

1. Agenda Approval

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

2. Minutes Approval

**BOARD ACTION**

**To approve the minutes from June 8, 2005, June 15-16, 2005, and July 12, 2005 as submitted.**

3. Rolling Calendar

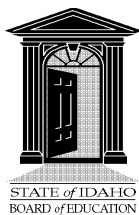
**BOARD ACTION**

**To approve August 10-11, 2006 as the dates and Eastern Idaho Technical College as the location for the August 2006 regularly scheduled Board meeting.**

**To approve the consolidation of the January and March regular Board meetings to a single regular Board meeting to be held on February 23-24, 2006 at Boise State University.**

**To approve January 23, 2006 as the date and at a location to be determined for a special Board meeting, to be held in conjunction with the commencing of the 2007 legislative session.**

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**REFERENCE: DRAFT MINUTES, JUNE 8, 2005 SPECIAL BOARD MEETING**

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

**DRAFT MINUTES  
STATE BOARD OF EDUCATION  
SPECIAL TELECONFERENCE MEETING**

**June 8, 2005**

**Len B. Jordan Building, PTE Conference Room  
Boise, ID**

A special meeting of the State Board of Education was held June 8, 2005 by teleconference, originating from the PTE Conference in the Len B. Jordan Building, Boise, Idaho. President Rod Lewis presided.

Rod Lewis, President  
Milford Terrell, Secretary  
Karen McGee

Laird Stone, Vice President  
Paul Agidius  
Sue Thilo

Board President Lewis opened the meeting at 10:12 a.m. with a roll call of participants. All members were present except Board member Blake Hall and Dr. Marilyn Howard.

**BUSINESS AFFAIRS & HUMAN RESOURCES**

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

**1. Amendment to Board Policy – Section V.E. – Gifts and Affiliated Foundations – First Reading**

Board member Terrell presented this item. Jeff Shinn of the Board Office provided background information. He explained that the discussion draft was presented in April. This is the first reading of the policy and the second reading is scheduled to take place at the June 16-17 Board meeting. The policy presented at this meeting has changes incorporated as a result of Board member input at the April meeting.

Laura Hubbard, University of Idaho, indicated that the draft policy looked good overall, but there are additional edits she will forward to the Board staff. She expressed concern about the foundation's executive director being a paid employee of the university and also about some provisions having to do with the control the SBOE would assert in regard to the

Foundation.

Board member Terrell asked to have those comments of the policy emailed to the Board members for review. Jeff Shinn explained that any and all comments on the policy need to be in written form and sent to Gary Stivers at the Board Office to compile and distribute them to the Board members.

Board President Lewis indicated that the number of steps that the Foundation will need to take in order to have Board approval allows the Board to fulfill its fiduciary duty in regard to the Foundation. He agreed that it was important to make sure the Foundation does have independence and that the policy needs to be clear. Jeff Schrader, the Board's legal counsel said that Board staff will work with UI on the wording to clarify the language of the policy.

There was discussion about the memorandum that went to Board staff having to do with questions Board member Terrell had about the wording of the policy. Jeff Schrader indicated that the questions had been address. Board member Terrell asked if the Board has the right to look into parts of what the foundations do noting that the Board has been refused ability to receive anything from the UI Foundation.

Jeff Schrader noted that Section e.3.g is the portion of the policy requiring the Foundation to have audits performed. A copy of the report is to be submitted to the Board. Board member Terrell asked if the Board has the right to ask questions of the foundation. Jeff Schrader said that institution presidents have the right to ask questions, but he will need to check to see if the Board has that same right.

Board member Terrell noted that without that ability, it is impossible to really know what is happening, particularly having to do with athletics. He noted that the Board should have the right to be able to know where funds are coming from.

Jeff Schrader noted that Section f.3 permits institution presidents to inspect the books of the foundation. He pointed out that the Board's auditors have the ability to inspect, but the policy would need to be revised if it is to allow Board members to inspect the books.

Board President Lewis agreed that this is a valid challenge and supported the recommendation to include language that allows the Board to inspect the books. Board member Stone agreed as well.

Board member Terrell asked legal counsel to provide a document that has that provision included. It was so noted by Jeff Schrader.

In response to a question, Gary Stivers noted that this policy will apply to all the institutions and agencies with the exception of the Idaho Research Foundation. Each foundation will have a separate memorandum of understanding with the Board to allow for some flexibility.

He underscored the fact that the memorandum will need to comply with the policy.

Mr. Stivers explained that this policy was presented at the April meeting with the understanding that it would effect all the institutions and agencies under the Board with the exception of the Research Foundation. He noted that until yesterday no comments had been received from any other institution.

Kevin Satterlee and Stacy Pearson of Boise State University indicated that they were not aware that this policy would be moved through the reading process so quickly. Ms. Pearson expressed concern with the lack of time for BSU to receive comments back from their stakeholders, and the timing issue as far as the foundations changing organizational structures because of the financial burden it would create.

Ken Prolo of Idaho State University agreed with BSU, noting that ISU was unaware until Friday (June 3) that there would be a first reading of the policy prior to the June 16-17 Board meeting. He also agreed with the timing issues requiring foundations to comply this year when budgets have already set.

Mike Wilson, University of Idaho I Interim Foundation president, noted that the policy seemed too much like a one-size-fits-all policy in regards to the timing of implementation, the structure requirement, etc. He suggested having the process slowed down to give more time to all parties to respond and provide input.

Board member Terrell apologized for his misunderstanding of this particular policy, and for having given the institutions the impression that this policy was written with UI in mind. He agreed with Mr. Wilson that it would be good to slow down the process to give all the entities an opportunity to provide input. He suggested delaying the second reading.

Board President Lewis asked what needed to happen to allow the institutions more time. Gary Stivers explained that as long as the institutions understand that they can't have their proposed operating agreements approved until the policy is in place, it is not a problem to delay the second reading of the policy.

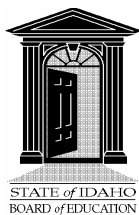
It was agreed by the institutions that the second reading won't take place until August. Gary Stivers urged the institutions to start working with their foundations and to get their comments turned in to the Board office right away so that there is time for analysis.

Board President Lewis cautioned the institutions not to carve up the policy in their collaborative efforts.

**M/S (Agidius/McGee): To approve the first reading of changes to Idaho State Board of Education Governing Policies and Procedures, Section V.E. –Gifts and Affiliated Foundations. *Motion carried unanimously.***

**M/S (McGee/Terrell): To adjourn at 11:00 a.m.** *Motion carried unanimously.*

**REFERENCE: DRAFT MINUTES, JUNE 15-16, 2005 BOARD MEETING**



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

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**DRAFT MINUTES  
STATE BOARD OF EDUCATION MEETING  
June 15-16, 2005  
Whitewater/Clearwater Room, University of Idaho Commons  
Moscow, Idaho**

**EXECUTIVE SESSION**

The Board met in Executive Session on June 15, 2005 at the Best Western University Inn in Moscow Idaho. Board President Rod Lewis presided and all members were present.

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

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

**M/S (Hall/Stone): To move into executive session pursuant to Idaho Code Section 67-2345(1) at 3:00 p.m. in the Empire Room of the Best Western University Inn.**  
*Motion carried unanimously.*

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

**M/S (Hall/Stone): To go out of Executive Session at 9:00 p.m. and adjourn.** *Motion carried unanimously.*

## **REGULAR BUSINESS MEETING**

The regular meeting of the Board convened at 8:00 a.m. on June 16, 2005 in the Whitewater/Clearwater Room of the Commons Building at the University of Idaho. Vice President Laird Stone presided (Rod Lewis and Sue Thilo were excused absent).

### **BOARDWORK (:05)**

#### 1. Agenda Review / Approval

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

#### 2. Minutes Review

**M/S (Hall/Agidius): To approve the minutes from April 20-22, 2005, and May 13, 2005, as submitted.** *Motion carried unanimously.*

#### 3. Rolling Calendar

##### June 2006 Regularly Scheduled Board Meeting

**M/S (Terrell/McGee): To approve meeting in October 2006 on, or around, October 13 at the University of Idaho for the regularly scheduled October meeting; and meeting June 15-16, 2006 at Lewis Clark State College for the June 2006 regularly scheduled Board meeting.** *Motion carried unanimously.*

##### September 2005 Special Board Meeting – Strategic Plans

**M/S (Terrell/McGee): To approve Thursday, September 22 and Friday, September 23 as the dates and Boise State University as the location for the September 2005 special Board meeting to discuss strategic plans.** *Motion carried unanimously.*

##### October 2005 Regularly Scheduled Board Meeting – Date Change

**M/S (Terrell/McGee): To change the date of the October 2005 regularly scheduled Board meeting from October 12-13, 2005 to Monday, October 17 and Tuesday, October 18, 2005. Meeting location will stay at Lewis Clark State College.** *Motion carried unanimously.*

### **OPEN FORUM (:08)**



Autumn Hansen, University of Idaho ASB President, reported to the Board on the Phase II Plan of Renewal. She noted that students were engaged throughout the meeting of the task force. She indicated that the plan for renewal gives the institution the opportunity to align programs. She thanked the Board for their support.

Kylie Castellaw, President of the University of Idaho undergraduate Art Club spoke to the Board regarding the elimination of the fine arts program at UI. She indicated that due process was not followed and encouraged the Board to reinstate the College of Art and Architecture.

Eric Roberts, President of the University of Idaho Architecture Students, reported on the impact of Robert Hoover's decision in 2002 to eliminate the College of Art and Architecture. He indicated that the decision was to off-set losses resulting from the UI Boise campus building effort and that due process had not been followed. He asked the Board to reinstate the College.

Steve Kopke, Mike Patano, and Marie Whitesel spoke to the Board concerning the reinstatement of the College of Arts and Architecture. Dr. Whitesel remarked on the history of the College and its value to the students, the community and the state.

Mr. Patano expressed disappointment that another year had passed without the State Board taking action in regards to reinstating the College of Art and Architecture. He underscored the overwhelming support of students, faculty, community and business members and alumni throughout the state to reinstate the College. He reiterated that due process was not followed and that decisions were made arbitrarily. He noted that even though the Architecture Foundation and the students voted "no confidence" in Dean Zeller, he remains in a position to influence future decisions. Mr. Patano stated that the University has thwarted the efforts of the students and faculty at every turn.

Steve Kopke reported that President Hoover had informed the students, staff and faculty that funding issues at the College compelled the elimination of the College of Art and Architecture. He went on to explain that when it became clear that the funding issues were related to the building effort in Boise, they realized that due process was not followed in the decision making. Mr. Kopke stated that a foundation was established and that a restoration plan was developed by 30 professionals. He noted that even though the plan was submitted, it was ignored by administration. He indicated that the parties had been told the issue would be brought before the Board in June of 2004, but it was not put on the agenda. He asked the Board to restore the College of Arts and Architecture.

On another subject, Chris Pentico reported that the Department of Administration and the Director of Human Resources at Boise State University were advised of concerns he had regarding the student personnel grievance policy. He asked to speak to the Board in private at a later date. He asked the Board to speak to Dr. Kustra about third party

mediation.

**CONSENT AGENDA (1:00)**

**M/S (Howard/McGee): To approve the Consent Agenda.** *Motion carried unanimously.*

1. Estimated Timelines for Federal Review of No Child Left Behind Programs for 2005

Information item.

2. Instructional Unit: Biomedical Research Institute – ISU

**By consent, the Board approved Idaho State University's request to establish a new instructional unit, the Biomedical Research Institute.**

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

**By consent, the Board approved the request by Boise State University for eighteen (18) new positions supported by appropriated and local funds; title, term, salary and FTE changes to eleven (11) positions; and deletion of ten (10) positions as detailed in the Human resources agenda.**

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

**By consent, the Board approved the request by Idaho State University for thirty (30) positions (28.65 FTE); to increase the FTE on two (2) positions (2.0 FTE); and to increase the term to 12 months on one (1) position (1.0 FTE).**

5. University of Idaho – New Position and Deletions of Positions

**By consent, the Board approved the request by University of Idaho for ten (10) new positions (10.0 FTP) supported by appropriated and non-appropriated funds, and to delete fifty-five (55) miscellaneous positions.**

6. Lewis-Clark State College – New Positions and Deletions of Positions

**By consent, the Board approved the request by Lewis-Clark State College to add fourteen (14) new positions (13.5 totals FTE) and delete one (1) position (.75 FTE).**

7. Room and Board Rates

Information item.

8. University of Idaho

Information item.

9. University of Idaho – Sale of Timber

**By consent, the Board approved the second reading of changes to Idaho State Board of Education Governing Policies and Procedures, Section V.R., Establishment of Fees, resulting from passage of the “tuition” legislation (HB 231).**

10. Overview of Capital Projects Bonded Through the Idaho State Building Authority

Information item.

11. FY 2005 Agency Dashboard Reports

Information item.

12. Idaho Council for Technology in Learning – Approval of FY 2006 Operating Budget

**By consent, the Board approved the FY 2006 operating budget for the Idaho Council for Technology in Learning as detailed on page 3.**

13. Idaho State University – Approval of an Agreement Relating to the Retirement of President Bowen

**By consent, the Board approved an agreement with President Richard Bowen related to his retirement from the position of President of Idaho State University.**

**BUSINESS AFFAIRS & HUMAN RESOURCES**

**Section I – Human Resources (1:01)**

1. Boise State University – Associate Dean of Research, College of Engineering Appointment

**M/S (Hall/McGee): To approve the request by Boise State University to create a position of Associate Dean, College of Engineering. Motion carried 5-0 (Stone absent).**

2. Idaho State University – Vice President for Academic Affairs – Appointment

**M/S (Agidius/Hall): To approve the request by Idaho State University to appoint Dr. Robert A. Wharton as Vice President for Academic Affairs at a salary of \$165,000. Motion carried 5-1 (McGee dissenting).**

**3. University of Idaho –****Head Women's Basketball Coach Contract**

Jeff Schrader, Board attorney, confirmed that the contracts comply with Board policy and reported that minor modifications were made. The rational for the modifications are provided in the Board materials.

**M/S (McGee/Agidius): To approve the request by the University of Idaho to renew the contract for Mike Divilbiliss, Head Women's Basketball Coach, supported by appropriated funds. Motion carried unanimously.**

**Head Men and Women's Golf Coach Contract**

**M/S (McGee/Hall): To approve the request by the University of Idaho to renew the contract for Brad Rickel, Head Men's and Women's Golf Coach supported by appropriated funds. Motion carried unanimously.**

**4. University of Idaho – Personnel Issue** (This place-holder item was pulled from the agenda.)

**5. FY 2006 Presidential Salaries**

**M/S (Stone/Hall): To approve the reappointment of Dr. Robert Kustra as President of Boise State University effective July 1, 2005 through June 30, 2006 at a state salary of \$166,892. Motion carried unanimously.**

**M/S (Stone/Hall): To approve the reappointment of Dr. Richard Bowen as President of Idaho State University effective July 1, 2005 through June 30, 2006 at a state salary of \$166,892. Motion carried unanimously.**

**M/S (Stone/Hall ): To approve the reappointment of Dr. Timothy White as President of the University of Idaho effective July 1, 2005 through June 30, 2006 at a state salary of \$166,892. Motion carried unanimously.**

**M/S (Stone/Hall): To approve the reappointment of Dr. Dene Thomas as President of Lewis Clark State College effective July 1, 2005 through June 30, 2006 at a state salary of \$130,000. Motion carried unanimously.**

**M/S (Stone/Agidius): To approve the reappointment of William Robertson as President of Eastern Idaho Technical College effective July 1, 2005 through June 30, 2006 at a state salary of \$102,767. Motion carried unanimously.**

**By unanimous consent, the Board agreed to return to the salary motion for Gary**

**Stivers when it had the exact figure.** (As a point of information, the Board did not return to this item during the June 16 meeting.)

6. UI – Appointment of Provost/Executive Vice President

**M/S(Agidius/Howard): To approve the appointment of Douglas D. Baker as Provost and Executive Vice President of the University of Idaho at an annual salary of \$189,987.20. Motion carried 4-2 (McGee and Hall dissenting).**

**Section II – Finance (1:17)**

Board member Terrell introduced these items to the Board for discussion and consideration.

1. Boise State University – Interactive Learning Center Project

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

2. Boise State University – Student Union Roof Project

Board member Terrell encouraged the institutions to observe critical timelines and deadlines for turning in Board agenda materials so that the Board has time to review the materials prior to the Board meeting. Board member Hall agreed.

**M/S (Hall/McGee): To approve Boise State University's request to proceed with replacement of the roof of the Student Union Building, through the Division of Public Works, for an estimated cost not to exceed \$1,000,000. Funds will come from Student Union Building reserves. Motion carried 5-0 (Stone absent).**

**3. Boise State University – Television Rights**

Kevin Satterlee, Boise State University, reported that this is a pass-through payment.

**M/S (Hall/Agidius): To authorize Boise State University to execute a television rights broadcasting contract for the intercollegiate athletic events of the University with KTVB Channel 7 (Belo Broadcasting) for a time period not to exceed four (4) years, subject to prior review and approval of the final contract by the Executive Director and legal counsel of the SBOE. Motion carried unanimously.**

**4. Boise State University – Oracle Maintenance**

Stacy Pearson, Boise State University, reported that rights to software updates, etc., have been purchased and this represents the renewal of the purchase of the maintenance contract.

**M/S (McGee/Howard): To authorize Boise State University to renew the Oracle, Inc. human resources financial and student services software maintenance contract for a two-year period in an amount not to exceed \$594,000. Funding is from institutional resources. Motion carried unanimously.**

**By unanimous consent, item 5 was held until later in the agenda.**

**6. University of Idaho – Information Technology Upgrade Contract**

Laura Hubbard, University of Idaho, presented this item to the Board.

**M/S (McGee/Agidius): To approve the IP Transit Participant Internet and Data Transport Agreement, for the purchase of telecommunications bandwidth, between the Regents of the University of Idaho and Pacific Northwest Gigpop in the form presented to the Board at a cost not to exceed \$1,980,000, and to delegate signature authority with regard to such an amendment to the University's Vice President for Finance and Administration. Motion carried unanimously.**

**By unanimous consent, items 7 and 8 were held until later in the agenda.**

**9. Idaho State University – Idaho Falls Property Purchase** (1:38)

**M/S (McGee/ Agidius): To allow Idaho State University and the University of Idaho to enter into a purchase agreement for the transfer of ownership of a structure commonly referred to as the University Place Maintenance building, on the University Place – Idaho Falls campus. Signature authority for completing this transaction is granted to the President of Idaho State University and the Vice President for Finance and Administration at the University of Idaho. Motion carried unanimously.**

**10. Lewis-Clark State College – Property Purchase**

**M/S ( Agidius/McGee): To approve the purchase of real property located at 1004 4th Street in Lewiston, Idaho, for a total amount of \$160,000 and to delegate signature authority in regard to such transaction to the Vice President for Administrative Services at Lewis-Clark State College. Motion carried unanimously.**

**11. Lewis-Clark State College – Property Sale**

**M/S (McGee/Agidius): To approve the sale of Lewis-Clark State College's one-third interest in 200 acres located near Reubens and Craigmont, Idaho pursuant to the purchase and sale agreement in the form presented to the Board, and to delegate signature authority in regard to all documents related to such transaction, including the warranty deed, to the Vice President for Administration Services at Lewis-Clark State College. Motion carried unanimously.**

12. FY 2006 Student Health Insurance

Jeff Shinn noted the institutions have individual motions for health insurance contracts. Board member Hall directed Board staff to have a recommendation for a consistent statewide health insurance policy in place for the following year.

a. Boise State University

**M/S (Hall/McGee): To authorize Boise State University to renew the contract with CRM, Inc. to provide student health insurance for 2005-2006 at a rate of \$453.00 per full-time student per semester. Motion carried 5-0 (Agidius absent).**

b. Idaho State University

**M/S (Hall/McGee): To authorize Idaho State University to continue the contract with Academic Risk Management, Inc. to provide student health insurance for 2005-2006 at a rate of \$390.00 per full-time student per semester. Motion carried 5-0 (Agidius absent).**

c. University of Idaho

**M/S (Hall/McGee): To authorize the University of Idaho to continue the contract with The Mega Life and Health Insurance Company to provide student health insurance for 2005-2006 at a rate of \$518.00 per full-time student per semester. Motion carried 5-0 (Agidius absent).**

d. Lewis-Clark State College

**M/S (Hall/McGee): To grant approval for Lewis-Clark State College to renew its contract with Renaissance Agencies, Inc., to provide student health insurance for 2005-2006 at a rate of \$730.00 per full-time student per academic year. Motion carried unanimously.**

13. FY 2006 Intercollegiate Athletic Reports

Jeff Shinn introduced this item and noted that the reports are in compliance with regards to

use of funds.

Board member Stone indicated that while there is consistency in how the individual institutions fund their programs, the Board hasn't tried to compare the institutions' budgeting processes because they have different operations. Board member Terrell expressed an interest in having the title nine and gender equity numbers broken out in the future as a matter of information. Jeff Shinn agreed to provide a modified report to Board member Terrell by the end of the summer.

- a. Boise State University
- b. Idaho State University
- c. University of Idaho
- d. Lewis-Clark State College

**M/S (Hall/Agidius): To accept the Intercollegiate Athletics Report as presented.**  
*Motion carried unanimously.*

**By unanimous consent, the Board returned to items 5 and 7.**

**5. University of Idaho – Sungard Agreement** (1:54)

Laura Hubbard reported that this amendment replaces an existing amendment agreement. She indicated that this is a ten-year contract on the maintenance fee and will realize significant savings overall.

**M/S (Agidius/McGee): To approve the Amendment to the Technical Currency Agreement for administrative information systems software between the Regents of the University of Idaho and Sungard SCT, Inc., in an amount not to exceed \$4,100,000 in the form presented to the Board and to delegate signature authority with regard to such amendment to the University's Vice President for Finance and Administration. Funding is from institutional resources.** *Motion carried unanimously.*

**7. University of Idaho – Cable Television Service**

**M/S (Agidius/McGee): To approve the University of Idaho Agreement Number UI-583 between the Regents of the University of Idaho and Lamont Digital Systems, Inc. in the form presented to the Board, not to exceed \$650,000 and to delegate signature authority with regard to such agreement to the University's Vice President for Finance and Administration.** *Motion carried unanimously.*

**14. Amendment of Board Policy – Bylaws, Section H. – Audit Policy, First Reading** (2:05)



Jeff Shinn introduced this item. Board member Agidius indicated that he had a number of questions to address with Board staff prior to the second reading, and agreed to share his questions, in writing, with other Board members prior to the second reading.

**M/S (Agidius/ Hall): To approve the first reading of changes to Idaho State Board of Education Governing Policies and Procedures, Section V., Subsection H., Audits.**  
*Motion carried unanimously.*

15. Approval of the FY 2006 Operating Budgets (2:08)

Jeff Shinn discussed this item. In response to an inquiry, he agreed to make an opportunity to go over the budget process with the Board members.

**M/S (Hall/Agidius): To approve the FY 2006 operating budgets for the Office of the State Board of Education, Idaho School for the Deaf and the Blind, Idaho State Historical Society, Idaho State Library, Idaho Public Television, Division of Vocational Rehabilitation, Colleges and Universities, Postsecondary Professional-Technical Education, Agricultural Research/Extension, Health Programs, Special Programs, and the Capital Budget, as detailed on Pages 5-70 of Tab 15.** *Motion carried unanimously (with reservations made by Board member Terrell).*

16. FY 2007 Budget Request Guidelines (2:12)

Jeff Shinn reported that this step allows the agencies to begin their budget request process and final budget requests will be brought back to the Board in August. He explained that revisions in the budget guidelines by the Division of Financial Management and the Legislative Services Office are reflected in the motion.

There was discussion about how the language in a memorandum directed to the Board from the Legislature compared to the guidelines received from DFM/LSO. Board member Hall recommended following the guidance from the Legislature by authorizing the agencies and institutions to prepare their budgets in such a way so that the Legislature has a more complete picture of the needs of education in this state.

a. Agencies & Institutions (2:27)

**M/S (Agidius/Hall): To direct the agencies and institutions of the State Board of Education to prepare MCO budget requests for FY 2007 according to the guidelines established in the Budget Development Manual (as revised by DFM/LSO memo), plus new “line items” as appropriate. For the college and universities, new occupancy costs and unfunded enrollment workload items are to be requested as “line items”.**  
*Motion carried unanimously.*

Kirk Dennis, Division of Professional-Technical Education, indicated that the revision didn't specifically address the PTE non-standard adjustments or non-discretionary items. He asked for them to be included. He noted the guidelines only addressed enrollment workload adjustments and asked for something in writing including capacity building, secondary added costs and professional technical schools non-standard adjustments.

Board member Hall allowed that the intent of the motion would include those specifics addressed by Mr. Dennis. Randy Tilley, Division of Financial Management, agreed that the revision to DFM guidelines included capacity building, secondary added costs and professional technical schools non-standard adjustments as MCO level requests. Mr. Tilley and Matt Freeman, of the Legislative Services Office, agreed to work together to document their intent.

#### 8. University of Idaho - Research Foundation Line of Credit

There was discussion on this item and a point of clarification was requested regarding the actual numbers and time frames.

**M/S ( Hall/Stone): To approve the continuance of the line of credit agreement between the Regents of the University of Idaho and the Idaho Research Foundation, Inc., in the form presented to the Board authorizing the extension of the existing draw of \$126,000 as of June 16, 2006, and prohibiting any additional draws, and to delegate signature authority with regard to such agreement to the University's Vice President for Finance and Administration. *Motion carried unanimously.***

**By unanimous consent, the Board agreed to move to item 1 of the Instruction, Research and Student Affairs agenda.**

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

#### 1. LEP Subcommittee Recommendation (2:36)

Board member Hall introduced this item to the Board and reviewed the work of subcommittee. He introduced Wendy Verity of the Board office to present the final report and recommendations to the Board.

Ms. Verity provided a historical review and noted that No Child Left Behind added an accountability structure. She explained that while the committee identified 26 recommendations, only six are considered as policy recommendations.

Ms. Verity indicated that the changes and improvements fall into three areas: (1) for districts/schools – to improve instruction and support services to better meet the needs of LEP students; (2) for colleges and universities – to improve teacher and administrator preparation programs to better serve LEP students; and (3) for the state – to establish a

statewide language proficiency test and accountability system for LEP students.

Ms. Verity highlighted recommendations numbered 3, 8, 10, 15, 25 and 26 as those that the committee identified as policy and briefly summarized them. Board member Hall encouraged the Board members to fully review the entire report and emphasized the need for the Board to take the necessary steps to fully implement the recommendations. Board member Agidius expressed agreement.

Board members Stone and McGee thanked the committee members for their work. Dr. Howard noted that the Department of Education is responsible to implement the recommendations. Board member Hall indicated a willingness to discuss the process with Dr. Howard.

**M/S (Hall/McGee): To accept the LEP Subcommittee Final Report and Recommendations document for review and further development.** *Motion carried unanimously.*

**By unanimous consent, the Board moved to the Planning, Policy and Governmental Affairs agenda.**

## **PLANNING, POLICY, AND GOVERNMENTAL AFFAIRS (3:20)**

### 1. Presidents' Council Report

President Bob Kustra, Boise State University, thanked the Board for their support over the past year and introduced Dr. Michael Burke, President of North Idaho College, as the new chair of the Presidents' Council next year.

President Bill Robertson, Eastern Idaho Technical College, reported that Dr. Richard Bowen and Dr. Tim White will join him in a meeting with the Governor next week. Board member Hall indicated that both he and Board President Lewis will in attendance at that meeting as well.

Board member Hall congratulated Dr. Burke on his appointment as the new chair of the Presidents' Council and requested that he lead the Presidents' Council in seriously addressing the area of student health insurance plans as part of the coming year's program of work.

### 2. University of Idaho Progress Report

President Tim White briefly highlighted various accomplishments, efforts and initiatives that have taken place over the past year. He commended the commitment of the students, faculty, staff and community leaders in their support of the University. Dr. White presented a video feature to the Board and introduced students who shared highlights of their

educational experiences and accomplishments with the Board.

### 3. First Reading: Amendment to Board Policy I.J.2.b

President White thanked the Board for bringing this policy change forward. He noted that he would like to see language included to allow other underage people into events where alcohol is served when their presence is necessary. Board member Hall agreed that word-smithing can be done prior to the second reading of the amended policy.

**M/S (Terrell/Agidius): To approve the First Reading for the amendment of Board Policy I.J.2.(4) and (5) – Use of Institutional Facilities and Services with Regard to the Private Sector.** *Motion carried unanimously.*

### 4. Review and Approval of Strategic Plans for FY 2006

Board member Hall invited the institutions and agencies to briefly update the Board on the strategic plans as presented in the agenda.

Boise State University indicated that their strategic plan is the same one the Board reviewed previously. Idaho State University reported that their plan is updated on an ongoing basis. UI noted that they expect to make changes in their plan in future. LCSC discussed newer points in their plan. NIC reported that their plan aligns with the State Board of Education goals.

The Division of Professional-Technical Education reported that its plan has not changed and aligns with the SBOE Strategic Plan. The Idaho School for the Deaf and the Blind reported that their planning process is ongoing and that the plan presented today has no substantive changes. The Idaho State Historical Society reported no changes, as did the Idaho State Library.

Bill Robertson reported that Eastern Idaho Technical College spent the last nine months extensively revising its plan, but that the plan included in the Board materials is not the updated plan. In explaining, Mr. Robertson indicated he understood from Board staff that a new process and timelines had been implemented and asked for clarification as to which process the institutions and agencies should follow.

Karen Echeverria of the Board office said that a new format will come from DFM, and agencies and institutions will be required to follow it starting next year. Randy Tilley of DFM reported that the Office of Performance and Reporting prompted the change in the reporting requirements, timelines, and formats.

**M/S (Agidius/McGee): To approve the Institution and Agency Strategic Plans as submitted.** *Motion carried unanimously.*

**5. Eastern Idaho Technical College Advisory Council Appointment**

**M/S (McGee/Terrell): To approve the reappointment of Calvin Ozaki and Ralph Steele to the Eastern Idaho Technical College Advisory Council for a term beginning immediately and ending December 31, 2007. *Motion carried unanimously.***

**M/S (McGee/Terrell): To approve the appointment of Louis Fatkin to the Eastern Idaho Technical College Advisory Council for a term beginning immediately and ending December 31, 2007. *Motion carried unanimously.***

**6. Idaho State Library Board of Trustees Reappointment Appointments**

**M/S (McGee/Terrell): To approve the reappointment of Peter Black to the Idaho State Library Board beginning July 1, 2005 and ending June 30, 2010. *Motion carried unanimously.***

**7. Idaho State Historical Society Board of Trustees Appointment**

**M/S (McGee/Terrell): To approve the appointment of Jess Walters to the Idaho State Historical Society's Board of Trustees for a term beginning immediately and ending December 31, 2007. *Motion carried unanimously.***

**8. Proposed Rule – IDAPA 08.02.03 – Rule Governing Thoroughness – Removal of Standards to a Document Incorporated by Reference**

**M/S ( Agidius/Terrell): To approve the proposed rule amendments to remove the achievement standards from IDAPA 08.02.03 and to adopt the same achievement standards as an incorporated document entitled "Idaho Achievement Standards." *Motion carried unanimously.***

**INSTRUCTION, RESEARCH AND STUDENT AFFAIRS****2. External Review Report of the Idaho Standards Achievement Tests (4:38)**

Carissa Miller of the Board office reported on the external review which was completed in May. She summarized the report and discussed the following topics: reliability, content validity, curriculum validity, instructional validity, alignment and item mapping. She referred to the action plan presented on page 20 of Tab 2 of the Board agenda. She noted that by November 2005, a test for spring of 2006 will be completed.

Dr. Howard stated that the Department of Education staff built a tight timeline for this project. She brought up the issue that spring of 2006 is the deadline for testing students to determine if they are eligible to graduate.

By unanimous consent, the Board moved to item 9.

9. Report on the University of Idaho Architecture Program (4:53)

Board member Terrell indicated that the Board needed to make a decision today about the future of the University of Idaho Architecture Program and the College of Arts and Architecture. He noted that Blake Hall and other current and former Board members (Jim Hammond, Sue Thilo and himself) have been actively engaged in a review of this issue. He presented a timeline that was put together as part of the summarized events related to the closure of the College of Arts and Architecture. Board member Terrell stated that he and Board member Thilo recommend one more hearing on this issue.

Board member Hall reported that a letter, written by Dr. Robert Hoover (former UI President) to Gary Stivers (Executive Director of the Board), as well as the written reply back from Mr. Stivers to Dr. Hoover, is the only documentation speaking to the need to close the College. He could not find any other documentation and considers the action by the Executive Director was outside his authority. He emphasized that only the Board is authorized to make such a decision and stated that it would be proper to hold a hearing for the very purpose of making a determination about the future of the College. He also indicated it would be proper to reverse the decision made by the Executive Director.

Board member Stone reiterated that the question to be addressed is, "Should the College of Art and Architecture be dissolved?" He suggested setting the next meeting as the hearing date to have that question to be addressed.

Board member Agidius reminded Board members that the Board needs to follow due process whatever steps it takes.

Dr. Tim White urged the Board to keep in mind the planning process currently underway by the University and asked the Board members to keep in mind the UI's financial situation. He pointed out that the institution is in the process of a 360 degree analysis of all its programs and stated that UI will have a plan ready to present by October. Dr. White asked for patience on the part of the Board while UI completes that plan.

Board member Hall said that Board policy cannot be violated based on financial problems. He encouraged the Board to take the position of making the final decision on the existence of the College of Arts and Architecture, because it is accountable to do so.

Board member Stone said his preference is to have the involved parties continue to work together to resolve the issue with a forward thinking plan. If they are unable to do that, then the Board will be compelled to make the decision.

**By unanimous consent, the Board agreed that this matter will be placed on the October Board agenda.**

6. Proposed Rule – IDAPA 08.02.03, Rules Governing Thoroughness, LEP and NAEP Requirements

**M/S (Stone/Terrell): To approve the proposed amendment to IDAPA 08.02.03, Rules Governing Thoroughness LEP and NAEP Requirements. (A substitute motion was made.)**

**Substitute motion (Agidius/Hall): To approve the proposed amendment to IDAPA 08.02.03, Rules Governing Thoroughness, NAEP Requirements and to approve, as temporary and proposed, the LEP requirements. Motion carried unanimously.**

3. Report on Federal Funds FY 2005

Marilyn Davis of the Board office presented this item to the Board and discussed the flow of federal funds to and through the State Board of Education.

Board member McGee indicated her understanding that the SBOE is required by Idaho Code to receive federal funds and then to distribute them as appropriate. Currently, federal funds are received by several agencies which creates confusion. As a matter of oversight, and not micromanaging, she suggested taking action to correct this situation.

**M/S (McGee/Terrell): To direct the OSBE staff to determine why funding to the State of Idaho under various federal programs from the U.S. Department of Education is made directly to the State Department of Education, to local educational agencies in this state, and to other agencies under the State Board of Education, and to propose a plan of action, with the cooperation of the agencies that are receiving direct federal funding, to ensure that all federal fund payments are made solely to the State Board of Education, as the state educational agency (SEA) for the State of Idaho, for distribution and monitoring. This plan of action should come back to the State Board of Education for approval, and shall also include a staff recommendation with regard to the delegation of authority and responsibility related to the administration of federal programs related to this funding. Motion carried unanimously.**

4. Title IIA Improving Teacher Quality State Activities Fund

**M/S (Stone/Hall): To accept the Title IIA Improving Teacher Quality state activities reports and approve funds for 2005-2006 as recommended by the State Department of Education to be administered by the State Department of Education. Motion carried unanimously.**

5. Approval of Distribution of Federal Grant Funds for Which the Board is the State Education Agency FY 2006

There was discussion regarding this item and Marilyn Davis noted that the previous motion is a subset of this motion. This motion approves the distribution of all funds. Board member Terrell asked for clarification about what funds were under consideration.

**M/S (Hall/ Terrell): To approve the distribution of the following federal grants by the State Education Agency to the State Department of Education for distribution to the Local Education agencies as are outlined on page 2 and 3 of Tab 5 of the Board agenda materials. (A substitute motion was made.)**

Board member McGee made the Board aware that approximately \$360,000 will be needed to pay Idaho Virtual Academy (IDVA) for past payment. She put forward a substitute motion.

**Substitute Motion/S (McGee/Terrell : To approve the distribution of the following federal grants by the State Education Agency to the State Department of Education for distribution to the Local Education agencies as are outlined on page 2 and 3 of Tab 5 of the Board agenda materials. Within these monies, \$375,000 be held back to pay IDVA (Idaho Virtual Academy), and the rest be passed through after negotiations are made. (A second substitute motion was made.)**

Following continued discussion, Board member Stone put forward a second substitute motion.

**Substitute Motion Number Two/S (Stone/McGee): To approve the distribution of the following federal grants by the State Education Agency to the State Department of Education for distribution to the Local Education agencies as are outlined on page 2 and 3 of Tab 5 of the Board agenda materials, holding in reserve \$375,000 until the final disposition of the appeal by IDVA (Idaho Virtual Academy). Motion carried 5-1 (Howard dissenting).**

Board member McGee asked that copies of all the past motions with regard to this matter be provided to her.

Dr. Howard reminded Board members that these are federal funds with federal requirements. Board counsel indicated that IDVA has filed an appeal and should they prevail, these funds will be used to pay them. Board member Hall noted his discomfort in holding back money when the matter of controversy has not been heard.

The Board directed its legal counsel to instruct the IDVA to pursue the appeal expeditiously to bring the appeal to conclusion so that a final determination can be made by the Board with regard to the final distribution of the \$375,000. Under the federal rules, there is a requirement to hear the appeal within 30 days.

**M/S (Hall/ Agidius): To delegate authority to the State Department of to administer**



**these funds in accordance with federal law and regulations and to approve distribution of the following federal grants by the State Education Agency to higher education institutions and Local Education Agencies as indicated on Tab 5, page 3.** *Motion carried unanimously.*

At this time, Board member Hall was excused from the remainder of the meeting due to other obligations.

#### 7. Teacher Mentoring Committee Update

Board member Stone introduced this item. Marilyn Davis briefly reported on this item for the Board's consideration.

**M/S (Stone/ Terrell): To appoint the members of the Mentoring Committee as listed on the attachment and to assign the scope of work of the committee to adopt a course of action to research, formulate and implement models to pilot and evaluate teacher support (mentoring) programs.** *Motion carried unanimously.*

#### 8. Idaho/Washington Reciprocity Agreement

**M/S (Stone/Agidius): To approve the renewal of the two-year reciprocity agreement between the State Board of Education and the Washington Higher Education Coordinating Board.** *Motion carried unanimously.*

### **DEPARTMENT OF EDUCATION PUBLIC SCHOOLS AGENDA (6:11)**

Dr. Howard requested the addition of a Boise School District transportation item to the agenda.

#### A. Superintendent's Report

Dr. Howard discussed the topic of federal funds and outlined recent efforts by the Department to pursue a grant having to do with tracking student data. In keeping with that point, Dr. Howard emphasized that Board staff were appropriately notified. However, the SDE only became aware of problems when a written notice was received from the U.S. Department of Education. It informed her that Gary Stivers had instructed the U.S. Department of Education not to accept or consider any grant proposals from the Idaho Department of Education.

Dr. Howard questioned Mr. Stiver's action because, to her knowledge, the Board had not instructed the Board office or Mr. Stivers to take such action. She also noted that when she became aware that the Board office was applying for the same grant she had additional concerns because the Board office had not notified the State Department directly about that action. She voiced her concern that this was a serious issue.

Board member McGee apologized to Dr. Howard for inadvertently causing a problem. She noted that she had informed Board staff about applying for the grant in question, but had no knowledge that the SDE had already applied for it. She apologized for failing to notify the other Board members and the SDE in that regard. She accepted responsibility for not notifying Dr. Howard directly.

Gary Stivers indicated that the Board had received a letter from the Governor's office asking that a letter be submitted by the SEA and that a fast turn-around was necessary. He reported that neither he nor any of his staff were aware that the Department of Education had applied for the same grant.

Board member Stone strongly recommended better communication by all parties and emphasized the need for cooperation.

Dr. Howard again stated that the Board office had not informed the SDE about its plan to submit an application. Dr. Jana Jones of the SDE explained that a particular staff member of the Board office had asked if the SDE was applying for the grant. When that person was informed that the SDE was applying, there was no mention in return that the Board office planned to apply for the same grant.

Board member Stone noted that if the grant application requires that the SEA make the application, then it needs to come from the Board. If the grant application doesn't require that, then it is appropriate for the Department of Education to apply. He strongly reiterated that in all cases, all parties need to work together cooperatively and with better communication.

At this time Dr. Howard proposed that item B, L-S be put on a consent agenda.

**M/S (Terrell/McGee): To approve putting items B and items L-S on a consent agenda.** *Motion carried unanimously.*

**M/S (McGee/Agidius): To approve the consent agenda.** *Motion carried unanimously.*

B. Professional Standards Commission Appointments and Reappointments

**By consent, the Board approved the request for Professional Standards Commissions appointments and reappointments as submitted.**

L. Proposed Administrative Rule Change to 08.02.03.128.01 – Rules Governing Thoroughness: Curricular Materials Selections, Subject Areas

**By consent, the Board approved the proposed administrative rule amendment to 08.02.03.128.01 – Curricular Materials Selections: Subject Areas as recommended to**

**a six (6) year adoption cycle and the addition of limited English proficiency to the adoption subject area listing as requested by the State Department of Education submitted and specifically defined in Attachment 1.**

M. Proposed Administrative Rule Change to 08.02.02.004 – Rules Governing Uniformity: Revised Teacher Preparation Standards

**By consent, the Board approved the proposed rule amendment to IDAPA 08.02.02.004.01 – Incorporated by Reference – Revisions to the Idaho Standards for Initial Certification of Professional School Personnel: Elementary, Mathematics, English Language Arts, Foreign Language, and Visual-Performing Arts Standards Teachers, as requested by the Professional Standards Commission, as submitted and specifically defined in Attachments 1 and 2.**

N. Proposed Administrative Rule Change to 08.02.02.020.01.a – Rules Governing Uniformity: Secondary Certification Requirements – Reading in the Content Area

**By consent, the Board approved the proposed rule amendment to IDAPA 08.02.02.020.01 – Standard Secondary Certificate Professional Education Core Requirements – Reading in the Content Area, as requested by the Professional Standards Commission, as submitted and specifically defined in Attachment 1.**

O. Proposed Administrative Rule Change to 08.02.02.022-024 – Rules Governing Uniformity: Revisions to Teaching Endorsement Requirements

**By consent, the Board approved the proposed rule amendment IDAPA 08.02.02.022.02-.11, 08.02.02.023.02-.13, and 08.02.02.024.02-.16 – Endorsements, as requested by the Professional Standards Commission, as submitted and specifically defined in Attachment 1.**

P. Proposed Administrative Rule Change to 08.02.02.076-077 – Rules Governing Uniformity: Clarification of the Code of Ethics for Idaho Professional Educators

**By consent, the Board approved the proposed rule amendment to IDAPA 08.02.02.076 – Code of Ethics for Idaho Professional Educators (Sections 33-1209 and 33-1209, Idaho Code) and proposed rule amendment to 08.02.02.077 – Definitions for Use with the Code of Ethics for Idaho Professional Educators (Sections 3301208 and 33-1209, Idaho Code) as requested by the Professional Standards Commission, as submitted and specifically defined in Attachments 1 and 2.**

Q. Proposed Administrative Rule Change to 08.02.03.103-107 – Rules Governing Thoroughness: Revisions to Physical Education Requirements for K-12

By consent, the Board approved the proposed rule amendment to IDAPA 08.02.03.103.02, 104.01, 104.02, 104.03, and 107.06 – Revisions to Physical Education Requirements for kindergarten through 6th grade, 7th and 8th grades, and the high school graduation requirement; and the amount of time allotted to physical education in K-8 Idaho schools as requested by the State Department of Education and the Idaho Association for Health, Physical Education, Recreation, and Dance (IAHPERD), as submitted and specifically defined in Attachment 1.

R. Proposed Administrative Rule Change to 08.02.02.031 – Rules Governing Uniformity: ROTC Instructors

By consent, the Board approved the proposed rule amendment to IDAPA 08.02.02.031 – ROTC Instructors and proposed change to .032 - .033 (Reserved) as requested by the State Department of Education and the Professional Standards Commission, as submitted and specifically defined in Attachment 1.

S. Proposed Administrative Rule Change to 08.02.02.028-030 – Rules Governing Uniformity: Exceptional Child Certificate, Consulting Teacher Endorsement, and Supervisor/Coordinator of Special Education Endorsement

By consent, the Board approved the proposed rule amendments to IDAPA 08.02.02.028 – Exceptional Child Certificate; IDAPA 08.02.02.029 – Consulting Teacher Endorsement; and IDAPA 08.02.02.030 – Supervisor/Coordinator of Special Education Endorsement requested by the State Department of Education and the Professional Standards Commission, as submitted and specifically defined in Attachment 1.

Dr. Howard presented the SDE regular agenda items at this time. She discussed the reimbursement process for transportation and provided background details to the Board. She also noted the addition of an item related to the Boise School District.

C. Approval to Transport Students Less Than One and One-Half Miles

**M/S (Howard/Agidius):** To approve reimbursement to all school districts that correctly submitted a safety busing reimbursement request and to appropriately adjust reimbursement downward for all school districts, on a case-by-case basis, that incorrectly submitted or failed to submit a request for safety busing reimbursement. *Motion carried 4-1 (Terrell dissenting).*

D. Appeal and Waiver of 110% Pupil Transportation Funding Cap Formula, Mountain Home School District

Board member Agidius noted that all the districts that beat the cap have appealed and it appeared all of those appeals are considered for approval. He questioned that approach,

as did Board member Terrell.

Karen Echeverria of the Board office reported a conversation with Jason Hancock of the Legislative Services Office where he expressed his concern as to whether or not the Board has authority to grant these waivers, based on Idaho Code 33-1006.

Board member McGee asked Mr. Rod McKnight of the Department of Education about the rationale for making these recommendations. Mr. McKnight indicated that the Department is an advocate for the school districts. He noted that school districts may not mirror the statute, but a number have identified many things where costs have increased over what had been budgeted.

Dr. Howard reported that districts are reimbursed 85% of the allowable costs. She suggested the Board consider approving a lesser percentage of reimbursement.

**M/S (Terrell/McGee): To disapprove the Mountain Home School District Funding Cap Appeal Application.** *Motion carried 4-1 (Howard dissenting).*

E. Appeal and Waiver of 110% Pupil Transportation Funding Cap Formula, Soda Springs Joint School District

**M/S (Terrell/McGee): To disapprove the Soda Springs School District appeal application.** Motion failed 2-3 (Stone, Agidius, Howard dissenting).

**Substitute M/S (Agidius/Stone): To approve the Soda Springs School District Funding Cap Appeal Application and fund at the percentage rate necessary to eliminate the fund cap penalty for fiscal year 2004 for the reasons set forth in the application.** *Motion carried 3-2 (McGee and Terrell dissenting).*

F. Appeal and Waiver of 110% Pupil Transportation Funding Cap Formula, Buhl Joint School District

**M/S (Terrell/McGee): To disapprove the Buhl School District Funding Cap Appeal Application.** *Motion failed 2-3 (Stone, Howard and Agidius dissenting).*

**M/S (Agidius/Stone): To approve the Buhl School District Funding Cap Appeal Application at a funding rate of 85% of approved pupil transportation costs or at the reimbursement amount prior to implementation of the funding cap penalty for fiscal year 2004.** *Motion carried 3-2 (McGee and Terrell dissenting).*

G. Appeal and Waiver of 110% Pupil Transportation Funding Cap Formula, Wendell School District

Don W. Wright, Chairman of the Board in Wendell spoke to the Board about the situation in

Wendell. There was discussion about the amount of reimbursement to make it possible to cut the debt in half.

**M/S (Terrell/McGee): To approve the Wendell School District Funding Cap Appeal Application at a funding cap rate of 135% less than the percentage rate necessary to eliminate the funding cap penalty for fiscal years 2004 because of financial and mismanagement. Motion carried 3-2 (Stone and Howard dissenting).**

H. Appeal and Waiver of 110% Pupil Transportation Funding Cap Formula, Moscow School District

Dr. Candice Donicht and Sue Driskill of the Moscow district spoke to the Board about issues that have created the situation in their district.

**M/S (Terrell/McGee): To disapprove the Moscow School District Funding Cap Appeal Application. Motion carried 3-2 (Agidius and Howard dissenting).**

I. Appeal and Waiver of 110% Pupil Transportation Funding Cap Formula, Horseshoe Bend School District

**M/S (Terrell/McGee): To approve the Horseshoe Bend School District Funding Cap Appeal Application at a funding cap rate of 111% and fund at the percentage rate necessary to eliminate the fund cap penalty for fiscal year 2004 because of major difficulties within the area of construction on the main thoroughfare in Horseshoe Bend. Motion failed 2-3 (Stone, Howard and Agidius dissenting).**

**M/S (Agidius/Stone): To disapprove the Horseshoe Bend School District Funding Cap Appeal Application. Motion carried 3-2 (McGee and Howard dissenting).**

J. Appeal and Waiver of 110% Pupil Transportation Funding Cap Formula, McCall-Donnelly Joint School District

Teri Moore, the business manager from the district, spoke to the Board about the busing situation in the district.

Board member Terrell indicated that the need is based on the impact of growth and escalating cost-of-living in that area which has placed economic distress on the community.

**M/S (Agidius/Stone): To approve the McCall-Donnelly School District Funding Cap Appeal Application at a funding rate of 85% of approved pupil transportation costs or at the reimbursement amount prior to implementation of the funding cap penalty for fiscal year 2004. Motion carried 3-2 (Stone and McGee dissented).**

K. Appeal and Waiver of 110% Pupil Transportation Funding Cap Formula, Blackfoot Charter Community Learning Center

**M/S (Terrell/ McGee): To disapprove the Blackfoot Charter Community Learning Center School District Funding Cap Appeal Application.** *Motion carried 4-1 (Howard dissenting).*

An additional transportation item concerning the Boise School District was placed on the agenda at this point.

Appeal and Waiver of 110% Cap Pupil Transportation Funding Formula – Boise School District

**M/S (Terrell/McGee): To disapprove the Boise School District Funding Cap Appeal Application.** *Motion carried 4-1 (Howard dissenting).*

T. Qualifying Scores: Education of Young Children, Praxis II #0021; and World and U.S. History, Praxis II #0941

Dr. Jana Jones, Department of Education, presented this item to the Board.

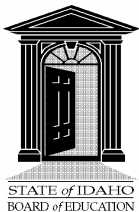
**M/S (Howard/McGee): To approve the Praxis II qualifying scores for Education of Young Children, Praxis II #0021 and World and U.S. History, Praxis II #0941 as requested by the Professional Standards Commission, as submitted and specifically defined in the attachments, specifically 169 for Education of Young Children and 141 for World and U.S. History.** *Motion carried unanimously.*

U. Adequate Yearly Progress Update

Allison Westfall, Department of Education, presented this item and discussed the accountability system for the schools, the districts and the local education agencies. She identified the components that are monitored each year and discussed proficiency rates, sanctions, supplemental services, corrective actions, flexibility and transition plans, and choice. She explained the steps involved when schools don't meet adequate yearly progress.

There being no further business, a motion to adjourn was made.

**M/S (Terrell/McGee): To adjourn the Board meeting at 6:30 p.m.** *Motion carried 4-1 (Agidius dissenting).*

**REFERENCE: DRAFT MINUTES, JULY 12, 2005 SPECIAL BOARD MEETING**

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

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**DRAFT MINUTES  
STATE BOARD OF EDUCATION MEETING  
July 12, 2004  
Len B. Jordan Building  
Boise, ID**

A special meeting of the Idaho State Board of Education was held on July 12, 2004. It originated from the basement conference room of the Len B. Jordan Building (650 West State Street) in Boise, Idaho. Board President, Rod Lewis, called the meeting to order at 9:00 a.m. A roll call was taken to identify the Board members who were present because they were attending by teleconference.

**Members Present:**

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

**Members Absent:** Marilyn Howard, State Superintendent

At this point, Board staff referenced Idaho Code 67-2342, which does not require a Board member to be physically present at a teleconference if the Director or Chief Administrative Officer is physically present. This law took effect on July 1, 2004.

Board President Lewis directed everyone's attention to the single item on the agenda.

**1. Idaho State University Rendezvous Center**

Jeff Shinn, of the Board office, introduced the request by Idaho State University for authorization for a final increase to the Rendezvous Project budget from \$38,810,000 to



\$43,510,000.

He introduced representatives from Idaho State University and the Division of Public Works to speak on the various issues related to this item.

Board member Hall objected to addressing this item via telephone conference call. His objection was so noted by Board President Lewis.

When asked, President Bowen said Idaho State University had seriously considered reducing the size of the building rather than ask for increased funding. However, decreasing the size of the building would substantially change the function of the building and result in the project being withdrawn altogether from consideration.

Board member Hall indicated he had been led to believe that re-bids usually come in higher than original bids. President Bowen said that any comment made to that effect was incorrect. Larry Osgood, of the Division of Public Works, agreed and explained that re-bids often come in lower for a variety of reasons. He went on to say that when this project was re-bid, it was significantly impacted by the huge increase in the price of building materials.

Board member Thilo asked if the university was confident in its ability to meet the increased debt load should the project be approved. Ken Prolo said Idaho State University is able to support the increased debt load.

When asked, President Bowen said that even though Idaho State University has a list of projects it would like to see carried out, this project represents its top priority.

Board member Hall reiterated his concerns related to this project.

**M/S (Stone/Agidius): To approve an increase in the project budget for the Rendezvous Center at Idaho State University from \$38,810,000 to \$43,510,000. The additional costs will be the responsibility of Idaho State University and are expected to be funded from the offering of additional bonds under the University's General Revenue Bond System. Roll call vote was taken; motion passed 4-2 (Lewis and Hall dissenting; Terrell excused himself from voting due to a conflict of interest; Howard absent).**

Board member Terrell noted that he was excusing himself from the vote due to a conflict of interest.

**M/S (Stone/Agidius): To adjourn. Motion passed unanimously.**

The meeting adjourned at 9:44 a.m.

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