waste, damage, disfigurement or injury to, or public or private nuisance, in or upon the Facilities in violation of any state of Idaho or federal law or regulation and shall pay all costs, charges, penalties or any other expense reasonably incurred or to be incurred to remove, restore or reclaim the Facilities or premises.

c. EITC shall be responsible for the cost and expense of all insurance required under the Facilities Lease and the Development Agreement, provided, however, that EITC may arrange for such insurance through the Department's Office of Insurance Management and provided, further, that the cost of the builder's risk/course of construction insurance required by the Development Agreement may be deducted from bond proceeds.

d. EITC shall, at its cost and expense, comply with Sections 5, 7 ,9 and 10 of the Facilities Lease, which includes but is not limited to the obligations contained in Section 3,e-h, of this Agreement

e. EITC shall, at its cost and expense, keep and maintain or cause to be kept and maintained, the Facilities and all equipment, fixtures, additions and improvements thereof, in good order and condition, and shall, at its cost and expense, make or cause to be made all necessary repairs, renewals, and replacements with respect to the Facilities. Subject to Section 10 of the Facilities Lease, in the event the Facilities or any part thereof are damaged or destroyed by uninsured or partially uninsured casualty of any kind, EITC shall either replace or rebuild the Facilities in equal value, or pay such sums to the ISBA as may be required to fully pay and discharge the Bonds (as defined in the Facilities Lease).

f. EITC shall pay or cause to be paid all costs, expenses and charges for water, electricity, lights, heat, power, sewage, telephone, and other utility services, rendered or supplied upon or in connection with the Facilities.

g. EITC shall maintain an inventory of all furniture, fixtures and equipment and other tangible personal property financed or provided by the ISBA as part of the Facilities and provide such inventory to the ISBA in accordance with Section 9.2 of the Facilities Lease. EITC shall have the right, at its expense, to replace such tangible personal property as it deems necessary in connection with its use of the Facilities, in accordance with Section 9.2 of the Facilities Lease.

h. EITC shall be responsible to pay for all cost overruns incurred in the planning, design and construction of the Facilities, including without limitation all cost overruns specified in Section 7 of the Development Agreement, provided, however, that cost overruns shall first be paid out of the project contingency fund and EITC shall not be responsible for any cost overrun unless and until the contingency fund is depleted, and that EITC has approved any change order that results in a cost overrun. EITC shall not be responsible for any cost overrun that is the result of the negligence or malfeasance of the Department.

i. Upon and subject to a specific and sufficient annual appropriation by the state of Idaho Legislature to the Department of funds from the Permanent Building Fund, or other sources determined by the Legislature, the Department shall remit to the ISBA the payment of Annual Rent (as defined in the Facilities Lease) in accordance with the Facilities Lease.

j. Any consents or approvals required of the State under the Site Lease or Facilities Lease shall be made by EITC.

k. The right contained in Section 3.2 of the Facilities Lease to give ten months' notice of termination of the Facilities Lease must be given jointly by the Department and EITC.

4. Notice of Non-Appropriation Non-Renewal; Other Notices. In the event that the Department fails to receive an appropriation of moneys necessary for any payment of any rent under the Facilities Lease, it shall immediately notify EITC. The Department also agrees to give notice to EITC if it does not include in its budget request a request for moneys related to the Facilities Lease. In the event that either party receives any notice related to the Site Lease, the Facilities Lease or the Development Agreement that could impact the other, the receiving party shall immediately notify the other party of the receipt and substance of such notice.

5. Intentionally Blank.

6. Order of Use of Funds; Funds Remaining. EITC specifically acknowledges and agrees that any money it transfers to the ISBA for the project, and which are deposited by the ISBA into the Construction Fund (as defined in the Development Agreement), shall be deemed to be used first, before any bond proceeds or other funds, for any cost or expense of planning, design or development or construction. EITC further specifically acknowledges that any funds remaining in the Construction Fund (as defined in the Development Agreement) upon final acceptance of the Facilities shall be used to defease the Bonds (as defined in the Facilities Lease) or otherwise decrease the amount of Annual Rent (as defined in the Facilities Lease) due under the Facilities Lease.

7. Indemnification. EITC shall indemnify, defend and save harmless the Department, its officers, agents and employees from and against any liability, claim, damages, losses, costs, expenses or actions to which the Department is or could be subject arising from or related to this Operating Agreement and its use, operation or maintenance of the Facilities. This indemnification does not apply when such claims, damages and liabilities are the result of negligent acts, errors, omissions or fault or malfeasance on the part of the Department, its officers, agents or employees. The Department shall indemnify, defend and save harmless the EITC, its officers, agents and employees from and against any liability, claim, damages, losses, costs, expenses or actions to which the EITC is or could be subject arising from or related to this Operating Agreement and its use, operation or maintenance of the Facilities. This indemnification does not apply when such claims, damages and liabilities are the result of negligent acts, errors, omissions or fault or malfeasance on the part of the EITC its officers, agents or employees.

8. Cooperation Between the Parties. Should any claims, demands, suits or other legal proceedings be made or instituted by any person against either party which arise out of any matters relating to the Facilities, the other party shall give all pertinent information and reasonable assistance in the defense or other disposition thereof.

9. Notices. All notices, demands, consents and reports provided for in this Operating Agreement shall be in writing and shall be given to the Department or EITC at the address set forth below or at such other address as they individually may specify thereafter in writing:

Department of Administration: ~~Larry V. Osgood~~
Administrator
Division of Public Works
P.O. Box 83720
Boise, Idaho 83720-0072
Ph: 208-332-1911
Fax: 208-334-4031

With a Copy to: Department of Administration
Attention: Deputy Attorney General

650 West State Street
P.O. Box 83720
Boise, Idaho 83720-0003

Eastern Idaho Technical College: William Robertson
~~Interim~~ President
Eastern Idaho Technical College
1600 S. 25th E.
Idaho Falls, ID 83404

Such notices or other communications may be mailed by United States registered or certified mail, return receipt requested postage prepaid or delivered by a recognized courier delivery service (e.g. Federal Express, Airborne etc.). Such notices, demands, consents and reports may also be delivered by hand. For purposes of this Operating Agreement, notices will be deemed to have been "given" upon personal delivery thereof or 72 hours after having been deposited in the United States mail at a United States Post Office or a depository for the receipt of mail regularly maintained by the post office or deposited with a recognized courier delivery service.

10. Survival. Any termination, cancellation or expiration of this Operating Agreement notwithstanding, provisions that are intended to survive and continue shall so survive and continue, including, but not limited to, the provisions of section 7.

11. No Third Party Rights. Nothing in this Operating Agreement shall be construed as creating or giving rise to any rights in any third parties or any persons other than the parties hereto.

12. Governing Law. The Contract shall be governed by and construed under the laws of the State of Idaho.

13. Officials Not Personally Liable. In no event shall any official, officer, employee or agent of the Department or EITC be liable or responsible for any representation, statement, covenant, warranty or obligation contained in, or made in connection with, this Operating Agreement, express or implied.

14. Complete Statement of Terms. This Operating Agreement constitutes the entire agreement between the parties hereto as regards it subject matter and shall supersede all previous proposals, oral or written, negotiations, representations commitments, and all other communications between the parties.

15. Written Modification. This Operating Agreement may be modified or amended only by an agreement in writing signed by a duly authorized representative of the Department and EITC.

16. Counterparts. This Operating Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have entered this Operating Agreement as of the date first set forth herein.

EASTERN IDAHO TECHNICAL COLLEGE

By:_____
William Robertson
Its: President

IDAHO DEPARTMENT OF ADMINISTRATION

By: _____
Pamela I. Ahrens
Its: Director

Operating Agreement 05 **ATTACHMENT 4b**
Clean Version

OPERATING AGREEMENT

THIS OPERATING AGREEMENT is made this day of _____, 2005, by and between the Department of Administration (the "Department") and Eastern Idaho Technical College ("EITC").

RECITALS

WHEREAS, the Idaho Legislature, Senate Concurrent Resolution No. 134 ("SCR 134"), Second Regular Session of the Fifty-seventh Legislature, has authorized the Idaho State Building Authority (the "ISBA") to provide financing to develop and construct certain Classroom and Activity Center facilities for use by EITC (the "Facilities");

WHEREAS, pursuant to SCR 134, the ISBA and EITC have entered into, or will enter into simultaneously with the execution of this Operating Agreement, a Site Lease involving the real property on which the Facilities will be constructed;

WHEREAS, pursuant to SCR 134, the Department and EITC have entered into, or will enter into simultaneously with the execution of this Operating Agreement, a Facilities Lease (the "Facilities Lease") and a Development Agreement (the "Development Agreement"), both with the ISBA for the Facilities;

WHEREAS, the Department and EITC desire to address between themselves certain issues related to the Facilities Lease and Development Agreement, upon the terms and conditions set forth below.

AGREEMENT

NOW THEREFORE, in consideration of the above recitals, which are incorporated herein as if set forth in full, and the mutual promises and agreements hereinafter set forth, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Other Documents. This Operating Agreement is intended to co-exist with the Facilities Lease and the Development Agreement; provided however, in the case of any conflict between the terms of this Operating Agreement, as may be amended from time to time, and the Development Agreement and the Facilities Lease, as may be amended from time to time, the terms of this Operating Agreement shall control as between the Department and EITC.

2. Term. The term of this Operating Agreement shall begin on the date set forth herein and continue until the expiration or termination of the Facilities Lease, including renewals, or the Development Agreement, whichever occurs later.

3. Allocation of Responsibility. Anything contained in the Facilities Lease and the Development Agreement notwithstanding, the parties agree as follows:

a. Upon and after occupancy of the Facilities, EITC shall make all decisions regarding the use and routine operation, repair and maintenance of the Facilities. EITC shall, at its cost and expense, comply with all applicable federal, state and municipal laws, ordinances, regulations and orders and any contractual obligations relative to such use, operation, repair and maintenance of the Facilities. EITC shall consult with the Department on any issues concerning the use, operations and maintenance of the Facilities that could have a material and adverse impact on the Department or the Facilities Lease or the Development Agreement.

b. EITC shall not do or suffer or permit to exist any hazardous materials, contamination, waste, damage, disfigurement or injury to, or public or private nuisance, in or upon the Facilities in violation of any state of Idaho or federal law or regulation and shall pay all costs, charges, penalties or any other expense reasonably incurred or to be incurred to remove, restore or reclaim the Facilities or premises.

c. EITC shall be responsible for the cost and expense of all insurance required under the Facilities Lease and the Development Agreement, provided, however, that EITC may arrange for such insurance through the Department's Office of Insurance Management and provided, further, that the cost of the builder's risk/course of construction insurance required by the Development Agreement may be deducted from bond proceeds.

d. EITC shall, at its cost and expense, comply with Sections 5, 7 ,9 and 10 of the Facilities Lease, which includes but is not limited to the obligations contained in Section 3,e-h, of this Agreement

e. EITC shall, at its cost and expense, keep and maintain or cause to be kept and maintained, the Facilities and all equipment, fixtures, additions and improvements thereof, in good order and condition, and shall, at its cost and expense, make or cause to be made all necessary repairs, renewals, and replacements with respect to the Facilities. Subject to Section 10 of the Facilities Lease, in the event the Facilities or any part thereof are damaged or destroyed by uninsured or partially uninsured casualty of any kind, EITC shall either replace or rebuild the Facilities in equal value, or pay such sums to the ISBA as may be required to fully pay and discharge the Bonds (as defined in the Facilities Lease).

f. EITC shall pay or cause to be paid all costs, expenses and charges for water, electricity, lights, heat, power, sewage, telephone, and other utility services, rendered or supplied upon or in connection with the Facilities.

g. EITC shall maintain an inventory of all furniture, fixtures and equipment and other tangible personal property financed or provided by the ISBA as part of the Facilities and provide such inventory to the ISBA in accordance with Section 9.2 of the Facilities Lease. EITC shall have the right, at its expense, to replace such tangible personal property as it deems necessary in connection with its use of the Facilities, in accordance with Section 9.2 of the Facilities Lease.

h. EITC shall be responsible to pay for all cost overruns incurred in the planning, design and construction of the Facilities, including without limitation all cost overruns specified in Section 7 of the Development Agreement, provided, however, that cost overruns shall first be paid out of the project contingency fund and EITC shall not be responsible for any cost overrun unless and until the contingency fund is depleted, and that EITC has approved any change order that results in a cost overrun. EITC shall not be responsible for any cost overrun that is the result of the negligence or malfeasance of the Department.

i. Upon and subject to a specific and sufficient annual appropriation by the state of Idaho Legislature to the Department of funds from the Permanent Building Fund, or other sources determined by the Legislature, the Department shall remit to the ISBA the payment of Annual Rent (as defined in the Facilities Lease) in accordance with the Facilities Lease.

j. Any consents or approvals required of the State under the Site Lease or Facilities Lease shall be made by EITC.

k. The right contained in Section 3.2 of the Facilities Lease to give ten months' notice of termination of the Facilities Lease must be given jointly by the Department and EITC.

4. Notice of Non-Appropriation Non-Renewal; Other Notices. In the event that the Department fails to receive an appropriation of moneys necessary for any payment of any rent under the Facilities Lease, it shall immediately notify EITC. The Department also agrees to give notice to EITC if it does not include in its budget request a request for moneys related to the Facilities Lease. In the event that either party receives any notice related to the Site Lease, the Facilities Lease or the Development Agreement that could impact the other, the receiving party shall immediately notify the other party of the receipt and substance of such notice.

5. Intentionally Blank.

6. Order of Use of Funds; Funds Remaining. EITC specifically acknowledges and agrees that any money it transfers to the ISBA for the project, and which are deposited by the ISBA into the Construction Fund (as defined in the Development Agreement), shall be deemed to be used first, before any bond proceeds or other funds, for any cost or expense of planning, design or development or construction. EITC further specifically acknowledges that any funds remaining in the Construction Fund (as defined in the Development Agreement) upon final acceptance of the Facilities shall be used to defease the Bonds (as defined in the Facilities Lease) or otherwise decrease the amount of Annual Rent (as defined in the Facilities Lease) due under the Facilities Lease.

7. Indemnification. EITC shall indemnify, defend and save harmless the Department, its officers, agents and employees from and against any liability, claim, damages, losses, costs, expenses or actions to which the Department is or could be subject arising from or related to this Operating Agreement and its use, operation or maintenance of the Facilities. This indemnification does not apply when such claims, damages and liabilities are the result of negligent acts, errors, omissions or fault or malfeasance on the part of the Department, its officers, agents or employees. The Department shall indemnify, defend and save harmless the EITC, its officers, agents and employees from and against any liability, claim, damages, losses, costs, expenses or actions to which the EITC is or could be subject arising from or related to this Operating Agreement and its use, operation or maintenance of the Facilities. This indemnification does not apply when such claims, damages and liabilities are the result of negligent acts, errors, omissions or fault or malfeasance on the part of the EITC its officers, agents or employees.

8. Cooperation Between the Parties. Should any claims, demands, suits or other legal proceedings be made or instituted by any person against either party which arise out of any matters relating to the Facilities, the other party shall give all pertinent information and reasonable assistance in the defense or other disposition thereof.

9. Notices. All notices, demands, consents and reports provided for in this Operating Agreement shall be in writing and shall be given to the Department or EITC at the address set forth below or at such other address as they individually may specify thereafter in writing:

Department of Administration:
Administrator
Division of Public Works
P.O. Box 83720
Boise, Idaho 83720-0072
Ph: 208-332-1911
Fax: 208-334-4031

With a Copy to:
Department of Administration
Attention: Deputy Attorney General
650 West State Street

P.O. Box 83720
Boise, Idaho 83720-0003

Eastern Idaho Technical College: William Robertson
President
Eastern Idaho Technical College
1600 S. 25th E.
Idaho Falls, ID 83404

Such notices or other communications may be mailed by United States registered or certified mail, return receipt requested postage prepaid or delivered by a recognized courier delivery service (e.g. Federal Express, Airborne etc.). Such notices, demands, consents and reports may also be delivered by hand. For purposes of this Operating Agreement, notices will be deemed to have been "given" upon personal delivery thereof or 72 hours after having been deposited in the United States mail at a United States Post Office or a depository for the receipt of mail regularly maintained by the post office or deposited with a recognized courier delivery service.

10. Survival. Any termination, cancellation or expiration of this Operating Agreement notwithstanding, provisions that are intended to survive and continue shall so survive and continue, including, but not limited to, the provisions of section 7.

11. No Third Party Rights. Nothing in this Operating Agreement shall be construed as creating or giving rise to any rights in any third parties or any persons other than the parties hereto.

12. Governing Law. The Contract shall be governed by and construed under the laws of the State of Idaho.

13. Officials Not Personally Liable. In no event shall any official, officer, employee or agent of the Department or EITC be liable or responsible for any representation, statement, covenant, warranty or obligation contained in, or made in connection with, this Operating Agreement, express or implied.

14. Complete Statement of Terms. This Operating Agreement constitutes the entire agreement between the parties hereto as regards it subject matter and shall supersede all previous proposals, oral or written, negotiations, representations commitments, and all other communications between the parties.

15. Written Modification. This Operating Agreement may be modified or amended only by an agreement in writing signed by a duly authorized representative of the Department and EITC.

16. Counterparts. This Operating Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have entered this Operating Agreement as of the date first set forth herein.

EASTERN IDAHO TECHNICAL COLLEGE

By:_____
William Robertson
Its: President

IDAHO DEPARTMENT OF ADMINISTRATION

By: _____
Pamela I. Ahrens
Its: Director

AGREEMENT BETWEEN
Eastern Idaho Technical College Idaho and State University for the use of the Health Science Building for the delivery Programs and Services in Health Sciences

1.0 The Agreement

This agreement entered into between Idaho State University and Eastern Idaho Technical College, on this 26th day of January 2004 creates a commitment to cooperate in the use of a Health Science Building. This building is an approximate 50,000 square foot facility to be located on a 3.85 acre site on the Eastern Idaho Technical College campus. Each institution's designated role, mission, and identity in the delivery of health related academic and/or vocational courses, certificates, and degrees in Idaho Falls and the Upper Snake River Valley will be honored. This agreement supports a commitment to cooperate in the delivery of high quality health science programming in a shared facility to be constructed on the campus of Eastern Idaho Technical College in Idaho Falls, Idaho

2.0 Health Sciences Roles and Missions

2.1 Eastern Idaho Technical College (EITC) offers programs and options, both certificates and associate of applied science degrees in dental assisting, medical assisting, surgical technology, practical nursing, and work force training in a variety of health related disciplines

The college is part of the technical college system with designated responsibilities for providing professional technical education in region 6.

2.2 Idaho State University (ISU) is a comprehensive doctoral university and is the state's lead institution in its primary emphasis areas of health professions, pharmacy, dental education and related biological sciences. ISU offers programs of professional education leading to Associate of Science degrees in Radiographic Science, Paramedicine, Respiratory Therapy, Dental Laboratory Technology and Sign Language Studies; Bachelor of Arts degree in Health Education; Bachelor of Science degrees in Dental Hygiene, Dietetics, Educational Interpreting, Health Care Administration, Health Education, Nursing, Physician Assistant Studies, Radiographic Science, and Speech Pathology, Health Sciences and Audiology; Master of Counseling degrees; Master of Public Health, Master of Science degrees in Audiology, Deaf Education, Health Education, Nursing, and Speech Language Pathology; Master of Physical Therapy; and a Doctor of Philosophy in Counselor Education and Counseling. A Dietetic Internship Certificate Program is offered at the postgraduate level. Each curriculum combines a core of liberal arts and professional subjects with clinical experience

2.3 ISU and EITC will cooperate in this venture to expand health professions offerings and services to students by broadening faculty interaction, strengthening programs, and enhancing facility utilization. The institutions will offer programming based upon regional interests and needs (demand) and will follow State Board of Education policies regarding the

delivery of postsecondary education that adheres to each institution's mission and service area designation.

3.0 Legislation

HCR 30 (Idaho Session Laws, 2003), in part, supports construction of a health care education building in Idaho Falls to help meet the need for trained health care professionals. To support the Legislative intent of HCR 30, the institutions make a combined commitment to share the use of the building for health education delivery. Educational services to the citizens of Idaho will be maximized by the shared facility use.

4.0 Programs

4.1 The institutions will each offer health education programming based on area interest and need (demand) with the idea of maximizing enrollments and access consistent with State Board of Education Policies and Procedures.

4.2 It is agreed that the existing Memorandum of Understanding, signed February, 1999, linking Eastern Idaho Technical College and the University place partnership will continue to define the relationships between the two institutions.

5.0 Health Education Design Committee

The design, of the Health Science Building will be done cooperatively. A Health Education Design Committee will provide consensus based leadership focused on maximizing health education opportunities for eastern Idaho residence. This Health Education Design Committee will be comprised of 2 representatives from both Eastern Idaho Technical College and Idaho State University. All appropriate personnel from each institution will be provided opportunities to provide suggestions or input to the design discussions. The final design will require the approval of the president of each institution and the State Board of Education.

6.0 Building Design

To accomplish the final design, the Health Education Design Committee will work with the Division of Public Works (DPW) architect to develop an agreed upon design that will meet equally as many of the prioritized needs of both institutions as possible within existing budgetary constraints. The DPW architect will function as facilitator during design development activities. It is agreed that the character and integrity of the laboratory section of the building as represented in the 2002 program design documents prepared by Myers/Anderson Architects will be maintained to the extent allowed by budgetary constraints. The focus of the Health Education Design Committee is to determine the appropriate configuration of standard classrooms, computer classrooms or laboratories, distant education classrooms, conference rooms, storage areas, reception areas, office space, and the like. To assure the most effective use of the limited space available in the new building, the DPW architect in consult with ISU and EITC will consider the availability of existing distant learning classrooms, chemistry laboratories, computer laboratories, classrooms, and other facilities located on the Eastern Idaho Technical College and

University Place-Idaho Falls campuses in determining space needs for the new building. In the event that the Health Education Design Committee cannot reach agreement, unresolved issues will be referred to the presidents of Eastern Idaho Technical College and Idaho State University. Issues not resolved by the Health Education Design Committee or the presidents, through consensus building, will be brought to State Board of Education for resolution.

7.0 Scheduling

This agreement assures both institutions continuing appropriate and equitable access to the facility. An EITC and ISU Health Education Scheduling Committee, consisting of two (2) representatives from each institution, will be formed for the purpose of developing a facility utilization ongoing semester schedule. The chief instructional/academic officer of each institution will review and approve all schedules and will resolve conflicts. While it is agreed the most efficient use of facilities is accomplished through the flexible scheduling of shared space, it is understood that priority scheduling, of specially equipped distant education classrooms and computer laboratories, will be given to the institution installing and supporting the special equipment. In the event that the chief instructional/academic officers cannot reach agreement, unresolved issues will be referred to the presidents of EITC and ISU. Issues not resolved by the Health Education Scheduling Committee or the presidents, through consensus building, will be brought to State Board of Education for resolution.

8.0 Maintenance of Operation

8.1 The Idaho Falls Oversight Council and the partners using that facility will address issues related to the use of University Place-Idaho Falls. It is anticipated that ISU and EITC representatives located on campus will handle most needs or issues related to the smooth operation of the Health Science Building informally. Issues not resolved informally, will be addressed by ISU and EITC representatives to the Idaho Falls Oversight Council. As the presidents of ISU and EITC are representatives to the Idaho Falls Oversight Council unresolved issues will be brought directly to State Board of Education for resolution.

8.2 EITC is responsible for the day-to-day maintenance and operations of the facility to include routine custodial services and maintenance, parking lot maintenance, security services and basic utilities. The provision of these services is contingent upon legislative appropriations, to the EITC budget base, that adequately funds expenses associated with new building occupancy. Extraordinary expenses associated with distant education and specialized computer services will be born by the institution incurring the expenses. Special events may require additional billable expenses to be incurred by the sponsoring entity. Where appropriate and by prior arrangement, common supplies, equipment, and services may be purchased by one institution and with the other institution reimbursing it's pro rata share.

9.0 Term

This agreement shall be in effect from January 1, 2004 and shall remain in effect until modified or terminated through mutual agreement. In the event either party becomes dissatisfied or for any other reason desires the modification or termination of this agreement, but is unable to secure

agreement from the other institution, the proposed action may be brought to the State Board of Education for resolution.

Updated: January 13, 2004

7. Signature Block

Richard Bowen
President
Idaho State University
Pocatello, ID 83209
(208) 236-3440

William A. Robertson
Interim President
Eastern Idaho Technical College
Idaho Falls, ID
(208) 524-3000

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.

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.

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.

4. Hold of Personal Property

   a. Inventory
   An inventory of all items of chattel property valued at two thousand dollars ($2,000) or limits established by Department of Administration owned or leased by any agency, school or institution must be maintained in cooperation with the Department of Administration as required by Section 67-5746, Idaho Code.

   b. Insurance
   Each agency, school and institution must ensure that all insurable real and personal property under its control is insured against physical loss or damage and that its employees are included under any outstanding policy of public liability insurance maintained by the state of Idaho. All insurance must be acquired through the State Department of Administration or any successor entity.

   c. Vehicle Use
   Vehicles owned or leased by an institution, school or agency must be used solely for institutional, school or agency purposes. Employees may not, with certain exceptions, keep institutional vehicles at their personal residences. Exceptions to this policy include the chief executive officers and other employees who have received specific written approval from the chief executive officer of the institution, school or agency.

5. Disposal of Real Property

   a. Temporary Permits
   Permits to make a temporary and limited use of real property under the control of an institution, school or agency may be issued by the institution, school or agency without prior Board approval.

   b. Board approval of other transfers
   (1) Leases to use real property under the control of an institution, school or agency require prior Board approval - if the term of the lease exceeds five (5) years or if the lease revenue exceeds two hundred fifty thousand dollars ($250,000).

   (2) Easements to make a permanent use of real property under the control of an institution, school or agency require prior Board approval - unless easements are to public entities for utilities.

   (3) The transfer by an institution, school or agency of any other interest in real property requires prior Board approval.

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.

   a. First Refusal
      When the property has a value greater than five thousand dollars ($5,000), the institution, school or agency must first make a good faith effort to give other institutions, school and agencies under Board governance the opportunity of first refusal to the property before it turns the property over to the Department of Administration or otherwise disposes of the property.

   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.

   c. Inter-agency Transfer
      Transfer of property from one Board institution, school or agency to another institution, school or agency under Board governance may be made without participation by the State Board of Examiners or the Department of Administration, but such transfers of property with a value greater than two hundred fifty thousand dollars ($250,000) require prior Board approval.

7. Litigation

   The chief executive officer may negotiate settlement regarding litigation matters, or any claims made that may result in litigation, for up to $25,000. All such settlements must be reported to the Board in executive session at the next regularly scheduled meeting.

8. Intellectual Property

   The chief executive officer may license intellectual property rights of their respective institutions, school and agencies up to (to be developed as the intellectual property policy is finalized).

REFERENCE — APPLICABLE STATUTE, RULE, OR POLICY - continued

LEGISLATURE OF THE STATE OF IDAHO
Fifty-seventh Legislature First Regular Session - 2003
IN THE HOUSE OF REPRESENTATIVES
HOUSE CONCURRENT RESOLUTION NO. 30
BY STATE AFFAIRS COMMITTEE

A CONCURRENT RESOLUTION

STATING FINDINGS OF THE LEGISLATURE AND PROVIDING APPROVAL FOR CERTAIN STATE BODIES AND COMMUNITY COLLEGE DISTRICTS TO ENTER INTO AGREEMENTS WITH THE IDAHO STATE BUILDING AUTHORITY TO FINANCE AND DEVELOP OR RENOVATE SPECIFIED FACILITIES LOCATED THROUGHOUT IDAHO.

Be It Resolved by the Legislature of the State of Idaho:

WHEREAS, the Legislature of the State of Idaho has previously authorized some level of funding for eight facilities projects located throughout Idaho; and

WHEREAS, it was necessary to rescind the funding for these projects due to the shortfall in General Fund revenues; and

WHEREAS, the Legislature recognizes the significant immediate economic stimulus that would be provided by proceeding with construction on these projects; and

WHEREAS, the amounts of appropriated and available funds are not sufficient to cover all of the anticipated costs associated with these facilities in a timely manner; and

WHEREAS, North Idaho College in Coeur d'Alene is currently providing health and nursing classes in old donated wooden buildings that will be replaced by a new Allied Health, Nursing and Life Sciences Building; and

WHEREAS, the University of Idaho has been forced to close the classroom center on its Moscow campus that houses 40% of the university's classroom space and will renovate and convert it into a modern Teaching and Learning Center; and

WHEREAS, Lewis-Clark State College in Lewiston currently uses a physical education center that was constructed in 1937 for 368 students and will construct a new physical education center with conference and meeting facilities; and

WHEREAS, Boise State University now has 5,067 students enrolled at BSU Canyon County, with the center filled to capacity, and will construct a new academic building on the BSU West Campus in Nampa; and

WHEREAS, the Idaho State Police now provides training programs for the Department of Correction and Department of Juvenile Corrections and will build a training facility to house those programs in Meridian; and

WHEREAS, the College of Southern Idaho in Twin Falls requires classroom and performance space for speech, music, forensics and the performing arts and will build a Fine Arts Addition to house those programs; and

WHEREAS, Idaho State University will meet its growing requirement in Pocatello for additional classroom space, student services and student housing by using student fees to construct the student services and housing portions of a multiuse facility and funds authorized under this resolution to build a new classroom facility; and

WHEREAS, Eastern Idaho Technical College wishes to help meet the need for trained health care professionals in the Idaho Falls area, and a new health care education building will be constructed in accordance with policies of the State Board of Education; and

WHEREAS, it is in the best interest of the state and its community college districts for the State Building Authority to finance and provide new facilities for the use of each of the described state bodies and community college districts;

NOW, THEREFORE, BE IT RESOLVED by the members of the First Regular Session of the Fifty-seventh Idaho Legislature, the House of Representatives and the Senate concurring therein, that the Legislature hereby authorizes and provides approval for the Department of Administration and each of the following state bodies and community college districts to enter into agreements with the Idaho State Building Authority, under such terms and conditions as may be reasonable and necessary, to provide for the financing and development of the following described facilities for their respective use:

STATE BODY/DISTRICT	FACILITY	LOCATION
North Idaho College	Allied Health, Nursing & Life Science Bldg.	Coeur d'Alene
University of Idaho	Teaching & Learning Center	Moscow
Lewis-Clark State College	Campus Activity Center	Lewiston
Boise State University	West Campus Academic Building	Nampa
Idaho State Police	Training Facility	Meridian
College of Southern Idaho	Fine Arts Addition	Twin Falls
Idaho State University	Classroom & Multiuse Facility	Pocatello
Eastern Idaho Technical College	Health Care Education Building	Idaho Falls

BE IT FURTHER RESOLVED that this resolution constitutes authorization to enter into agreements required by the provisions of Section 67-6410, Idaho Code, and with respect to facilities provided to the State Board of Education and Board of Regents of the University of Idaho this resolution constitutes the approval required by the provisions of Section 33-3805A, Idaho Code.

B. Statement of Purpose / Fiscal Impact

STATEMENT OF PURPOSE

RS13246

This resolution will authorize and provides approval for the Department of Administration and the state bodies and community college districts listed in this resolution to enter into agreements with the Idaho State Building Authority to provide for the financing and development of the facilities described in this resolution.

The authorization in this concurrent resolution for projects for College of Southern Idaho and North Idaho College shall take effect upon the enactment of legislation that empowers community college districts to enter into agreements with the State Building Authority.

FISCAL IMPACT

Each of the amounts listed below are the estimated project costs (not including financing costs) to be paid from the Idaho State Building Authority bonds.

Project	Project Funds
LCSC classroom and campus activity center	$10,868,000
CSI fine arts addition	$5,402,000
UI teaching & learning center	$11,729,000
BSU west campus bldg	$8,655,000
ISU classroom bldg	$12,177,000
NIC nursing/life science bldg	$10,994,000
ISP training academy	$2,286,000
EITC health education bldg	$6,360,000
TOTAL	$68,471,000

Annual rent for the projects to be paid to the State Building Authority from dedicated funds appropriated annually from the Permanent Building Fund will be between $5.25 and $5.75 million per year for twenty years.

Facility occupancy costs may come from the General Fund appropriations. These costs are provided on a quarterly basis, beginning with the quarter in which the facility is first occupied. There is no fiscal impact to the General Fund in FY04 for occupancy costs. In subsequent years, occupancy costs for the college and university projects are estimated to be:

FY05 $583,750 FY06 $939,750 FY07 $872,100

REFERENCE — APPLICABLE STATUTE, RULE, OR POLICY - continued

|||| LEGISLATURE OF THE STATE OF IDAHO ||||
Fifty-seventh Legislature Second Regular Session - 2004

IN THE SENATE

SENATE CONCURRENT RESOLUTION NO. 134

BY STATE AFFAIRS COMMITTEE

A CONCURRENT RESOLUTION

STATING FINDINGS OF THE LEGISLATURE AND PROVIDING APPROVAL FOR THE DEPARTMENT OF ADMINISTRATION AND THE EASTERN IDAHO TECHNICAL COLLEGE TO ENTER INTO AN AGREEMENT WITH THE IDAHO STATE BUILDING AUTHORITY TO FINANCE AND DEVELOP A SPECIFIED FACILITY.

Be It Resolved by the Legislature of the State of Idaho:

WHEREAS, the First Regular Session of the Fifty-seventh Idaho Legislature passed House Concurrent Resolution No. 30 authorizing eight state bodies and community college districts, including the Eastern Idaho Technical College located in Idaho Falls, to enter into agreements with the Idaho State Building Authority to finance and develop or renovate specified facilities located throughout Idaho; and

WHEREAS, due to unresolved issues relating to U.S. Department of Commerce Economic Development Administration grant terms, the Idaho State Building Authority has been unable to issue funding to the Eastern Idaho Technical College; and

WHEREAS, the Eastern Idaho Technical College wishes to help meet the need for trained health care professionals in the Idaho Falls area and seeks to construct a new health care education building in accordance with policies of the State Board of Education; and

WHEREAS, the Legislature recognizes the significant immediate economic stimulus that would be provided by proceeding with construction on this project; and

WHEREAS, the amount of appropriated and available funds for the Eastern Idaho Technical College is not sufficient to cover the estimated design and construction costs of $9,860,000 associated with this facility in a timely manner; and

WHEREAS, it is in the best interest of the state and the Eastern Idaho Technical College for this alternative authorization to be provided for the financing of a new facility for use by the Eastern Idaho Technical College.

NOW, THEREFORE, BE IT RESOLVED by the members of the Second Regular Session of the Fifty-seventh Idaho Legislature, the Senate and the House of Representatives concurring therein, that the Legislature hereby authorizes and

provides approval for the Department of Administration and the Eastern Idaho Technical College to enter into an agreement with the Idaho State Building Authority, under such terms and conditions as may be reasonable and necessary, to provide for the financing and development of the Health Care Education Building located in Idaho Falls, Idaho.

BE IT FURTHER RESOLVED that this resolution constitutes authorization to enter into an agreement required by the provisions of Section 67-6410, Idaho Code, and with respect to the State Board of Education and State Board for Professional-Technical Education, this resolution constitutes the approval required by the provisions of Section 33-3805A, Idaho Code.

Statement of Purpose / Fiscal Impact

STATEMENT OF PURPOSE

RS 14252

Last year the 2003 legislature adopted HCR 30 authorizing several higher education projects to be financed through the Idaho State Building Authority, including a new Health Care Education Building for Eastern Idaho Technical College. The original cost was $6,360,000 plus a grant for $3,500,000 from the U.S. Department of Commerce, Economic Development Administration. It has now been determined that the terms of the proposed grant, if accepted, makes it substantially more costly to finance the state's portion with bonds through the Idaho State Building Authority.

FISCAL IMPACT

This resolution would authorize financing of the total project funds for the Health Care Education Building, estimated to be a total of $9,860,000, through the Idaho State Building Authority.

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INSTITUTION / AGENCY AGENDA
AGENCIES AND INSTITUTIONS OF THE STATE BOARD

SUBJECT

FY 2007 Budget Development Process

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.B.
Section 67, Chapter 35, Idaho Code

BACKGROUND

Board Governing Policies and Procedures (cited above), specify that "Only those budget requests which have been formally approved by the Board will be submitted by the office to the executive and legislative branches."

All state agencies must submit their approved budget requests for the upcoming state fiscal year to the Division of Financial Management (DFM) and Legislative Services Office – Budget and Policy Analysis (LSO) by September 1 of each year in order for requests to be considered in the development of the Governor's Executive Budget Recommendation and during hearings of the legislative Joint Finance and Appropriations Committee.

The current process began in April with a Board motion instructing the institutions and agencies to submit their budget requests for FY 2007.

Development of a budget process consists of two parts:

- Maintenance of Current Operations (MCO)
- Line Items (formerly referred to as 'enhancements')

The MCO request is developed using criteria found in the Budget Development Manual (published by the DFM and LSO) and Board policy. The MCO request consists of calculations on the budget Base and on established criteria. An MCO budget is generally defined as the cost to operate at the same level in the next fiscal year, taking into account inflationary items such as employee health insurance costs, utility costs, and other similar items.

Line Items ('enhancements') consist of funding requests for new or expanded programs or services.

INSTITUTION / AGENCY AGENDA
AGENCIES AND INSTITUTIONS OF THE STATE BOARD - continued

DISCUSSION

Please note: the request information presented by the agencies and institutions in this agenda are the best estimates possible for the following reasons: Fiscal Year 2005 was in the process of being closed out when these budget request summaries were being prepared; the Wage and Salary Report, which is used by agencies to calculate FY 2006 and FY 2007 Personnel Cost needs, was not printed at the time these summaries were prepared, and during the Fall DFM and LSO will provide additional cost data to be incorporated into the official budget requests.

After receiving permission at the August Board meeting to proceed, agencies and institutions will prepare official budget requests for submission to the Board office, using current amounts and calculations not available before the August meeting. Board staff will review the requests for consistency with DFM/LSO guidelines and Board policy. With authorization by the Board, the Executive Director would approve and submit all requests to the two budget agencies by the September 1 deadline.

As part of this agenda item, two presentations will be made to the Board: Jeff Youtz, Supervisor of the Legislative Services Office-Budget and Policy, will discuss the state budget development process and General Fund budget update. Jane McClaran, Senior Financial Management Analyst, has provided comments from the perspective of the Division of Financial Management/Office of the Governor. Following those comments is a July 18, 2005 memorandum from DFM discussing the FY 2007 budget request process.

IMPACT

The overall budget request for each agency and institution establishes the minimum funding level needed to maintain operations for FY 2007, and to provide additional services or programs as specifically requested in a Line Item. Approval of the MCO and line item requests allows institutions and agencies to finalize their official request for submission to the Governor and legislative committees to begin the budget development process for FY 2007.

INSTITUTION / AGENCY AGENDA
AGENCIES AND INSTITUTIONS OF THE STATE BOARD - continued

STAFF COMMENTS AND RECOMMENDATIONS

The following information is presented for Board consideration:

Master Table of Contents for all budget request items (Page 5)

- DFM Memo – FY07 Budget Request Overview
- State / Board budget request timeline
- Steps to develop a budget request

Maintenance of Current Operations (MCO) Cover Sheet (TAB 5)

- Table of Contents for MCO summaries
- Agency MCO summaries (with narrative if applicable)
- College & University, Community College, Ag. Research, Special & Health Program MCO summaries (with narrative if applicable)

Line Item ('Enhancement') Cover Sheet (TAB 6)

- Table of Contents for Line Items
- Agency - Proposed Motion Sheet
- Agency Line Item Budget Summary
- College & University, Community College, Ag. Research, Special & Health Program Line Item – Proposed Motion Sheets
- College & University, Community College, Ag. Research, Special & Health Program Summary Budget
- All Line Item Narrative Descriptions (Agency, Institution & Others)

Capital Facility Projects Cover Sheet and Proposed Motion (TAB 7)

- List of requested major facility projects

Staff recommends the Board delegate to the Executive Director authority to approve and submit FY 2007 MCO and Line Items budget requests as approved by the Board. As noted previously, some statewide cost items will not be known until after September 1 and will require budget revisions. These and any future changes to the MCO or Line Item budget requests will be developed according to official DFM/LSO guidelines and Board policy, and will be noted in communications to the Board as appropriate.

BOARD ACTION

Specific Board action is outlined in separate motions in Tabs 5, 6 and 7.

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Division of Financial Management
Comments on the Executive Budget Process
August 2005

Preface

The State Board of Education has general supervision, governance and control of all state educational agencies/institutions and budget oversight as established in State statute.
Idaho Code, Title 33, Chapter 1

Executive Budget Development

"The ultimate product of the budgetary process is a plan describing how, during the next fiscal year, the state will use its limited resources to best meet the needs of its citizens. While the final formulation of an overall plan rests with the Governor and the Legislature, it originates with the individual budget requests of state agencies." *FY 2007 Budget Development Manual – joint DFM/LSO publication*

State Agencies Develop Budgets **June – August**

As the State's chief budget officer who is statutorily required to present a balanced budget annually, the Governor directs state agencies to work with his budget office, the Division of Financial Management (DFM), during its internal budget development process. It is the role of DFM to ensure that the top priorities identified by executive branch agencies mesh with the Governor's initiatives and priorities.

DFM issues guidance after fiscal year-end and prior to budget development highlighting revenue performance and anticipated funding availability for the upcoming fiscal year (see attached July 18, 2005 memorandum). DFM encourages agencies to bring forward a comprehensively evaluated plan to address core requirements for fundamental programs and services with a realistic expectation of funding. Statewide requests have exceeded the Governor's recommendation in General Funds by an average of 5.5%, or an average dollar amount of $117.5 million, each year for the past 10 years.

DFM - Comments on the Executive Budget Process - continued

Development of Executive Budget Recommendation **Sept. – Dec.**

After analysts have a thorough understanding of what an agency has brought forward in its final budget request and the DFM state economist has updated the revenue forecast, we begin to analyze the total request from all state agencies. Analysts brief the Governor on individual agency needs and may meet with him repeatedly as he develops his statewide initiatives (such as CEC, inflation, capital budget, etc.) and sorts through competing agency-level needs.

We try to treat non-General Fund agencies similar to those receiving General Funds, as the State of Idaho is a single employer. In addition, we attempt to provide additional flexibility if other funding sources are available.

State of Idaho
DIVISION OF FINANCIAL MANAGEMENT
Executive Office of the Governor

DIRK KEMPTHORNE
Governor
BRADLEY T. FOLTMAN
Administrator

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July 18, 2005

M E M O R A N D U M

TO: Executive Branch Department Directors
Fiscal Officers

FROM: Brad Foltman, Administrator
DFM

SUBJECT: **Budget Requests**

The fiscal year 2005 is about to close and FY 2006 is looking very positive in terms of the beginning balance. Revenues have exceeded "expectations" but much remains to be seen in terms of what this will mean for FY 2007 budget levels.

Now that FY 2005 transactions have been completed a thorough analysis of the revenue components will be made. This analysis will result in a forecast of FY 2006 revenues in August as agencies are formulating their FY 2007 budget requests.

As you develop your agency's budget for FY 2007, you should proceed anticipating similar levels of expenditures as in previous years. You should not assume that funding levels will be able to "catch up" with unmet budget needs from the past, nor should it be construed that future funding levels will be sufficient to address substantial new or expanded service levels.

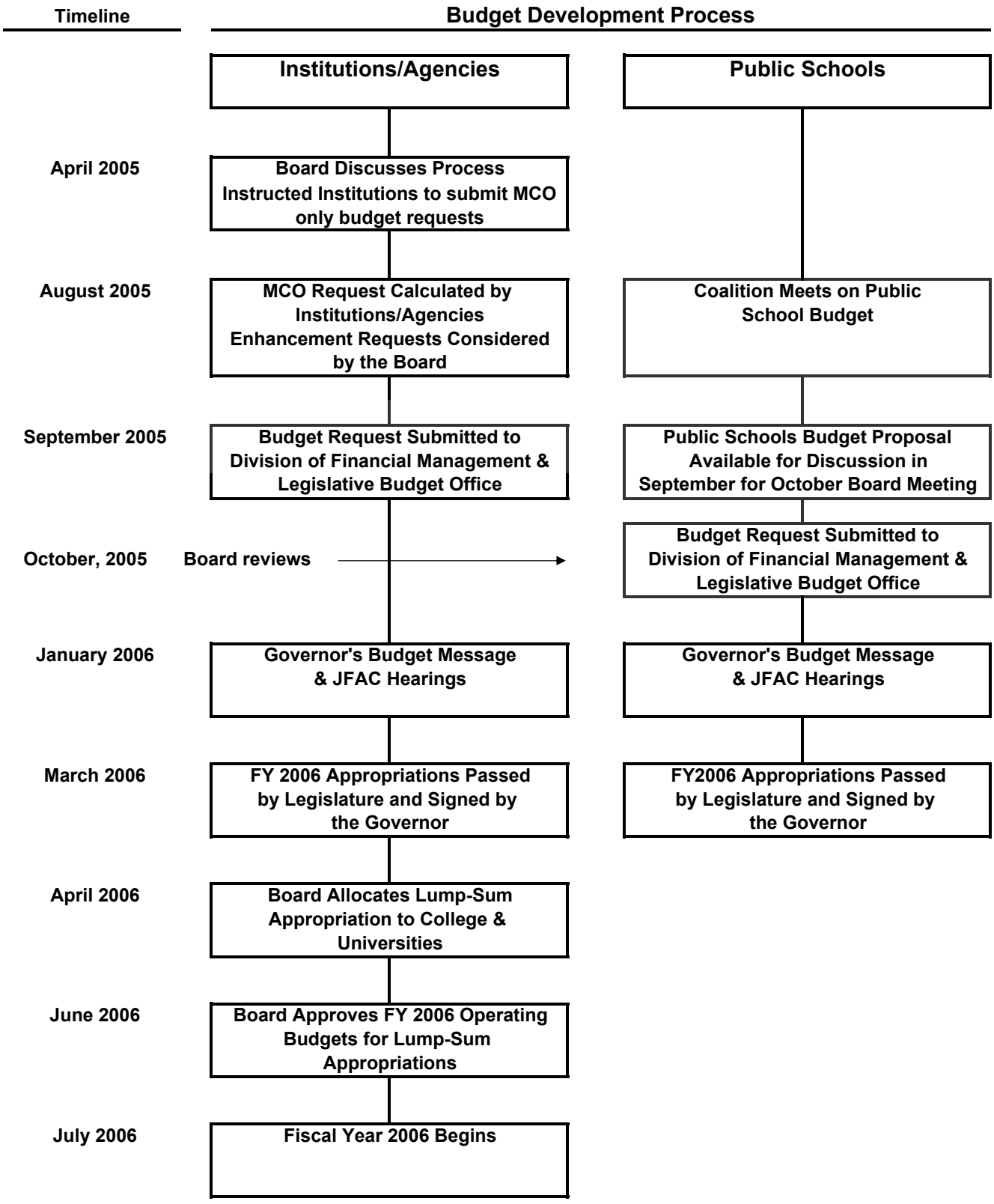
Historical spending levels should be a general guide in determining an appropriate request level for FY 2007. While the General Fund appears to be in strong financial shape at the moment, we will continue to have other funding requirement impacts based upon match availability, grant/project funds, dedicated revenue sources, etc.

In short, we should expect this budget development process to receive the same careful review from the Governor as in previous years. Priorities of agency programs and how the funding requirements fit to the agency strategic plan are of utmost importance. A solid internal review and vetting process should accomplish much of what is necessary for a meaningful budget request that then can be given careful consideration for the Governor's recommendation and legislative appropriation. Hopefully, the end result will be a manageable and informative budget request process. Your cooperation in achieving this will be greatly appreciated.

cc LSO, SCO

State Board of Education

FY2007 Budget Request Development



State Board of Education
FY2007 Budget Request Development Steps

FY2007 Budget Base

FY 2006 Operating Budget less One-Time Funding

Maintenance of Current Operations (MCO) Requests:

Calculated Per Budget Development Manual:

Personnel Benefit Cost Roll-ups:
Changes to FICA Rates, Retirement Rates, Health Insurance Premium, Unemployment Insurance, etc. Rates provided by Budget Development manual

Inflationary Adjustments:
General Inflationary Adjustment for Operating Expenditures-
The general inflationary increase of 1.9% or 3.5% for medical and/or Trustee/Benefit (contracts).

Replacement Capital Outlay:
Use General Inflationary rate for lump-sum appropriations or detailed replacement equipment list

Interagency Non-standard Adjustments:
Projected increases in rates for rental space, risk management, controller's office, treasurer's office

Change in Employee Compensation (CEC):
Provides resources to fund state salary plan. Use 1% calculator so costs can be multiplied when plan developed.

Fund Shifts:
Requests must be prepared by fund source. Shifts MCO increases calculated on other funds to the general account.

Calculated Per Board Policy:

Discretionary Items

Enrollment Workload Adjustment:
Calculates costs of additional students attending institutions.

Contract Changes:
Increased cost associated with agreements (additional students in medical programs).

Utility Increases:
Projected increases in utility costs.

FY2007 Total MCO Request

Total of the budget base and MCO Increases

Non-Discretionary and Line Items (formerly “enhancements”)

New Occupancy Costs:
Calculates utilities, custodial, maintenance costs, etc. of occupying a new/re-defined space.

Library Books & Periodicals:
Additional inflationary factor for library acquisitions - Books, Periodicals (to be determined)

Others to be Determined by the Board

FY2007 Total Request

REFERENCE – APPLICABLE STATUTE, RULE OR POLICY

B. Budget Policies

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.

2. Budget Requests and Expenditure Authority

a. Budget requests must include projected miscellaneous receipts based on the enrollment of the fiscal year just completed (e.g., the FY 2003 budget request, prepared

in the summer of 2001, projected miscellaneous receipts revenue based on academic year 2001 enrollments which ended with the Spring 2001 semester).

b. Approval by the executive director, or his or her designee, as authorized, for all increases and decreases of spending authority caused by changes in miscellaneous receipts is required.

c. Miscellaneous receipts collected by an institution will not be allocated to another institution. The lump sum appropriation will not be affected by changes in receipts.

3. Operating Budgets (Appropriated)

a. Availability of Appropriated Funds

(1) Funds appropriated by the legislature from the State General Account for the operation of the institutions, school and agencies (exclusive of funds for construction appropriated to the Permanent Building Fund) become available at the beginning of the fiscal year following the session of the legislature during which the funds are appropriated, except when appropriation legislation contains an emergency clause.

(2) These funds are generally allotted periodically or are disbursed on submission of expenditure vouchers to the Office of the State Controller.

b. Approval of Operating Budgets

(1) The appropriated funds operating budgets for the institutions, school and agencies under Board supervision are based on a fiscal year, beginning July 1 and ending on June 30 of the following year.

(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.

c. Budget Transfers and Revisions

(1) Chief Executive Officer Approval

The chief executive officer of each institution, agency, school, office, or department is responsible for approving all budget transfers.

(2) Allotment and Allotment Transfers

Requests for allotments or changes in allotments are submitted by the institution, school or agency to the Division of Financial Management and copies provided concurrently to the Office of the State Board of Education. (Refer to allotment form in the Fiscal Reference Manual of the Division of Financial Management.) The Office of

the State Board of Education will coordinate the request for allotments and changes to allotments for the college and universities.

4. Operating Budgets (Nonappropriated -- Auxiliary Enterprises)

a. Auxiliary Enterprises Defined

An auxiliary enterprise directly or indirectly provides a service to students, faculty, or staff and charges a fee related to but not necessarily equal to the cost of services. The distinguishing characteristic of most auxiliary enterprises is that they are managed essentially as self-supporting activities, whose services are provided primarily to individuals in the institutional community rather than to departments of the institution, although a portion of student fees or other support is sometimes allocated to them. Auxiliary enterprises should contribute and relate directly to the mission, goals, and objectives of the college or university. Intercollegiate athletics and student health services should be included in the category of auxiliary enterprises if the activities are essentially self-supporting.

All operating costs, including personnel, utilities, maintenance, etc., for auxiliary enterprises are to be paid out of income from fees, charges, and sales of goods or services. No state appropriated funds may be allocated to cover any portion of the operating costs. However, rental charges for uses of the facilities or services provided by auxiliary enterprises may be assessed to departments or programs supported by state-appropriated funds.

b. Operating Budgets

(1) Reports of revenues and expenditures must be submitted to the State Board of Education at the request of the Board.

(2) All proposed expenditures from accumulated operating reserves in excess of $50,000 must be reported to the Board at the next scheduled meeting.

5. Operating Budgets (Nonappropriated -- Local Service Operations)

a. Local Service Operations Defined

Local service operations provide a specific type of service to various institutional entities and are supported by charges for such services to the user. Such a service might be purchased from commercial sources, but for reasons of convenience, cost, or control, is provided more effectively through a unit of the institution. Examples are mailing services, duplicating services, office machine maintenance, motor pools, and central stores.

b. The policies and practices used for appropriated funds are used in the employment of personnel, use of facilities, and accounting for all expenditures and receipts.

c. Reports of revenues and expenditures must be submitted to the State Board of Education at the request of the Board.

6. Operating Budgets (Nonappropriated -- Other)

a. The policies and practices used for appropriated funds are used in the employment of personnel, use of facilities, and accounting for all expenditures and receipts.

b. Reports of revenues and expenditures must be submitted to the State Board of Education at the request of the Board.

7. Agency Funds

a. Agency funds are assets received and held by an institution, school or agency, as custodian or fiscal agent for other individuals or organizations, but over which the institution, school or agency exercises no fiscal control.

b. Agency funds may be expended for any legal purpose prescribed by the individual or organization depositing the funds with the institution, school or agency following established institutional disbursement procedures.

8. Major Capital Improvement Project -- Budget Requests

For purposes of Item 8., the community colleges (NIC and CSI), the State Historical Society, and the State Library are included, except as noted in V.B.8.b. (2).

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.

9. Approval by the Board

Requests for approval of major capital improvement projects must be submitted for Board action. Major capital improvement projects, which are approved by the Board and for which funds from the Permanent Building Fund are requested, are placed in priority order prior to the submission of major capital budget requests to the Division of Public Works.

REFERENCE – APPLICABLE STATUTE, RULE OR POLICY - continued

Idaho Statutes
TITLE 67
STATE GOVERNMENT AND STATE AFFAIRS
CHAPTER 35
STATE BUDGET
67-3502. FORMAT AND PREPARATION OF ANNUAL BUDGET REQUESTS.

In the preparation of a state budget, the administrator of the division of financial management shall, not later than the fifteenth day of July have available for all departments, offices and institutions of the state government forms necessary to prepare budget requests. Such forms, whether in electronic or written format, shall be developed by the administrator of the division and the legislative services office to provide the following information:

(1) For the preceding fiscal year, each of the entities listed above shall report all funds available to them regardless of source, including legislative appropriations, and their expenditures by fund and object of all sums received from all sources, segregated as provided for on the forms.

(2) For the current fiscal year, each of the entities listed above shall report their estimates of all funds available to them regardless of source, including legislative appropriations, and their estimated expenditures by fund and object of all sums received from all sources, segregated as provided for on the forms, including a statement of the purposes for which anticipated funds are expected to be expended.

(3) An estimate of appropriations needed for the succeeding fiscal year, showing each primary program or major objective as a separate item of the request and itemized by object code.

(4) A report concerning the condition and management of programs, program performance, and progress toward accomplishing program objectives.

The completed forms shall, not later than the first day of September, except with special permission and agreement of the administrator of the division of financial management and the director of the legislative services office, be filed in the office of the administrator of the division of financial management and the legislative services office. The legislative and judicial departments shall, as early as practicable and in any event no later than the first day of November, prepare and file in the office of the governor and the legislative services office upon the forms described in this section a report of all of the information required in this section.

INSTITUTION / AGENCY AGENDA
AGENCIES AND INSTITUTIONS OF THE STATE BOARD

SUBJECT

Maintenance of Current Operations (MCO) Budget Request - FY 2007 Budget Development Process

REFERENCE

April 21-22, 2005	Instructions to agencies and institutions regarding submission of Maintenance of Current Operations budget requests.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.B.1. (see Tab 4)
Title 67, Chapter 35, Idaho Code (see Tab 4)

BACKGROUND

An MCO budget consists of the additional amount required to operate an agency or institution at basically the same level of service in the upcoming fiscal year. Additional costs include employee health insurance and utility rate increases, for example. The MCO request is developed using the Budget Development Manual (published by the Division of Financial Management and the Legislative Services Office) and Board policy. The MCO request consists of calculations on the budget base and on established criteria.

DISCUSSION

The request information presented by the agencies and institutions in this agenda are the best estimates possible (and not final), for the following reasons: Fiscal Year 2005 was in the process of being closed out when these budget request summaries were being prepared; the Wage and Salary Report, used by agencies to calculate FY 2007 Personnel Cost needs was not printed at the time these request summaries were prepared, and during the Fall DFM and LSO will provide additional cost data to be incorporated into the official budget requests.

Contained within this section is a summary of the MCO budget requests for each agency and institution reporting to the Board. Some amounts will change slightly in the final request. The Board is requested to authorize the Executive Director to grant approval of the official budget requests due on September 1, 2005.

INSTITUTION / AGENCY AGENDA
AGENCIES AND INSTITUTIONS OF THE STATE BOARD - continued

Supplemental Appropriations

Scholarships and Grants, Special Programs: an FY 2006 Supplemental Appropriation in the amount of $101,800 is requested to maintain current funding levels for the LEAP/SLEAP educational grant programs. The FY 2006 appropriation did not contain sufficient full-year funding due to an error in calculation. For FY 2006, small readjustments in existing scholarship/grant programs may offset a portion of this decrease, but the entire deficit will not be covered. See Page 21 for a description of this request.

Idaho State Historical Society: two Supplemental Appropriations, one in the amount of $126,000 to perform additional historical and prehistoric preservation programs, and the second in the amount of $176,700 for site/building security at the Old Idaho Penitentiary Site complex in East Boise. See Pages 59 & 60 for a description of these requests.

Major Replacement Capital Outlay

Included in the MCO request for Idaho Public Television is $1,749,200 to replace to upgrade studio and production control equipment at KISU in Pocatello and KUID in Moscow. See Page 51 for a description of this request.

Other

Professional Technical Education has three requests that have historically been considered part of Maintenance of Current Operations. See Page 35 for a description of these items.

IMPACT

The MCO budget request establishes the funding level needed to maintain operations for FY 2007. Approval of the MCO request summary allows institutions and agencies to finalize their request for submission to the Governor and legislative committees to begin the FY 2007 budget development process.

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends the Board delegate to the Executive Director authority to approve FY 2007 Maintenance of Current Operations (MCO) budget requests for the institutions and agencies of the Board. As noted previously, some statewide cost items will not be known until after September 1. These and any future changes to the MCO budget requests will be developed according to official DFM/LSO guidelines and Board policy, and will be noted in communications to the Board as appropriate.

INSTITUTION / AGENCY AGENDA
AGENCIES AND INSTITUTIONS OF THE STATE BOARD - continued

BOARD ACTION

OPTIONAL:
A motion to approve a FY 2006 supplemental request for the Scholarships and Grants function within Special Programs in the amount of $101,800 for the LEAP/SLEAP educational grant program.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

OPTIONAL:
A motion to approve an FY 2006 supplemental request for the Idaho State Historical Society in the total amount of $176,000 for site/building security at the Old Idaho Penitentiary site.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

OPTIONAL:
A motion to approve an FY 2006 supplemental request for the Idaho State Historical Society in the total amount of $126,000 for preservation and conservation of state historic resources.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

AND:
A motion to approve for final development the MCO budget requests for the Agencies of the Board, College and Universities, Community Colleges, Agricultural Research and Extension Service, and Special and Health Programs, including approved supplemental appropriations, if any; and to delegate to the Executive Director approval of the final FY 2007 Maintenance of Current Operations budget requests for these agencies, institutions and programs as developed by following State of Idaho Budget Development Manual guidelines and Board policy.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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FY 2007 Request Items

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College and Universities
FY 2007 Maintenance of Current Operations (MCO) Summary

	Decision Units		Institution Request FTP	General	Other	Total
3	**3.00**	**FY 2006 ORIGINAL APPROPRIATION**	3,625.67	225,844,100	126,111,200	351,955,300
4	**5.00**	**FY 2006 Total Appropriation**	3,644.63	225,844,100	138,680,600	364,524,700
5	**7.00**	**FY 2006 ESTIMATED EXPENDITURES**	3,681.03	228,247,800	141,474,100	369,721,900
6	**9.00**	**FY 2007 BASE**	3,681.03	225,844,100	130,053,300	355,897,400
7		**Program Maintenance**				
8	10.10	Employee Benefit Costs		1,741,700	212,500	1,954,200
9	10.20	Inflationary Adjustments (1.9%)		1,556,100		1,556,100
10	10.30	Replacement Items (see attached detail)		4,278,600		4,278,600
11	10.40	Interagency Non-standard Adjustments		*(Costs available from DFM in October)*		
12	10.60	Change in Employee Compensation (1%)		2,214,000	232,400	2,446,400
13	10.70	Nondiscretionary Adjustments				
14		10.71 Enrollment Workload		1,287,300		1,287,300
15		10.72 Library Books/Periodicals		501,400		501,400
16		10.74 Utility Rate Increases		433,800		433,800
17						
18	**11.00**	**FY 2007 TOTAL MAINTENANCE**	**3,681.03**	**237,857,000**	**130,498,200**	**368,355,200**

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Boise State University
List of Replacement Items
Fiscal Year 2007 MCO Request

	Fund	Item/Description	Quanitity	Unit Cost	Total Cost
1	GEN				
2		Academic Office Computers (some printers)	125	3,000	375,000
3					
4		Academic Science and Technolody lab equipment			750,000
5					
6		Audio Visual and Distance Learning Equipment Replacement			250,000
7					
8		Remodels to create faculty offices and address classroom space needs			500,000
9					
10		Property Acquisition			250,000
11					
12					
13		subtotal:			2,125,000
14					
15	OTHER				
16					
17					
18					
19					
20					
21					
22		subtotal:			-
23					
24					
25		Total General Fund			2,125,000
26		Total Other Funds			-
27					
28		**TOTAL REPLACEMENT ITEMS**			2,125,000

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Idaho State University
List of Replacement Items
Fiscal Year 2007 MCO Request

	Fund	Item/Description	Quanitity	Unit Cost	Total Cost
1	GEN				
2		Faculty Office Computers	100	$2,500	250,000
3		Instructional Lab Equipment	Various		1,000,000
4		Distance Learning/Instructional AV Equipment	Various		750,000
5					
6					
7					
8					
9					
10					
11					
12					
13		subtotal:			2,000,000
14					
15	OTHER				
16					
17					
18					
19					
20					
21					
22		subtotal:			-
23					
24					
25		Total General Fund			2,000,000
26		Total Other Funds			-
27					
28		**TOTAL REPLACEMENT ITEMS**			2,000,000

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Lewis-Clark State College
List of Replacement Items
Fiscal Year 2007 MCO Request

	Fund	Item/Description	Quanitity	Unit Cost	Total Cost
1	GEN				
2	0001	Instructional Computers	128	1200	153,600
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13		subtotal:			153,600
14					
15	OTHER				
16					
17					
18					
19					
20					
21					
22		subtotal:			-
23					
24					
25		Total General Fund			153,600
26		Total Other Funds			-
27					
28		**TOTAL REPLACEMENT ITEMS**			153,600

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Community Colleges
FY 2007 Maintenance of Current Operations (MCO) Summary

	Decision Units		Agency Request FTP	General	Other	Total
3	**3.00**	**FY 2006 ORIGINAL APPROPRIATION**	616.05	20,523,900	29,816,500	50,340,400
4	**5.00**	**FY 2006 Total Appropriation**	616.05	20,523,900	29,816,500	50,340,400
5	**7.00**	**FY 2006 ESTIMATED EXPENDITURES**	624.55	20,523,900	32,891,900	53,415,800
6	**9.00**	**FY 2007 BASE**	624.55	20,523,900	32,891,900	53,415,800
7		**Program Maintenance**				
8	10.10	Employee Benefit Costs	-	124,100	207,000	331,100
9	10.20	Inflationary Adjustments (1.9%)	-	97,700	162,200	259,901
10	10.30	Replacement Items (none requested)	-			
11	10.40	Interagency Non-standard Adjustments		*(Costs available from DFM in October)*		
12	10.60	Change in Employee Compensation (1%)	-	132,600	214,600	347,200
13	10.70	Nondiscretionary Adjustments				
14		10.71 Risk Management Cost Increases	-	4,600	9,000	13,600
15		10.72 Enrollment Workload Adjustment	5.45	378,200		378,200
15		10.73 Library Books/Periodicals	-	3,200	5,800	9,000
16		10.75 Utility Rate Increases	-	20,600	35,200	55,799
17						
18						
19	**11.00**	**FY 2007 TOTAL MAINTENANCE**	**630.00**	**21,284,900**	**33,525,700**	**54,810,599**

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Agricultural Research and Extension
FY 2007 Maintenance of Current Operations (MCO) Summary

		Decision Units	Agency Request FTP	General	Other	Total
3	**3.00**	**FY 2006 ORIGINAL APPROPRIATION**	375.47	24,993,900	4,917,500	29,911,400
4	**5.00**	**FY 2006 Total Appropriation**	375.47	24,993,900	4,917,500	29,911,400
5	**7.00**	**FY 2006 ESTIMATED EXPENDITURES**	375.47	25,796,700	4,917,500	30,714,200
6	**9.00**	**FY 2007 BASE**	375.47	24,993,900	4,917,500	29,911,400
7		**Program Maintenance**				
8	10.10	Employee Benefit Costs		167,200		167,200
9	10.20	Inflationary Adjustments (1.9%)		74,200		74,200
10	10.60	Change in Employee Compensation (1%)		232,100		232,100
11	10.70	Nondiscretionary Adjustments				
12						
13	**11.00**	**FY 2007 TOTAL MAINTENANCE**	**375.47**	**25,467,400**	**4,917,500**	**30,384,900**

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Special Programs
FY 2007 Maintenance of Current Operations

		DECISION UNITS	1 Forest Utilization	2 Geological Survey	3 Scholarships & Grants	4 Museum of Natural History	5 Small Business Dev	6 Council on Economic Education	7 TechHelp	8 TOTAL
	4.31	**Supplemental:** LEAP Scholarship Program			101,800					
1	**9.00**	**FY 2007 BASE**	586,700	804,300	7,893,500	511,600	286,700	53,200	164,800	10,300,800
2		**Program Maintenance**								
3	10.10	Employee Benefit Costs	2,100	4,400		4,900				11,400
4	10.20	Inflationary Adjustments (1.9%)	1,800	500	31,300	300	300	1,000	3,100	38,300
	10.30	Replacement Items				25,500				
5	10.60	Change in Employee Compensation	4,500	7,000		4,300	2,700		4,500	23,000
6	10.70	Nondiscretionary Adjustments:								
7										
8										
9	**11.00**	**FY 2007 TOTAL MAINTENANCE**	**$ 595,100**	**$ 816,200**	**$ 8,026,600**	**$ 546,600**	**$ 289,700**	**$ 54,200**	**$ 172,400**	**$ 10,373,500**

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SPECIAL PROGRAM: SCHOLARSHIPS AND GRANTS

A. DECISION UNIT NAME: INCREASED SPENDING AUTHORITY FOR THE LEAP SCHOLARSHIP (4.31)

SUPPLEMENTAL

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL	0.00				$101,800	$101,800

DESCRIPTION:

Under the Leveraging Educational Assistance Program (LEAP), the Secretary of Education (the Secretary) provides states with funds to establish a state grant program, assisting students who demonstrate substantial financial need. The State of Idaho match for LEAP involves a Maintenance of Effort (MOE) based upon the average of the previous three years state provided match as the base. In order to continue receiving federal LEAP program funds, the state level of match cannot drop below this MOE amount.

The Special Leveraging Educational Assistance Program (SLEAP) Program is an additional component of the LEAP Program. To participate in SLEAP, the state must also participate in the LEAP Program.

During the budget development cycle for FY 2006, an error occurred and the full funding for the LEAP Program did not get included in the appropriation. Program staff at the Board understands how the oversight was made and have in place checks to avoid this for future years. Due to the terms of the Federal LEAP Program requirements Idaho will need to provide match at a level higher than the FY 2006 general fund appropriation for LEAP.

Maintenance of Effort - $611,700; FY06 Appropriation $509,900; Difference $101,800

This request seeks additional funding for the Leveraging Educational Assistance Program (LEAP) of $101,800.

C. GOALS & OBJECTIVES ADDRESSED:

SBOE GOALS:

D. PERFORMANCE INDICATORS:

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

Both of these programs are very important to Idaho students since they provide the bulk of the need-based aid provided by the State of Idaho to its students. Additionally, need-based aid is currently only a very small portion of the State grant and scholarship programs and it is vital that we maintain funding levels for these programs.

Health Education Programs
FY 2007 Maintenance of Current Operations (MCO)

			1	2	3	4	5	7	8
		DECISION UNITS	WOI	WWAMI	IDEP	UU	Family Practice	WICHE	TOTAL
1	**9.00**	**FY 2007 BASE**	1,727,700	3,461,400	1,108,700	985,900	1,347,000	198,400	8,829,100
2		**Program Maintenance**							
3	10.10	Employee Benefit Costs	3,000	2,600	1,700		1,900		9,200
4	10.20	Inflationary Adjustments (1.9%)	4,100	2,500	500		33,200		40,300
5	10.60	Change in Employee Compensation	4,500	6,600	3,100		4,000		18,200
6		Nondiscretionary Adjustments:							
7	10.71	Contract Adjustment*	27,100	78,500	39,900	75,000		21,400	241,900
8									
9	**11.00**	**FY 2007 TOTAL MAINTENANCE**	**$ 1,766,400**	**$ 3,551,600**	**$ 1,153,900**	**$ 1,060,900**	**$ 1,386,100**	**$ 219,800**	**$ 9,138,700**

*At this time some of these numbers are estimates.

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Office of the State Board of Education
FY 2007 Maintenance of Current Operations (MCO) Summary

		Decision Units	Agency Request FTP	General	Other	Total
3.00	**FY 2006 ORIGINAL APPROPRIATION**		22.00	4,584,900	7,128,600	11,713,500
5.00	**FY 2006 Total Appropriation**		22.00	4,596,300	7,131,900	11,728,200
7.00	**FY 2006 ESTIMATED EXPENDITURES**		22.00	4,596,300	7,131,900	11,728,200
9.00	**FY 2007 BASE**		22.00	4,909,500	7,071,800	11,981,300
	Program Maintenance					
10.10	Employee Benefit Costs			11,800	4,000	15,800
10.20	Inflationary Adjustments (1.9%)			63,400	95,000	158,400
10.30	Replacement Items (no replacement items)					
10.40	Interagency Non-standard Adjustments			*(Costs available from DFM in October)*		
10.60	Change in Employee Compensation (1%)			50,000	13,000	63,000
10.70	Nondiscretionary Adjustments					
11.00	**FY 2007 TOTAL MAINTENANCE**		**22.00**	**5,034,700**	**7,183,800**	**12,218,500**

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Idaho School for the Deaf and the Blind
FY 2007 Maintenance of Current Operations (MCO) Summary

	Decision Units	Agency Request FTP	General	Other	Total
3.00	**FY 2006 ORIGINAL APPROPRIATION**	121.52	7,663,900	211,700	7,875,600
5.00	**FY 2006 Total Appropriation**	121.52	7,663,900	211,700	7,875,600
7.00	**FY 2006 ESTIMATED EXPENDITURES**	121.52	7,663,900	211,700	7,875,600
9.00	**FY 2007 BASE**	121.52	7,663,900	211,700	7,875,600
	Program Maintenance				
10.10	Employee Benefit Costs		91,400		91,400
10.20	Inflationary Adjustments (1.9%)		17,500	3,200	20,700
10.30	Replacement Items (see attached detail)		230,900		230,900
10.40	Interagency Non-standard Adjustments		*(Costs available from DFM in October)*		
10.60	Change in Employee Compensation (1%)		57,700		57,700
10.70	Nondiscretionary Adjustments				
	10.71 Increased Rent in Outreach Office		13,000		13,000
11.00	**FY 2007 TOTAL MAINTENANCE**	**121.52**	**8,074,400**	**214,900**	**8,289,300**

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Idaho School for the Deaf and the Blind

FY 2007 List of Replacement Items

	Fund	Item/Description	Quanitity	Unit Cost	Total Cost
1	GEN	Software program upgrades	1	27,500	27,500
2		Full-size school bus	1	80,000	80,000
3		Replacement cars	3	15,000	45,000
4		Replacement van	2	17,500	35,000
5		Computers	30	800	24,000
6		File servers and ethernet switches	7	2,164	15,100
7		Printers	24	180	4,300
8					
9					
10					
11					
12					
13		subtotal:			230,900
14					
15	OTHER				
16					
17					
18					
19					
20					
21					
22		subtotal:			
23					
24					
25		Total General Fund			230,900
26		Total Other Funds			
27					
28		**TOTAL REPLACEMENT ITEMS**			230,900

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Division of Professional-Technical Education
FY 2007 Maintenance of Current Operations (MCO) Summary

		Decision Units	Agency Request FTP	General	Other	Total
3.00	**FY 2006 ORIGINAL APPROPRIATION**		535.49	46,583,100	9,772,000	56,355,100
5.00	**FY 2006 Total Appropriation**		535.49	46,868,500	9,779,100	56,647,600
7.00	**FY 2006 ESTIMATED EXPENDITURES**		533.66	46,868,500	9,747,800	56,616,300
9.00	**FY 2007 BASE**		533.66	46,583,100	8,708,300	55,291,400
	Program Maintenance					
10.10	Employee Benefit Costs			371,000		371,000
10.20	Inflationary Adjustments (1.9%)			275,900		275,900
10.30	Replacement Items (see attached detail)			538,000		538,000
10.40	Interagency Non-standard Adjustments			*(Costs available from DFM in October)*		
10.60	Change in Employee Compensation (1%)			283,800		283,800
10.70	Nondiscretionary Adjustments					
	10.71	Secondary Workload Adjustment (Function 2)		178,300		178,300
	10.72	Professional Technical Schools (Function 2)		57,800		57,800
	10.73	Capacity Building-Workload Adjustment (Function 3)	6.66	366,800		366,800
	10.74	Library Books & Periodicals - EITC Library (Function 3)		5,000		5,000
11.00	**FY 2007 TOTAL MAINTENANCE**		**540.32**	**48,659,700**	**8,708,300**	**57,368,000**

Function 1 State Leadership & Technical Assistance
Function 2 General Programs
Function 3 Post-Secondary
Function 4 Underprepared Adults
Function 5 Career Information System

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Division of Professional-Technical Education
FY 2007 List of Replacement Items

	Fund	Item/Description	Quanitity	Unit Cost	Total Cost
		Function 01: State Leadership & Technical Assistance			
1	GEN	Computers	15	1600	24,000
2		Laptops	4	2500	10,000
3		Server	1	6500	6,500
4		Microsoft Office Upgrade	44	60.00	2,640.00
5		Palm Pilots	10	440.00	4,400.00
6		Acrobat Upgrade	6	30.00	180.00
7		Frontpage Upgrade	44	30.00	1,320.00
8		Office Chairs	10	200.00	2,000.00
9		Crystal Reports	5	200.00	1,000.00
10		SQL Programming (per hour)	140	75.00	10,500.00
11		Groupwise	44	18.00	792.00
12		Novell Clients	44	23.00	1,016.00
13		Symantec	44	8.00	352.00
14					64,700
15		Function 02: General Programs			
16	GEN	Projection Units	2	3500	7,000
17		Credenza with Hutch	1	2000	2,000
18		Computer	1	1600	1,600
19		SQL Programming (per hour)	50	75	3,800
20					14,400
21		Function 05: Career Information System			
22	GEN	Computers	3	1,700.00	5,100.00
23		Printer	1	2,700.00	2,700.00
24		Microsoft Office	10	150.00	1,500.00
25		Pagemaker Upgrade	1	500.00	500.00
26		Symantec Upgrade	16	8.00	128.00
27		Novell Client	11	24.00	264.00
28		Groupwise	11	19.00	208.00
29					10,400
30					
31		Total General Fund			89,500
32		Total Other Funds			
33		**TOTAL REPLACEMENT ITEMS**			89,500

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AGENCY: IDAHO DIVISION OF PROFESSIONAL-TECHNICAL EDUCATION

A. DECISION UNIT NAME: SECONDARY WORKLOAD ADJUSTMENT (10.71)

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GEN	0.00				$178,300	$178,300

DESCRIPTION:

This funding request addresses the additional costs created by expansion, reinstatement and addition of professional-technical programs at the high school level. The secondary workload adjustment formula drives the added-cost money for all approved programs. This ensures that existing programs do not get less than they did they year before. During FY 2005, enrollment in high school professional-technical programs increased by 1.41%; an increase of 6.67% over the last five years.

Every high school in Idaho has at least one approved professional-technical program. Nearly every student enrolls in at least one professional-technical program and many enroll in more than one program during their high school experience. The secondary workload adjustment 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.

Requests from districts have been approved for 20.2 new units in FY 2006. To ensure that existing programs are funded at the same level as past years, the secondary workload adjustment request for FY 2007 is $178,300.

C. GOALS & OBJECTIVES ADDRESSED

State Board Goal II - Access-- Provide individuals access to professional-technical programs and services that enable them to develop and execute educational plans, make informed career choices, and develop their skills and knowledge in order to be globally competitive workers, responsible citizens and lifelong learners.
Objective 1: Expand high demand training programs.
Objective 9: Expand opportunities that help targeted individuals participate in professional-technical programs and services.

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

This secondary workload adjustment will allow implementation of the new programs, cover the cost of expanded programs and reinstated programs. This will help school districts pay for the added costs associated with providing professional-technical programs.

AGENCY: IDAHO DIVISION OF PROFESSIONAL-TECHNICAL EDUCATION

A. DECISION UNIT NAME: PROFESSIONAL-TECHNICAL SCHOOLS (10.72)

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GEN	0.00				$57,800	$57,800

DESCRIPTION:

Professional-Technical (P-T Schools) were created during the 1998 Legislative Session. These schools provide high-end, state-of-the-art technical programs that are too expensive to offer in each comprehensive high school. The law provides that funds for these schools will be "appropriated for the specific purpose of supporting the added cost of professional-technical schools." The amount of funding for the added costs of operating a P-T School is calculated as an additional .33 secondary unit times the estimated state fund unit value for FY 2006 based on "full-time equivalent average daily attendance at an approved professional-technical school.

These schools are closely linked to postsecondary education, thereby maintaining rigor and allowing collaboration among programs. Students are required to participate in industry-based work experiences which provide relevancy to instruction and expose them to all aspects of the industry. The school names and sites are: Ada Center, Meridian; Bingham Center, Blackfoot; Cassia Center, Burley; Dehryl Dennis Center, Boise; Eastern Idaho PTS, Idaho Falls; Gateway, Pocatello; Idaho Center for Advanced Technology, Nampa, Magic Valley, Rupert; Meridian Charter PTS, Meridian; Region II, Cottonwood; Riverbend, Coeur d'Alene; Southwest Idaho PTS, Homedale.

During FY 2005 eleven P-T Schools had a total enrollment of 4,314; an increase of 32 over FY 2004. With new programs for FY 2006 and continued growth, enrollment for FY 2007 is projected to be 5121. The projected program units at the .33 level are 26.71 program units. The State Support Unit funding for FY 2006 is $64,336. This results in $$1,718,483 total required funding. The amount already in the base is $1,660,700 resulting in a request of $57,800.

C. GOALS & OBJECTIVES ADDRESSED

State Board Goal I - Quality -- Provide leadership and technical assistance that will continuously improve the quality of Idaho's professional-technical system.
Objective 1: Promote initiatives that improve the quality of professional-technical education.

State Board Goal II - Access -- Provide individuals access to professional-technical programs and services that enable them to develop and execute educational plans, make informed career choices, and develop their skills and knowledge in order to be globally competitive workers, responsible citizens, and lifelong learners.
Objective 1: Expand high demand training programs.
Objective 9: Expand opportunities that help targeted individuals participate in rigorous professional-technical programs and services.
State Board Goal III - Relevancy -- Ensure that professional-technical education is relevant to Idaho's continued economic, rural, and community development.
Objective 2: Use continuous improvement processes to assess program quality and effectiveness.
Objective 3: Ensure curriculum meets current standards.
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.
Objective 6: Maintain a system that supports high placement and completion rates for professional-technical students.
State Board Goal IV - Efficiency -- Ensure maximum benefit from professional-technical education resources through efficient operations and management.
Objective 1: Review, revise and implement policies to make efficient use of professional-technical education system resources.

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

The twelve Professional-Technical Schools encompass 86 high school districts. During FY 2007 a total of 5,121 students are expected to enroll in one of the 117 high-level, high-quality programs available in the Professional-Technical Schools. Many of these students will receive industry certification upon completion of their senior year. All completers are required to take an end-of-course examination. Positive placement for FY 2004 graduates was 95.22%.

AGENCY: IDAHO DIVISION OF PROFESSIONAL-TECHNICAL EDUCATION

A. DECISION UNIT NAME: POSTSECONDARY CAPACITY BUILDING (10.73)

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GEN	6.66	$366,800				$366,800

DESCRIPTION:

This request supports increased enrollment in professional-technical programs through the use of a capacity building factor approved by the Board and the Legislature. This decision unit distributes funds by a formula that targets areas with greatest need and rewards institutions that make the best use of current funding. These funds will be used to expand existing programs, implement new programs, increase services, and develop distance learning options in order to serve the students enrolled in professional-technical programs.

During FY 2005, 393 Tech Prep students were enrolled at the postsecondary level. This amount is 5.82% of the number of high school juniors and seniors enrolled in Tech Prep in FY 2005. The number of high school juniors and seniors enrolled in Tech Prep during FY 2005 was 6750. Projected postsecondary Tech Prep enrollment at 5.82% equals 424 students -- an increase of 49 students over FY 2005. The projected instructional cost per FTE was calculated as an average of the cost per FTE for the past five years which was $7,420. The 48 additional students at the $7,420 amount results in an increased need of $366,800. Therefore, the Division is requesting $366,800 for capacity building purposes.

The funding of $366,800 will be distributed as follows**:

	AMOUNT	FTP
BSU		
CSI	$ 100,838	1.83
EITC	$ 92,974	1.69
ISU		
LCSC	$ 44,272	0.80
NIC	$ 128,716	2.34
		6.66

**Note: Distributed amounts and FTP allocations will be updated when year-end data are received.

C. GOALS & OBJECTIVES ADDRESSED

State Board Goal II - Access -- Provide access to professional-technical programs and services that enable them to develop and execute educational plans, make informed career choices, and develop their skills and knowledge in order to be globally competitive workers, responsible citizens and lifelong learners.
Objective 1: Expand high demand training programs.
Objective 7: Ensure policies, procedures and curricula support articulation between secondary and postsecondary professional-technical education and professional-technical degrees into academic programs.
Objective 9: Expand opportunities that help targeted individuals participate in professional-technical programs and services.
State Board Goal III - Relevancy -- Ensure that Professional-Technical Education is relevant to Idaho's continued economic, rural, and community development.
Objective 2: Use continuous improvement processes to assess program quality and effectiveness.
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.
Objective 8: Meet the goal of 90 percent or better in overall placement rates and 80 percent or better in training related and educational placement.
State Board Goal IV - Efficiency -- Ensure maximum benefit from Professional-Technical Education resources through efficient operations and management.
Objective 2: Ensure funds designated for the Professional-Technical Education system are efficiently managed to support the role and mission.

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

It is estimated that the expanded and new postsecondary programs, and expanded and new services will continue to serve the current students on each technical college campus, increase capacity for 150 - 200 new postsecondary students per year, and provide instruction and services to 200 - 300 secondary students.

Idaho Division of Vocational Rehabilitation
FY 2007 Maintenance of Current Operations (MCO) Summary

		Decision Units	Agency Request FTP	General	Other	Total
3	**3.00**	**FY 2006 ORIGINAL APPROPRIATION**	150.00	7,722,600	14,564,800	22,287,400
4	**5.00**	**FY 2006 Total Appropriation**	150.00	7,725,900	14,840,700	22,566,600
5	**7.00**	**FY 2006 ESTIMATED EXPENDITURES**	150.00	7,725,900	14,840,700	22,566,600
6	**9.00**	**FY 2007 BASE**	150.00	7,722,600	14,564,800	22,287,400
7		**Program Maintenance**				
8	10.10	Employee Benefit Costs				
9	10.21	Inflationary Adjustments (1.9%)		111,200	136,400	247,600
10	10.22	Inflationary Adjustments (3.6%)		23,100	44,100	67,200
11	10.30	Replacement Items (see attached detail)			463,700	463,700
12	10.40	Interagency Non-standard Adjustments		*(Costs available from DFM in October)*		
13	10.60	Change in Employee Compensation (1%)		1,100	72,800	73,900
14	10.70	Nondiscretionary Adjustments				
15						
16	**11.00**	**FY 2007 TOTAL MAINTENANCE**	**150.00**	**7,858,000**	**15,281,800**	**23,139,800**

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Idaho Division of Vocational Rehabilitation
FY 2007 List of Replacement Items

	Fund	Item/Description	Quanitity	Unit Cost	Total Cost
1	GEN				
2					
3					
13		subtotal:			-
14					
15	OTHER				
16		Replacement Operating Expenditures:			
17		Microsoft License Renewals	1	36,700	36,700
18		Microsoft Operating System Upgrade	1	31,200	31,200
19		Novell License Renewals	1	24,000	24,000
20		Gemini Software Maintenance	1	56,000	56,000
21		Administrative Software Upgrades	1	3,000	3,000
22					
23		**Total Replacement Operating Exenditures Request**			**150,900**
24					
25		Replacement Capital Outlay :			
26		Vehicles:			
27		Midsize Passenger Car 2007 Ford Taurus	8	13,000	104,000
28		Photocopiers: small volume	3	2,000	6,000
29		Telephone System	2	5,000	10,000
30		Telephone Device For the Deaf	4	700	2,800
31		Locking File Cabinet	15	200	3,000
32		Desk/Computer Unit	10	800	8,000
33		Executive Office Chair	15	300	4,500
34		Office Task Chair	20	200	4,000
35		Side Chair	20	100	2,000
36		Portable Printers	11	300	3,300
37		Computer System	15	1,500	22,500
38		Computer Laptop & Docking station	30	2,000	60,000
39		Tablet PC	1	2,000	2,000
40		Overhead Projector	1	500	500
41		Dictation Unit	10	400	4,000
42		Paper Shredder	2	100	200
43		Bookcase	4	200	800
44		Office Secretary Chair	6	200	1,200
45		Network Switch(managed)	10	1,500	15,000
46		Network Swithc(non-managed)	2	250	500
47		Data Communication Router	2	1,500	3,000
48		Computer Server	5	3,500	17,500
49		Laser jet Printers	10	1,800	18,000
50		Computer Monitor	40	500	20,000
51					

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Idaho Public Television

FY 2007 Maintenance of Current Operations (MCO) Summary

	Decision Units	Agency Request FTP	General	Other	Total
3.00	**FY 2006 ORIGINAL APPROPRIATION**	33.00	1,586,800	1,457,100	3,043,900
5.00	**FY 2006 Total Appropriation**	33.00	1,594,700	1,464,600	3,059,300
7.00	**FY 2006 ESTIMATED EXPENDITURES**	33.00	1,594,700	1,464,600	3,059,300
9.00	**FY 2007 BASE**	33.00	1,586,800	867,200	2,454,000
	Program Maintenance				
10.10	Employee Benefit Costs		(800)	(400)	(1,200)
10.20	Inflationary Adjustments (1.9%)		3,900		3,900
10.30	Replacement Items (see attached detail)		1,959,900		1,959,900
10.40	Interagency Non-standard Adjustments		*(Costs available from DFM in October)*		
10.60	Change in Employee Compensation (1%)		6,800	6,900	13,700
10.70	Nondiscretionary Adjustments				
	10.71 Closed Caption Local Productions		57,000		57,000
	10.72 Increased Travel & Production Costs		2,000	10,000	12,000
	10.73 Lease of Passenger Van		6,700		6,700
11.00	**FY 2007 TOTAL MAINTENANCE**	**33.00**	**3,622,300**	**883,700**	**4,506,000**

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Idaho Public Television
FY 2007 List of Replacement Items

	Fund	Item/Description	Quanitity	Unit Cost	Total Cost
1	GEN	Phase 2 of 3 of digital transition - Upgrade studio and			
2		production control at KISU and KUID (see attached detail)	1	1,749,200	1,749,200
3					
4		Translator equipment for digital conversion (see attached detail)	5	31,740	158,700
5					
6		Engineering field trucks (see attached detail)	2	26,000	52,000
7					
8					
9		(Detail for replacement items are on the following 3 pages.)			
10					
11					
12					
13		subtotal:			1,959,900
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25		Total General Fund			1,959,900
26		Total Other Funds			
27					
28		**TOTAL REPLACEMENT ITEMS**			1,959,900

IDAHO PUBLIC TELEVISION
Detail of Replacement Item

D U NO.	Fund	Item/Description of Use	Quantity Desired	Unit Cost	Total Cost
10.31	GEN				
		Phase 2 of 3			
		KISU/KUID Production Control Upgrade to Digital TV			
		Studio Cameras	4	120,700	482,800
		Support Cameras	2	22,000	44,000
		Production Switchers	2	84,400	168,800
		Camera Pedestals	4	27,200	108,800
		Camera Lens	4	46,750	187,000
		Video Monitoring			
		Multi image	2	25,000	50,000
		Plasma	2	6,000	12,000
		17 inch	2	18,000	36,000
		20 inch	2	10,800	21,600
		Vectorscopes and waveforms	2	16,800	33,600
		Converters-A/D, D/A Up, Down	1	238,900	238,900
		AV Patching 2video, 2 audio	2	5,000	10,000
		Audio Equipment	2	3,500	7,000
		Character Generator still/clip store	2	29,000	58,000
		Teleprompter Hardware	2	11,800	23,600
		Computer MPC Netcenter 120 LCD Monitor	1	3,100	3,100
		Audio Mixer	2	6,700	13,400
		Audio Monitoring	2	9,300	18,600
		Speaker Amp for Sudio	2	600	1,200
		Router Switcher	2	28,000	56,000
		Intercom	2	25,000	50,000
		Studio Curtain	2	4,200	8,400
		Curtain Rails and Hardware	1	3,700	3,700
		Studio Lighting	1	25,500	25,500
		Cabling	2	4,600	9,200
		Control Consoles	2	7,250	14,500
		Fiber Optics and converters	1	60,000	60,000
		Digital Microwave Dish move/mount	1	3,500	3,500
		Total Phase 2 of 3, Studio Digital Conversoin			**1,749,200**

*R - Indicates Replacement Stock *A - Indicates Addition to Stock Form B-7

IDAHO PUBLIC TELEVISION
Detail of Replacement Item

D U NO.	Fund	Item/Description of Use	Quantity Desired	Unit Cost	Total Cost
10.31	GEN	**Replacement Capital: Studio and Translator Equipment.**			
		Digital Conversion.			
		Translator Equipment Digital Conversion.			
		Translator 1			
		Larcan MX100U Translator (digital ready).	1	18,000	18,000
		Digital equipment to include transcoder & PSIP conversio	1	10,000	10,000
		DTV mask filter.	1	1,500	1,500
		Replacement antenna & power divider.	1	3,000	3,000
					32,500
		Translator 2			
		Larcan MX100U Translator (digital ready).	1	18,000	18,000
		Digital equipment to include transcoder & PSIP conversio	1	10,000	10,000
		DTV mask filter.	1	1,500	1,500
		Replacement antenna & power divider.	1	3,000	3,000
					32,500
		Translator 3			
		DTV Translator.	1	28,500	28,500
		Power Amplifier- 50W avg. TPO.	1	6,000	6,000
		Transmit Antenna and line/hardware.	1	5,700	5,700
		Receive antenna and Line/hardware.	1	500	500
					40,700
		Translator 4			
		Larcan MX100U Translator (digital ready).	1	18,000	18,000
		Digital equipment to include transcoder & PSIP conversio	1	10,000	10,000
		DTV mask filter.	1	1,500	1,500
		Replacement antenna & power divider.	1	5,000	5,000
					34,500
		Translator 5			
		Larcan MX100U Translator (digital ready).	1	8,000	8,000
		Digital equipment to include transcoder & PSIP conversio	1	10,000	10,000
		DTV mask filter.	1	500	500
					18,500
		Total Translator Conversion:			158,700

IDAHO PUBLIC TELEVISION
Detail of Replacement Item

D U NO.	Fund	Item/Description of Use	Quantity Desired	Options	Unit Cost	Total Cost
10.31	GEN	**Vehicle Replacement:**				
		Engineer Field Truck, Club Cab, 3/4 Ton	1	Hvy dty Radiator, A/C Tilt wheel/Cruise Cntrl	26,000	26,000
		Engineer Field Truck	1	Hvy dty Radiator, A/C Tilt wheel/Cruise Cntrl	26,000	26,000
		Total Vehicle Replacement:				52,000
		Total Replacement Capital - Translators, Studios, Vehicles:				**1,959,900**
		Digital Conversion, Phase 2.				

INSTITUTION/AGENCY: IDAHO PUBLIC TELEVISION
A. DECISION UNIT NAME: REPLACEMENT CAPITAL (10.31)

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account Number	FTE	Personnel Costs	Operating Expenditures	Capital Outlay	Total
GENERAL				$1,959,900	$1,959,900

DESCRIPTION:
In 1996 & 1997, Congress and the Federal Communications Commission (FCC) mandated that all television broadcasters must install digital television (DTV) transmitters by 2003 or loose the right to broadcast. The State of Idaho met that goal, but now must address the need to convert the state-owned 37 rural translators and studio facilities in Moscow and Pocatello. For FY 2006, the Idaho Legislature approved funds for the next step in the statewide digital conversion by funding Studio Production Phase 1 (of 3) which provided funds for the central statewide studio in Boise. No funds were appropriated for rural translator conversion also proposed for FY 2006.

IdahoPTV proposes for FY 2007 to 1) upgrade the very old equipment in the small studios in Moscow (University of Idaho) and Pocatello (Idaho State University) and 2) begin upgrading 5 of 37 state-owned rural analog translators to be compatible with the new DTV standard.

In order to minimize the financial impact, Idaho Public Television has again taken a “phased approached” and has selected 5 of 37 state-owned analog translators this year and a minimum amount of basic studio equipment (phase 2 of 3) for replacement in Moscow and Pocatello campus studios to insure continued statewide broadcasts origination of public affair programming and educational/instructional services.

At the time of this writing (early August 2005), Congress has begun deliberations to update the Telecommunications Act which governs broadcasting. In July 2005, the National Association of Broadcasters announced support for the cessation of analog broadcasting beginning in 2009. To that end, beginning in 2003 IdahoPTV requested funds to begin upgrading 37 analog rural translators to digital television compatible. In fiscal years 2004, 2005 and 2006 no General Funds were appropriated to begin that conversion with the exception of one translator site in Sandpoint (FY 2004). In light of these recent events, IdahoPTV strongly recommends consideration of funding rural translator conversion.

In addition to the anticipated federal mandate, the increasing age of this analog equipment (much of which is 20-30 years old), many parts needed for repairs are no longer being produced or available. This leaves much of this studio production and translators equipment obsolete and unrepairable. Once it breaks, the equipment will no longer operate which is exactly what happened in 2004 to one significant component. In addition, the Moscow and Pocatello studio facilities are collaboratively utilized by the Schools of Communications at the two universities. The current archaic analog equipment is clearly insufficient to meet the teaching needs of the current instruction programs.

Two field maintenance vehicles that were in fiscal years 2004, 2005 and 2006 request and not funded are in the budget request replacing our oldest and most expensive maintenance and safety problems in that area.

C. GOALS & OBJECTIVES ADDRESSED:

SBOE Goals:

Direct efforts to continuously improve the quality of Idaho's education, training, rehabilitation and information/research service to gain program competitiveness, high levels of achievement, and a well-informed citizenry.

Provide individuals of all ages and abilities access to education, training, rehabilitation and information/research to develop skills, knowledge and social awareness in order to be globally competitive workers, responsible citizens, and lifelong learners.

Ensure education, training, rehabilitation and information/research service are relevant to the needs of Idaho's citizens, workforce, business, industry and local, state, and federal government.

D. PERFORMANCE INDICATORS:

Idaho Public Television Strategies & Measures

1. Provide high quality television and web programming.
2. Foster and nurture collaborative partnerships.
3. Provide access to Idaho Public Television content that accommodates the needs of the hearing and sight impaired.
4. Broadcast programs, and provide related resources, that specifically serve the needs of underserved audiences, which include children, ethnic minorities, and learners and teachers.
5. Provide additional access to citizens anywhere in the state to Idaho Public Television and PBS resources, which support citizen participation and educational goals, via WWW.
6. Progress towards DTV implementation, as a "statewide infrastructure in cooperation with public and private entities capable of converging voice, video and data technologies."
7. Contribute a well-informed citizenry.
8. Provide relevant Idaho specific information.
9. Be a relevant educational and informational resource to all citizens.
10. Seek increased levels of state, federal and private sector support.

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

The digital transition will ensure statewide coverage of digital television. It will also ensure that Idaho Public Television will be able to continue to produce educational and public affairs programming. Replacing vehicles will insure the timely maintenance of the transmission system and safe transportation for employees doing state business. The benefit of digital television include current continued service to Idaho's citizens in the areas of education and public affairs will be available for both the urban and rural population of State of Idaho upon completion of the project.

AGENCY: IDAHO PUBLIC TELEVISION

A. DECISION UNIT NAME: CLOSED CAPTIONING OF LOCAL PROGRAMMING (10.71)

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL			$57,000			$57,000

DESCRIPTION:

A deputized attorney from the Attorney General's Office has determined the FCC will require stations to Close Caption all programs including local productions under this new mandate in the year 2006. Currently Idaho Public Television does not Close Caption live programs due to the cost of specialized equipment and a person with very specific training and talent to complete this task. Idaho Public Television requests funds to comply with this FCC mandated task.

C. GOALS & OBJECTIVES ADDRESSED/PERFORMANCE INDICATORS:

SBOE Goals:

Comply with all FCC regulations compelled by Congress. (1996 Telecommunications Act.)

Direct efforts to continuously improve the quality of Idaho's education, training, rehabilitation and information/research service to gain program competitiveness, high levels of achievement, and a well-informed citizenry.

Provide individuals of all ages and abilities access to education, training, rehabilitation and information/research to develop skills, knowledge and social awareness in order to be globally competitive workers, responsible citizens, and lifelong learners.

Ensure education, training, rehabilitation and information/research service are relevant to the needs of Idaho's citizens, workforce, business, industry and local, state, and federal government.

D. PERFORMANCE INDICATORS:

11. Contribute to a well-informed citizenry.
12. Provide high quality television and web programming.
13. Provide relevant Idaho-specific information.
14. Provide additional access to citizens anywhere in the state to Idaho PTV and PBS resources that support citizen participation and educational goals, via the WWW.
15. Be a relevant education and information resource for all citizens, but particularly for children and the elderly.

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEEDS ADDRESSED:

The FCC has determined that the hearing impaired who watch television should be able to glean the same information as a hearing person. In cases where emergency or important information is being disseminated, especially on live broadcasts or announcements on the Emergency Broadcasting System, much of the information is oral and not conveyed in a manner understandable to those with hearing impairments. This oversight could cause injury or death to anyone not able to take advantage of any warnings and creates a huge liability to television broadcasters across the nation.

Idaho State Historical Society
FY 2007 Maintenance of Current Operations (MCO) Summary

	Decision Units		Agency Request FTP	General	Other	Total
3.00	**FY 2006 ORIGINAL APPROPRIATION**		46.36	2,200,000	2,222,400	4,422,400
4.31	**Workload Adjustment**		2.00	126,000		126,000
4.32	**Security *(Annualized)**			176,700		176,700
5.00	**FY 2006 Total Appropriation**		48.36	2,502,700	2,222,400	4,725,100
7.00	**FY 2006 ESTIMATED EXPENDITURES**		48.36	2,502,700	2,222,400	4,725,100
8.41	**Remove One-Time Appropriation**			(200)	(396,900)	(397,100)
9.00	**FY 2007 BASE**		48.36	2,502,500	1,825,500	4,328,000
	Program Maintenance					
10.10	Employee Benefit Costs			14,600	11,500	26,100
10.20	Inflationary Adjustments (1.9%)			13,900	13,800	27,700
10.30	Replacement Items (see attached detail)			246,300		246,300
10.40	Interagency Non-standard Adjustments			*(Costs available from DFM in October)*		
10.50	Annualization					
	10.51	Annualization occupancy costs 2 months		40,200		40,200
	10.52	Annualization security costs		210,900		210,900
10.60	Change in Employee Compensation (1%)			10,400	8,000	18,400
10.70	Nondiscretionary Adjustments					
11.00	**FY 2007 TOTAL MAINTENANCE**		**48.36**	**3,038,800**	**1,858,800**	**4,897,600**

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Idaho State Historical Society
FY 2007 List of Replacement Items

	Fund	Item/Description	Quanitity	Unit Cost	Total Cost
	GEN	Function 1: Historical Preservation & Education			
1		Library book Collection			80,000
2		Replacement Vehicles (vans)	2	25,000.00	50,000
3		Computers	18	2,500.00	45,000
4		Laser Printers	8	1,500.00	12,000
5		Scanners	4	500.00	2,000
6		Photocopiers w/Duplexing Capability	1	10,000.00	10,000
7		Desk Jet Printers	4	200.00	800
8		Lap Top Computer	2	2,000.00	4,000
9		Fax Machine	2	2,000.00	4,000
10		Upgrade Software			8,500
11					
12		subtotal:			216,300
13					
14	GEN	Function 4: Historical Sites Maintenance			
15		Riding Lawnmower	1	2,000.00	2,000
16		Replacement Vehicles (Pickup)	1	23,000.00	23,000
17		Upgrade Software			5,000
18					
19					
20		subtotal:			30,000
21					
22					
23		Total General Function 01			216,300
24		Total General Function 04			30,000
25					
26		**TOTAL REPLACEMENT ITEMS**			246,300

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AGENCY: IDAHO STATE HISTORICAL SOCIETY

PROGRAM: HISTORIC PRESERVATION & EDUCATION

Supplemental:

A. DECISION UNIT NAME: WORKLOAD ADJUSTMENT & PROVISION OF PRESERVATION AND CONSERVATION OF STATE HISTORIC RESOURCES (4.31)

B. DECISION UNIT DESCRIPTION:
BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL	2.00	$76,000	$50,000			$126,000

DESCRIPTION:
Conduct historic and prehistoric preservation programs. Staffing already far below national standard increasingly inadequate due to skyrocketing request for public records, (birth, wedding and military records held in the State Archives), since the Federal requirements post 9/11. (See attached graph). This requests an additional Archivist and Receptionist and operating funds to achieve this objective.

C. GOALS & OBJECTIVES ADDRESSED:
GOAL 2: Provide for programs offering public information and education.
Objective: Fulfill mandate to maintain and provide access to public records**.**

D. PERFORMANCE INDICATORS:
a. Number of public record requests
b: Enhance public outreach and historical interpretation programs.
c: Enhance public education programs.

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED.
All State and Federal citizens

AGENCY: IDAHO STATE HISTORICAL SOCIETY

PROGRAM : HISTORIC PRESERVATION & EDUCATION

Supplemental:

A. DECISION UNIT NAME: SECURITY (4.32)

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL			$86,700	$90,000		$176,000

DESCRIPTION:
Provide security for old pen historic district. This request is based on bid from the Department of Administration to provide on-site night security for all locations on the 500 acres Old Pen Historic District and includes installation of a security monitor to be installed in the Capital Mall to facilitate this objective. The operating funds portion of this request is to be annualized over 6 months of FY 2007.

C. GOALS & OBJECTIVES ADDRESSED:
GOAL 1: Provide on-site night security for all locations at the Old Pen Historic District.
Objective: Fulfill mandate to maintain and provide security for historic premises, tenants, visitors and property at the Old Pen Historic District**.**

D. PERFORMANCE INDICATORS:
a. Number of public visitors.
b: Enhance public outreach and historical interpretation programs.
c: Enhance public education programs.

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED.
All tenants and visitors to the Old Pen Historic District are subject to impact from the lack of security that currently exists.

Idaho State Library
FY 2007 Maintenance of Current Operations (MCO) Summary

	Decision Units	FTP	General	Other	Total
3.00	**FY 2006 ORIGINAL APPROPRIATION**	41.00	2,654,000	1,558,000	4,212,000
5.00	**FY 2006 Total Appropriation**	41.00	2,669,400	1,560,100	4,229,500
7.00	**FY 2006 ESTIMATED EXPENDITURES**	41.00	2,669,400	2,587,800	5,257,200
9.00	**FY 2007 BASE**	41.00	2,594,700	1,549,900	4,144,600
	Program Maintenance				
10.10	Employee Benefit Costs		24,700	2,600	27,300
10.20	Inflationary Adjustments (1.9%)		15,800	23,100	38,900
10.30	Replacement Items (see attached detail)		149,700	-	149,700
10.40	Interagency Non-standard Adjustments		*(Costs available from DFM in October)*		
10.51	Annualization		32,100	-	32,100
10.60	Change in Employee Compensation (1%)		15,400	1,600	17,000
10.70	Nondiscretionary Adjustments		-	-	-
11.00	**FY 2007 TOTAL MAINTENANCE**	**41.00**	**2,832,400**	**1,577,200**	**4,409,600**

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Idaho State Library
FY 2007 List of Replacement Items

	Fund	Item/Description	Quanitity	Unit Cost	Total Cost
1	GEN	Copier - capital lease	1	3500	3,500
2					
3		Computer system servers	3	9,000	27,000
4		Workstation computers	20	1,000	20,000
5		Laptop computers	3	2,000	6,000
6		Smart UPS 3000	1	1,400	1,400
7		Smart UPS 1500	1	800	800
8		Cisco Switch (main network device)	1	32,200	32,200
9		Firewall server	1	2,500	2,500
10		Laser printers	2	1,600	3,200
11		Color laser printers	2	4,500	9,000
12		Handheld scanners	10	200	2,000
13		Office equipment - life cycle 15 year	various	various	18,500
14		Telephone system - replace 1995 Norstar	1	17,100	17,100
15		Satellite dish & receiver - replace 1995 system	1	5,000	5,000
16		Fax machine	1	1500	1,500
17					
18		subtotal:			149,700
19					
20					
21					
22					
23		Total General Fund			149,700
24		Total Other Funds			
25					
26		**TOTAL REPLACEMENT ITEMS**			149,700

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INSTITUTION / AGENCY AGENDA
AGENCIES AND INSTITUTIONS OF THE STATE BOARD

SUBJECT

Line Item (Enhancement) Budget Requests - FY 2007 Budget Development Process

REFERENCE

June 16-17, 2005	Instructions to agencies and institutions regarding submission of Line Item ('Enhancement') budget requests.
April 21-22, 2005	Instructions to agencies and institutions regarding submission of budget requests.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.B.
Title 67, Chapter 35, Idaho Code

BACKGROUND

When an agency or institution determines that additional services or programs are needed to fulfill its mission, additional funding can be requested to support those additional programs, staff or services. The State of Idaho budget process refers to those additional budget request items as 'Line Items' (formerly 'Enhancements'). Requests are developed using the Budget Development Manual (published by the Division of Financial Management (DFM) and the Legislative Services Office (LSO)) and Board policy.

For SBE agencies and institutions, the Board considers each individual Line Item request, and only those items approved may be included in the total budget request submitted to the Governor and legislature. According to the Board motion passed at the June 2005 meeting, agencies and institutions were instructed to prepare new Line Item requests "as appropriate".

DISCUSSION

College & Universities: after the June Board meeting, the institutions separately identified their individual Line Item budget requests. That list is shown on Page 5. Page 6 displays the same information with each Line Item having been placed by OSBE staff into similar categories (Salary Competitiveness, Library support, etc.). Board members may choose individual Line Items or an entire category for inclusion in the official budget request.

Community Colleges, Agricultural Research, Special and Health Programs: the line items for these entities are listed on pages 11, 15, 19, and 23, respectively.

INSTITUTION / AGENCY AGENDA
AGENCIES AND INSTITUTIONS OF THE STATE BOARD - continued

Agencies: the Agency Heads Council met before the June Board meeting to prioritize their collective list of Line Items being considered for request. Following guidance provided by the Board at the June meeting, additional Line Items were identified by some of the agencies. The list of Line Items shown on Page 27 notes which items were on the original Agency Head ranking.

IMPACT

Line Item budget requests indicate what agency heads and institution CEO's believe are the most critical needs in FY 2007. Board approval allows institutions and agencies to finalize their official request for submission to the Governor and legislature to begin the budget development process for FY 2007.

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends the Board designate which Line Items are to be further developed by the agencies and institutions, and to delegate to the Executive Director authority to approve the overall budget requests, including the Line Items for the institutions and agencies, to be submitted September 1.

The Board will be asked to approve six motions relating to new Line Items:

- College and Universities
- Community Colleges
- Agricultural Research and Extension
- Special Programs
- Health Programs
- Agencies

Each motion will need to designate which Line Items are to be included in the official budget request for that agency, institution or program.

BOARD ACTION

A motion to approve for final development the specific budget Line Items for the Institutions and Agencies are found at the following pages:

College and Universities ..... Page 3
Community Colleges ..... Page 9
Agricultural Research and Extension ..... Page 13
Special Programs ..... Page 17
Health Programs ..... Page 21
Agencies of the State Board of Education ..... Page 25

INSTITUTION / AGENCY AGENDA
COLLEGE AND UNIVERSITIES LINE ITEMS

MOTION

A motion to approve for final development the following specific budget Line Items for the College and Universities as displayed on Page 5:

1. <List Item>
2. "
3. "
4. "
5. "

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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College and Universities Summary
FY 2007 General Fund Line Items

	Decision Units		Agency Request FTP	Agency Request Amount
1	**11.00**	**FY 2007 TOTAL MAINTENANCE**	**3,681.03**	**237,857,000**
2	**12.00**	**BOISE STATE UNIVERSITY**		**Page 26**
3	12.01	New Faculty Salary plus fringe	18.00	1,260,400
4	12.02	Faculty Operating Budgets		54,000
5	12.03	Graduate Assistantships (30.5)		451,600
6	12.04	Occupancy	7.00	511,900
7	12.05	Librarians	2.00	251,300
8	12.06	Library Acquisitions		123,300
9	12.07	Faculty Salary Adjustment		500,000
10	12.08	Funding Equity	7.00	607,200
11	12.09	Technology and Software Upgrades		500,000
12	12.10	Continous Maintenance		200,000
13	**12.00**	**IDAHO STATE UNIVERSITY**		**Page 35**
14	12.01	Faculty Salary Competitiveness		1,000,000
15	12.02	Library Support	2.50	650,000
16	12.03	Operating Budget Support		3,000,000
17	12.04	Enhanced/New Instruction Programs	20.00	4,000,000
18	12.05	Infrastructure - Physical Plant Maint		500,000
19	12.06	Infrastructure - Technology	2.00	500,000
20	**12.00**	**UNIVERSITY OF IDAHO**		**Page 41**
21	12.01	Salary Enhancement		5,703,700
22	12.02	Facility Maintenance		14,300,000
23	12.03	Classroom Technology and IT Services		763,800
24	**12.00**	**LEWIS-CLARK STATE COLLEGE**		**Page 44**
25	12.01	Occupancy	1.00	79,700
26	12.02	Salary Equity Adjustments		240,000
27	12.03	Campus Technology	1.50	258,300
28	12.04	Grant writing & Media Support	1.00	109,400
29	**13.00**	**FY 2007 TOTAL**	**3,743.03**	**273,421,600**
30		Amount Change From Base	**62.00**	47,577,500
31		Percent Change From Base	2%	21%

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College and Universities Summary
FY 2007 Line Items

				Agency Request			
	Decision Units			**FTP**	**General**	**Other**	**Total**
11.00	**FY 2007 TOTAL MAINTENANCE**			**3,681.03**	**237,857,000**	**130,498,200**	**368,355,200**
12.00	**PROGRAM LINE ITEMS:**						
	Occupancy			8.00	591,600		591,600
	BSU	12.04	511,900				
	LCSC	12.01	79,700				
	Salary Competitiveness			18.00	9,209,700		9,209,700
	BSU	12.01-12.03, 12.07	2,266,000				
	ISU	12.01	1,000,000				
	UI	12.01	5,703,700				
	LCSC	12.02	240,000				
	Library Support			4.50	1,024,600		1,024,600
	BSU	12.05-12.06	374,600				
	ISU	12.02	650,000				
	Operating Budget Support				3,000,000		3,000,000
	ISU	12.03	3,000,000				
	Enhanced/New Instruction Programs			20.00	4,000,000		4,000,000
	ISU	12.04	4,000,000				
	Infrastructure			3.50	17,022,100		17,022,100
	BSU	12.09	500,000				
	BSU	12.10	200,000				
	ISU	12.05	500,000				
	ISU	12.06	500,000				
	UI	12.02	14,300,000				
	UI	12.03	763,800				
	LCSC	12.03	258,300				
	Grant Writing & Media Support			1.00	109,400		109,400
	LCSC	12.04	109,400				
	Funding Equity			7.00	607,200		607,200
	BSU	12.08	607,200				
13.00	**FY 2007 TOTAL**			**3,743.03**	**273,421,600**	**130,498,200**	**403,919,800**
	Amount Change From Base			**62.00**	47,577,500	444,900	48,022,400
	Percent Change From Base			2%	21%	0%	13%

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INSTITUTION / AGENCY AGENDA
COMMUNITY COLLEGES LINE ITEMS

MOTION

A motion to approve for final development the following specific budget Line Items for the Community Colleges, as displayed on Page 11:

1. <List Item>
2. "
3. "
4. "

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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Community Colleges Summary
FY 2007 Line Items

		Decision Units	Agency Request FTP	Agency Request Amount
1	**11.00**	**FY 2007 TOTAL MAINTENANCE**	**630.00**	**21,284,900**
2	**12.00**	**PROGRAM LINE ITEMS:**		
3	12.01	Occupancy	3.70	651,634
4	12.02	CSI Campus Outreach Center/Workforce Development	1.00	250,000
5	12.03	CSI Testing Center Expansion	2.00	124,000
6	12.04	NIC Off-Campus Center Developments		250,000
7	12.05	NIC Development of Hybrid Classes		150,000
8	**13.00**	**FY 2007 TOTAL**	**636.70**	**22,710,534**
9		Amount Change From Base	**12.15**	2,186,634
10		Percent Change From Base	2%	11%

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INSTITUTION / AGENCY AGENDA
AGRICULTURE RESEARCH AND EXTENSION SERVICE LINE ITEMS

MOTION

A motion to approve for final development the following specific budget Line Items for Agricultural Research and Extension Service, as displayed on Page 15:

1. <List Item>
2. "

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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University of Idaho: Ag Research and Extension
FY 2007 Line Items

	Decision Units	Agency Request FTP	General	Other	Total
3	**11.00 FY 2007 TOTAL MAINTENANCE**	**375.47**	**25,467,400**	**4,917,500**	**30,384,900**
4	**12.00 PROGRAM LINE ITEMS:**				
5	12.01 Salary Enhancement: Additional funds to provide a total increase of 8% for all employee classes.		1,625,000		1,625,000
6	12.02 Facility Maintenance: Funds to address deferred maintenance backlog and general maintenance.		270,500		270,500
7					
8	**13.00 FY 2007 TOTAL**	**375.47**	**27,362,900**	**4,917,500**	**32,280,400**

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INSTITUTION / AGENCY AGENDA
SPECIAL PROGRAMS LINE ITEMS

MOTION

A motion to approve for final development the following specific budget Line Items for the Special Programs, as displayed on Page 19:

1. <List Item>
2. "
3. "
4. "
5. "
6. "

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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Special Programs Summary

FY 2007 Line Items

		Decision Units	Program Request FTP	Program Request Amount
1	**12.00**	**FOREST UTILIZATION RESEARCH**		
2	12.01	Salary Enhancement: Additional funds to provide for a total increase of 8% for all employees.		31,300
3	**12.00**	**IDAHO GEOLOGICAL SURVEY**		
4	12.01	Salary Enhancement: Additional funds to provide for a total increase of 8% for all employees.		49,200
5	**12.00**	**SCHOLARSHIPS AND GRANTS**		
7	12.01	Teacher/Nurses Loan Forgiveness Scholarship Increase		36,000
8	**12.00**	**IDAHO MUSEUM OF NATURAL HISTORY**		
9	12.01	Program Manager		29,000
10	12.02	Life Sciences Collection Manager		26,200
11	12.03	Program & Exhibit Support		21,500
12	12.04	Research Curatorial Staff		46,000
13	**12.00**	**IDAHO SMALL BUSINESS DEVELOPMENT CENTERS**		
14	12.01	Hispanic Business Outreach		83,700
15	**12.00**	**IDAHO COUNCIL ON ECONOMICAL EDUCATION**		
16	12.01	NO LINE ITEM REQUESTED		
17	**12.00**	**TECHHELP**		
18	12.01	Funding for the continuation of two federal programs, New Product Development in Idaho and Lean for Food Processors with English as a second language.		280,000
19				
20				
21		**Total Line Item Request For Special Programs**		602,900
22				
23				

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INSTITUTION / AGENCY AGENDA
HEALTH PROGRAMS LINE ITEMS

MOTION

A motion to approve for final development the following specific budget Line Items for the Health Programs, as displayed on Page 23:

1. <List Item>
2. "
3. "
4. "
5. "
6. "

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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Health Programs Summary

FY 2007 Line Items

		Decision Units	Program Request FTP	Program Request Amount
1	**12.00**	**WOI VETERINARY EDUCATION**		
2	12.01	Salary Enhancement: Additional funds to provide for a total increase of 8% for all employees.		31,500
3	12.02	Facility Maintenance: Funds to address deferred maintenance backlog and general maintenance.		64,500
4	**12.00**	**WWAMI MEDICAL EDUCATION**		
5	12.01	Salary Enhancement: Additional funds to provide for a total increase of 8% for all employees.		46,100
6	**12.00**	**IDEP DENTAL EDUCATION**		
7	12.01	One Additional Seat at Creighton for an Idaho Student		24,200
8	**12.00**	**UNIVERSITY OF UTAH MEDICAL EDUCATION**		
9	12.01	NO LINE ITEMS		
10	**12.00**	**FAMILY PRACTICE RESIDENCIES**		
11	12.01	Family Practice Residency Support Second Installment		154,900
12	**12.00**	**WICHE OPTOMETRY**		
13	12.01	NO LINE ITEMS		
14				
15				
16		**Total Line Item Request For Health Programs**		321,200
17				
18				

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INSTITUTION / AGENCY AGENDA
AGENCIES LINE ITEMS

MOTION

A motion to approve for final development the following specific budget Line Items for the Agencies of the State Board of Education, as displayed on Page 27:

1. <List Item>
2. "
3. "
4. "
5. "
6. "
7. "
8. "
9. "
10. "

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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Agencies of the State Board of Education Summary

FY 2007 Line Items

		Decision Units	Agency Request FTP	Agency Request Amount	Agency Head's Council Priority
1		**OFFICE OF THE STATE BOARD OF EDUCATION**			
2	12.01	Assessment and Accountability		2,000,000	
3	12.02	Support Staff for Management Services & Academic Services	1.00	42,000	
4	12.03	Additional Office Space Needs		25,000	
5	12.04	Charter School Oversight Staff	1.00	135,000	
6	12.05	Management Systems Auditor/Data Position	1.00	150,000	
7	12.06	Grants Manager/Writer	1.00	102,100	
8	12.07	Higher Education Information System		750,000	
9		**IDAHO SCHOOL FOR THE DEAF AND THE BLIND**			
10	12.01	Educational Staff Salary Competetiveness		229,300	**3**
11		**PROFESSIONAL TECHNICAL EDUCATION**			
12	12.01	Postsecondary Instructional Equipment		1,088,300	**2**
13	12.02	Secondary Added Cost Formula		992,800	**7**
14	12.03	Idaho Career Information System (CIS) Maintenance of Current Operations		70,700	**4**
15	12.04	Idaho Career Information System (CIS) Replacement of Lost Federal Funds		120,200	*
16		**IDAHO DIVISION OF VOCATIONAL REHABILITATION**			
17	12.01	Workload Adjustment	7.00	324,400	**1**
18	12.02	WS/CSE Workload Adjustment		502,300	*
19	12.03	Pay Equity for VR Counselors		230,400	*
20	12.04	Training		55,000	*
21		**IDAHO PUBLIC TELEVISION**			
22		NO LINE ITEMS			
23		**IDAHO STATE HISTORICAL SOCIETY**			
24	12.01	Centennial Preservation Project		250,000	**5**
25	12.02	Maintenance & Repair of Sites		240,000	*
26	12.03	Curator	1.00	48,500	*
27		**IDAHO STATE LIBRARY**			
28	12.01	LiLI-Unlimited		333,700	**6**
29	12.02	Read to Me		150,000	*
30	12.03	Furnish training & conference center		150,000	*
31	12.04	Professional development collection		50,000	*

* These Line Items were added to agency requests after prioritization process occurred

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INSTITUTION/AGENCY : BOISE STATE UNIVERSITY

A. DECISION UNIT NAME: 12.01 AND 12.02 (PRIORITY 1) NEW FACULTY SALARY PLUS FRINGE AND FACULTY OPERATING BUDGETS

B. DECISION UNIT DESCRIPTION:
New faculty positions

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL	18.00	$1,260,400	54,000			$1,314,400

DESCRIPTION: 18 FACULTY POSITIONS PLUS OPERATING COSTS

College of Arts and Sciences (4)
College of Business (3)
College of Education (5)
College of Engineering (2)
College of Social Sciences and Public Affairs (4).

C. GOALS & OBJECTIVES ADDRESSED:
To be responsive to the student growth and demand for increasing the quality of academic offerings and to continue to enhance the scholarly contributions made by Boise State University.

D. PERFORMANCE INDICATORS:
Improved retention and improved graduation rates by increased offerings in core classes and high demand areas.

Increased opportunities for undergraduate students to be advised by and interact with faculty.

Increase department productivity in a number of majors and scholarly activity of faculty.

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

Students will find fewer class closures and unavailable section offerings due to lack of faculty.

INSTITUTION/AGENCY: BOISE STATE UNIVERSITY

A. DECISION UNIT NAME: 12.03 (PRORITY 2)
GRADUATE ASSISTANTSHIPS (30.5)

B. DECISION UNIT DESCRIPTION:
Graduate Assistantships

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL		$274,500	177,083			$451,583

DESCRIPTION:
30.5 Graduate Assistantships. Request includes annual stipend plus fee waiver

C. GOALS & OBJECTIVES ADDRESSED:
To increase the number of high quality graduate students by offering graduate assistantships.

D. PERFORMANCE INDICATORS:
Growth in number and quality of graduate students that can become part of Idaho's highly skilled technical workforce..

Increased quality in graduate programs and in the collaborations between graduate students and faculty.

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:
Graduate students will become part of Idaho's highly skilled technical workforce.

INSTITUTION/AGENCY: BOISE STATE UNIVERSITY

A. DECISION UNIT NAME: 12.04 (PRIORITY 3)
OCCUPANCY

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL	7.00	$184,900		327,000		$511,900

DESCRIPTION:

Funding to cover custodial costs, utilities and other operating costs, such as building security and insurance coverage. Based on a formula for funding per square foot of available space.

C. GOALS & OBJECTIVES ADDRESSED:

These funds are essential to adequately maintain and operate facilities for academic and administrative use. The primary request for 2007 is for the Art Studio and the new Interactive Learning Center.

D. PERFORMANCE INDICATORS:

Maintaining proper air temperatures, cleanliness standards and monitoring facilities for safety and security issues. Programs to regulate the efficient use of utilities to maintain comfort and provide good air quality for teaching, learning and research.

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

Faculty, staff, students and visitors to campus. Facilities that are clean and well-maintained are conducive to a learning environment and better productivity. Proper security and insurance also enhances the safety aspects of a public facility.

INSTITUTION/AGENCY: BOISE STATE UNIVERSITY

A. DECISION UNIT NAME: 12.05 AND 12.06 (PRIORITY 4) LIBRARIANS AND LIBRARY ACQUISITIONS

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL	2.00	$123,300	251,249			$374,549

DESCRIPTION:

2 librarians needed due to increased demand for library services from significant and sustained enrollment growth.

Increased funding for library acquisitions to assist with addressing the most critical journal needs for researchers and to support new program growth.

C. GOALS & OBJECTIVES ADDRESSED:

To meet the need of students and their research. A high quality education must include modern day library resources to support the research component of the university.

D. PERFORMANCE INDICATORS:

Increased productivity in scholarship due to faculty access to resources.

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

Students, faculty and staff and others using the Albertsons Library at Boise State University

INSTITUTION/AGENCY: BOISE STATE UNIVERSITY

A. DECISION UNIT NAME: 12.07 (PRIORITY 5)
FACULTY SALARY ADJUSTMENT

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL		$500,000				$500,000

DESCRIPTION:
Faculty salaries at Boise State University are below peer levels.

C. GOALS & OBJECTIVES ADDRESSED:
Ability to attract and retain a high quality faculty

D. PERFORMANCE INDICATORS:
Decreased turnover due to more competitive salaries

Decreased loss of 'First Choice Candidates' due to lack of competitive salaries.

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:
This would have a positive impact on faculty moral and help to reduce turnover rates. This has a broad impact that can affect faculty, students, industry and the community.

INSTITUTION/AGENCY: BOISE STATE UNIVERSITY

A. DECISION UNIT NAME: 12.08 (PRIORITY 6)
EQUITY (20% OF REMAINING TOTAL)

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL	6.00	$330,000	277,178			$607,178

DESCRIPTION:

Academic positions plus operating costs funded from 20% of remaining funds identified in equity study. Equity adjustments were approved by the Board and $110,000 (3.5 percent) of equity funding was provided for FY2006. The purpose of this request is to ensure that this priority continue to be funded.

C. GOALS & OBJECTIVES ADDRESSED

State funding per full time equivalent (FTE) student should be equitably distributed among Idaho public institutions. Boise State's FTE and headcount enrollment have grown significantly, yet state funding has note kept pace. Boise State students continue to receive the least funding per FTE of the three universities.

D. PERFORMANCE INDICATORS:

Ability to recruit and hire faculty to meet student demands and need for classes to ensure that they can make sufficient academic progress.

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

Students, faculty and staff. Funding would impact class availability, academic progress, faculty teaching loads and academic quality.

INSTITUTION/AGENCY: BOISE STATE UNIVERSITY

A. DECISION UNIT NAME: 12.09 (PRIORITY 7)
TECHNOLOGY AND SOFTWARE UPGRADES

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL			$500,000			$500,000

DESCRIPTION:

Ongoing maintenance and software upgrades

C. GOALS & OBJECTIVES ADDRESSED:

To achieve and maintain academic quality and program offerings, need to keep academic and administrative software current and upgraded. Software maintenance agreements allow access to major system upgrades while avoiding programming or new implementation costs. The funding helps support the development of new technologies, yet requires less institutional infrastructure to maintain.

D. PERFORMANCE INDICATORS:

Ability to maintain and upgrade the university's significant investment in academic and administrative software to better meet student, faculty and staff needs. New technologies enable the university to operate more efficiently and better accommodate growth. Maintenance agreements allow the university to receive upgrades and enhancements without a significant monetary investment.

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

Faculty, staff and students. All users of academic and administrative software, including Bronco web, payroll systems and financial systems.

INSTITUTION/AGENCY: BOISE STATE UNIVERSITY

A. DECISION UNIT NAME: 12.10 (PRIORTY 8)
PRIOR YEARS' UNFUNDED EWA

B. DECISION UNIT DESCRIPTION:
Prior years IOU for EWA

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL	5.00	$294,315				$294,315

DESCRIPTION:
20% of IOU from prior years Unfunded Enrollment Workload Adjustment

C. GOALS & OBJECTIVES ADDRESSED:
To support and sustain significant enrollment growth that has occurred over the past five years that was not adequately funded. In order to accommodate this growth, the university managed largely by hiring adjunct faculty and has not provided sufficient infrastructure support to accommodate this growth.

D. PERFORMANCE INDICATORS:
Retention rate, student success and graduation rates are impacted by level of service and support in the areas of academic and student support.

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:
Students are impacted by class availability and progress to graduation. Faculty are impacted by workload.

INSTITUTION/AGENCY: BOISE STATE UNIVERSITY

A. DECISION UNIT NAME: 12.11 (PRIORITY 9)
CONTINUOUS MAINTENANCE

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL			$200,000			$200,000

DESCRIPTION:

Continuous maintenance needs for campus facilities

C. GOALS & OBJECTIVES ADDRESSED:
To ensure facilities are properly maintained and repairs are made on a timely basis.

D. PERFORMANCE INDICATORS:
Efficient operation of facilities that are properly maintained in accordance with the recommended maintenance schedule. Avoidance of costly repairs due to poor maintenance.

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:
Faculty, staff and students are served in these facilities. In order to deliver quality and efficient academic programs and to conduct research, properly functioning facilities must be provided.

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INSTITUTION/AGENCY: IDAHO STATE UNIVERSITY

A. DECISION UNIT NAME: 12.01 (PRIORITY 1)
FACULTY SALARY COMPETITIVENESS

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL		$1,000,000				$1,000,000

DESCRIPTION:

Enhance faculty salaries to move them closer to regional and national compensation levels.

C. GOALS & OBJECTIVES ADDRESSED:

Funding will provide necessary resources to enhance faculty salaries. Salary levels are below national and regional averages for public higher education. Bringing salaries to the national norm is a priority item for ISU & addresses the SBOE's strategic plan Goal 1.

Enhancements will be determined by comparing individual salaries with the CUPA median salaries by discipline and rank as well as other market factors.

D. PERFORMANCE INDICATORS: NA

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

Requested resources are required to maintain competitive salaries in order to attract and retain high quality faculty. The Quality of faculty directly AFFECTS the outcomes of instruction and research.

INSTITUTION/AGENCY: IDAHO STATE UNIVERSITY

A. DECISION UNIT NAME: 12.02 (PRIORITY 2)
LIBRARY SUPPORT

B. DECISION UNIT DESCRIPTION:
Additional resources to increase the effectiveness of the library

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL	2.50	$135,000	$10,000	$505,000		$650,000

DESCRIPTION:
2 FTP Librarian, .50 FTP Support staff

C. GOALS & OBJECTIVES ADDRESSED:
Additional funding addresses the SBOE's Goal 1, 2, and 3. Quality of the library collection must be maintained to give students faculty, and other public the access to information relevant to their instruction and training needs. The additional staffing would provide more expertise in the dissemination of these materials.

D. PERFORMANCE INDICATORS: NA

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:
Students, faculty, and other public would be provided more up to date materials directly related to instruction & training needs.

INSTITUTION/AGENCY: IDAHO STATE UNIVERSITY

A. DECISION UNIT NAME: 12.03 (PRIORITY 3)
OPERATING BUDGET SUPPORT

B. DECISION UNIT DESCRIPTION:
BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL		$500,000	$2,500,000			$3,000,000

DESCRIPTION:
Additional support for communications, travel and supplies

C. GOALS & OBJECTIVES ADDRESSED:
Funding addresses the SBOE's goal 1 & 2. Additional funds are needed to support the infrastructure of the educational process. The basic department costs for part-time staff, travel, postage, software, office supplies, etc. have substantially risen. Current levels of funding are, in many cases, inadequate for quality instruction and administrative purposes.

D. PERFORMANCE INDICATORS: NA

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:
All constituents of the University would benefit from a more adequate support budget.

INSTITUTION/AGENCY: IDAHO STATE UNIVERSITY

A. DECISION UNIT NAME: 12.04 (PRIORITY 4)
ENHANCED/NEW INSTRUCTION PROGRAMS

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL	20.00	$3,400,000	$400,000	$200,000		$4,000,000

DESCRIPTION:

Increasing demand from citizens for programs across the state requires us to develop statewide programs as well as increasing access to high demand programs on campus. The dramatic increase in applicants seeking admission to many health professions programs is forcing ISU to deny access to these programs to highly qualified persons.

20 FTP Faculty & support staff plus additional part-time adjunct faculty

C. GOALS & OBJECTIVES ADDRESSED:

Funding would address all 4 of the SBOE,s strategic plan goals. This request is designed to increase access to critical programs while supporting collaborative efforts statewide. Funding will also improve ISU's ability to carry out its Community College Function in Pocatello and outreach centers by strengthening areas identified as needing additional support. Programs to be addressed are included in the University's eight-year plan.

D. PERFORMANCE INDICATORS: NA

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

This will increase student access to courses and programs and improve educational opportunities for Idaho citizens throughout the state.

INSTITUTION/AGENCY: IDAHO STATE UNIVERSITY

A. DECISION UNIT NAME: 12.05 (PRIORITY 5)
INFRASTRUCTURE – PHYSICAL PLANT MAINTENANCE

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL			$500,000			$500,000

DESCRIPTION:
Enhance ability to adequately maintain and update facilities

C. GOALS & OBJECTIVES ADDRESSED:
This request responds to SBOE goal 4. Funds provided would assist in protecting the state's investment in capital facilities by improving regular maintenance and updating facilities to provide a safe productive learning environment. Resources would be allocated to improve instructional facilities and increase operational efficiency through the coordinated use of technology.

D. PERFORMANCE INDICATORS: NA

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:
This request is a partial, but positive, step toward providing general education buildings, grounds and physical infrastructure with adequate maintenance.

INSTITUTION/AGENCY: IDAHO STATE UNIVERSITY

A. DECISION UNIT NAME: 12.06 (PRIORITY 6)
INFRASTRUCTURE - TECHNOLOGY

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL	2.00	$130,000	$370,000			$500,000

DESCRIPTION:

The University's campus communications network will not be able to accommodate the rapid change in the application of technology including the central computing system & software.

2.0 FTP Technical staff

C. GOALS & OBJECTIVES ADDRESSED:

This request addresses SBOE goal 1, 2, & 3

The overall goal is to use technology to enhance student achievement and allow ISU to more efficiently and effectively deliver its educational products as well as supporting the administrative functions of the University.

D. PERFORMANCE INDICATORS: NA

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

Maintaining/upgrading the central technology infrastructure effects all constituencies of the university. Faculty, staff, and student access to information and instructional resources will be maintained/enhanced. Timely and accurate information can be provided to external agencies and citizens.

INSTITUTION/AGENCY: UNIVERSITY OF IDAHO

A. DECISION UNIT NAME: 12.01 (PRIORITY 1)
SALARY ENHANCEMENT

B. DECISION UNIT DESCRIPTION:
SALARY ENHANCEMENT FUNDING

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL		$5,703,700				$5,703,700

DESCRIPTION:

This request seeks additional funding for salary enhancement. As noted in the plan for renewal, our people are the primary asset of the university. In our strategic plan going forward, the issue of appropriate and competitive compensation as measured against our peer comparators is the top priority.

A recent state salary survey (Idaho state employee compensation report, Idaho Division of Human Resources, December 1, 2004) noted that the state's salaries currently lag behind market averages by over 14%.

C. GOALS & OBJECTIVES ADDRESSED:
SBOE GOALS: GOAL I, Objectives 8, 9

D. PERFORMANCE INDICATORS:
Retention success (lower turnover rates)
Recruitment success (fewer searches, best hires)
Closer alignment with market (lower market lag)
In general, retention and recruitment success will yield greater employee productivity while reducing expenditures for recruitment, moving expenses, start-up and training.

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:
Recruiting and retaining highly qualified faculty and staff will benefit all of Idaho's citizens by improving the instruction, research and public service functions of the University. a well-educated, well-informed workforce will help Idaho attract and retain business and industry.

INSTITUTION/AGENCY: UNIVERSITY OF IDAHO

A. DECISION UNIT NAME: 12.02 (PRIORITY 2)
FACILITY MAINTENANCE

B. DECISION UNIT DESCRIPTION:
Facility maintenance – invest in facilities maintenance, renewal and renovation

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL			$5,800,000	$8,500,000		$14,300,000

DESCRIPTION:

The current statewide funding shortfall for physical plant maintenance is resulting in a growing backlog of deferred maintenance. This growing backlog represents an unsustainable degradation of the physical infrastructure.

This request seeks additional funding for (1) increased annual building maintenance efforts, and (2) to establish a viable plan to reduce the deferred maintenance backlog.

C. GOALS & OBJECTIVES ADDRESSED:
SBOE GOALS: GOAL I, Objective 10; GOAL IV, Objective 8

D. PERFORMANCE INDICATORS:
Reduction of the deferred maintenance backlog elimination of dangerous conditions (health and safety problems) in the physical plant of the campus.

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:
The funding requested in this decision unit will enable the University to address a growing backlog of deferred maintenance. In addition to protecting the public's previous investment in these important facilities, significant health and safety improvements will benefit the students, employees and visitors to the campus. All Idaho citizens benefit from the instruction, research, and public services provided by the University and carried out in its facilities.

INSTITUTION/AGENCY: UNIVERSITY OF IDAHO

A. DECISION UNIT NAME: 12.03 (PRIORITY 3)
CLASSROOM TECHNOLOGY AND INFORMATION TECHNOLOGY SERVICES

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL			$244,800	$525,000		$763,800

DESCRIPTION:

Classroom technology and information technology services

In the recent law school accreditation visit, deficiencies in instructional technology in the classrooms and courtroom were apparent. In addition, the law school also needs a distance education classroom to enhance the delivery of programs and services in Boise.

Additional resources are also requested to upgrade five additional classrooms with the hardware, software and room control systems used in other UI multi media classrooms.

The UI networks and systems infrastructure operates on a five-year lifecycle for repair and replacement. Additional resources are needed to sustain this critical infrastructure component.

C. GOALS & OBJECTIVES ADDRESSED:

SBOE GOALS: GOAL I, Objective 7, 10; GOAL II, Objective 3,7; GOAL IV, Objective 8

D. PERFORMANCE INDICATORS:

Expanded and improved instructional delivery using technology in the classrooms
Accreditation standards for classroom technology maintenance of essential network and systems

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

The funding requested in this decision unit will enable the University to address a variety of classroom technology needs in addition to protecting and sustaining the networks and systems infrastructure. These improvements will primarily benefit the students by preparing them to become graduates that will be competitive in the global economy. All Idaho citizens benefit from the instruction, research, and public services provided by the University and carried out in its facilities.

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INSTITUTION/AGENCY: LEWIS-CLARK STATE COLLEGE

A. DECISION UNIT NAME: 12.01 (PRIORITY 1)
MAINTENANCE & OPERATION COSTS – MULTIPURPOSE ACTIVITY CENTER

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL		$40,000	$39,700			$79,700

DESCRIPTION:

Occupancy costs (to cover daily operating expenses, utilities, maintenance, and custodial services) for LCSC's Mulitpurpose Activity center were only partially funded in the FY06 budget. The main portion of the center entered regular operations in Jan 2005. The Facility will be completed and fully operational by Nov 2005. The unfunded portion of occupancy costs ($79,700) as determined by the long-standing SBOE formula, is needed for FY07 to safely operate and protect the state's investment in this facility. This multipurpose facility includes classrooms, athletic facilities, and activity spaces that replace LCSC's previous gymnasium facility which was built in the 1930's to serve a student population of 300—less than one tenth of the current student population. The requested funds will support efficient daily operations of the new facility—these funds are for normal, recurring operational costs only. (The costs of new facilities and equipment/furniture are addressed by other institutional funds/private fund-raising.)

C. GOALS & OBJECTIVES ADDRESSED:

This decision unit supports SBOE Goal III (provide individuals of all ages and abilities access to education…to develop their skills, knowledge and social awareness in order to be globally competitive workers, responsible citizens, and lifelong learners). The LCSC Multipurpose Activity Center was the number one priority building project in the State for higher education in Idaho.

D. PERFORMANCE INDICATORS:

The requested occupancy costs, based on long-standing State funding formulas, is needed to operate and maintain this facility in which the taxpayers have committed a long-term investment.

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

The LCSC Activity Center directly benefits all students, staff, and faculty on the Lewiston campus. The facility provides venues for instruction, athletics, recreation, and public events. The facility serves thousands of citizens in the local community who attend events at the center. The decision unit represents the last increment of occupancy costs, which were deferred in the FY06 budget due to the State's fiscal exigencies.

INSTITUTION/AGENCY: LEWIS-CLARK STATE COLLEGE

A. DECISION UNIT NAME: 12.02 (PRIORITY 2)
ENROLLMENT WORKLOAD ADJUSTMENT EQUITY

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL			$150,500			$150,500

DESCRIPTION:

C. GOALS & OBJECTIVES ADDRESSED:

D. PERFORMANCE INDICATORS:

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

INSTITUTION/AGENCY: LEWIS-CLARK STATE COLLEGE

A. DECISION UNIT NAME: 12.03 (PRIORITY 3)
SALARY EQUITY ADJUSTMENTS - AGENCY PRIORITY #3

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL		$240,000				$240,000

DESCRIPTION:

The requested funds are needed urgently in order to begin redress gaps between LCSC faculty and staff salaries and fair market rates (based on similar institution median rates) and partially address salary compression/equity problems. Over the past four years, decreases in real-dollar salary levels have widened the gap between Idaho institutions and counterpart institutions in other states, impacting recruitment, retention, and ultimately, the quality of educational programs offered to our students.

C. GOALS & OBJECTIVES ADDRESSED:

The decision unit supports Goal I (Quality of Idaho's Education System) and its sub-objectives #7 (Provide…Qualified Teachers Supported by Competent Administrators and Support Staff), #8 (…Develop a Compensation System for Teachers, Faculty and Staff that reward knowledge, skill, and productivity and promote recruiting, hiring and retention), and #9 (Support efforts to hire and retain outstanding education system personnel). The student population at LCSC has grown by 23% since 2000, while salaries have remained stagnant and compression problems (Fairness issue) have been exacerbated. Our people have been doing more for less and have borne a major share of sacrifice as the State struggled with austere budgets.

D. PERFORMANCE INDICATORS:

The requested funds will help to address this fairness issue and send a needed signal to our faculty and staff members. Improving faculty and staff compensation is LCSC's number one strategic priority, because it directly impacts all other strategic goals (Quality, Access, Relevance, and Efficiency).

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

The requested funds would be focused on those highly-performing faculty and staff who are farthest below median levels, and to redress equity problems (Compression) for long-servicing employees whose salaries have lagged as newer hires have come on board at higher starting rates (a problem compounded over the past several years in the absence of cost-of-living and market baseline adjustments). These funds would have an institution-wide impact in terms of morale and long-term commitment of employees and on the quality of programs and support provided to students.

INSTITUTION/AGENCY: LEWIS-CLARK STATE COLLEGE

A. DECISION UNIT NAME: 12.04 (PRIORITY 4)
CAMPUS TECHNOLOGY: HARDWARE, SOFTWARE & SUPPORT

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL	1.50	$76,300	$55,000	$127,000		$258,300

DESCRIPTION:

C. GOALS & OBJECTIVES ADDRESSED:
This decision unit supports the SBOE's strategic plan, Goal IV (Efficient operation and management of the education system and investments in student learning-centered software), Objective #8 (Encourage the allocation of resources to improve instructional facilities and increase operational efficiency through the coordinated use of technology).

D. PERFORMANCE INDICATORS:
These funds will improve the effectiveness of programs delivered on the main campus and at LCSC's outreach centers, through a combination of targeted investments in instructional hardware, software, and technical support.

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:
This investment will benefit the majority of LCSC students, faculty, and staff – at all operational sites as well as for place – and work-bound students who take courses via distance learning technology.

INSTITUTION/AGENCY: LEWIS-CLARK STATE COLLEGE

A. DECISION UNIT NAME: 12.05 (PRIORITY 5)
GRANT WRITING AND MEDIA SUPPORT

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL	1.00	$48,400	$61,000			$109,400

C. GOALS & OBJECTIVES/PERFORMANCE INDICATORS ADDRESSED:
This decision unit supports the SBOE strategic plan, Goal IV (Efficient use of resources), Objective #5 (Seek increased levels of State, local and private sector support for all education programs), and Higher Education Performance Indicator #10 (Annual dollar amount expended on externally funded research and other external grants and contracts). The addition of one grant writer would effectively double the number of professional staff dedicated to grants and contracts at LCSC. Total grants received at LCSC have more than doubled since 1999.

D. GOALS & OBJECTIVES/PERFORMANCE INDICATORS ADDRESSED:
The investment represented by this decision unit will help to sustain that growth and more than pay for itself in terms of the additional Federal and private grant funds that will flow to college.

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:
In addition to providing much-needed financial support for merit- and need-based scholarships, the additional grant revenues generated by this decision unit would support instructional technology, student research, and support of at-risk student populations within Idaho.

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INSTITUTION/AGENCY: COLLEGE OF SOUTHERN IDAHO

A. DECISION UNIT NAME: 12.01 (PRIORITY 1)
OCCUPANCY COSTS

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
General	1.50	$40,200	115,900	120,600		$276,700

DESCRIPTION:

This decision unit is requested to pay for the utilities, custodial and maintenance costs associated with the operation of the Fine Arts Addition. All spaces in the Fine Arts Addition are utilized for educational purposes.

The above costs are calculated based upon the Idaho State Board of Education Occupancy Cost formula. The costs are based upon the square footage of the building and current costs.

C. GOALS & OBJECTIVES ADDRESSED:
SBOE Goals:

D. PERFORMANCE INDICATORS:

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

The primary group affected by this decision unit will be our students. The building will have to be maintained from some fund source. If we do not receive funds from the State, we will have to utilize educational funds that would have been utilized for the benefit of students.

INSTITUTION/AGENCY: COLLEGE OF SOUTHERN IDAHO

A. DECISION UNIT NAME: 12.02 (PRIORITY 2)
OFF CAMPUS CENTERS/WORKFORCE DEVELOPMENT

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
General	1.00	$215,000	30,000	5,000		$250,000

DESCRIPTION:

Over the last several years, the College has been called upon to provide training that far exceeds workforce development funds. New companies are anticipated to bring in at least 1,000 new jobs to the Magic Valley over the next several years. The requested funds will assist in providing work force training at business locations, on campus and at outreach centers.

We plan on hiring at least one workforce development coordinator to assist the Southern Idaho Economic Development Organization with identifying, developing and providing training for employees. Additionally, existing staff along with adjunct faculty will be hired to develop specific job required curriculums and provide training.

The above costs will provide a full time workforce development coordinator and salaries for part time instructors to train employees in a wide range of businesses. Operating costs will consist of teaching materials, travel and various supplies. Capital outlay involves equipping an office for the coordinator.

A. GOALS & OBJECTIVES ADDRESSED/PERFORMANCE INDICATORS
SBOE Goals: Goal 2 – Objective 7

D. PERFORMANCE INDICATORS:
The performance indicator will be an increased number of students receiving workforce training and meeting their educational goal of employment in their field of study. The number of private industry businesses receiving training will also increase.

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:
The primary group affected by this decision unit will be Idaho citizens who need additional training to meet the needs of existing businesses as well as new businesses moving into the area.

INSTITUTION/AGENCY: COLLEGE OF SOUTHERN IDAHO

A. DECISION UNIT NAME: 12.03 (PRIORITY 3)
TESTING CENTER EXPANSION

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
General	2.00	$104,000	10,000	10,000		$124,000

DESCRIPTION:

We have developed testing centers at two outreach centers in addition to the campus. On campus, the number of tests given by our testing center has grown from 21,800 in Fy 2000 to 42,300 in Fy 2005. This growth is due not only to an increase in student numbers but also to a change in the method of teaching. More and more of our faculty utilize the testing center to give tests so that they do not have to use class time for this purpose. Class time is a valuable commodity that is used for instruction and test review. We also provide testing center services for UI, BSU and ISU both on campus and at our outreach centers.

This decision unit will allow us to extend our hours and expand our existing testing centers.

The above costs will provide two full time staff and hourly part time staff and salaries for part time instructors to train employees in a wide range of businesses. Operating costs will consist of teaching materials, travel and various supplies. Capital outlay involves equipping an office for the coordinator.

C. Goals & Objectives Addressed/Performance Indicators
SBOE GOALS: GOAL 3 Objective 3

D. PERFORMANCE INDICATORS:
The primary direct performance indicator will be increased numbers of students utilizing the services of the testing center. Indirectly, we hope to see improved student performance in the classroom through additional instructional time.

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:
The primary group affected by this decision unit will be our students as well as other university students. With the funding of this decision unit, more faculty will be able to utilize the testing center for their classes which will increase classroom instructional time and improve the overall educational process.

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INSTITUTION/AGENCY: NORTH IDAHO COLLEGE

A. DECISION UNIT NAME: 12.01 (PRIORITY 1)
OCCUPANCY COSTS

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL	2.2	$67,679	$307,255			$374,934

DESCRIPTION:

To provide operational costs for new buildings funded by the legislature.

To provide staff and utility funding for the Health Science Building. Per attached worksheet.

C: GOALS AND OBJECTIVES ADDRESSED:
SBOE GOALS: GOAL IV, Objective 8

D. PERFORMANCE INDICATORS:
To adequately fund capital projects Funded by the legislature. Operating funds can be designed and measured for operational uses for the new facility.

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:
Students will be served as will the general welfare of north Idaho.

INSTITUTION/AGENCY: NORTH IDAHO COLLEGE

A. DECISION UNIT NAME: 12.02 (PRIORITY 2)
OFF-CAMPUS CENTER DEVELOPMENT

B. DECISION UNIT DESCRIPTION:
BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL				$250,000		$250,000

DESCRIPTION:

To provide for additional off-campus sites for programs

In order for North Idaho College to successfully meet the challenge of providing comprehensive educational needs for our region, it is important that we have a physical presence in many of our communities. Currently, NIC has an outreach center in Sandpoint and Kellogg. It is our goal to develop centers in both Bonners Ferry and Plummer where academic and workforce development classes can be provided. These monies would be used to equip outreach centers with proper infrastructure, technology, and equipment needed to make the facilities function as a viable educational space.

C. GOALS AND OBJECTIVES ADDRESSED:
SBOE GOALS: GOAL 2, Objective 3,7

D. PERFORMANCE INDICATORS:
To fund outreach centers where academic and workforce development classes can be taught. Center operation can be monitored for enrollments and participation.

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:
Students will be served as will the general welfare of North Idaho with academic and workforce development classes.

INSTITUTION/AGENCY: NORTH IDAHO COLLEGE

A. DECISION UNIT NAME: 12.03 (PRIORITY 3)
DEVELOPMENT OF HYBRID CLASSES

B. DECISION UNIT DESCRIPTION:
BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL				$150,000		$150,000

DESCRIPTION:

To develop alternative teaching techniques

In today's educational environment, the utilization of numerous methods for teaching continues to escalate. It is becoming obvious that teaching effectiveness is significantly enhanced if students have the flexibility and the option to learn in various manners. North Idaho College is interested in developing what are referred to as hybrid classes. These are classes that are taught, in part, in the traditional classroom setting and utilized various aspects of the new technology to augment the instructional process. The money requested would be used to purchase interactive software and notebook computers to be utilized by faculty and students in specific courses. The instructors will utilize the software and the computers to provide students immediate access to Internet sites, multimedia presentations, and video streaming of the course. Students could, via the Internet, receive instruction in real-time if they were not able to attend class. In addition, the entire presentation would be downloaded to the notebook computer so that students could refer back to the class material at any point in time.

C. GOALS AND OBJECTIVES ADDRESSED:
SBOE GOALS: GOAL 1, Objective 7

D. PERFORMANCE INDICATORS:
To provide educational programs for students. Student enrollments in the classes can be measured.

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:
Students will be served.

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INSTITUTION/AGENCY: AG RESEARCH & EXTENSION - UNIVERSITY OF IDAHO

A. DECISION UNIT NAME: SALARY ENHANCEMENT –PRIORITY #1

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL		$1,625,000				$1,625,000

DESCRIPTION:

This request seeks additional funding for salary enhancement. As noted in the plan for renewal, our people are the primary asset of the university. In our strategic plan going forward, the issue of appropriate and competitive compensation as measured against our peer comparators is the top priority.

A recent state salary survey (Idaho state employee compensation report, Idaho division of human resources, December 1, 2004) noted that the state's salaries currently lag behind market averages by over 14%.

C. GOALS & OBJECTIVES ADDRESSED:

SBOE GOALS: GOAL I
OBJECTIVES: GOAL I; Objective 8, objective 9

D. PERFORMANCE INDICATORS:

Retention success (lower turnover rates)
Recruitment success (fewer searches, best hires)
Closer alignment with market (lower market lag)
In general, retention and recruitment success will yield greater employee productivity while reducing expenditures for recruitment, moving expenses, start-up and training.

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

Recruiting and retaining highly qualified faculty and staff will benefit all of Idaho's citizens by improving the instruction, research and public service functions of the University. A well-educated, well-informed workforce will help Idaho attract and retain business and industry.

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INSTITUTION/AGENCY: AG RESEARCH & EXTENSION - UNIVERSITY OF IDAHO

A. DECISION UNIT NAME: FACILITY MAINTENANCE – AGENCY PRIORITY #2

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL				$270,500		$270,500

DESCRIPTION:

Facilities Maintenance - Invest In Facilitiy Maintenance, Renewal And Renovation

The College of Agricultural and Life Sciences has an array of buildings and facilities located at eight of its twelve Research and Extension Centers with a value in excess of $33 million. Many of these are now 30-40 years old and are facing critical maintenance problems that are negatively impacting research and extension programs dependent upon these facilities. These problems also threaten the structural and operational integrity of many of the facilities.

These centers perform a vital role in addressing agricultural needs of Idaho through the college's research and extension programs. The locations throughout Idaho facilitate a focus on needs and problems specific to the different geographical and climatic areas of the state emphasizing the crop and animal agriculture concentrated in that region. It would be difficult to effectively serve the diverse agricultural needs of the state without these centers.

The college is fiscally responsible for facility maintenance issues at off-campus locations. Following a reduction in the Agricultural Research and Extension capital outlay budget several years ago, subsequent appropriations have not been sufficient to adequately maintain these aging facilities. This has necessitated a "band-aid" approach to maintenance, i.e., when problems become sufficiently critical, attempts are made to address them. Unfortunately, these are usually only temporary solutions, and from a long-range perspective, are not the most cost effective solutions to the problems. Limited resources (capital outlay) also have prevented the college from instituting adequate preventive maintenance programs for these facilities. The past investments of Idaho's citizens in these agricultural research and extension facilities are not being adequately protected.

While the appropriation of $224,500 received for FY99 was of great value in beginning to address these needs, there are still several million dollars of maintenance that require attention. This value represents less than one percent of the value of the facilities. Facility maintenance benchmarks indicate that adequate facility maintenance funding should equal 1.5 percent of the current

replacement value of buildings. This request would allow the college to address, over time, several major facilities maintenance problems, often involving life and safety issues, and to institute a long-term preventive maintenance program to properly maintain these off-campus facilities.

C. GOALS & OBJECTIVES ADDRESSED:

SBOE GOALS: GOAL I, Objective 10; GOAL IV, Objective 8

D. PERFORMANCE INDICATORS:

Reduction of deferred maintenance backlog
Elimination of dangerous conditions (Health and Safety Problems) in the physical facilities of the Research and Extension Centers

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

The funding requested in this decision unit will allow the College of Agricultural and Life Sciences to address a few of the most critical maintenance needs at the centers and to institute an effective long-range preventive maintenance program for university-owned facilities at the off-campus Research and Extension Centers. This will result in facilities maintained in a condition that facilitates the accomplishment of the research and extension programs, and will protect the public's previous investment in these important facilities. Additionally, many of the building environments at the Research and Extension Centers pose health and safety problems to employees, students, and visitors. Significant funding to address these facility maintenance problems is needed to prevent widespread deterioration of the public's previous investments in the facilities and to bring building work environments into compliance with current health and safety and air quality standards. The agricultural productions and processing sector, representing 25-30% of the state's gross product, and virtually all Idaho citizens will benefit from the research and extension programs that have and will continue to be carried out in properly maintained facilities.

PROGRAM: FOREST UTILIZATION RESEARCH

A. DECISION UNIT NAME: SALARY ENHANCEMENT – PROGRAM PRIORITY #1

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL		$31,300				$31,300

DESCRIPTION

This request seeks additional funding for salary enhancement. As noted in the plan for renewal, our people are the primary asset of the university. In our strategic plan going forward, the issue of appropriate and competitive compensation as measured against our peer comparators is the top priority.

A recent state salary survey (Idaho state employee compensation report, Idaho division of human resources, December 1, 2004) noted that the state's salaries currently lag behind market averages by over 14%.

C. GOALS & OBJECTIVES ADDRESSED:

SBOE GOALS: GOAL I, Objective 8, Objective 9

D. PERFORMANCE INDICATORS:

Retention success (lower turnover rates)
Recruitment success (fewer searches, best hires)
Closer alignment with market (lower market lag)
In general, retention and recruitment success will yield greater employee productivity while reducing expenditures for recruitment, moving expenses, start-up and training.

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

Recruiting and retaining highly qualified faculty and staff will benefit all of Idaho's citizens by improving the instruction, research and public service functions of the University. A well-educated, well-informed workforce will help Idaho attract and retain business and industry.

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PROGRAM: IDAHO GEOLOGICAL SURVEY

A. DECISION UNIT NAME: SALARY ENHANCEMENT – PROGRAM PRIORITY #1

B. DECISION UNIT DESCRIPTION: SALARY ENHANCEMENT FUNDING

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL		$49,200				$49,200

DESCRIPTION:

This request seeks additional funding for salary enhancement. As noted in the plan for renewal, our people are the primary asset of the university. In our strategic plan going forward, the issue of appropriate and competitive compensation as measured against our peer comparators is the top priority.

A recent state salary survey (Idaho state employee compensation report, Idaho division of human resources, December 1, 2004) noted that the state's salaries currently lag behind market averages by over 14%.

C. GOALS & OBJECTIVES ADDRESSED:

SBOE GOALS: GOAL I, Objective 8, Objective 9

D. PERFORMANCE INDICATORS:

Retention success (lower turnover rates)
Recruitment success (fewer searches, best hires)
Closer alignment with market (lower market lag)
In general, retention and recruitment success will yield greater employee productivity while reducing expenditures for recruitment, moving expenses, start-up and training.

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

Recruiting and retaining highly qualified faculty and staff will benefit all of Idaho's citizens by improving the instruction, research and public service functions of the university. A well-educated, well-informed workforce will help Idaho attract and retain new business and industry.

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SPECIAL PROGRAM: SCHOLARSHIPS AND GRANTS

A. DECISION UNIT NAME: TEACHER/NURSES LOAN FORGIVENESS SCHOLARSHIP INCREASE PROGRAM PRIORITY #1

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL					$36,000	$36,000

DESCRIPTION:

The objective of the Student Education Incentive Loan Forgiveness program is to encourage and assist students that wish to pursue a teaching or nursing career in Idaho to enroll in an Idaho postsecondary institution and to work in Idaho. Qualifying Idaho students may sign a loan forgiveness contract that will cover specific fees.

Each institution is asked to estimate how many loan contracts they will utilize for the fiscal year. The loan covers the payment of full-time undergraduate matriculation, facility and activity fees at any Idaho institution. The current average cost of a contract at a four-year institution is a $3,600 loan per year and at a two-year institution it is a $1,600 loan per year.

For fiscal year 2005, of the 29 authorized for distribution in Section 33-3722 (4), 19 were used. This legislation allows redistribution of the 10 unused loans to students. If it were to occur that these were all redistributed to a four-year institution at the rate of $3,600 this would result in an annual increase of $36,000.

C. GOALS & OBJECTIVES ADDRESSED:

D. PERFORMANCE INDICATORS:

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

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PROGRAM: IDAHO MUSEUM OF NATURAL HISTORY (IMNH)

A. DECISION UNIT NAME: PROGRAMMING MANAGER
PROGRAM PRIORITY #1

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL	.60	$29,000				$29,000

DESCRIPTION:

Additional professional staff to support museum education & outreach .60 FTP Programming Manager

C. GOALS & OBJECTIVES ADDRESSED/PERFORMANCE INDICATORS:

This request responds to all four SBOE Strategic Plan goals.

This staffing increase would allow the IMNH to plan, develop, implement, and track additional exhibit & educational programming. This would help ensure the delivery of quality programs based on the needs of the citizens of Idaho through local and statewide outreach programs.

D. PERFORMANCE INDICATORS:

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

The educational programs developed may potentially reach all Idaho classrooms, grades p-12, university students and adult learners across the state. We need to enhance our programs if we are to reach the museum's potential. The addition of this position will allow us to be responsive to citizen requests and expand our outreach and on-site programming.

PROGRAM: IDAHO MUSEUM OF NATURAL HISTORY (IMNH)

A. DECISION UNIT NAME: LIFE SCIENCES COLLECTION MANAGER
PROGRAM PRIORITY #2

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL	.50	$26,200	$	$		$26,200

DESCRIPTION:

The IMNH currently holds a collection of mammals, birds, reptiles, amphibians, invertebrates, and plants, but has no manager to oversee conservation and access to these collections. Over the past two years, the IMNH has received several important collections of Idaho specimen, numbering in the thousands. Staffing is needed to provide competent care and access to these natural treasures.

This request is for .50 FTP Collection Manager.

C. GOALS & OBJECTIVES ADDRESSED/PERFORMANCE INDICATORS:

This request responds to all four SBOE Strategic Plan goals.

D. PERFORMANCE INDICATORS:

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

The addition of this position will allow the IMNH to be responsive to its mission of collecting, protecting and exhibiting our natural history.

PROGRAM: IDAHO MUSEUM OF NATURAL HISTORY (IMNH)

A. DECISION UNIT NAME: PROGRAM & EXHIBIT SUPPORT
PROGRAM PRIORITY #3

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL		$15,000	$6,500			$21,500

DESCRIPTION:

Additional support is needed for the basic IMNH infrastructure. Additional funding would allow the IMNH to provide staff with professional development opportunities as well as fulfilling the basic functions of processing collections and producing exhibits. This request is for part-time staffing and materials to support IMNH activities

C. GOALS & OBJECTIVES ADDRESSED/PERFORMANCE INDICATORS:

This request responds to all four SBOE Strategic Plan goals.

D. PERFORMANCE INDICATORS:

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

The addition would allow the IMNH to be responsive to its mission of collecting, protecting and exhibiting our natural history.

PROGRAM: IDAHO MUSEUM OF NATURAL HISTORY (IMNH)

A. DECISION UNIT NAME: RESEARCH CURATORIAL STAFF
PROGRAM PRIORITY #4

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL	.50	$46,000				$46,000

DESCRIPTION:

Provide Research Curatorial positions - Five Positions at .10 FTP

Curatorial staff in the fields of plant, fish, mammal, geology, and anthropology would provide the IMNH with much needed expertise in collection acquisition and grant proposal submission. They would enhance our ability to improve collections and their storage, care and exhibition,

C. GOALS & OBJECTIVES ADDRESSED/PERFORMANCE INDICATORS:

This request responds to all four SBOE Strategic Plan goals.

D. PERFORMANCE INDICATORS:

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

The addition would allow the IMNH to be responsive to its mission of collecting, protecting and exhibiting our natural history.

PROGRAM: IDAHO SMALL BUSINESS DEVELOPMENT CENTER

A. DECISION UNIT NAME: HISPANIC BUSINESS OUTREACH
PROGRAM PRIORITY #1

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL					$83,700	$83,700

COST:

PERSONNEL:	50,000
FRINGE:	17,500
OPERATING:	16,200
TOTAL:	83,700

DESCRIPTION:

Currently, the Idaho SBDC is serving the Hispanic business community within the available resources. Approximately 4% of our clientele are Hispanic businesses, which is significantly less than the percentage of the population that is Hispanic (8%).

This funding would allow the Center to hire a bilingual/bicultural individual to better serve the Hispanic businesses in the southern part of the state. The individual will need to bring experience in owning and operating a small business to this job. The individual would be located in Canyon County, but would serve Hispanic businesses in the entire southern part of the state.

This individual will be responsible for determining the needs in the Hispanic business community. Based on these needs, this person will deliver tailored consulting and training to improve the success of these businesses

This funding would provide funding for a full-time individual plus fringe (35%). It also provides sufficient funding to allow this person to travel to Idaho Falls, Pocatello, Burley, Twin Falls, etc. to provide consulting and training to existing and startup Hispanic businesses.

C. GOALS & OBJECTIVES ADDRESSED/PERFORMANCE INDICATORS:

SBOE Goals:

Goal 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.

Goal III

Ensure education, training, rehabilitation and information/research services are relevant to the needs of Idaho's citizens, workforce, business, industry, and local, state, and federal government.

Strategies & Measures: The strategy includes the addition of 100 Hispanic business owners over current levels, and the addition of 14 small business training courses focused on the Hispanic business owner.

D. PERFORMANCE INDICATORS:

With the addition of this new position, we expect to see an addition 100 new business owners and to provide at least 800 hours of consulting. We would also expect at least 14 training courses delivered to the Hispanic community.

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

With the growth of the Hispanic population in Idaho, it is important that the Idaho SBDC, along with our college and university partners, help diversify the business base and help in the creation of new businesses and the jobs they bring. More than 80% of the new jobs in Idaho are created by small businesses.

The Idaho SBDC has shown over the past 13 years that entrepreneurs that use Idaho SBDC services grow at faster rate than the average Idaho business. Sales growth is more than 3 times the state's average. Job creation is more than 4 times that of an average business creates.

PROGRAM: TECH-HELP

A. DECISION UNIT NAME: TECH-HELP
PROGRAM PRIORITY #1

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
					$280,000	$280,000

DESCRIPTION:

This request is for personnel costs to cover a portion of five staff members' salary and benefits. The Economic Development Administration grant for New Product Development in Idaho ended June 30, 2005. The Department of Labor Lean for Food Processors with English as a second language ends November 14, 2006. Both of these
programs have benefited the state of Idaho. In order to continue to provide these much needed services and maintains the infrastructure put in place by the awards, TechHelp requires more support at the state level.

Techhelp is a non-profit manufacturing extension center operating in partnership with Idaho's three universities. The state director and southwest Idaho regional office is located at Boise state university. The northern Idaho regional office in post falls associated with the university of Idaho and the eastern Idaho regional office in Idaho Falls associated with Idaho state university. Techhelp provides small to medium sized manufacturers with access to technical and professional services to make them profitable businesses that benefit the state's economy.

TechHelp, Idaho's manufacturing extension partner (MEP) since 1996 is a proven federal/state/private partnership for economic improvement. In fiscal year 2006, TechHelp clients surveyed by Synovate, an independent survey house, reported $53 million of positive economic impact.

This record of high impact and improving the economic well-being of local companies and the state of Idaho, has brought the center strong support - from the Governor's Office, Idaho's congressional delegation, Idaho legislators and local manufacturers. The partnership is recognized as a state investment that is giving a quantifiable return.

C. GOALS & OBJECTIVES ADDRESSED/PERFORMANCE INDICATORS:

a. Goal 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.

Objective 4: Embrace cooperative ventures between the agencies and institutions within the education system to offer programs and services in all parts of the state.

TechHelp delivers advanced manufacturing skills and expertise to companies statewide thanks to its partnership with Idaho's three state universities and in cooperation with state economic development agencies. TechHelp specialists and University staff and students provide statewide assistance from offices in Boise, Idaho Falls, Twin Falls and Post Falls.

Objective 5: Encourage and facilitate inclusion of Idaho's minorities in the education system.

TechHelp's **Lean Manufacturing for Food Processors - ESL** program is designed to overcome English as a second language issues at Idaho food processing companies. Through this program, Idaho food processors can gain a Lean production advantage and provide training to Idaho's minorities that makes them much more valuable employees. TechHelp collaborated with the Selland College at BSU to train ESL instructors who assist TechHelp manufacturing specialists with program implementation.

Objective 7: Expand outreach, research/demonstration programs and partnerships (public / private / in state / out-of-state) to meet Idaho's growing educational, environmental, societal, cultural and economic needs.

TechHelp developed the Lean for Food ESL program in cooperation with its sister organizations in Nevada, Oregon and Washington. TechHelp continues to work closely with its regional and national partners to identify, create and implement leading edge programs that will help Idaho companies meet current and future global challenges.

b. Goal III

Ensure education, training, rehabilitation and information/research services are relevant to the needs of Idaho's citizens, workforce, business, industry, and local, state, and federal government.

Objective 2: Monitor existing education, training, rehabilitation and information/research programs and services, including program content and delivery, for continued relevance to Idaho's needs, within a global setting.

TechHelp is the leading provider of lean manufacturing and new product development expertise in Idaho and arms Idaho companies with the processes and technologies that empower them to compete globally with low cost producers.

Objective 3: Monitor community and statewide needs for education, training, rehabilitation and information/research programs and services and, as appropriate to role and mission, develop/implement new programs and services to meet the emerging needs of Idaho's communities and economy.

Manufacturers relocating to and expending in Idaho generate high wages, good benefits and a deeper tax base but they often have plant layout/design issues and employee training needs that could be difficult to address in a largely rural state. TechHelp has worked with companies that have been delightfully surprised by the high quality of training and consulting services available through the Center's regional offices. As additional manufacturers consider making the move, TechHelp gives them one more reason to choose Idaho.

Objective 5: Ensure that state-funded research projects and cooperative partnerships are organized and structured to meet identified needs and/or enhance Idaho's economy or environment.

TechHelp's **New Product Innovation Program** enables Idaho companies to produce new products and increase profitability, by exposing them to the latest product development processes and rapid prototyping tools. Sponsored by TechHelp and Boise State University, this program is a key to profitability in the state - most corporate profit comes from products developed in the last five years. During a pilot product development program with Boise State University, manufacturers reported adding 50 new jobs, sales revenues exceeding $5 million; and more than $1 million in cost savings and new investment.

TechHelp's **Lean For Food Processor Program** meets the needs of the Idaho food industry and helps boost productivity of processors by up to 35% annually. Sponsored by TechHelp and University of Idaho Extension, the program eliminates waste and increases productivity through lean manufacturing principles. TechHelp provides training programs and industry conferences to raise awareness of new ways in which companies can improve operations. TechHelp will bring nationally recognized speakers and subject matter experts to Boise for the Fast Forward 2005 Idaho Manufacturing and Innovation Conference on October 13-14, 2005.

D. PERFORMANCE INDICATORS:

To continue to take these programs to all parts of Idaho, TechHelp requests $280,000. This funding will:

- Generate $8 million dollars of additional cost savings, investment and job creation and retention for Idaho manufacturers and food processors
- Leverage $700,000 of federal funding
- Continue the New Product Development program in Idaho
- Provide access to new programs for manufacturers and food processors in underserved South Central Idaho
- Secure a net revenue gain for the state through additional taxation revenues from relocating companies and improvements to Idaho companies

HEALTH PROGRAM: WOI VETERINARY MEDICINE

A. DECISION UNIT NAME: SALARY ENHANCEMENT
PROGRAM PRIORITY #1

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL		$31,500				$31,500

DESCRIPTION:

This request seeks additional funding for salary enhancement. As noted in the plan for renewal, our people are the primary asset of the university. In our strategic plan going forward, the issue of appropriate and competitive compensation as measured against our peer comparators is the top priority.

A recent state salary survey (Idaho state employee compensation report, Idaho Division of Human Resources, December 1, 2004) noted that the state's salaries currently lag behind market averages by over 14%.

C. GOALS & OBJECTIVES ADDRESSED:

SBOE GOALS: GOAL I, Objective 8, Objective 9

D. PERFORMANCE INDICATORS:

Retention success (lower turnover rates)
Recruitment success (fewer searches, best hires)
Closer alignment with market (lower market lag)
In general, retention and recruitment success will yield greater employee productivity while reducing expenditures for recruitment, moving expenses, start-up and training.

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

Recruiting and retaining highly qualified faculty and staff will benefit all of Idaho's citizens by improving the instruction, research and public service functions of the university. A well-educated, well-informed workforce will help Idaho attract and retain new business and industry.

HEALTH PROGRAM : WOI VETERINARY EDUCATION

A. DECISION UNIT NAME: CAINE CENTER INFRASTRUCTURE
PROGRAM PRIORITY #2

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL				$64,500		$64,500

DESCRIPTION: Invest in Facilities Maintenance, Renewal and Renovation

The Caine Veterinary Teaching Center has one main building and two outbuildings with current replacement values in excess of $3.5 million and infrastructure systems representing another $800,000. The main building is over 25 years old and requires annual infrastructure improvements. Current appropriations for capital outlay are removed from the WOI budget base every year. This process makes it impossible to plan for long-range infrastructure improvements.

This request represents 1.5 percent of the current replacement value of the facility and would allow the Caine Center to address some of its most critical maintenance needs. It would also be used to institute a long-range preventive maintenance program, which is not currently possible with non-continuing and varying appropriations for facilities maintenance. Facility maintenance benchmarks indicate that adequate facility maintenance funding should equal 1.5 percent of the current replacement value.

C. GOALS & OBJECTIVES ADDRESSED:

SBOE GOALS: GOAL I, Objective 10; GOAL IV, Objective 8

D. PERFORMANCE INDICATORS:

Reduction of deferred maintenance backlog
Funding of annual renewal and replacement to 1.5% target

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

The funding requested in this decision unit will allow the Caine Veterinary Teaching Center to address some of its most critical maintenance needs and to institute an effective long-range preventive maintenance program. Well-maintained facilities will improve our ability to serve veterinary students, practicing veterinarians, livestock and dairy producers, and all Idaho animal product consumers.

HEALTH PROGRAM: WWAMI MEDICAL EDUCATION

A. DECISION UNIT NAME: SALARY ENHANCEMENT
PROGRAM PRIORITY #1

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL		$46,100				$46,100

DESCRIPTION:

This request seeks additional funding for salary enhancement. As noted in the plan for renewal, our people are the primary asset of the university. In our strategic plan going forward, the issue of appropriate and competitive compensation as measured against our peer comparators is the top priority.

A recent state salary survey (Idaho state employee compensation report, Idaho division of human resources, December 1, 2004) noted that the state's salaries currently lag behind market averages by over 14%.

C. GOALS & OBJECTIVES ADDRESSED:

SBOE GOALS: GOAL I, Objective 8, Objective 9

D. PERFORMANCE INDICATORS:

Retention success (lower turnover rates)
Recruitment success (fewer searches, best hires)
Closer alignment with market (lower market lag)
In general, retention and recruitment success will yield greater employee productivity while reducing expenditures for recruitment, moving expenses, start-up and training.

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

Recruiting and retaining highly qualified faculty and staff will benefit all of Idaho's citizens by improving the instruction, research and public service functions of the university. A well-educated, well-informed workforce will help Idaho attract and retain business and industry.

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HEALTH PROGRAM: IDAHO DENTAL EDUCATION PROGRAM (IDEP)

A. DECISION UNIT NAME: EXPANSION OF THE DENTAL PROGRAM
PROGRAM PRIORITY #1

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL					$8,800	$ 8,800
FEES		$15,400				$15,400

DESCRIPTION:

This decision unit requests the increase of one additional seat in the IDEP program. This decision unit continues the expansion of the available seats in the program that was initiated with the approval of three seats and funding of one additional seat beginning fall 2001 (fy2002). This request represents the second increase in the original plan to incrementally increase the enrollment from seven seats per year to ten seats per year. The initial expansion increased the first year seats from seven to eight. Approval of this decision unit would result in nine available seats in the program.

C. GOALS & OBJECTIVES ADDRESSED/PERFORMANCE INDICATORS:

This decision unit is supported by the SBOE's emphasis on increasing the available health education seats for Idaho's residents. The decision unit is also congruent with the IDEP program's strategic plan goal to provide adequate numbers of seats for the number of qualified applicants to the program and for facilitating return of adequate numbers of dentists to the state. The future cost of this seat will be an increase of approximately $40,000 in each of the following three years.

D. PERFORMANCE INDICATORS: NA

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

The most compelling rationale is the increasing population of Idaho compared with the available seats. In the past 25 years Idaho has experienced a 49% increase in population going from 944,127 in 1980 to an estimate of 1,407,060 in 2005. The population of Idaho is projected to increase by an additional 8% to 1,517,291 by 2010. For the past decade, the program has attracted approximately 10 applicants to the program for every available seat and has continued to return over 70% of the practicing graduates to Idaho. The requested increase from 8 to 9 seats represents a rational increase in program capacity that is a partial solution to the need for additional dental education seats for Idaho.

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HEALTH PROGRAM: FAMILY PRACTICE RESIDENCY PROGRAMS

A. DECISION UNIT NAME: FAMILY PRACTICE RESIDENCY SUPPORT

PROGRAM PRIORITY #1

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
ISU FPR			$51,600			$51,600
FPRI BOISE					$103,300	$103,300

DESCRIPTION:

This request is for the second installment of a funding increase to bring state funding to 12% of program cost. The two residency programs were established primarily to increase the number of Family Physicians practicing in Idaho, especially in rural areas. The FPRI in Boise was founded in 1975 and the ISU FPR was founded in 1992. Both programs are funded from state allocations, grants, local hospitals, graduate medical education funds through Medicare and patient revenues. Over the last decade the two residency programs have become leading medical providers to the underserved populations of Boise and Pocatello. Reimbursement of such medical services has been declining while program costs have been climbing. Both programs wish to maintain the level of services they provide to the needy in Boise and Pocatello but have difficulty doing some under current financial pressures. Both programs will continue their mission to recruit and train family physicians who are needed both in Idaho's rural and also in urban growth areas. There are currently about 30 open family physician positions across the state that need to be filled.

C. GOALS & OBJECTIVES ADDRESSED/PERFORMANCE INDICATORS:

1. Provision of services to the underserved populations of Pocatello and Boise. Both programs together provide over $4,000,0000 medical services to Medicaid, Medicare and the indigent. Together the residencies absorb $900,000 of uncompensated care annually. Both residencies support and staff community services detailed below under "E Citizens Affected". Both residencies pursue the goal of continuing to provide high level medical care to these underserved populations.

2. Training family physicians to provide care to these populations throughout Idaho.

Both programs have a track record of recruitment of family physicians to rural Idaho.

	FPRI Boise	ISU FPR Pocatello
• Year opened	1972	1992
• Number of grads	190	45
• Number of Residents in training	28 (+2 Caldwell)	15
• Graduates who settled in Idaho	107	23

Both residencies continue to pursue the goal of responsible targeted recruitment of family physicians to serve both rural and the rapidly expanding urban and populations in Idaho.

3. Both residencies seek financial stability and are responding to their sponsoring hospital boards' mandates to limit the financial burdens placed on the teaching hospitals. The increasing burden of providing poorly reimbursed services and decreasing federal support of graduate medical education needs to be addressed. Both programs are facing increasing deficits. The State Board of Education in the past has recommended that the state should fund 20% of the combined costs of these programs. Current state support is approximately at the 9% level of the cost of both programs combined and has remained static over the last three years at around $510,000 for each program. The residencies seek an additional $10,000 in state allocation per residents in training for the next academic year in order that they may continue both their educational and service missions. There will be 30 residents in training through the FPRI in Boise and 15 residents in training through the ISU FPR in Pocatello. In August 2001 the SBOE recommended this increase. In August 2004 the SBOE reaffirmed the need for this increase that has become more pressing each of the last three years. Both residency programs have increased their patient care load to offset costs to a level, which is now jeopardizing the educational mission of the programs.

D. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

The citizen groups affected are shown below in a brief summary of the services the residencies offered in 2003/2004. The additional funds would allow us to continue to offer these services despite declining reimbursement. Services offered by the residency programs are significantly more cost effective than episodic emergency room visits, which cost the state about twice as much as a residency clinic visit.

A summary of services offered ¾

	FPRI Boise	ISU Pocatello
Medicare	$420,000	$564,000
Medicaid	$2,820.000	$440,400
Clinic visits / year	46,000	15,477
Uncompensated	$155,000	$367,000
Health Access	$500,000	
To Collections	$350,000	

Over $4,000,000 of medical services was provided to Medicaid, Medicare and the indigent. Together, the residencies absorb $900,000 of uncompensated care annually. Both residencies support and staff community services such as the Health Departments, Adolescent Detention Centers, HIV Clinics, Human Development Centers and Free Clinics

Additional indirect benefits to Idaho citizens are through graduate medical education. There is good evidence that the standard of medical care is enhanced in hospitals that have active teaching programs. Over 200 physicians from most specialties are actively involved in teaching. The programs bring in educational grants and associated grant activities that benefit the citizens Idaho. As academic research centers, the residencies at present receive federal and NIH grants totaling over $750,000 per year. Research areas are diabetes, hypertension, perinatal outreach and perinatal substance abuse.

The rural underserved have benefited historically through resident recruitment of physicians as shown in the goals section.

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AGENCY: OFFICE OF THE STATE BOARD OF EDUCATION

A. DECISION UNIT NAME: ASSESSMENT & ACCOUNTABILITY STATE SUPPORT (12.01)

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL			$2,000,000			$2,000,000

DESCRIPTION:

The program is requesting $2M in the event that another assessment vendor is chosen to create and administer the Idaho Standards Achievement Tests (ISAT).

C. GOALS & OBJECTIVES ADDRESSED/PERFORMANCE INDICATORS:

SBOE Goals: The Assessment and Accountability Commission recommended and the State Board adopted the accountability measure that Idaho test students twice a year, once for a diagnostic measure and once as a summative measure.

In addition, the federal "No Child Left Behind" Act requires that all students be tested in grades 3-8 and once in high school in reading and mathematics. Additional, by 2007, students must be tested in science once in following grade spans: 3-5, 6-8 and once in high school.

D. PERFORMANCE INDICATORS:

There is the possibility of $6M in federal Title VI funds being withheld if the State of Idaho is unable to meet the requirements of federal law. There is also the possibility of other federal title monies being withheld.

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

Under the State Purchasing Guidelines, the Office of the State Board of Education (OSBE) can sign a contract for a five-year period. The Idaho Standards Achievement Tests (ISAT) contract was signed in January 2003 as a two-year contract with three one-year renegotiable contracts. OSBE has extended the ISAT contract until July 2006 with the intent to issue a competitive Request for Proposals in February 2006. The RFP would be awarded in June 2006. There is the possibility that a different vendor will win the competition, thus meaning that the State will have to facilitate a smooth transition from one contractor to another.

It is very important to note that the State cannot have a period of time during which its assessment program is in limbo and not gathering data on student achievement. This would be a disservice to the educational system and would

create problems with the requirements of the No Child Left Behind Act. Therefore, the existing contract activities and the new contract activities must be coordinated

If the contract is awarded to a different testing vendor, it will be necessary to have an overlap of approximately six months in order to assure the State has a seamless transition between testing vendors. The estimated $2M will cover the work for the potential new vendor to create tests that will be ready for administration in spring 2007.

If a new vendor is selected and an overlap of the contracts is not feasible, there will be no tests given in fall 2006 because there would not be enough time to assemble tests in the available time. This overlap period will not only allow for time to create new tests, but also work with the previous vendor to ensure reliable test scoring procedures and consistent results.

AGENCY: OFFICE OF THE STATE BOARD OF EDUCATION

A. DECISION UNIT NAME: STAFF SUPPORT (12.02)

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL	1.00	$60,000	$2,500	$4,000		$66,500

DESCRIPTION:

This employee would be responsible for administrative support to the Office of the State Board of Education as needed.

NEED: The Office of the State Board of Education currently has five support level staff that supports 16 administrative level staff personnel. That is a ratio of three administrative staff to every one support staff.

DUTIES: Help compile and disburse media and public information packages to keep the public informed about educational issues being handled by the State Board of Education. Coordination of a variety of meetings and hearings, including agenda preparation, organization of participants, court reporters, interpreters, meeting arrangements, taking minutes and arranging travel for participants. Assist with the office-wide tracking and information management systems, including organization and maintenance of records and recordkeeping systems. This position will assist staff with Board agenda preparation and with the compilation of the agenda book, and may be asked to provide back-up clerical support for Board. Compose and/or prepare a variety of correspondence, official and legal documents on own initiative or from general instructions. Assist with proofreading documents, as requested. Research, analyze and compile information from a variety of sources to prepare reports, handle complaints or resolve problems, or refer them to the appropriate staff member. May answer phones and respond to questions from the public about education in Idaho, or redirect phone calls to appropriate staff for a response. This position may participate in preparation of responses to public information requests.

C. GOALS & OBJECTIVES ADDRESSED:

SBOE Goals:

Ensure maximum benefit from education resources through efficient operation and management of the education system.

Direct efforts to continuously improve the quality of Idaho's education.

Strategies & Measures:
Research ways to reduce the length of time needed to prepare Board Materials.
Maintain all office calendars and schedule meetings, rooms, and phone calls.
Schedule all office travel including plane reservations, cars, hotel reservations and travel to and from the airport.

Establish a record keeping system for both hard copy and email.

D. PERFORMANCE INDICATORS:
Reduce the time preparing Board Agenda Materials by two days.
Create policy for hard copy and email record keeping and filing by July 1, 2008.
Reduce duplication in travel arrangements by August 1, 2007.

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:
Board Members. Board materials will be received in a timely fashion so they have ample time to review them before a Board meeting.
Media. Board materials will be received in a timely fashion so they have ample time to review them before a Board meeting.
Staff in the Office. An efficient and effective filing system will reduce the time spent trying to locate documents. It will also reduce the amount of paper stored in the office.
Institutions and Agencies under the State Board of Education. Board materials will be received in a timely fashion so they have ample time to review them before a Board meeting.

AGENCY: OFFICE OF THE STATE BOARD OF EDUCATION

A. DECISION UNIT NAME: OFFICE SPACE (12.03)

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL			$25,000			$25,000

DESCRIPTION:

The Department of Administration has indicated the potential for locating additional office space in the Capitol Mall for the OSBE. Exact location and other details are not final, however this request is being made with the assumption that additional space will be forthcoming. The cost to OSBE will be the same per square foot as is currently being charged to other agencies in the Capitol Mall. The actual amount of new space that might become available is unknown; this request may be modified after hearing from the Department of Administration during late Summer/Fall 2005. This amount presumes a 50% increase in allocated space @ $10.40 per square foot, which is the standard rate for 'class a' space in the Capitol Mall.

C. GOALS & OBJECTIVES ADDRESSED:

D. PERFORMANCE INDICATORS:

Existing office and meeting space for the Office of the state Board of Education is insufficient for day-to-day professional work efforts. Staff is unable to meet in work teams due to a lack of appropriately sized meeting space; Board members have no private space in which to work when visiting the OSBE office, and overall space configuration is not conducive to a productive working environment. Ambient noise levels due to cramped work-spaces create a less-then-productive work environment.

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

Outside groups (and other state agency personnel) are not able to have productive meetings with OSBE staff or Board members due to an inadequate amount of available space in the existing office area. Meetings are held in OSBE staff offices, which are not designed to accommodate more than two visitors, at best. These meetings in private offices raises the noise level in adjacent staff offices, causing a degradation of productivity. Additional benefits to be derived would be to co-locate OSBE work teams in adjacent work space, a factor that is not possible at the present time. Also, OSBE has added a second Deputy Attorney General position for Charter School and other legal work; this person occupies ½ of what formerly was a small staff work/storage room.

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AGENCY: OFFICE OF THE STATE BOARD OF EDUCATION

A. DECISION UNIT NAME: ADMINISTRATIVE STAFF SUPPORT (12.04)

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL	1.00	$100,000	$2,500	$4,000		$106,500

DESCRIPTION:

Add professional level staff for oversight of schools authorized by the Public Charter School Commission This employee would be responsible for the day-to-day oversight of charter schools authorized by the Public Charter School Commission.

NEED:

The Office of the State Board of Education does not currently have an employee to handle these duties. Most of the schools that the Public Charter School Commission has authorized will open for the first time in the fall of 2005. Until a position is established to handle these duties they will need to be absorbed by existing staff in the office.

DUTIES:

This employee would be responsible for ensuring that the school is operating within established laws and rules. They would also be responsible for ensuring the school is financially solvent. They would also be responsible for assisting the charter school's Board of Trustees with problems or issues that may arise throughout the year.

C. GOALS & OBJECTIVES ADDRESSED:

SBOE Goals:

Ensure maximum benefit from education resources through efficient operation and management of the education system.

Direct efforts to continuously improve the quality of Idaho's education.

Strategies & Measures:

Monitor existing operations of schools to ensure efficient use of resources and funds.

Evaluate that students are receiving excellent and innovative instruction.

D. PERFORMANCE INDICATORS:

Response time to phone calls and requests will be reduced by 30%.
Oversight manual will be created by July 1, 2008.
Conduct yearly sight visit by July 1 of each year.

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

Charter Schools authorized by the Public Charter School Commission. They will receive timelier and more adequate assistance to their questions and needs.

Students who attend charter schools and their parents. They will be assured that that the authorizer of the charter school has established consistent and clear oversight responsibilities.

AGENCY: OFFICE OF THE STATE BOARD OF EDUCATION

A. DECISION UNIT NAME: MANAGEMENT ANALYST/AUDITOR (12.05)

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL	1.00	$ 93,100	$ 5,000	$ 4,000		$102,100

DESCRIPTION:

During the past 5 years the Office of the State Board of Education has seen a reduced capacity to perform internal audit and management analysis studies on behalf of the Board. The Office previously had an internal audit position, but when the incumbent left, that capability was lost. More recently, the Operations/Performance position became vacant, and because of increasing responsibilities regarding K-12 education programs, the new person hired came with a vastly different skill set. Plus, the Board has the need for additional capability to provide more thorough review of ISAT and a variety of other educational data (K-12 and 13-20) that is generated external to the agency. The amount requested would provide a professional position at an annual salary of $70,000, plus benefits, and related Operating and Capital Outlay costs.

C. GOALS & OBJECTIVES ADDRESSED/PERFORMANCE INDICATORS:

SBOE Goals:

D. PERFORMANCE INDICATORS:

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

Having an internal audit/management analysis/data analysis capability will allow the State Board of Education to conduct financial and/performance reviews of internal and SBE agencies/institutions that are outside the scope of the State Legislative Auditor and the Board's external auditor for the higher education institutions. For example, the Board previously audited higher education facility utilization (classrooms, primarily) to verify budget requests from the institutions; Board auditors also previously conducted reviews of institutional credit hours generated, which are used to make annual requests for Enrollment Workload budget funding.

AGENCY: OFFICE OF THE IDAHO STATE BOARD OF EDUCATION

A. DECISION UNIT NAME: GRANTS MANAGER/WRITER (12.06)

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL	1.00	$145,000	$ 5,000			$150,000

DESCRIPTION:

Provide resources to establish a resource development officer position within the state board office. The position would be responsible for obtaining external resources to fund program priorities that are not included in the general fund allocation. Duties would include establishing priorities, researching public and private grants, writing and managing the grants.

C. GOALS & OBJECTIVES ADDRESSED:

SBOE Goals:
Maintain the quality of educational programs and improve access.

Strategies & Measures

- Establish priorities that will impact the quality of and access to educational programs.
- Research grant opportunities to support identified priorities.
- Apply for grants and achieve goals as outlined in the grant.
- Evaluate the success of the grants to determine how quality and access were impacted.

D. PERFORMANCE INDICATORS:

Increase the number of grants awarded to the office of the state board to address program priorities and to support innovative projects that impact the access and quality of education throughout Idaho.

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF

NEED ADDRESSED:
Potentially all of the students enrolled in Idaho schools grades K-20 could potentially benefit from this position. The major priority for this position is to research funding sources that could be used to Support one of the board's goal of providing individuals of all ages and abilities access to education in order to be globally competitive Workers, responsible citizens and lifelong learners.

AGENCY: OFFICE OF THE STATE BOARD OF EDUCATION

A. DECISION UNIT NAME: HIGHER EDUCATION INFORMATION SYSTEM (12.07)

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL			$580,000			$580,000

DESCRIPTION:

This is a three-year project to implement 6 modules which constitute an information system for higher education: enrollment, academic programs, faculty/staff, financial aid, facilities & capital planning , and finance. The cost of the total three-year project will be $1,750,000, with a yearly maintenance cost of $240,000 a year starting in the fourth year. The year one request is for $580,000.

Advantages to a computer-based information system include the ability to provide timely information and data to the stakeholders (DFM, LSO, administrators, media, public etc.); the ability to provide analytical detail of the information and data collected to aid in planning; the ability to track and monitor data for trends and forecasting; and the ability to capture data that is currently too costly or time-intensive to handle manually.

C. GOALS & OBJECTIVES ADDRESSED/PERFORMANCE INDICATORS:

SBOE Goals:
Goal III; objectives 3; 6
Goal IV; objective 6

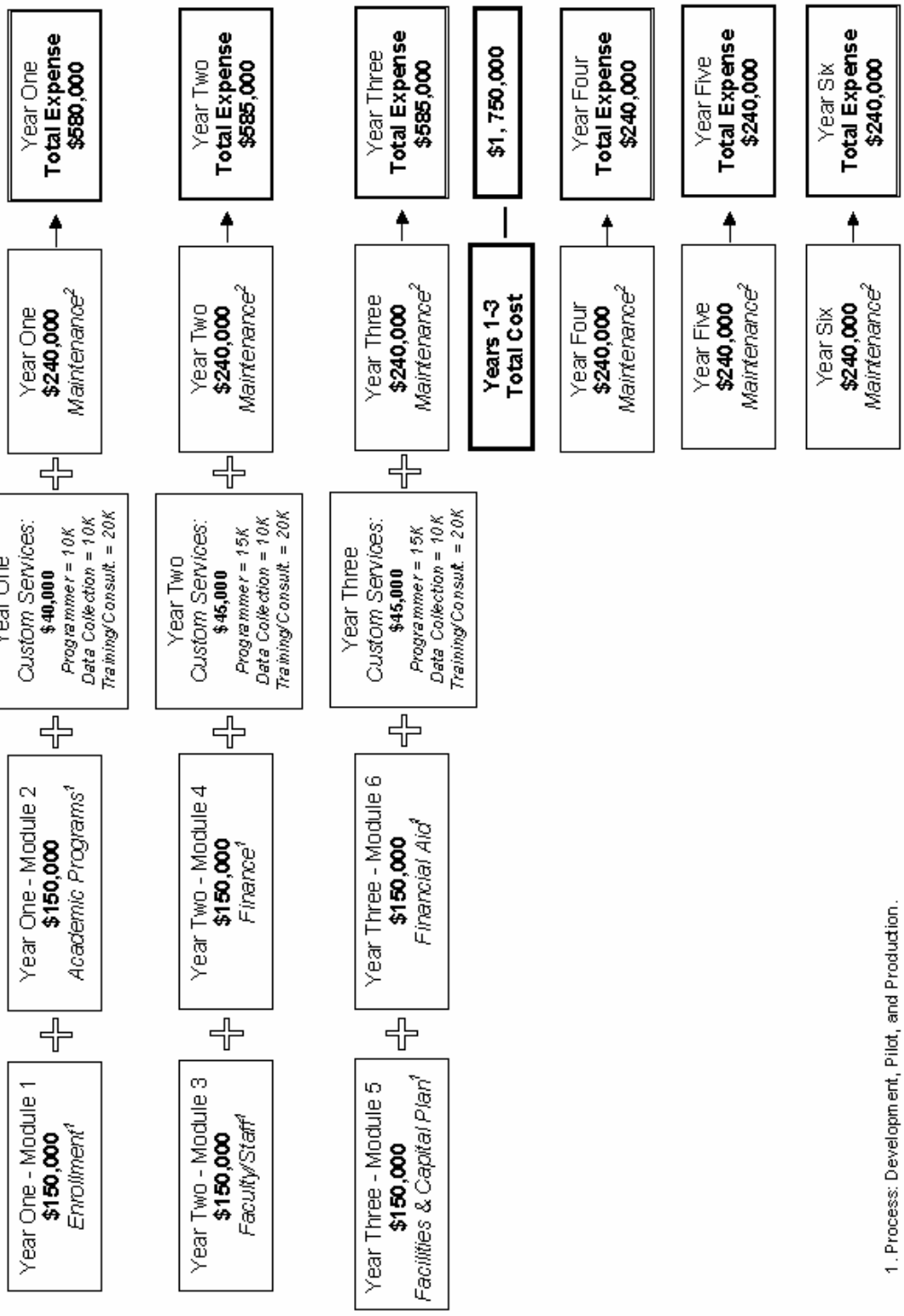
D. PERFORMANCE INDICATORS:

Quantifiable and empirical measures of success include the publication of reports. At the conclusion of year one (implementing 2 modules), reports relevant to student demographics and enrollment data as well as academic programs will be produced. Reports should include: Enrollment and Student Characteristics; Preparation for College-Level Work; Transfer Outcomes; Mobility of Undergraduate Students; Student Academic Progress; Graduates' Outcomes. The additional modules provide similar reporting and analytical capabilities. After three years, the Board will be able to produce a complete performance report for Idaho's higher education system.

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

Advantages to a computer-based information system include the ability to provide timely information and data to the stakeholders (DFM, LSO, administrators, media, public etc.); the ability to provide analytical detail of the information and data collected to aid in planning; the ability to track and monitor data for trends and forecasting; and the ability to capture data that is currently too costly or time-intensive to handle manually.

Higher Education Information System (HEIS) Funding Plan



1. Process: Development, Pilot, and Production.
2. Staff: System Administrator, Program Analyst, Application Mgr.,

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AGENCY: IDAHO SCHOOL FOR THE DEAF AND THE BLIND

A. DECISION UNIT NAME: SALARY EQUITY (12.01)

B. DECISION UNIT DESCRIPTION: EDUCATIONAL STAFF SALARY COMPETIVENESS

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL		$229,300				$229,300

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 an ongoing funding of $310,000 (estimated). Annual maintenance 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.

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:

SBOE Goals:
Strategies & Measures

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.

AGENCY: IDAHO DIVISION OF PROFESSIONAL-TECHNICAL EDUCATION

A. DECISION UNIT NAME: POSTSECONDARY INSTRUCTIONAL EQUIPMENT (12.01)

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
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:

Institution	Amount
BSU	221,219
CSI	164,202
EITC	144,227
ISU	314,177
LCSC	121,005
NIC	123,470

C. GOALS & OBJECTIVES ADDRESSED

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.

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 postsecondary education or advanced training, military service and employment will be 90% or greater.

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.

AGENCY: IDAHO DIVISION OF PROFESSIONAL-TECHNICAL EDUCATION

A. DECISION UNIT NAME: SECONDARY ADDED COST FORMULA (12.02)

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
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 ADDRESSED

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

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 co-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 or expanded programs. This will help school districts pay for the added costs associated with professional-technical education programs and services.

AGENCY: IDAHO DIVISION OF PROFESSIONAL-TECHNICAL EDUCATION

A. DECISION UNIT NAME: CIS – MAINTENANCE OF CURRENT OPERATIONS (12.03)

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL	0.00	$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 all 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 ADDRESSED

Goal I: Provide leadership and technical assistance that will continuously improve the quality of Idaho's professional-technical education system.

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

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 that has been used by almost all school districts in the State, all Department of Labor Job Service offices, Division of Vocational Rehabilitation offices, correctional facilities, Workforce Development service providers, and in more than 20 locations on college and university campuses for over 25 years.

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. Online portfolios and Six year educational planners also help faculty and staff meet the ongoing demands in our educational system. Agency personnel use the CIS software to help individuals gain employability skills that can help transition them back to the workforce.

AGENCY: IDAHO DIVISION OF PROFESSIONAL-TECHNICAL EDUCATION

A. DECISION UNIT NAME: CIS – REPLACEMENT OF LOST FEDERAL FUNDS (12.04)

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL	0.00	$85,000	$35,000			$120,000

DESCRIPTION:

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 all three fund sources. As of July 12th, 2005, the future of the federal revenue is in question. On this date the Senate Subcommittee on Labor, HHS, and Education Appropriations reviewed the FY06 appropriations bill and voted to eliminate funding for Section 118 of the Carl D. Perkins grant. Section 118 supports occupation and employment information. Idaho's portion of this grant is designated to the Idaho Career Information System, and constitutes approximately 18% of the total organizational budget. This decision unit will provide state general funds to allow costs previously borne by the federal fund to be moved to the state general fund. Doing so will reallocate funding for one existing FTE out of the state appropriations. The remainder of the request will help with ongoing operating expenses that have also been budgeted out of the federal grant source. If funding is restored to the federal grant this request will be withdrawn.

C. GOALS & OBJECTIVES ADDRESSED

Goal I: Provide leadership and technical assistance that will continuously improve the quality of Idaho's professional-technical education system.

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 that has been used by almost all school districts in the State, all Department of Commerce and Labor Job Service offices, Division of Vocational Rehabilitation offices, correctional facilities, Workforce Development service providers, and in more than 20 locations on college and university campuses for over 25 years.

CIS information benefits students, agency clients, and their families in several ways. First, it allows parents and family members to access and use the same information at home as students are now receiving as part of their classroom instruction at school. It allows parents to be much better prepared to assist their children because they can now obtain 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. Online portfolios and Six year educational planners also help faculty and staff meet the ongoing demands in our educational system. Agency personnel use the CIS software to help individuals gain employability skills that can help transition them back to the workforce.

AGENCY: IDAHO DIVISION OF VOCATIONAL REHABILITATION

A. DECISION UNIT NAME: WORKLOAD ADJUSTMENT (12.01)

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL	3.00	$ 26,600			$200,000	$226,600
FEDERAL		$ 97,800				$ 97,800
GENERAL	4.00	$ 40,000			($ 40,000)	$0
FEDERAL		$147,200			($147,200)	$0

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.

One of the counselors is designated for the School Work Program for the growing transition age student population eligible for IDVR services. The remaining counselor will be designated for the general program. Growth in population 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 loose far to many clients through lack of human resources in the way of counselor time. 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. The second set of four FTPs is needed for a 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 venders billable on an hourly basis. Our request is to reduce the expenditure to these venders 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. In addition one full time support staff will be needed to support the three job site developers. These three professional job site developers are expected to save the agency funds in the long run and to increase the productivity measure of closures through improved placement activity. The positions in the agency offer a much better control over the activity than what is available through the purchase of the service from private venders.

C. GOALS & OBJECTIVES ADDRESSED:

SBOE Goals: Goal I- Direct effort 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.

D. PERFORMANCE INDICATORS:

The number of clients served will increase 250 to 350 per service year. The number of successful rehabilitations due to added focus in the areas of services from the midpoint of the rehabilitation process through closure will increase.

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

Additional counselors will serve expanding population and provide more focus on the midpoint of the rehabilitation process, which will result in more successful rehabilitations. Job developers implemented will change the structure of the service delivery model and ultimately save resources and increase productivity measure of closures through improved placement activity.

AGENCY: IDAHO DIVISION OF VOCATIONAL REHABILITATION

A. DECISION UNIT NAME: PROGRAM IMPROVEMENT (12.02)

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL			$3,300		$499,000	$502,300

DESCRIPTION:

Increased funding necessary to reduce waiting list, increase number of clients served, and to shift the balance of those served further towards the community supported side of the service spectrum and to maintain an accurate bill paying system. In order to meet the objectives required by the client service demand, a 13% increase in funding is necessary. This increase will bring the program back to the funding level of several years ago prior to the economic recession

C. GOALS & OBJECTIVES ADDRESSED/PERFORMANCE INDICATORS:

SBOE Goals: Goal I- Direct effort 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.

D. PERFORMANCE INDICATORS:

Clients served will increase. Reduction of waiting list by 10% is possible.

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

Funding for FY2005 was for 11.5 months of services with some vendors not reimbursed. There exist additional funding needs for a full 12 months of services expected in all future years.

AGENCY: IDAHO DIVISION OF VOCATIONAL REHABILITATION

A. DECISION UNIT NAME: PAY EQUITY FOR VR COUNSELORS (12.03)

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL		$ 49,100				$ 49,100
FEDERAL		$181,300				$181,300

DESCRIPTION:

Our agency experiences significant difficulty in hiring appropriately trained counselors due to competition for applicants in the private sector or our applicant moving to the higher pay field of social work.

Federal regulations require a comprehensive system of personnel development and that counselors have an education level of the master degree with national certification. Our applicants can move to the social work field with the same training and earn higher pay. This will bring the starting wage of the vocational rehabilitation counselor to the beginning masters in social work of $16.59 per hour.

C. GOALS & OBJECTIVES ADDRESSED:

SBOE Goals: Goal I- Direct effort 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.

D. PERFORMANCE INDICATORS:

Agency will retain qualified staff. Counselor turnover rate will decrease.

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

Providing pay equity for our counselors will improve morale and turn over rates.

AGENCY: IDAHO DIVISION OF VOCATIONAL REHABILITATION

A. DECISION UNIT NAME: TRAINING (12.04)

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL			$55,000			$55,000

DESCRIPTION: NEW TRAINING NEEDS FOR STAFF

Several additional staff training needs is critical during the 2007 fiscal year. These include a special training package for our 48 classified support staff in the eight regional offices that provide support for our 72 counselors. The staff is presently under going a reclassification with significant changing job duties brought about by the previous implementation of the automated case management system. These costs include both in office instruction, and lengthy formal classes at local and regional educational facilities.

There is also a new initiative providing training for both our counseling staff and a significant number of our clients are in the subject of small business and self-employment. Classes for groups of both counselors and groups of clients will be conducted in three regions of the state by specialists from Idaho Universities, SBA and identified specialists in the area of disability self employment from Illinois. There will also be follow up structure for on going programming incorporated into the agency in order to extend the effectiveness of the training project.

In addition, a necessary training project will occur from July through October of 2007. In June of 2007 a scheduled major upgrade of our automated case management system called Gemini will be implemented taking the system to version 5, the dot net environment, with a large number of changes required by all system users which includes all but a few staff in the agency.

C. GOALS & OBJECTIVES ADDRESSED:

SBOE Goals: Goal I- Direct effort 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.

D. PERFORMANCE INDICATORS:

Achieves our objective to ensure complete and effective implementation of Gemini-caseload management system. Achieves our objective to establish statewide consistency for orientation and training to ensure continuity among all levels of staff.

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

Training for groups of both counselors and clients will be conducted. There will also be follow up structure for on going programming incorporated into the agency in order to extend the effectiveness of the training project.

AGENCY: IDAHO STATE HISTORICAL SOCIETY

A. DECISION UNIT NAME: CENTENNIAL PRESERVATION PROJECT (12.01)

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
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/:

SBOE Goals: Goal II, No. 2, 3, and 7 and Goal III, No. 2 and 3.

D. PERFORMANCE INDICATORS

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.
- 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.

E. 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

AGENCY: IDAHO STATE HISTORICAL SOCIETY

PROGRAM : HISTORIC SITES MAINTENANCE AND INTERPRETATION

A. DECISION UNIT NAME: HISTORIC PROPERTY PRESERVATION AND CONSERVATION (12.02)

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL			$240,000			$240,000

DESCRIPTION:

Provide for the preservation and conservation of historic properties of the state. According to state formula, an agency's budget should allocate a minimum three percent of the value of buildings for which it is responsible to handle routine repairs and upkeep. The Division of Risk Management values ISHS buildings at more than $8 million. That would require $240,000 in a building maintenance and repair operating expense allocation to meet those guidelines. The current allocation for the agency is $0.

In fiscal year 2001 the Society began an effort to increase its maintenance and repair budget for buildings over a four-year period. Due to the holdbacks in fiscal year 2002, the sites maintenance appropriation of $93,200 was reduced by $31,500 and completely eliminated in fiscal year 2003. If not reinstated in fiscal year 2004, the result is a total loss of $217,900 during a time when the state-owned historic sites continue to deteriorate.

C. GOALS & OBJECTIVES ADDRESSED/PERFORMANCE INDICATORS:

GOAL 1: Provide for most efficient use of resources through the effective administration of all agency operations.
OBJECTIVE: Secure adequate resources and support for needs and activities of agency**.**

D. PERFORMANCE INDICATORS:

a: Repair and restore damage and deterioration of old pen buildings to keep it for future generations.
b: Number of buildings on which restoration has taken place at Old Pen.
c: Maintain portions of old penitentiary grounds in their original condition.
d: Pierce Courthouse work projects by agency staff.

e: Stricker Ranch projects by agency staff
f: Franklin properties work projects by agency staff.

Strategy 1-D: Continue seeking resources to meet maintenance and repair needs for buildings and lands at the Old Penitentiary Historic District, Rock Creek Station and Stricker Home site, Franklin Historic Site, and Pierce Courthouse Historic Site.

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

Adequate maintenance and repair of state-owned buildings is of long-term benefit to all citizens of Idaho due to the reduced cost of major restoration or renovation that is likely to otherwise take place later. All citizens interested in the preservation of the state's heritage benefit from adequate upkeep and protection of state-owned historic buildings.

By earmarking funds specifically for maintenance and repair of buildings that are the responsibility of the Idaho State Historical Society, competition for tapping into limited State Board of Education capital money that is made available to all SBOE institutions and agencies is reduced. In addition, the ISHS does not have to depend so readily on the competitive environment found in the Division of Public Works to handle "routine" items, thus freeing up DPW funds for other state agencies.

By allocating adequate funds and meeting state recommendations for maintenance and repair needs in the agency, more efficient use of existing personnel and planning will result since dependence on outside funding sources is reduced or eliminated.

AGENCY: IDAHO STATE HISTORICAL SOCIETY
PROGRAM : HISTORIC PRESERVATION & EDUCATION

A. DECISION UNIT NAME: HISTORIC MUSEUM CURATOR (12.03)

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL	1.00	$48,500				$48,500

DESCRIPTION:

Identify, protect, record and acquire significant prehistoric and historic resources of the state. Provide sufficient staffing to catalog significant historic acquisitions at the State Historical Museum**.**

C. GOALS & OBJECTIVES ADDRESSED:

GOAL 2: Provide for programs offering public information and education.

OBJECTIVE: Identify, protect, record and acquire significant historic resources of the state.

D. PERFORMANCE INDICATORS:

a: Items cataloged
b: Programs presented
c: Exhibits produced

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

All state citizens, potential citizens and visitors and especially school children engaged in studies of Idaho State History.

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AGENCY: STATE LIBRARY

A. DECISION UNIT NAME: LILI UNLIMITED (12.01)

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL	0	$0	$333,700	$0	$0	$333,700

DESCRIPTION:

Since 1990, members of the Idaho library community have envisioned a statewide virtual catalog that would provide Idahoans with easy, 24/7 electronic access to the collections of the state's libraries.

After 15 years of planning, preparation, and technology development, LiLI-Unlimited began in FY2005 as a pilot project using federal LSTA and participant library funding. When fully implemented in FY2007, LiLI-U will be the virtual statewide library catalog. 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.

This ongoing state funding will cover the resource sharing portion of the costs: access to the Idaho catalog and unlimited interlibrary loan (ILL) requests for Idaho libraries. Participating libraries will pay an annual flat fee for their cataloging costs based on the size of library.

C. GOALS & OBJECTIVES ADDRESSED:

SBOE Goals:

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.
   2. Develop universal access to library/archival services (public, school, academic, and special) for all Idahoans.
   3. Support a statewide network of libraries and public broadcasting to provide local access to global information.

Agency Strategies:

State Library Strategic Plan 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.
- The State Library works in collaboration with other information providers to promote and deliver library services.

- State Library services extend throughout the state to libraries and other community organizations.

D. PERFORMANCE INDICATORS:

1. Number of Idaho libraries participating in LiLI-U
2. Number of items added to LiLI-U catalog
3. Number of items borrowed by Idaho libraries for their clientele
4. Number of items loaned by Idaho libraries
5. Number of log-ins to LiLI-U catalog by Idaho library users and staff

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

Target clientele.
LiLI-U is a statewide library service for Idahoans.

Need.
Most of Idaho's libraries are publicly funded, and none can begin to own all of the resources their clientele request. The need for resource sharing among libraries is a given. Without a statewide catalog that shows what library owns what titles, resource sharing can be inefficient, slow, and labor-intensive. A library may ask to borrow an item from a distant library without knowing that a nearby library owns it. When libraries do purchase materials, there is often a time lag before the new materials can be cataloged and made available to the clientele.

Benefits.
All Idaho library users benefit from the sharing of publicly-funded library materials; they have more access to many more materials. 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 990,000,000 holdings of libraries worldwide.

LiLI-U offers unlimited access to consistent and high quality electronic cataloging services for an affordable flat rate based on the library's size, and it is this cataloging that creates the LiLI-U catalog. In most cases, cataloging with LiLI-U will save participating libraries staff time and in many cases, money.

With LiLI-U's unlimited 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. Many Idaho libraries currently limit their ILL service because of the costs. ILL through LiLI-U offers more service to our clientele, and will save participating libraries staff time and in many cases, money.

AGENCY: STATE LIBRARY

A. DECISION UNIT NAME: READ TO ME (AT-RISK CHILDREN 0-6) (12.02)

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL	0	$0	$100,000	$0	$50,000	$150,000

DESCRIPTION:

Read to Me is a multi-faceted early literacy initiative which provides information, training, technical assistance, and resources for Idaho libraries and their community partners. It has been funded with a combination of private, state (FY02 one-time appropriation), and federal funding sources since 1997.

This funding request focuses on providing Idaho public libraries with resources to reach families with children ages 0-6 to:

- Increase kindergarten readiness among at-risk children, and
- Maintain or increase reading skills during the summer months for at-risk early elementary students.

C. GOALS & OBJECTIVES ADDRESSED:

SBOE Goals:

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.

7. Expand outreach, research/demonstration programs, and partnerships to meet Idaho's growing educational, environmental, societal, cultural and economic needs.

Agency Strategies:

State Library Strategic Plan, 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.

Coordinate statewide library literacy programs.

Direct communication, public information and advocacy efforts to improve the library service of unserved and underserved populations.

D. PERFORMANCE INDICATORS:

1. More children will enter kindergarten with early literacy skills (as indicated by an increase in fall kindergarten IRI scores)
2. More at-risk children will participate in Idaho library Summer Reading Programs.
3. There will be a significant increase (20%) in the number of Idaho children who are utilizing library resources in targeted areas.
4. More public libraries will establish or strengthen partnerships with schools and organizations serving families with children.
5. More child care providers and parents in Idaho will use library resources and increase best practices in early literacy.
6. Families with children ages 0-6 in Idaho will be exposed to information about early literacy in a variety of locations.

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

Target clientele.

This element of Read to Me will focus on Idaho children ages 0 – 6 who have at least one risk factor. Nearly half of all children entering kindergarten come from families with one or more risk factors, defined as:

- having a mother with less than a high school education
- living in a family that received food stamps or welfare payments
- living in a single-parent household; and
- having parents whose primary language is not English

Although not all children who are at risk do poorly in school, those with risk factors are, on average, more prone to lower achievement. (Source: *Entering Kindergarten: Findings from The Condition of Education 2000*. National Center for Education Statistics, U.S. Department of Education)

Needs.

Idaho Reading Indicator (IRI) scores show many children entering kindergarten lack early literacy skills. Data from the past five years show that while improvements have been made in skills of students entering kindergarten, those most at-risk students, including those who do not speak English, begin school behind their counterparts.

"For many children, school is still the first place they learn about the alphabet and rhyme," Superintendent of Public Instruction Marilyn Howard said. "These results continue to reinforce a statewide need to focus on early learning."

The fall 2004 IRI scores (measured at the beginning of the school year) showed that 50 percent of the children entering kindergarten are reading at grade level. These figures also show that 77 percent of Hispanic or Latino children are starting kindergarten below grade level and 64 percent of American Indian children lack some of these early reading skills. More than 15 percent of Idaho's

children under the age of five are Hispanic. (Source: *Hispanic Profile Data Book for Idaho*, published by the Idaho Commission on Hispanic Affairs)

Children who do not read over the summer months lose up to one-third of a grade level in reading skills. Nearly every public library in the state offers a summer reading program, but statistics show they are not reaching as many at-risk children with those programs as is necessary to stem the "summer brain drain."

Benefits.
Funding for this element of Read to Me will provide seed money and incentive programs to encourage public libraries to reach families with critical literacy needs. Libraries will use the funds to develop deposit collections for daycares, bilingual materials, translation services, books in a bag projects, early literacy workshops and other outreach efforts to at-risk children in the 0-6 age range. Libraries will also better meet the needs of at-risk children by enhancing summer reading outreach efforts for at-risk students in the early grades.

As this portion of Read to Me is implemented, more at-risk children in Idaho will enter kindergarten with early literacy skills. Idaho parents, caregivers and children will have increased access to books, early learning resources, and programs that model and promote early literacy practices. More at-risk children will participate in their local library summer reading program and maintain or increase reading skills over the summer months.

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AGENCY: STATE LIBRARY

A. DECISION UNIT NAME: FURNISHINGS FOR STATE LIBRARY TRAINING & CONFERENCE CENTER (12.03)

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL				$150,000		$150,000

DESCRIPTION:

The Idaho State Library will expand into the 5,424 square foot area on the main floor of the State Library building at 325 West State in Boise when the space is vacated by the Historical Society Library in October 2005. The agency plans to convert this space into a training and conference center in support of our mission to assist libraries to build their capacity to better serve their clientele. With funding from other sources, the space will be converted into three conference rooms (1300, 800, and 400 square ft), a 1300 square foot multi-media training room, a small kitchenette, rest rooms, and equipment storage space.

This request is to purchase the equipment and furnishings for the space. Each conference room will provide current technology for accessing the Internet and various methods of projecting data and sharing information. The multi-media training room will accommodate 24 computer stations for on-site training in addition to the access and projection capabilities of the conference rooms.

The center will also be available for rental by other state agencies which will help meet the demand for meeting/training space in the Capitol Mall area.

C. GOALS & OBJECTIVES ADDRESSED

SBOE Goals:

IV. Ensure maximum benefit from education resources through efficient operation and management of the education system and investments in student learning centered software.

8. Encourage the allocation of resources to improve instructional facilities and increase operational efficiency through the coordinated use of technology.
11. Support the development of libraries as leaders in the application of appropriate technology to information technology to information access.

Agency Strategies:

State Library Strategic Plan, Visionary Design Statement #2:

Idaho State Library is a central resource that provides statewide leadership and service to maximize the common efforts of Idaho libraries.

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.

State Library Strategic Plan for Library Training and Continuing Education goals:

1. Delivery methods and times make it easy for people to participate in a variety of continuing education and training opportunities.
2. New technologies are used appropriately to deliver continuing education to the library community.

D. PERFORMANCE INDICATORS:

1. Number of times rooms are used by State Library staff
2. Number of library staff participants
3. Number of times rooms are used by agencies in the Capitol Mall area
4. Number of non library staff participants

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

Target clientele.

Three major groups would be affected: 1) library staff throughout the state from all types of libraries; 2) state employees and officials meeting or training in the Capitol Mall area; and, 3) Idaho citizens who either attend State Library workshops and conferences or use the facilities for other purposes.

Needs and Benefits.

Continuing library education is a major tool used by the State Library to achieve its mission. Each year the State Library conducts workshops statewide for public, school, and academic library staff. Summer Institute is an annual weeklong educational opportunity for 60-70 people. Lack of training facilities requires use of off-site training facilities and equipment. The identification of these sites requires on-going staff time and can reduce effective training due to unfamiliarity with equipment capabilities. A training center designed to meet the needs of users would increase training effectiveness and ability to meet training needs.

Conference room and training space is limited in the Capitol Mall area. State employee and legislative activities are especially restricted for groups larger than 50. Three additional conference rooms and a training room would help alleviate this need. The location of the center in a self-contained wing of the Idaho State Library building would make the areas available on weekends and nights.

This is a one time request for capital funds. Full funding would fully furnish the center. Upgrades to equipment and furnishings would be addressed through future replacement capital requests as part of the normal budget process.

AGENCY: STATE LIBRARY

A. DECISION UNIT NAME: PROFESSIONAL DEVELOPMENT COLLECTION (12.04)

B. DECISION UNIT DESCRIPTION:

BUDGET SUMMARY:

Account	FTP	Personnel Costs	Operating Expenditures	Capital Outlay	T/B Payments	Total
GENERAL			$28,000	$22,000		$50,000

DESCRIPTION:

In 2003 the State Library narrowed the focus of its collection to support our mission to assist libraries to build their capacity to better serve their clientele. Anticipating limited funding for the foreseeable future, we have been moving towards building a Professional Development collection to meet the needs of the library community in Idaho.

Collection development is an ongoing process. After two years of no appropriation for the collection, followed by FY05 with $40,000 and FY06 with $24,500, an infusion of funding is required to make our existing collection more relevant and current, and to cover the full spectrum of library services and management topics required for the professional development of the Idaho library community. Easily accessible through our web catalog and LiLI Unlimited, the Professional Development collection covers the topics, issues, and trends relevant to their strategic planning, management, professional growth, and the daily work in their libraries and communities.

This funding will enable us to respond to a November 2004 assessment of our collection that identified gaps in several subject areas and the need to purchase more current materials. Because of the increasing number of resources available in digital format, we request that a portion of the funding be in OE rather than CO.

C. GOALS & OBJECTIVES ADDRESSED:

SBOE Goals:

I. Ensure education, training, rehabilitation, and information/research services are relevant to the needs of Idaho's citizens, workforce, business, industry, and local, state, and federal government.

3. Monitor existing education, training, rehabilitation and information/research programs and services, including program content and delivery, for continued relevance to Idaho's needs within a global setting.

Agency Strategies:

State Library Strategic Plan, Visionary Design Statement #1:
Idaho State Library educates Idahoans in library, literacy, and information skills. State Library provides education, consulting services, and information.

D. PERFORMANCE INDICATORS:

1. Number of items loaned to Idaho individuals and libraries
2. Number of items loaned by type of library (public, school, academic, and special)

E. DESCRIBE CITIZEN GROUPS AFFECTED, BENEFITS DERIVED, AND PORTION OF NEED ADDRESSED:

Target clientele. Members of the Idaho library community.

Needs and Benefits.
A November 2004 assessment of the State Library's collection identified gaps in several subject areas. A December 2004 survey of the Idaho library community identified additional topics for which more professional development resources are needed. The assessment also identified the need to purchase more current materials. Funding above the MCO level is needed to address these deficiencies and make the collection most useful to the Idaho library community.

Most public and school (K-12) libraries in the state have limited local funds to spend on materials for their primary clientele, and no funding for professional development resources. To quote from the December survey results:

- Often professional development books are very effective but expensive. I appreciate being able to get them from ISL.
- It is not practical or feasible for me to purchase this kind of material for my (individual) library and it actually makes more sense for there to be a central source of this type of material available to all libraries in Idaho. Thank you for this collection – I count on it!
- I appreciate having this resource available as it is hard to buy this kind of information on a school budget.

By offering these specialized resources from a central collection at the State Library, all members of the library community have access to professional development materials to help them improve their planning, management, and service to their clientele without depleting their local budgets.

INSTITUTION / AGENCY AGENDA
AGENCIES AND INSTITUTIONS OF THE STATE BOARD

SUBJECT

FY07 Capital Budget Requests

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.B.8.c.

BACKGROUND

Capital projects are funded through the Permanent Building Fund Advisory Council (PBFAC), therefore the capital projects request process is separate from the operating budget request process. The PBFAC (with staff from the Division of Public Works – DPW) has several major areas of focus: new, renovated or remodeled projects; Americans with Disabilities Act (ADA) projects; asbestos abatement/removal, and building demolition. The State Board of Education reviews and prioritizes major capital projects (as defined by DPW) only, deferring priority-setting of the remaining projects to the DPW staff.

Major capital projects approved by the Board are forwarded to the Permanent Building Fund Advisory Council, which reviews and prioritizes all capital projects statewide. The legislature appropriates funds to DPW specifically for major capital projects and makes available funding for renovation and repair and other projects statewide.

In the last few years the Board has chosen to not prioritize or recommend any capital facilities to the Permanent Building Fund, requesting that all funding efforts be directed toward Alternation & Repairs, asbestos abatement, etc.

DISCUSSION

Institutions and agencies have prepared and submitted their FY 2007 capital budget requests to the Board office and DPW, as shown on Page 3. The projects on lines 22 and 23 of the schedule are shaded only because they are planned to be only partially funded with state dollars. Federal grants and/or private donations are being considered for the remainder of funding.

IMPACT

Only Board-approved major capital projects can be forwarded to the PBFAC. The PBFAC, Governor and Legislature will then be informed of the Board's emphasis based upon the priorities indicated (if any), at the Board's discretion.

INSTITUTION / AGENCY AGENDA
AGENCIES AND INSTITUTIONS OF THE STATE BOARD - continued

STAFF COMMENTS AND RECOMMENDATIONS

Projects listed on the following schedule have been prioritized by each institution or agency. Many of these projects were included in the FY 2003 institution request list.

During its 2003 session, the Idaho Legislature approved a slate of projects that were funded by bonds issued by the State Building Authority, commonly referred to as the "bonded projects". Because of that new construction, there were no capital projects requested by the Board for either FY 2005 or FY 2006. There was a general understanding that bonding and constructing several new facilities now was better than having one new educational building each year spread over several years. These bonds will be paid off by annual revenues into the PBFAC.

In recent years the PBFAC has had annual revenue (primarily from the 'head tax' on the individual income tax) of approximately $30 million for all state projects. Of that amount, approximately $11 - 13 million is allocated for continuing bond payments (education and other agency "bonded projects") and DPW operating costs. Approximately $14 -15 million is allocated annually for a combination of all other items such as alteration and repair, asbestos abatement, etc. The remainder, $2 million or so, is available for all major facility needs statewide.

During the past two years the PBFAC has placed its emphasis on Alteration & Repairs because of the significant backlog in all agencies and institutions. For FY 2007 the PBFAC might choose to recommend one or more major facilities if they were extremely critical. Doing so would cause fewer funds to be recommended for Alteration & Repair projects or other items.

Board action could be to recommend some or all of the projects to the Permanent Building Fund Advisory Council for consideration at its October 2005 meeting, or to recommend no major capital facilities for FY 2007 and have the PBFAC concentrate upon Alteration and Repair and other non-major projects. Previous discussions of the Board have concluded that a project's past ranking on any list should not influence future decisions about where that project should be ranked.

Staff recommends the Board recommend to the PBFAC that it continue to concentrate on alteration and repair and other non-major capital projects for FY 2007.

INSTITUTION / AGENCY AGENDA
AGENCIES AND INSTITUTIONS OF THE STATE BOARD - continued

BOARD ACTION

This item is for informational purposes only. Any action, including prioritizing the major capital projects, will be at the Board's discretion.

SAMPLE MOTION, IF NEEDED:

A motion to recommend to the Permanent Building Fund Advisory Council the following major capital project(s) for, in priority order, for consideration in the FY 2007 budget process:

1. <select from Tab 7, Page 5>
2. "
3. "
4. "

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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State Board of Education

FY07 Major Capital Request Summary

($ in 000's)

	Board Priority	Institution/Agency & Project	Total Project Cost: Perm. Building Fund	Total Project Cost: Total Funds	FY 2007 Request
1		**Idaho State Historical Society**			
2		Museum Addition - Phase II	4,600.0	4,600.0	4,600.0
3		Old Penitentiary Visitor Access Project	925.0	925.0	925.0
4		Idaho History Center - Phase III	4,500.0	4,500.0	4,500.0
5		**Boise State University**			
6		Center for Environmental Science & Economic Development	20,300.0	20,300.0	20,300.0
7		**Idaho State University**			
8		Life Science Renovation and Addition	22,250.0	22,250.0	22,250.0
9		New Idaho Museum of Natural History Building	23,700.0	23,700.0	23,700.0
10		Addition to the Family Medicine Clinic	8,466.0	8,466.0	8,466.0
11		New Mechanical Trades Building	15,677.5	15,677.5	15,677.5
12		Addition to the Lillibridge Engineering Building	9,270.0	9,270.0	9,270.0
13		Renovate Trade and Technology Building	6,230.5	6,230.5	6,230.5
14		Renovation of Reed Gymnasium	8,067.5	8,067.5	8,067.5
15		New Physical Plant Buildings	4,335.5	4,335.5	4,335.5
16		Renovation of the College of Business Building	8,898.0	8,898.0	8,898.0
17		Renovation of Turner Hall	7,339.0	7,339.0	7,339.0
18		**University of Idaho**			
19		Academic Enrichment Suite	775.0	775.0	775.0
20		Science & New Technologies Lab/Interdisciplinary Research & Education Facility (Planning/Pre-Design)	58,366.0	59,259.0	2,963.0
21		Education, Preservation & Performance Facility (Design)	19,437.0	54,970.0	4,148.0
22		A&A Center for Design Technology (Planning/Pre-Design)	903.0	8,917.0	452.0
23		Administration Bldg./Classroom Renovation (Planning/Pre-Design)	15,915.0	15,915.0	830.0
24		Education Bldg./Classroom Renovation (Planning/Pre-Design)	15,915.0	15,915.0	830.0
25		ARC/CEB Renovation (Planning/Pre-Design)	15,915.0	15,915.0	830.0
26		Three Falls Collaborative Higher Ed Building Initiative:			
27		Idaho Falls - Classroom, Laboratory, Office Building	14,843.0	14,843.0	14,843.0
28		Twin Falls Falls - Classroom, Laboratory, Office Building	14,843.0	14,843.0	14,843.0
29		Post Falls - Classroom, Laboratory, Office Building	18,963.0	18,963.0	18,963.0
30		**Lewis Clark State College**			
31		Parking Expansion Project	1,500.0	1,500.0	1,500.0
32		Health Science Building	16,000.0	16,000.0	16,000.0
33		Upgrade and Renovation of Administration Building - Phase I (Silverthorne Theatre)	1,000.0	1,000.0	1,000.0
34		Upgrade and Renovation of Administration Building - Phase II (Offices and Classrooms)	3,500.0	3,500.0	3,500.0
35		Renovation of Spaulding Hall	2,500.0	2,500.0	2,500.0
36		Remodel and Expansion of Old Science Building	1,960.2	1,960.2	1,960.2
37		Renovation and Purchase of New Music Building	808.5	808.5	808.5
38		**College of Southern Idaho**			
39		Twin Falls Higher Ed Center	10,719.2	10,719.2	10,719.2
40		**North Idaho College**			
41		Seiter Hall Remodel	3,159.5	3,159.5	3,159.5
42		Property Acq. and Development for Education Corridor	5,300.0	5,300.0	5,300.0
43		Professional Technical Building	11,568.8	11,568.8	11,568.8
44		**Eastern Idaho Technical College**			
45		Renovate Technical Building 2, Classroom/Lab Areas	750.0	750.0	750.0
46					
47					
48		**Total**	$ 379,200.2	$ 423,640.2	$ 262,802.2

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**

B. Budget Policies

8. Major Capital Improvement Project -- Budget Requests

   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.