BUSINESS AFFAIRS AND HUMAN RESOURCES
DECEMBER 1, 2005

TAB	DESCRIPTION	ACTION
1	**BOISE STATE UNIVERSITY** Corporate Partnership Agreement with Agri-Beef	Motion to approve
2	**BOISE STATE UNIVERSITY** Parking Structure Project - Request for Proposal for Design & Build	Motion to approve
3	**BOISE STATE UNIVERSITY** Classroom Remodel Project	Motion to approve
4	**BOISE STATE UNIVERSITY** SkySuites Project	Motion to approve
5	**IDAHO STATE UNIVERSITY** Center for Advanced Energy Studies (CAES) Project - Request for Proposal of Design & Build	Motion to approve
6	**UNIVERSITY OF IDAHO** Contract for Legal Services	Motion to approve
7	**INTERCOLLEGIATE ATHLETICS - FINANCIAL REPORTS**	Motion to approve
8	**INTERCOLLEGIATE ATHLETICS - EMPLOYEE COMPENSATION REPORTS**	Motion to approve
9	**AMENDMENT OF BOARD POLICY** Section V.E – Gifts & Affiliated Foundations – 2nd Reading	Motion to approve
10	**AUDIT PRESENTATION** Moss Adams	Motion to approve
11	**OPTIONAL RETIREMENT PROGRAM** Deferred Compensation Plan	Motion to approve

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY

SUBJECT

Boise State University requests approval to enter into a corporate partnership agreement with Agri Beef Company

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 partnerships with its intercollegiate athletic teams and facilities. These partnerships give the sponsor an opportunity to advertise and promote their organization at university athletic events and in media advertising at these events in exchange for a multi-year monetary commitment and in-kind contribution. This partnership is designated as a naming opportunity for the Stadium Club in the new Press Box/SkySuite addition proposed for Bronco Stadium and includes partnership benefits that include:

- Officially naming the Stadium Club as the “Agri Beef Stadium Club”
- A SkySuite in the proposed facility
- Sideline passes
- Signage and media advertisement in the athletics venues
- Print advertisement and corporate hospitality
- Use of logo in advertising
- Opportunity to serve Agri Beef product in Stadium Club area

This contract is contingent upon the approval of the construction of the new addition.

DISCUSSION

Boise State University has negotiated and accepted, contingent upon Board approval, a corporate partnership agreement for the listed consideration:

An amount of $1,400,000 will be provided by corporate partner for fifteen years of naming rights. One-half of that amount, $700,000, is on deposit upon the approval of this contact, and the remaining will be paid in ten equal installments beginning after the completion of the construction of the SkySuite project. If the project is not constructed by October 2009, the deposit will be returned (interest free) to the sponsor.

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY – continued

IMPACT

In exchange for such consideration, there would be provided to the corporate partner the opportunity to advertise in various formats inside the facility that includes name recognition, SkySuite area, stadium advertising spots, print and internet advertising, logo rights, games passes, and a number of other opportunities to capitalize on Boise State's successful athletics programs.

STAFF COMMENTS AND RECOMMENDATIONS

Board legal counsel reviewed the contract and had several questions for BSU staff. Because of the timing of the request to BSU from Board staff, comments from BSU may not be incorporated into the agenda. Board and BSU staff will be available to discuss at the Board meeting, if questions arise.

Although staff has reviewed the agenda item for compliance with Board policy, a recommendation is not possible until staff questions regarding the contract are answered.

BOARD ACTION

A motion to approve a request by Boise State University to enter into a corporate partnership agreement with Agri Beef Company, the terms and conditions as provided in the attached Agreement.

Moved by __________ Seconded by ___________ Carried Yes _____ No _____

THIS AGREEMENT, made this 26th day of September 2005, by and between Boise State University (herein after UNIVERSITY) and Agri Beef Co. (herein after Donor).

Witnesseth:

WHEREAS, the UNIVERSITY 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, Donor desires to purchase certain rights from the UNIVERSITY pertaining to the naming rights of the Stadium Club located in the proposed new addition to Bronco Stadium;

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

WHEREAS, this agreement will not violate any other agreement of either party; and

NOW, THEREFORE, in consideration of the covenants and terms of the Agreement, the UNIVERSITY agrees to sell to Donor rights to Stadium Club located in the proposed new addition to Bronco Stadium as set forth herein:

A. **UNIVERSITY hereby grants to Donor the rights to naming the Stadium Club upon the completion of the new facility and extending for (15) fifteen years.**

B. **UNIVERSITY shall provide Donor the following:**

1. **Stadium Club Naming Rights:**

- Boise State shall allow the Stadium Club in the new addition to be named the "Agri Beef Stadium Club" or other names as agreed upon by both parties
- Boise State shall refer to Agri Beef as the "Official Beef Supply Company of the Broncos"
- Boise State Food service shall purchase all beef served in the Agri Beef Stadium Club from Agri Beef at a fair market price as agreed upon by both parties

2. **Bronco Stadium Advertising:** (Effective Date: 9-1-05 through completion of this agreement)

- One 4 x 8 foot back-lit rotating ad panel in North End Zone

3. **Bronco Vision** (Effective Date: 9-1-05 through completion of this agreement)

- One 30 second Bronco Vision spot per game

4. **Print Advertising** (Effective Date: 9-1-05 through completion of this agreement)

- One ½ page full color ad in all football and men's basketball game programs

5. **Logo Rights** (Effective Date: 9-1-05 through completion of this agreement)

- Ability to use the Bronco logo to promote Agri Beef and Boise State Athletics with written approval from the UNIVERSITY.

6. **Passes** (Effective Date: 9-1-05 through completion of this agreement)

- Two sideline passes for each home football game

7. **SkySuite Benefit**

- Agri Beef will receive one SkySuite located in a preferred location

C. This Agreement is subject to the following terms and conditions:

1. Donor acknowledges that the University intends to provide a SkySuite at the stadium at Boise State University for the enhancement and enjoyment of University athletics and other activities at Boise State University and before the University can begin construction, the University must receive adequate commitments to license the SkySuites so that the Idaho State Board of Education may approve the SkySuite construction project, and Donor desires to make a payment to the University and the Bronco Athletic Association (BAA) for the benefit of the University in exchange for the right to purchase a license to receive tickets for seating in the proposed SkySuite Level during all Bronco Stadium events.

2. Donor acknowledges that the project to construct the SkySuites has not yet been approved by the Idaho State Board of Education and that this AGREEMENT is part of a fundraising commitment to construct such project. Thus, the BAA and the University currently cannot state that the project will in fact be constructed. If such project is not approved by the Idaho State Board of Education, the BAA and the University have no duties whatsoever under this AGREEMENT except to return the Deposit (interest free). However, the Deposit is an inducement to construct the SkySuites project and Donor has no right to revoke this AGREEMENT and no right to return of the Deposit except in the event of a denial of the project by the Idaho State Board of Education or the University's failure to complete the Stadium Club by October 1, 2009.

3. Donor understands that the Idaho State Board of Education has approved the sale and consumption of alcohol in the SkySuites proposal. However, Donor acknowledges that the Idaho State Board of Education has complete discretion over the use of alcohol on the University campus and property and thus the approval of alcohol sale and consumption may be revoked or altered at any time at the discretion of the Idaho State Board of Education.

4. This AGREEMENT represents an intention and commitment by the donor to license a SkySuite for a determined period of time at a specified amount. Donor agrees that donor will enter into and sign a license agreement to that effect. A final License document will follow which details the criteria that constitute the final agreement.

5. Tax Deduction: Donor has entered into this agreement because of the opportunity and value received in the form of advertising, promotion, and name recognition related to the Stadium Club as well as becoming the preferred beef supplier of BAA and the "Official Beef Supply Company of the Broncos". It is estimated that 80% of the total payments reflect that value. The remaining portion of the payment (20%) entitles Donor to receive tickets for seating at all Bronco Stadium events. The tickets received as a result of this Agreement are goods received in exchange for a payment. Neither the BAA nor the University make any representation or warranty regarding the possible tax deductibility of any amounts under this AGREEMENT and that the Donor specifically agrees that the Donor is making no reliance on the tax deductibility. For further information, Donor should consult his/her/its tax advisor.

6. The naming rights referenced above, and any significant changes, are subject to the approval of the State Board of Education.

7. All copy and graphics proposed for display by Donor are subject to approval by the University. The University shall have the right to decline to display any copy or graphics which are in violation of any statute, regulation or ordinance, or which the University reasonably considers to be misleading or offensive or that convey a message the University feels does not meet the standards for University advertisements. The University shall not display a message which contains a comparative or qualitative description of Donor's product, price information, or endorsement about Donor's product.

8. Donor shall be in default if it, voluntarily or involuntarily, is the subject of a bankruptcy proceeding or a criminal indictment or prosecution. Both parties acknowledge that the positive public image of the University is of paramount importance to this AGREEMENT. Thus, these events of default, or other similar situations or similar actions of the Donor that could reasonably cast a negative image on the University by its relationship with the Donor shall be considered an event of default.

9. Donor shall indemnify and hold harmless the University, its Governing Board, officers, agents, and employees from any and all loss, damage or liability that may be suffered or incurred by the University, its officers, agents or employees caused by or arising out of this AGREEMENT and caused by the conduct of Donor, its employees, agents or representatives.

10. The University and Donor agree that in fulfilling the terms of this Agreement, that neither party will discriminate against any employee or applicant for employment on the basis of race, color, religion, national origin, ancestry, sex, disability, or Vietnam Era Veteran's or other Veteran status. Any breach of this clause may be regarded as a material breach of this Agreement.

11. This AGREEMENT grants no rights to the Donor regarding the operation, control, or management of the Stadium or Stadium Club All facilities remain in the sole and exclusive control, operation and management of the University.

D. Donor agrees to:

1. Pay the UNIVERSITY $700,000 cash on or before October 15, 2005 (Deposit). Following this first payment, Donor will then pay the UNIVERSITY or its designee $70,000 per year as follows for a total of $1,400,000.00. Payments to be made on or before October 1st of each of the following years; provided however that Payment #1 will be made October 1 of the first year the facility is complete and each payment thereafter will follow annually for 9 years.

Assuming a completion date of September 2008:

October 1, 2008:	$70,000	October 1, 2013:	$70,000
October 1, 2009:	$70,000	October 1, 2014:	$70,000
October 1, 2010:	$70,000	October 1, 2015:	$70,000
October 1, 2011:	$70,000	October 1, 2016:	$70,000
October 1, 2012:	$70,000	October 1, 2017:	$70,000

E. The Donor shall comply with all University and State Board of Education 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. The nature of this sponsorship is personal and image oriented. The University may assign it's right to receive payment without prior consent to the Donor.

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

Curt Apsey
Senior Associate Athletic Director
Boise State University
1910 University Drive
Boise, ID 83725

Rick Stott
Vice President
Agri Beef Co.
1555 Shoreline Dr. #300
Boise, Idaho 83702

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

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. Agri Beef will have the first right of negotiation to extend this agreement and may exercise this option no later than March 15, 2022.

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

AGRI BEEF CO.

By ______________________

Rick R Stott
Vice President Business Development

BOISE STATE UNIVERSITY

By ______________________

Gene Bleymaier
Director of Athletics

By ______________________

Stacy Pearson
Vice President, Finance & Administration

BOISE STATE UNIVERSITY FOUNDATION
BRONCO ATHLETIC ASSOCIATION
PLEDGE FORM

Emp Id.: ____________
Designation # for gift pledge: ____________

I/we hereby make the following commitment for the STADIUM CLUB AND EXPANSION
(Project/Fund name)

in the sum of $1,400,000 (total commitment) to be paid by SEE AGREEMENT (date)

Attached Payment in the amount of: $700,000 OCTOBER 1, 2005 SEE AGREEMENT

Future Pledge in the amount of: $700,000

Total Commitment: $1,400,000

Pledge Information:

I would like to make 10 (number) payments in the amount of $70,000 (each payment amount) beginning in the OCTOBER (month) of * (year) on the following basis:

* SEE AGREEMENT

- [x] Annually
- [ ] Semi-annually
- [ ] Quarterly
- [ ] Monthly Automatic Bank Withdrawal

Pledge reminder to be sent? YES [x] NO [ ] If yes, Written or by Email (Circle one)

This is a: Personal pledge [ ] Corporate pledge [x]

Name(s): RICK R STOTT (individual or corporate contact)

Company: AGRI BEEF CO. (if applicable)

Address: PO BOX 6640, BOISE ID 83707

Phone: 208.338.2500

Email Address: RICK.STOTT@AGRIBEEF.COM

Signature(s): [signature] Date: 9-26-05

Signature(s): ____________ Date: ____________

C: Foundation Accounting

2/17/04 BAA Form Pledge Form1 # 1.doc

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**

. 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.

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY

SUBJECT

Boise State University requests approval to select a design consultant for an amount not to exceed $100,000. The intent is for this consultant to develop the Request for Qualifications (RFQ) and Request for Proposals (RFP) for a parking structure using the design-build project delivery method.

REFERENCE

October 2005 Board approved 2005 Campus Master Plan Update

APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education Governing Policies and Procedures, Sections V.K.1 and V.I.3.a.

BACKGROUND

The proposed parking structure is identified in the campus master plan approved by the SBOE in October 2005. This project will include a four-level 856 space parking structure as the base bid, with an additive alternate for the development of 8,724 square feet of retail/office space in the first level of the garage facing University Drive. Development of the retail space option would have the effect of reducing the total number of parking spaces to 780. In addition to the parking structure, this project will include the installation of closed circuit television (CCTV) components to improve security in selected parking lots, plus improvements to several gravel parking lots. These parking lot improvements would include paving, lighting, landscaping, and on-site storm water drainage treatment.

The proposed location for the parking structure is the block bordered by University Drive on the north Chrisway Drive on the west, and Juanita Street on the east.

Development of an additional parking structure on campus will assist in replacing parking spaces that have been utilized for current and future facility development, as well as address anticipated student growth and the need for parking it creates. The parking structure on Chrisway Drive will also create much needed parking spaces at the perimeter of campus but near the academic destinations of the campus. In addition to the academic quadrangle, development near the proposed site will include the Student Services Building, which will generate a significant need for short-term parking.

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY – continued

DISCUSSION

The preliminary estimates indicate a total project cost of $11,400,000, including the retail/office space. These estimates include inflationary increases and a 15% design contingency. The University proposes to use the design-build project delivery method. A design consultant will be selected through the Request for Proposals Process to develop the Request for Qualifications (RFQ) and the Request for Proposals (RFP) for the project. The consultant would be hired for an amount not to exceed $100,000. In the process of developing the RFP, the design consultants will typically perform approximately 40% of the design of the parking structure. Once this process is completed the University will bring the selected design-build team and a detailed project to the Board for approval.

IMPACT

The design fees will be paid from parking revenues. The University's current plan is to bond finance the parking deck. The source of revenues for repayment will be parking revenues (45 percent) and the strategic facilities fee (55 percent). In addition, the University will need to acquire three parcels of property and relocate three departments that currently utilize half of the proposed site. The University has set funds aside for property acquisition and the relocation of the modular buildings to the south expansion zone.

STAFF COMMENTS AND RECOMMENDATIONS

BSU finance staff provided the Board office with preliminary comments regarding project financing. As with other projects, a detailed presentation of costs and financing will be available when construction approval/financing is requested. The overall financing model will depend upon the mix of retail space involved in the parking structure, interest rates, projected maintenance costs, and operating revenues (parking fees, retail leases). University reserves will also be included in the financing mix.

Staff recommends Board approval to select a design consultant to develop the Request for Qualifications and Request for Proposals.

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY

BOARD ACTION

A motion to approve the request by Boise State University to select a design consultant for an amount not to exceed $100,000 to develop the Request for Qualifications (RFQ) and Request for Proposals (RFP), through the Division of Public Works, for a parking structure using the design-build project delivery method. It is understood that Board approval for project financing and construction will be sought at a later time.

Moved by __________ Seconded by ___________ Carried Yes _____ No _____

Office of the Idaho State Board of Education
Capital Project Tracking Sheet
December, 2005

History Narrative

Institution/Agency: Boise State University **Project:** Parking Deck Design Consultant Services

Project Description: Hire of a design consultant to develop Request for Qualifications (RFQ) and Request for Proposal (RFP) for a parking structure using the design-build project delivery method.

Project Use: Design Services will enable us to solicit RFP and RFQ for parking structure

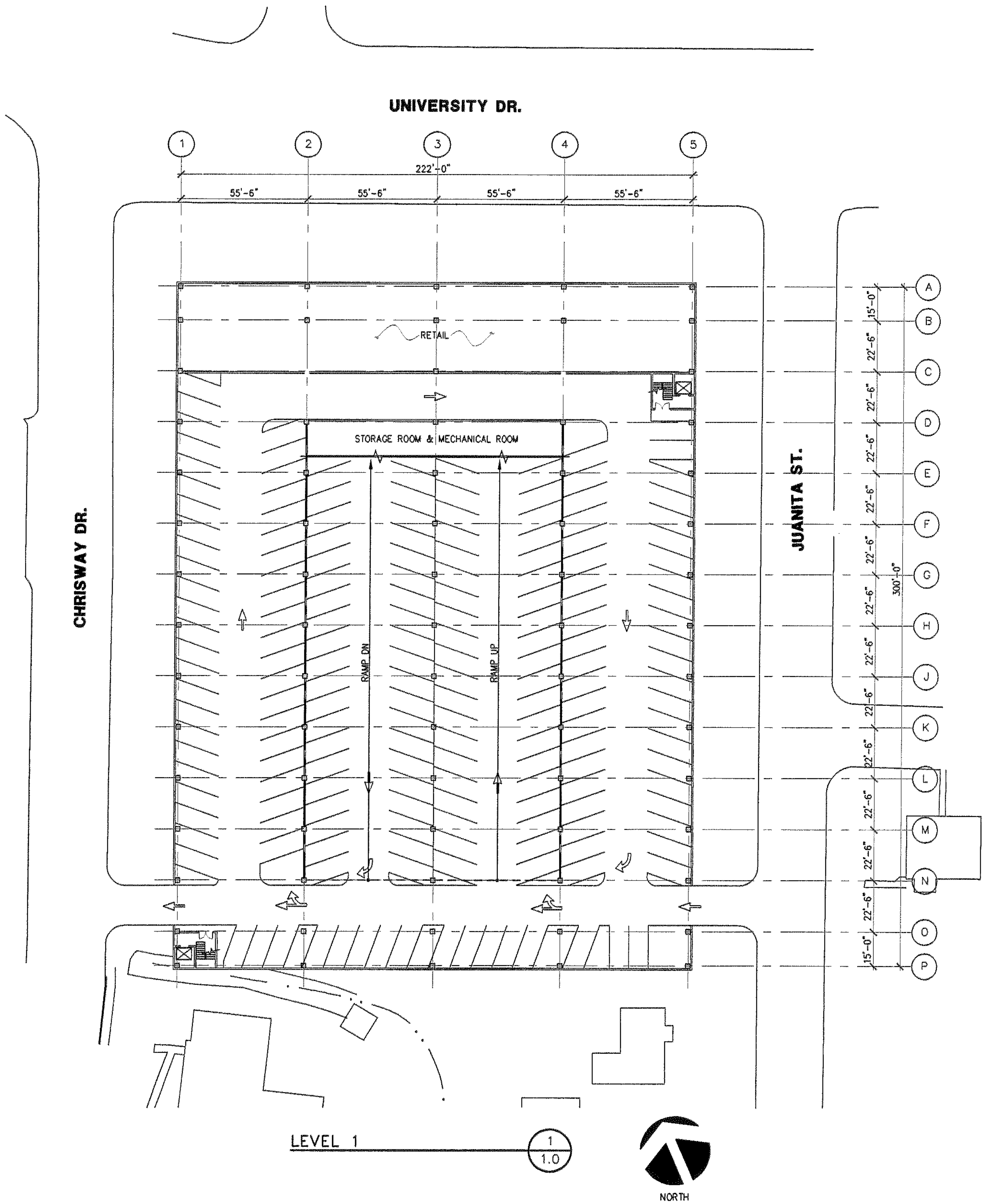
Project Size: This project will be a four-level 7890-856 parking space building with potentially 8724 sf retail/office space.

	Sources of Funds				Use of Funds			
	PBF	ISBA	Other *	Total Sources	Planning	Use of Funds Const	Other	Total Uses
Initial Cost of Project	$ -	$ -	$ 100,000	$ 100,000	$ 100,000			$ 100,000
Approval to select design consultant								
Total Project Costs	$ -	$ -	$ 100,000	$ 100,000	$ 100,000	$ -	$ -	$ 100,000

			|-------------------- * Other Sources of Funds--------------------|				
History of Funding:	PBF	ISBA	Institutional Funds	Student Revenue	Other	Total Other	Total Funding
	$ -	$ -				$ -	$ -
						$ -	$ -
					-	-	-
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -

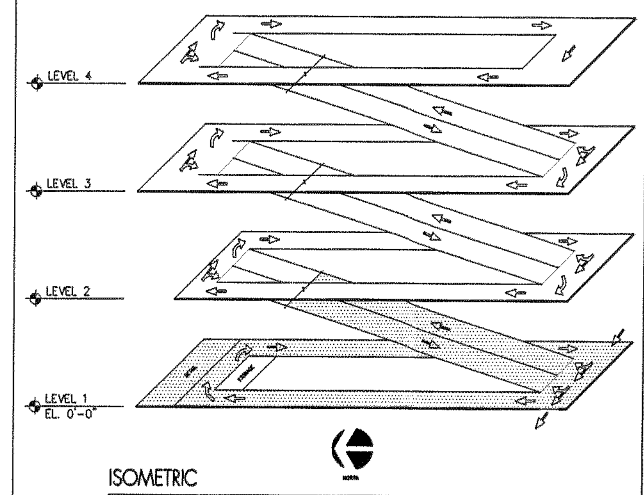
BOISE STATE UNIVERSITY
UNIVERSITY DR. & CHRISWAY DR.
BOISE, IDAHO

WALKER PARKING CONSULTANTS



LEVEL 1 1/1.0

LEVEL 1
OPTION 1



ISOMETRIC

CAR TABULATION (PARKING STRUCTURE)

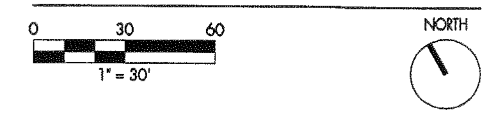
Levels	Self Parking	Accessible	Total	Area
LEVEL 4 (TOP)	166	0	166	48,988 S.F.
LEVEL 3	234	0	234	67,736 S.F.
LEVEL 2	194	0	194	58,862 S.F.
LEVEL 1	186	0	186	57,170 S.F.
TOTAL	780	0	780	232,756 S.F.

PARKING DATA

TOTAL PARKING CAPACITY	780 STALLS
STALL WIDTH	8'-6"
PARKING ANGLE (PARKING STRUCTURE)	70° & 90°
EFFICIENCY (PARKING STRUCTURE ONLY)	298 S.F./STALL

RETAIL DATA

Levels	Area
LEVEL 1	8,724 S.F.
TOTAL	8,724 S.F.



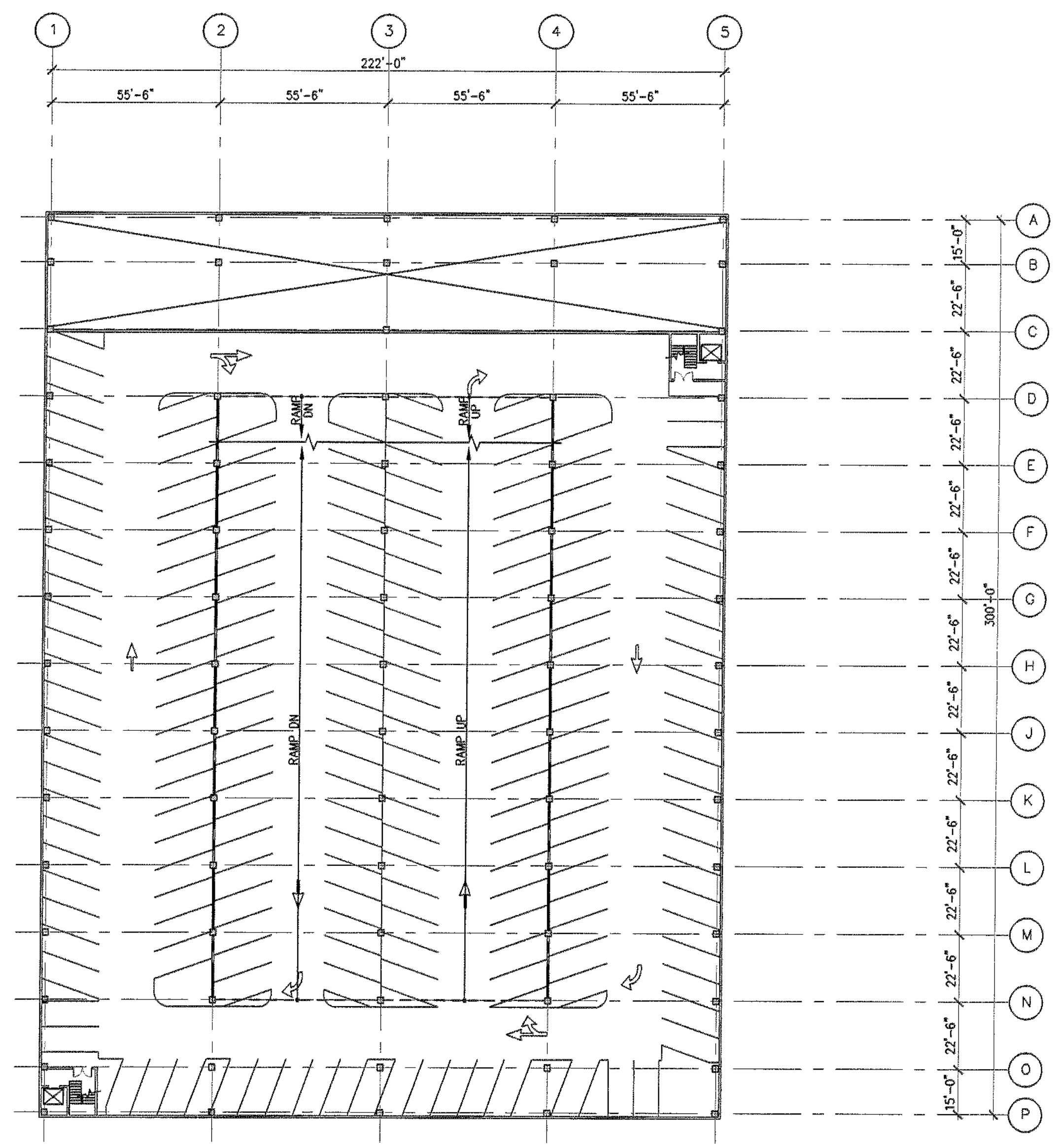
1.0

08/22/05 / 23-6947.00

BOISE STATE UNIVERSITY
UNIVERSITY DR. & CHRISWAY DR.
BOISE, IDAHO

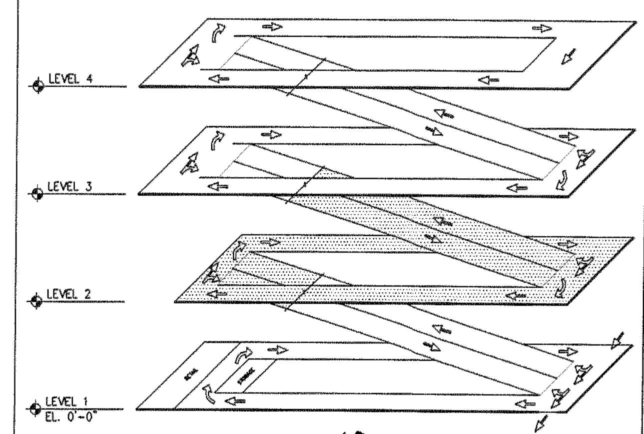
WALKER PARKING CONSULTANTS

LEVEL 2
OPTION 1

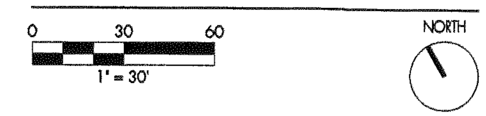


LEVEL 2 1 / 1.1

NORTH



ISOMETRIC



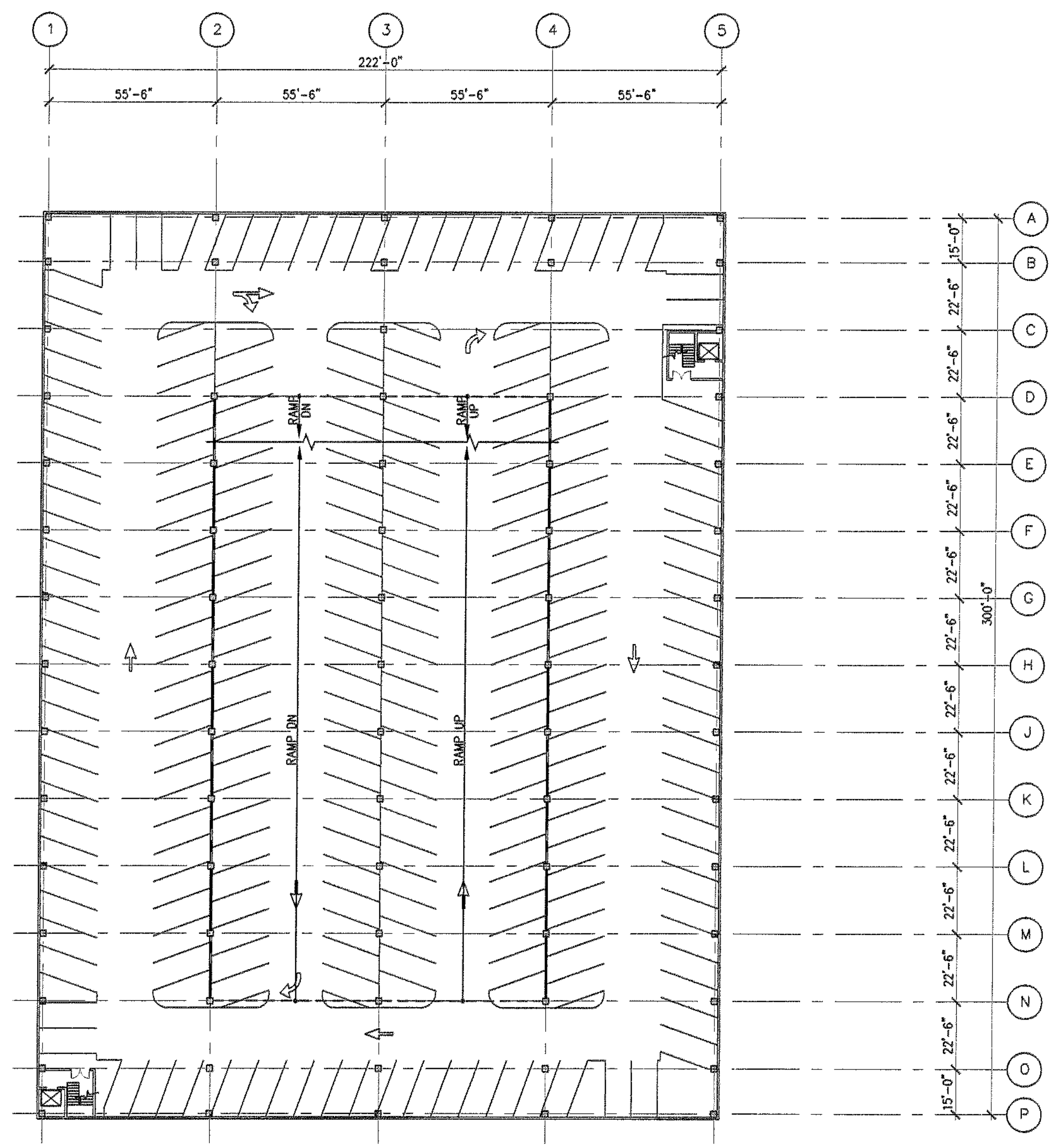
1.1

08/22/05 / 23-6947.00

BOISE STATE UNIVERSITY
UNIVERSITY DR. & CHRISWAY DR.
BOISE, IDAHO

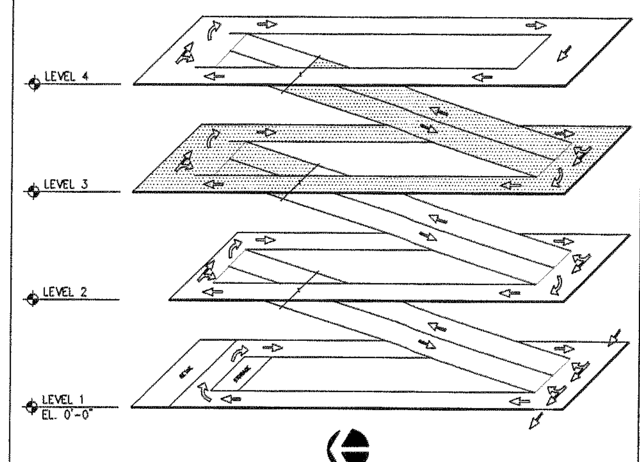
WALKER PARKING CONSULTANTS

LEVEL 3
OPTION 1



LEVEL 3 1/1.2

NORTH



ISOMETRIC

0 30 60
1" = 30'

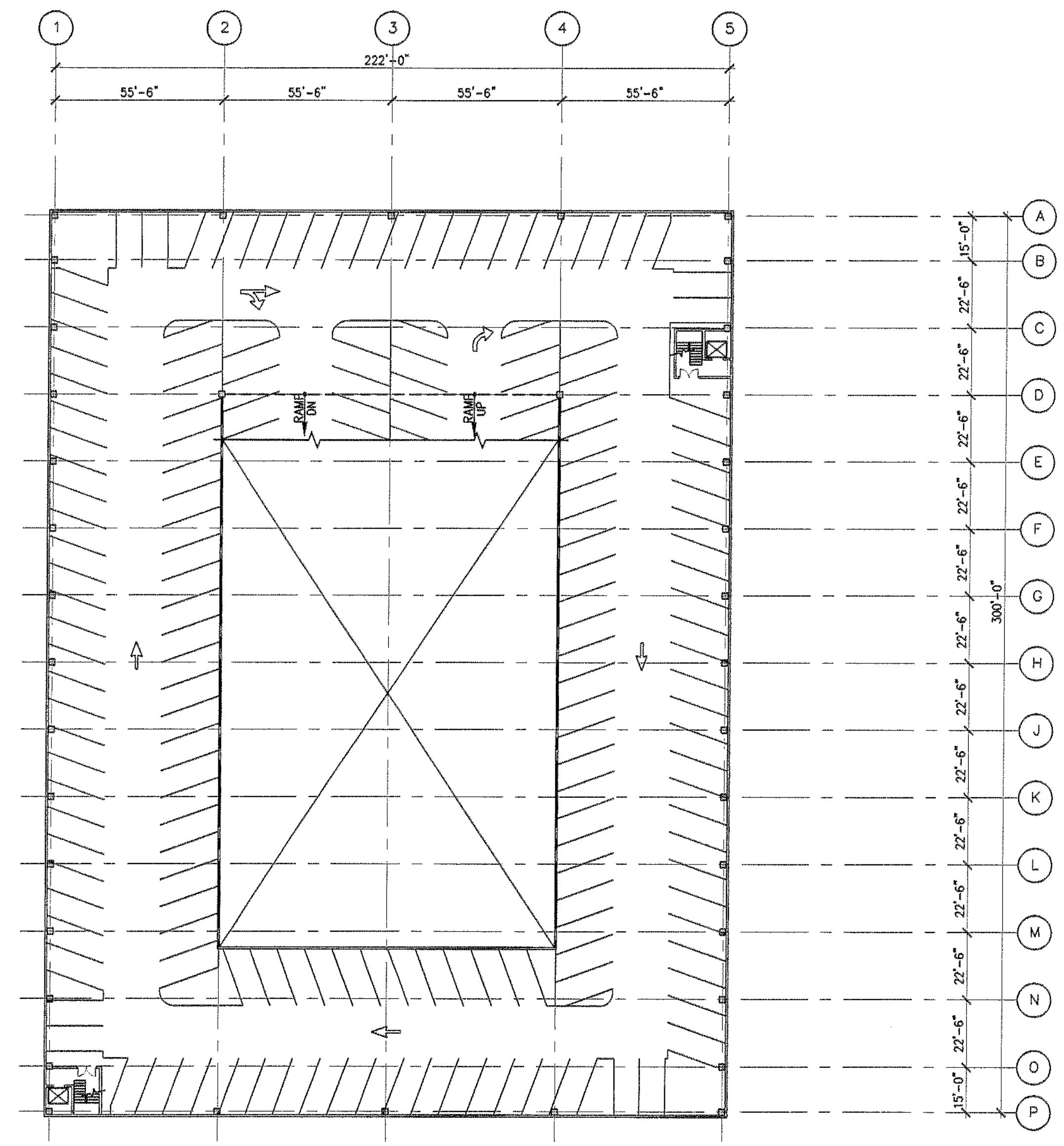
NORTH

1.2

08/22/05 / 23-6947.00

BOISE STATE UNIVERSITY
UNIVERSITY DR. & CHRISWAY DR.
BOISE, IDAHO

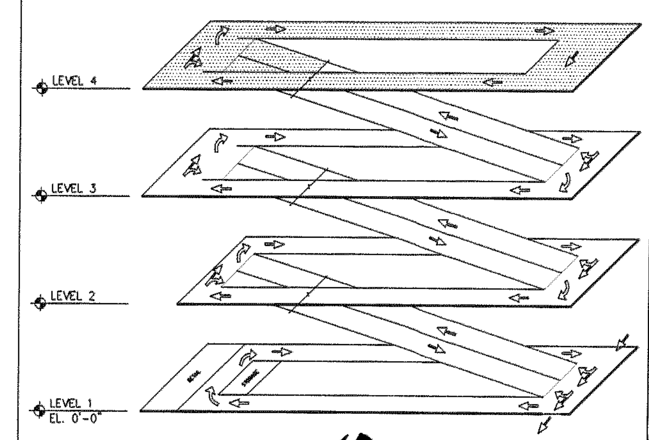
WALKER
PARKING CONSULTANTS



LEVEL 4 (TOP) 1/1.3

NORTH

LEVEL 4 (TOP)
OPTION 1



ISOMETRIC

0 30 60
1" = 30'

NORTH

1.3

08/22/05 / 23-6947.00

REFERENCE – APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: V. FINANCIAL AFFAIRS
Subsection: K. Construction Projects **April 2002**

K. Construction Projects

1. Major Project Approvals - Proposed Plans

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

Subsection: I. Real and Personal Property and Services **April 2002**

I. Real and Personal Property and Services

3. Acquisition of Personal Property and Services

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

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INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY

SUBJECT

Boise State University (BSU) requests approval to remodel a classroom, Multi-Purpose Classroom (MPC) #309, into a physics research lab for a cost not to exceed $575,000.

APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.K.2.

BACKGROUND

Boise State University is in the process of hiring a new physics faculty member to replace a retiring faculty member. Since the new faculty member will have both teaching and research responsibilities, it is necessary for the university to provide a physics research lab that is proximate to the teaching labs and classrooms currently used to provide physics instruction and research. A currently existing classroom, MPC 309, will be remodeled into a physics research lab. This remodel will utilize the remaining capacity in the existing electrical switch gear by providing a new distribution panel and transformer in the mechanical penthouse of the building to accommodate the power needs of this project and the future electrical power needs in the building.

DISCUSSION

This project will create a research lab to accommodate a new faculty member in Physics. In order to make space available for the needed research labs, one existing classroom (MPC 309) will need to be remodeled. The classroom space will be replaced when the Interactive Learning Center opens.

The scope of the remodel work includes interior demolition, patching, lab casework, 5’ ducted fume hood, 5’ bio-safety cabinet, acoustical panel ceiling systems, interior finishes, modifications to the air distribution system, lighting, electrical work, and plumbing.

IMPACT

The total cost of this lab remodel project is $575,000 (see attached project budget worksheet). The source of funding for this project is institutional funds set aside to remodel current space. It is anticipated that the remodel would be completed by December 2006.

STAFF COMMENTS AND RECOMMENDATIONS

BSU provided a Capital Project Tracking Sheet, which is attached. The project budget includes a 10% contingency amount.

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY - continued

Staff has reviewed this project for conformance with Board Policy and recommends approval.

BOARD ACTION

A motion to approve a request by Boise State University to remodel an existing classroom, Multi-Purpose Classroom # 309, into a physics research lab at a cost not to exceed $575,000.

Moved by __________ Seconded by ___________ Carried Yes _____ No _____

Office of the Idaho State Board of Education
Capital Project Tracking Sheet
As of October 25, 2004

History Narrative

Institution/Agency: Boise State University **Project:** Room 309 Lab Remodel, Multi-Purpose Classroom Building

Project Description: Remodel existing multi-purpose classroom into a research laboratory to accommodate a recently hired faculty member in the Physics Department. The scope of this project will include provide a new electrical distribution panel and transformer in the mechanical penthouse to accommodate the electrical power needs of this project and future power needs in the building.

Project Use: Research laboratory for the Physics Department

Project Size: The project includes approximately 862 square feet of remodeled space.

	Sources of Funds				Use of Funds			
	PBF	ISBA	Other *	Total Sources	Planning	Use of Funds Const	Other	Total Uses
Initial Cost of Project	$ -	$ -	$ 575,000	$ 575,000	$ 52,950	$ 506,773	$ 15,277	$ 575,000
Total Project Costs	$ -	$ -	$ 575,000	$ 575,000	$ 52,950	$ 506,773	$ 15,277	$ 575,000

			|-------------------- * Other Sources of Funds --------------------|				
History of Funding:	PBF	ISBA	Institutional Funds	Student Revenue	Other	Total Other	Total Funding
	$ -	$ -	$ 575,000			$ 575,000	$ 575,000
						$ -	$ -
					-	-	-
Total	$ -	$ -	$ 575,000	$ -	$ -	$ 575,000	$ 575,000

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Architectural & Engineering Services
PROJECT BUDGET

Project Number:	TBD		
Project Title:	309 MPCB - Physics Research Lab Remodel (890SF)		
Fund Source No:	TBD	**Dept. ID No.**	
Project Mgr.:	Patrick Sullivan		
Date:	October 24, 2005		

Category	Budget	Revised
Architectural Fees	$40,950	
Reimbursables	$9,000	
Add Services	$3,000	
Testing & Balancing	$22,000	
Construction Contract 1	$390,000	
Construction Contingency	$19,500	
FF&E (Blinds & Window Treatment)	$3,000	
Repair Existing 3rd Floor HVAC	$20,000	
Builder's Risk Insurance Premium		
Miscellaneous	$3,127	
Plan Check	$2,000	
Document Reproduction		
FO&M - Labor (Moving Fees)	$800	
Advertising	$300	
I.T. (Telephone & Data)	$8,000	
Site Survey		
Soil Investigation		
Locks	$800	
Signage	$250	
Project Contingency (estimating)	$52,273	
Total	$575,000	

Comments: Construction Cost Estimate Provided by CTA Architects and Engineers. Costs include Electrical infrastructure upgrade to provide power to both the Physics Lab and future expansion needs within the building.

REFERENCE – APPLICABLE STATUTE, RULE OR POLICY

K. Construction Projects

2. Project Approvals

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

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY

SUBJECT

Boise State University requests Board approval to procure architectural services, not to exceed $900,000, to complete preliminary design and programming through design development for a design-build project for the addition of a Press Box/SkySuite facility at Bronco Stadium.

REFERENCE

January 2005	Information item to discuss the feasibility analysis of the proposed stadium expansion projects completed by Conventions Sports and Leisure International.
March 2005	SBOE approval for Boise State to market the lease of SkySuites and Club Seats.

APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education Governing Policies and Procedures, Sections V.K.1. and V.I.3.a.

BACKGROUND

This project encompasses the architectural services for preliminary design and programming through design development, including a cost estimate, for the addition of a Press Box/SkySuite facility using the design-build project delivery method, in preparation to expand Bronco Stadium. The estimated cost of these services is $900,000. In March of 2005, the State Board of Education approved the request for BSU to proceed with the solicitation process for SkySuites, Club Seats and donations for this expansion.

DISCUSSION

The press box on the west side of Bronco Stadium was built in 1970 and is no longer adequate to serve the needs of a Division-1A program and post season bowl game. National televised broadcasts (ESPN) and the presence of national media have put a tremendous strain on the current press box. Due to space limitations noted below, Boise State is unable to provide a satisfactory working environment in this facility for those involved on game day:

- Overflow space, normally used for reserved seating, must be provided outside the press box for additional reporters, pro scouts and media members.
- On several occasions it is required that space be provided for as many as five television and radio broadcast groups. In reality, the facility only allows for two such groups, which forces us to relocate them into inadequate space or to the lower concourse.

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY - continued

- In the main control room of the press box, eight people are needed for game day operations (public address, statistics, clock operations and video replay). Five of these people are provided work stations while others must stand throughout the game.
- Coach's booths for each team are inadequate and the area used for the visiting team is split in order to accommodate game day needs
- Current press box also lacks any type of video deck. As a consequence, television stations must shoot their video from the sidelines which is inadequate in today's world of media production.

Bronco Stadium does not currently provide SkySuite accommodations which are common among most Division 1A stadiums. SkySuites and club seating would be built on the west side and provide seating for large groups. This planned addition will feature a three story structure above Bronco Stadium devoted to the media, coaches and suite/seat renters/lessees.

In the addition there will be a multi-purpose stadium club room that will seat approximately 500 people. Dining will be available for SkySuite and Club Seat lessees' prior to each home Bronco football game and the MPC Computers Bowl. This facility will also be leased to community groups and local businesses for special occasions (i.e., conferences, receptions, weddings, etc.) which would provide additional revenue opportunities for the facility.

Since 2000, season tickets sales have increased from 10,000 to 19,700 in 2005. Stadium attendance over this span has grown from an average of 24,000 to full capacity, 30,600. The football team's success has created a greater demand for televised games in Bronco Stadium. Boise State played four nationally televised games at home in 2004 and will play one more in the 2005 campaign. All games for the next four years will be televised in Bronco Stadium on either ESPN, Fox Sports West or KTVB Channel 7.

IMPACT

The total budget for architectural services for preliminary design and programming through design development is not to exceed $900,000. Funding has been identified from the reserve and operating budgets of the athletic department. The university's finance staff has confirmed that sufficient funds are available to fund these services and still meet the obligations of the Indoor Practice Facility construction and operating costs. The project budget for the Press Box/SkySuite expansion has a preliminary cost estimate of $32-$44 million in 2004 based on a conceptual design created by Ellerbe Beckett, a national sports facility design firm. The University would like to propose use of the design-

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY - continued

build project delivery method to ensure that the construction costs do not exceed the project budget and that the University receives the best facility possible with the funds allocated for design and construction.

The source of funding for this expansion project will come from annual revenues created by leases of SkySuites and Club Seats. Currently, the University has signed lease commitments for all 31 proposed SkySuites with a waiting list of 3 patrons. The University also has signed commitments for 250 of the 650 projected Club Seats. In addition to these annual revenues, facility naming opportunities and donations will be utilized. A significant component of this proposed design project is to determine the budget necessary to meet the needs identified in the final design. State Board approval will be requested to proceed with the project when the design development phase is complete and a more detailed facilities program statement and project cost estimate is determined. The university and the athletic department understand that if this design project is approved, there is no commitment to approve the construction of the expansion projects.

STAFF COMMENTS AND RECOMMENDATIONS

BSU finance staff provided the Board office with an explanation of the project funding, noting that current athletic department revenues will not be used for construction of the SkySuites project. Indications are that premium seating and SkySuite box revenues would support debt service on approximately $40 million of construction. In the current construction environment, a final construction amount will not be known until after ‘design development’ has occurred.

BSU notes that additional donations will be required, as this project will not be financed solely from proposed revenues. BSU officials indicate they will propose a construction project that fits within solid revenue (on-hand and pledges) amounts.

Boise State University will finance the cost to procure architectural services and complete the ‘design development’ phase with existing funds, fully knowing the potential risk that a future decision to proceed with construction is not guaranteed.

With the above understanding, staff recommends proceeding with procurement of architectural services through the Division of Public Works and completion of the project through design development.

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY - continued

BOARD ACTION

A motion to approve the request by Boise State University to procure architectural services through the Division of Public Works, in an amount not to exceed $900,000, to complete preliminary design and programming through design development, for a design-build project to provide an addition of a Press Box/SkySuite facility to Bronco Stadium.

Moved by __________ Seconded by ___________ Carried Yes _____ No _____

Office of the Idaho State Board of Education
Capital Project Tracking Sheet
as of December, 2005

History Narrative

Institution/Agency: Boise State University **Project:** Architectural services

Project Description: Complete preliminary design/programming through design development for design-build project for addition of press box/skysuite facility at Bronco Stadium.

Project Use: Press Box, SkySuites for media, coaches and suite/seat renters/lessees, and a stadium club room to seat approx 500.

Project Size: This will be a three story structure above Bronco Stadium.

	Sources of Funds				Use of Funds			
	PBF	ISBA	Other *	Total Sources	Planning	Use of Funds Const	Other	Total Uses
Initial Cost of Project	$ -	$ -		$ 900,000	$ 900,000			$ 900,000
Total Project Costs	$ -	$ -	$ -	$ 900,000	$ 900,000	$ -	$ -	$ 900,000

			|-------------------- * Other Sources of Funds--------------------|				
History of Funding:	PBF	ISBA	Institutional Funds	Student Revenue	Other	Total Other	Total Funding
	$ -	$ -				$ -	$ -
						$ -	$ -
					-	-	-
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -

REFERENCE – APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: V. FINANCIAL AFFAIRS
Subsection: K. Construction Projects **April 2002**

K. Construction Projects

1. Major Project Approvals - Proposed Plans

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

Subsection: I. Real and Personal Property and Services **April 2002**

I. Real and Personal Property and Services

3. Acquisition of Personal Property and Services

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

INSTITUTION / AGENCY AGENDA
IDAHO STATE UNIVERSITY

SUBJECT

Boise State University, Idaho State University, and University of Idaho request approval to proceed with the design of the Center for Advanced Energy Studies (CAES) building in cooperation with the Idaho National Laboratory.

REFERENCE

April 2005	Overview of CAES by Dr. Leonard Bond at SBOE regular meeting
August 2005	Update information on CAES at SBOE regular meeting

APPLICABLE STATUTE, RULE, OR POLICY

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

BACKGROUND

At the April 21, 2005 SBOE meeting, Dr. Leonard Bond, Director of the Center for Advanced Energy Studies (CAES), provided an overview of the Center mission and its programs to be located in Idaho Falls. The Battelle Energy Alliance (BEA) was awarded the contract from the Department of Energy to manage the new Idaho National Laboratory (INL) for nuclear energy research. As part of the contract, Battelle committed to establish CAES which is designed to become a nationally and internationally recognized focal point for the advancement of education in energy science and technology. A Memorandum of Agreement was signed by the Governor, the University Presidents, and Battelle Memorial Institute to work towards the establishment of a joint laboratory/university center which would serve as a research center for the INL with the construction of a State-owned building to house the CAES. Governor Kempthorne has stated that “the laboratory has committed to create within Idaho a new Center for Advanced Energy Studies...to help augment the State’s reputation as a high-tech destination of choice for companies looking to expand or relocate.”

A chronology for CAES has been prepared and periodically updated for the SBOE which provides background information beginning with the first proposed facility which was to be named the Center for Science & Technology (CST). The most recent update sent to the SBOE is dated October 11, 2005.

DISCUSSION

The CAES facility is planned to open during FY2008 and is expected to be between 50,000 and 60,000 square feet. To satisfy the BEA requirement for an operations lease as opposed to a capital lease, the lease agreement must show that BEA has use of approximately 58.5% of the building space. Common space (hallways,

INSTITUTION / AGENCY AGENDA
IDAHO STATE UNIVERSITY – continued

restrooms, maintenance, foyer) for this building is estimated to be almost one third of the total space, and 8.5% of this space will be designated to BEA, allowing them to satisfy their requirement for an operations lease while providing approximately one-half of the usable space (office and laboratory space) to share among the three universities. BEA has agreed to cover the occupancy costs for 58.5% of the building. The three universities will share the remaining space on a one-third basis with a considerable amount of that space for shared laboratories. The facility is envisioned to be a two-story, structural steel building with a brick façade. The facility will be located on state property north of the ISU/UI Center for Higher Education. When fully occupied, the CAES facility will have a total of up to 175 people, including approximately 100 faculty, researchers, and staff; 50 graduate students; and 25 undergraduate students. The interior design will be cooperatively planned among all the users with the architect.

DOCUMENTS INCLUDED AS ATTACHMENTS:

1. Aerial Photo of University Place
2. Aerial Photo of Site
3. Conceptual Site Plan
4. Summary of CAES Space
5. Breakdown of Space Requirements
6. Number of Offices
7. INEEL Settlement Fund Agreement
8. Hud Grant Agreement/FY2000 EDI – Special Project No. B-00-SP-ID-0116
9. Hud Grant Agreement/FY2001 EDI – Special Project No. B-01-SP-ID-0172
10. Lease Agreement between ISU and BEA for CAES
11. CAES Business Case
12. CAES Program Plan

IMPACT

The design and construction of the facility is estimated to cost approximately $14 million. Funding for the facility is based on: (1) $5 million from the INEEL Settlement Fund, as defined in the Idaho Code 67-806A, for use according to the terms of the agreement for the construction of the Center for Science and Technology in Idaho Falls (dated June 29, 2001), 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; (2) $1,942,756 from two grants from the U.S. Department of Housing and Urban Development (HUD) to the University of Idaho: HUD Grant B-00-SP-ID-0116 in the amount of $925,000 and HUD Grant B-01-SP-ID-0172 in the amount of $1,017,756 for use according to the terms of the grant (approximately $300,000 has been expended from one of the grants for preliminary designs for the CST facility);

INSTITUTION / AGENCY AGENDA
IDAHO STATE UNIVERSITY - continued

and (3) approximately $7 million through the issuance of bonds, using ISU's bond capacity, to be retired over 20 years supported by rent paid by BEA and its affiliates for occupancy of approximately 58.5% of the CAES facility.

Cost of infrastructure (roadway, utilities, and parking) is estimated to be approximately $2.5 million. INL has requested additional funds in FY2006 from a federal appropriation to install a utility corridor from Fremont Avenue to the new building location north of the railroad tracks. This funding is in the House Energy and Water Bill as a plus-up. It is envisioned that the utility corridor would have all the necessary utilities, communications and a roadway. If the appropriation is not approved during this legislative session, another request will be made next year. If federal dollars are not available, Battelle has indicated its willingness to cover the cost within their rent.

Maintenance and occupancy costs will be covered according to the assignment of space with 58.5% of the total M&O being paid by CAES as part of their rental agreement and the three universities paying their respective share. The specific amounts for the three universities will be worked out later when actual shared spaces are defined.

Each organization occupying the building will provide furniture and laboratory equipment for the spaces they occupy. The universities will cooperatively determine their equipment needs based on their specific programs and opportunities for sharing equipment and space. University general funds and donations will be used to cover the costs of the equipment and furnishings.

STAFF COMMENTS AND RECOMMENDATIONS

As noted in the proposed Board action, the three universities request permission to issue a Request for Proposal, through the Division of Public Works, to begin the process of selecting an architect for this project. The cost of architectural services will be funded by one of the two available grants from the Federal Department of Housing and Urban Development (HUD).

Board staff hosted a work session on November 10, 2005, for the purpose of gathering all relevant information about this project and request being brought to the Board. If necessary, additional material on this agenda item will be provided to Board members before the December 1 meeting.

Staff has reviewed the request for conformance with Board policy and recommends approval of the request to proceed with selection of an architect, design development and development of a project cost estimate as noted in the proposed motion.

INSTITUTION / AGENCY AGENDA
IDAHO STATE UNIVERSITY – continued

BOARD ACTION

A motion to approve the request by Idaho State University to issue a Request for Proposal (RFP) through the Division of Public Works for selection of an architect to design the Center for Advanced Energy Studies facility, and proceed with pre-design/programming, through design development, to include a construction cost estimate. It is understood that permission to proceed with the financing plan and construction of the complete CAES project will be requested at a future Board meeting. The allowable cost for the architect and engineer fees for the entire project will be no greater than $1,680,000.

Moved by __________ Seconded by ___________ Carried Yes _____ No _____

Office of the Idaho State Board of Education
Capital Project Tracking Sheet
As of: 2-Nov-05

History Narrative

1 **Institution/Agency:** Idaho State University **Project:** Center for Advanced Energy Studies (CAES) Facility

2 **Project Description:** This facility is for a cooperative center with Battelle Energy Alliance and the three Idaho universities, BSU, ISU, and UI. The facility will promote, perform, and revitalize research disciplines. It will be located on state owned land north of the ISU/UI Center for Higher Education at University Place in Idaho Falls. It will ultimately house a total of 175 people, including faculty, researchers, staff, and graduate and undergraduate students in office and laboratory spaces. The entire project will be under the Division of Public Works.

3 **Project Use:** The Center will be an academic and research institution in which the INL, the DOE, Idaho Universities, other national universities, and the international community cooperate to conduct energy-related research, technical training, and other events.

4 **Project Size:** The facility is planned to open during FY2008 and is expected to be approximately 50,000 square feet with Battelle having 58.5% of the space. Interior space has been identified for offices and laboratories by specific usage.

		Sources of Funds				Use of Funds			
		PBF	ISBA	Other *	Sources	Planning	Use of Funds Const	Other	Total Uses
9	**Initial Cost of Project**	$ -	$ -	$ 14,000,000	$ 14,000,000				$ 14,000,000
11	**History of Revisions:**								
13	Proposed Revision	$ -	$ -						$ -
22	**Total Project Costs**	$ -	$ -	$ 14,000,000	$ 14,000,000	$ -	$ -	$ -	$ 14,000,000

				|-------------------- * Other Sources of Funds--------------------|				
	History of Funding:	**PBF**	**ISBA**	**Institutional Funds**	**Student Revenue**	**Other**	**Total Other**	**Total Funding**
26		$ -	$ -			$ 14,000,000	$ 14,000,000	$ 14,000,000
27							$ -	$ -
29						-	-	-
30	Total	$ -	$ -	$ -	$ -	$ 14,000,000	$ 14,000,000	$ 14,000,000

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ATTACHMENT 1

ATTACHMENT 2


NEW CENTER FOR ADVANCED ENERGY STUDIES BLDG.
NEW INL SECURITY BLDG.
NEW PARKING STRUCTURE 3 STORY
NEW LABORATORY BLDG. 3 STORY
UNIVERSITY PLACE
WILLOW CREEK
CONCEPTUAL SITE PLAN

Space Type	CAES Leadership & Training	Energy Policy Institute	Nuclear Education & Research	INL R&D Centers
Directors, Assistant Directors, Fellows, Full Time Faculty (160 sq ft)	17 Offices	1 Office	24 offices	4 Offices
Grad Students, Visitors, Research Associates (80 sq ft)		6 Offices	77 Offices	7 Offices
Collaboratory Space				
Admin Support/Reception Area (120 sq ft)	2 Offices			3 Offices
Technicians (80 sq ft)			6 Offices	
Conference Rooms (Capacity 8)(208 sq ft)	2 Conf. Rooms			
Conference Rooms (Capacity 16)(416 sq ft)	1 Conf. Room			2 Conf. Room
Suites (900 sq ft)PT	1 Suite			2 Suites
Labs				
Chemistry Laboratory - Large open laboratory studios that can host multiple experiments and multiple research teams. Bench, instrument and equipment space is organized in a modular manner to encourage the most efficient use of the space while providing access to approximately 8 chemical fumehoods.			2500 sq. ft	
Area Roof Top 1000 sq ft				
Analytical Laboratory - Large open laboratory studios that can host multiple experiments and multiple research teams. Bench, instrument and equipment space is organized in a modular manner to encourage the most efficient use of the space			3000 sq. ft	
Scanning Electron Microscope (close to analytical lab)			800 sq. ft	
High-bay Engineering Laboratory - Large open laboratory with reinforced concrete floor capable of supporting heavy containment vessels, engineering equipment, prototype testing apparatus, thermal hydraulics engineering experiments, and material science experiments. (What kind of crane support			1500 sq. ft	
Advanced Materials Laboratory (1)			3000 sq. ft	
Radiochemistry Laboratory - flexible, with a number of hoods and glove boxes			3000 sq. ft	
Solar photovoltaic Materials Laboratory - using plasma and microwave assisted deposition and annealing - need window access to sunlight top floor			1000 sq. ft	
Hydrogen Laboratory -			2500 sq. ft	
Systems and Physical Modeling Laboratory			1000 sq. ft	
Power Wall Visualization Room (Shared with Center for Advanced Modeling & Simulation (CAMS)			1500 sq. ft	
Shared instrumentation rooms (2)			360 sq. ft	
Store Room - commonly chemical, equipment, and electronic parts			500 sq. ft	
Technician Work Space Instrument Shop/Repair Room min of 2 rooms			1000 sq. ft	
Classrooms None Requested Cafeteria/Breakroom None Requested				

		CAES Leadership				Energy Policy Institute		Nuclear Education & Research							Centers					Training	
Space Type	Benchmark with Stanford	IUC	BEA	NUC	Common	IUC & INL	EDS	ISU Requested	Benchmark ISU	U of I Requested	Benchmark U of I	BSU Requested	Benchmark BSU	Common Lab Space	Collarboratory Centers for Nuclear Fuels and Mat'ls Research (CNFMR)	Center for Space Nuclear Research (CSNR)	Center for Advanced Modeling & Simulation (CAMS)	Center for Nuclear Systems Design & Analysis (CNSDA)	Common Space for centers	BEA	EPRI
Dean/Vice Pres. Office (Hard Wall)	240	**0**	**0**		**480**	**160**									160	160		320			
Full-Time Faculty (Hard Wall)	160	**0**	**0**	**0**	**2400**	**0**		1800	1600	1400	1600	600	640								
Management staff (Hard Wall)	100		**0**												0	0		0		0	0
Staff Office (Cube)	80						**240**										560				
Grad. Student Office (Cube)	80					**480**		1600	2400	1500	2400	400	480								
Admin Support/Reception Area	120	**0**	**0**		**320**														360		
Vistors, Research Associates	80									720	0										
Technician office												100	0								
Conf Rooms (Capacity 8)	208				**416**																
Conference Rooms (Capacity 16)	416				**416**														832		
Suites (900)PT					**900**														1800		
Power Wall																	1500				
Classrooms None Requested																					
Tech Work Areas												0									
Labs			**0**					0	0	0	0	0	0		0						
Remote Lab								0	0												
Teaching Labs								0	0												
Laboratory Support Rooms								0	0	0	0										
Cafeteria/Breakroom None Requested																					
Total		0	0	0	4932	640	240	3400	4000	3620	4000	1100	1120	20160	160	160	2060	320	2992	0	0

		Requested	
Total Requested Space	39784	Total Office Space	19624
X Gross up factor of 1.5	59676	Total Lab Space	20160
			39784
		Benchmarked	
Total Benchmark Space	40784	**Total Office Space**	**20624**
X Gross up factor of 1.5	61176	**Total Lab Space**	**20160**
			40784

		CAES Leadership				**Energy Policy Institute**		**Nuclear Education & Research**				**Centers**					**Training**		
Space Type	Benchmark with Stanford	IUC	BEA	NUC	Common	**IUC & INL**	**Electronic Data Systems (EDS)**	Benchmark ISU	Benchmark U of I	Benchmark BSU	Common Office Space	Collarboratory Centers for Nuclear Fuels and Mat'ls Research (CNFMR)	Center for Space Nuclear Research (CSNR)	Center for Advanced Modeling & Simulation (CAMS)	Center for Nuclear Systems Design & Analysis (CNSDA)	Common Space for centers	BEA	EPRI	
Dean/Vice Pres. Office (Hard Wall)	160				**2**	**1**						1	1		2				7
Full-Time Faculty (Hard Wall)	160				**15**			10	10	4									39
Management staff (Hard Wall)	100																		0
Staff Office (Cube)	80						**3**							7					10
Grad. Student Office (Cube)	80					**6**		30	30	6									72
Admin Support/Reception Area	120				**2**											3			5
Vistors, Research Associates	80										8								8
Technician office											6								6
Conf Rooms (Capacity 8)	208				**2**														2
Conference Rooms (Capacity 16)	416				**1**											2			
Suites PT(900 sq ft)					**1**											2			
Power Wall																			0
Classrooms None Requested																			0
Tech Work Areas																			0
Labs																			0
Remote Lab																			0
Teaching Labs																			0
Laboratory Support Rooms																			0
Cafeteria/Breakroom None Requested																			0
																			0
Total		0	0	0	19	7	3	40	40	10	14	1	1	7	2	3	0	0	147

AGREEMENT

This Agreement (Agreement) is entered into by and between the Office of the Governor of the State of Idaho (State) and the Regents of the University of Idaho, a public corporation, state educational institution, and a body politic and corporate organized and existing under the Constitution and laws of the State of Idaho (Regents) and the Trustees of Idaho State University, a body politic and corporate organized and existing under the Constitution and laws of the State of Idaho (Trustees). The Regents and Trustees are collectively referred to herein as "the Universities," and the Universities and the State are collectively referred to herein as "the Parties."

1. PURPOSE AND SCOPE

To satisfy the intent and terms of a court settlement, dated October 16, 1995, and a subsequent settlement agreement, dated September 23, 1996, (collectively, the "Settlement") between the State and the U.S. Department of Energy ("DOE"), the State will provide funds (the "Funds") to the Regents from the Idaho National Engineering and Environmental Laboratory ("INEEL") Settlement Fund (as defined in Idaho Code §67-806A). The Funds are to be used to create jobs, diversify the economy of southeastern Idaho and induce investment in the technology-based strengths of the region by providing financial assistance for the construction of a Center for Science and Technology ("the Facility") in Idaho Falls, Idaho. The Funds shall be used in accordance with the criteria, terms and conditions set forth in this Agreement.

2. TERM & EFFECTIVE DATE

Upon signature by the Governor of the State of Idaho, this Agreement shall become effective as of March 1, 2001. The Agreement shall remain in effect until all funds have been transferred to the Regents by the State and the Regents and Trustees have expended such funds according to the terms of this Agreement, or until March 1, 2006, whichever is earlier.

3. PAYMENTS

A. The State will provide the Regents with five million dollars ($5,000,000) subject to the conditions established herein. Of this sum, the State shall provide the Universities with $100,000 within fourteen (14) calendar days of execution of this Agreement for the purpose of completing the conditions for transfer of the remaining $4,900,000, as set forth below.

B. The State will provide the Regents with the remaining $4,900,000 only upon completion of the following actions to the State's satisfaction within the term of this Agreement.

1. Approval of the Facility by the State of Idaho Board of Education and the Regents.

2. Acquisition of an interest by either the Regents or the State Board of Education in the real property on which the Facility will be located sufficient that a reasonable business person would build a comparable facility on that real property.

3. Development by the Universities of a Project Planning Guide containing the elements listed in Attachment A, or whose contents are otherwise acceptable to the State, and completion of the process described in the Project Planning Guide.

C. Payments shall be in accordance with State of Idaho laws and rules. The Office of the Governor, Division of Financial Management, shall be the financial officer for this Agreement. The Parties may agree upon a means of electronic payment of money to the Regents pursuant to this Agreement.

4. REFUND OF MONEYS

To the extent costs for the construction of the Facility are less than the allocated amount, including any interest or income accumulated thereon, or in the event the Universities are unable or choose not to proceed with this project, the Regents shall refund any and all unexpended moneys for this project to the State, within fourteen (14) calendar days of: (1) completion of the project, (2) a decision not to proceed with the project, or (3) March 1, 2006, whichever is earliest.

5. RESPONSIBILITY FOR COST OVERRUNS

The Regents shall be solely responsible for all costs of construction of the Facility that exceed the amount of Funds paid to the Regents pursuant to this Agreement and earmarked for those purposes (and any interest or income generated thereon).

6. BANKING OF FUNDS

A. The Regents shall manage the portion of Funds under their control in a manner consistent with state laws and rules.

B. The Regents may only expend interest and investment income accumulated on the portion of Funds under their control in a manner consistent with the terms of this Agreement. The Regents shall account for interest accumulated on the portion of Funds under their control as set forth in Section 8.

7. REPRESENTATIONS OF THE UNIVERSITIES:

The Universities represent and warrant that:

1. they are Idaho State nonprofit institutions of higher learning;

2. they have the power to enter into and perform under this Agreement and have taken all necessary steps to properly exercise such power;

3. the persons executing this Agreement on behalf of the Universities are fully authorized to do so and can bind the Universities by their signatures;

4. no person has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage or contingent fee;

5. they will cooperate fully with all governmental agencies as necessary to fulfill the goals and purposes of this Agreement and the use of the Funds; and

6. they will pay, when due, any and all wages, salaries, obligations, and taxes owed by them related to this Agreement.

8. REPORTING AND AUDITING REQUIREMENTS

A. The Regents shall provide the State with semi-annual financial statements of the expenditures and revenues related to the construction of the Facility.

B. The Regents shall provide the State copies of all semi-annual reports submitted to the U.S. Department of Housing and Urban Development related to the Facility.

C. To comply with the provisions of the Settlement between DOE and the State of Idaho, and, to the extent funds are appropriated by the U.S. Congress pursuant to Section 3161 of the National Defense Authorization Act for Fiscal Year 1993, the State must consider the following criteria in determining on what projects and programs moneys from the INEEL Settlement Fund will be expended:

1. projected number of jobs created;

2. quality of jobs created, including but not limited to earning potential and sustainability;

3. ability to induce investment or growth consistent with the identified and potential economic strengths of the region;

4. ability to reduce Idaho's economic dependence on DOE and DOE-related activities;

5. past performance of the applicant or the type of project or program;

6. amount of local participation in the project;

7. integration with other state economic development efforts;

8 ability of the project to become self-sufficient; and

9. other unique factors, such as innovative features of the project.

D. For the duration of this Agreement, plus an additional period of five (5) years, the Universities shall provide the State with semi-annual performance reports to assist the State in complying with the terms of the Settlement. Reports shall include at a minimum:

1. a narrative summary of the: projected number of jobs created; quality of jobs created, including but not limited to earning potential and sustainability; amount of local participation in the project; integration with other state economic development efforts; and Facility revenues from contracts and grants.

2. a brief status report for the construction and operation of the Facility, including a description of any major problems or concerns;

3. a description of any significant milestones completed during the reporting period; and

4. known or anticipated changes to schedules.

E. For the reporting requirements set forth in paragraphs A and D above, reporting periods shall begin on January 1 and July 1. Financial statements and performance reports shall be due within 30 calendar days of the close of the reporting period.

F. The Universities agree to keep records that are sufficient to permit the preparation of reports required by the State under the terms of the Settlement and to permit the tracing of the Funds to a level of expenditures adequate to ensure that the Funds have been spent lawfully and in accordance with the terms and conditions of this Agreement.

G. The Universities agree to maintain for the duration of this Agreement, plus an additional period of at least five (5) years, all books, records, documents, and other evidence of accounting procedures and practices, which sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of or related to this Agreement. If any audit or other action involving records is initiated before the five (5) year period has expired, the Universities will retain such records until all issues are resolved, or for three (3) additional years, whichever is longer.

H. The State reserves the right to audit or examine, in such a manner and at all reasonable times as it deems appropriate, all activities of the Universities arising in the course of performance of, or related to, this Agreement.

I. Prior to or upon termination of this Agreement, a final independent audit or examination of costs and expenditures shall be performed. This obligation may be met via audits performed under the

Single Audit Act of 1984 on an annual basis. The State shall have the right to recover an appropriate amount after fully considering the recommendations on disallowed costs resulting from the final audit or examination when conducted.

J. Notwithstanding anything contained in this Agreement, the Universities recognize and acknowledge that DOE, or other federal agencies, may also have audit rights with respect to the Funds, which audit rights may or may not be exercised on the same basis or at the same time as the State's audit rights under this Agreement. Any apparent approval by the State with regard to the Funds, or the failure of the State to affirmatively assert a disapproval of the Universities' acts pursuant to the State's audit rights shall not be construed or deemed to be a waiver on the part of the State to exercise any rights under this Agreement, including but not limited to the right to recover the Funds, or any portion thereof, upon a federal audit.

9. TERMINATION

A. This Agreement may be terminated if the State determines that the Universities are in default of their obligations. A determination by the State to terminate under this section shall be a final determination.

B. The Contracting Officer shall provide written notice to the Universities of default by the Universities. If the Universities do not cure such default within ten (10) calendar days after receipt of such written notice, the State may terminate this Agreement and may pursue any and all legal, equitable, and other remedies available to the State.

C. For purposes of this Section, the Universities shall be in "default" if:

1. The Universities fail or refuse to perform under or in accordance with this Agreement; or

2. The Universities fail to abide by, or disregard, any applicable statutes, ordinances, rules, regulations, directives or orders of any governmental entity related to the performance of activities under this Agreement.

10. EFFECT OF TERMINATION

A. Upon termination of this Agreement for any reason, the Regents shall return, within fourteen (14) calendar days of written notice from the State, any unused portion of the Funds.

B. If the State determines that any portion of the Funds was expended in breach of this Agreement, the State has the right to recoup that portion of the Funds from the Regents, their contractor(s) or subcontractor(s). The Regents shall require any individual or entity receiving Funds, or any portion thereof, to acknowledge and abide by the requirements of this section. The requirements of this section shall be included in all agreements, contracts, subcontracts or assignments entered into by the Universities related to this Agreement or the Funds.

11. DESIGNATED KEY PERSONNEL

The Universities shall notify the State in writing of any change in key personnel. The following are designated key personnel for the Universities during the term of this Agreement:

Laura Hubbard
Director, Capital Planning and Budget
University of Idaho
P.O. Box 443162
Moscow, Idaho 83844-3162

Robert Stiger
Dean, University of Idaho, Idaho Falls Center
1776 Science Center Drive
Idaho Falls, ID 83402

12. CONTRACTING OFFICER

The Idaho Department of Commerce shall serve as the Contracting Officer for the State. The State shall notify the Universities in writing of any change in Contracting Officer. The Contracting Officer shall respond to all written requests made by the Universities within fourteen (14) calendar days. Failure to respond within the time allotted shall constitute approval of the request.

13. COMPLIANCE WITH APPLICABLE LAWS

The Universities shall comply with all applicable federal, state, and local laws and regulations in performing all work under this Agreement. The Universities shall require any individual or entity receiving the Funds, or any portion thereof, to acknowledge and comply with this section. The requirements of this section shall be included in any agreements, contracts, subcontracts or assignments entered by the Universities related to this Agreement or the Funds.

14. PROHIBITIONS ON USE OF FUNDS AND ACTIVITIES

A. The Regents shall not use Funds provided by this Agreement to pay administrative costs.

B. The Regents shall not use Funds provided by this Agreement to pay for services rendered or goods or equipment purchased prior to the effective date of this Agreement.

C. The Regents shall not use Funds provided by this Agreement to fund the operations or maintenance of the Facility, or to fund any other project, including but not limited to, training and educational services.

D. Funds provided by this Agreement shall not be used to influence or attempt to influence an officer or employee of any governmental agency, any member, officer or employee of Congress or the Idaho Legislature in connection with the awarding, continuation, renewal, amendment, or modification of any contract, grant, loan, or cooperative agreement.

E. The Universities shall not:

1. knowingly hire any ineligible individual(s), embezzle, willfully misapply, steal or obtain by fraud the Funds, or any portion thereof;

2. induce any employee to give up any money or thing of value under threat of dismissal;

3. willfully obstruct or impede any investigation related to this Agreement;

4. directly or indirectly promise any employment, position, compensation, contract, appointment or other benefit made possible in whole or in part by the Funds to any person as consideration, favor or reward for any political activity or for the support of, or opposition to, any candidate or political party in connection with any election, primary or caucus;

5. directly or indirectly knowingly cause or attempt to cause any person to make a contribution of a thing of value (including services) for the benefit of any political cause, candidate or party by means of denial or threat of denial of any employment or other benefit funded by or related to the Funds; or

6. solicit or accept unlawful or illicit gratuities, favors or anything of monetary value under the operation of this Agreement.

F. The Regents and Trustees shall comply with all applicable federal, state and local laws and regulations, including but not limited to those prohibiting discrimination and requiring equal opportunity, in performing all work under this Agreement. The Regents and the Trustees shall require an individual or entity receiving Funds or any portion thereof, to acknowledge and comply with this Section. The requirements of this Section shall be included in any agreements, contracts, subcontracts, or assignments entered by the Regents or the Trustees related to this Agreement,

G. The Universities recognize and acknowledge that criminal penalties may result from theft, embezzlement or other prohibited activities under this Agreement.

H. The Universities shall immediately report to the State any alleged or suspected incident of fraud, abuse or other prohibited activity related to this Agreement or the Funds.

15. PROPERTY

The Facility shall be considered property of the Regents and must be managed in accordance with applicable Idaho laws and rules.

16. INSURANCE REQUIREMENTS

A. The Parties understand that each is insured with respect to tort liability by the Bureau of Risk Management, a statutory system of self insurance established by Idaho Code §67-5776, and subject to the limits and requirements of the Idaho Tort Claims Act, Idaho Code §6-901 et seq. Each Party agrees to accept that coverage as adequate insurance of the other Party with respect to personal injury and property damage.

B. The Regents shall require any of its contractors during the construction of the Facility to maintain Workers Compensation Insurance as required by statute and Commercial General Liability Insurance and Builder's Risk Insurance in accordance with the guidelines established by the Bureau of Risk Management. The Regents shall require Professional Liability Insurance covering the design of the Facility in an amount of no less than one million dollars ($1,000,000). If the Professional Liability Insurance required by this section is obtained through a "claims made" policy, this coverage or its replacement shall have a retroactive date of no later than the inception of this Agreement. Such errors and omissions insurance or its replacement shall also provide a minimum of five (5) years' extended reporting coverage, or the maximum under the State of Idaho Statute of Limitations for claims under this coverage, whichever is greater, after the services are last provided under the design of the Facility.

17. LIABILITIES AND LOSSES

The Parties agree that any liability claim, suit, or loss resulting from or arising out of the Parties' performance of activities under this Agreement shall be allocated, as between the state agencies, in accordance with the guidelines adopted by the Department of Administration's Bureau of Risk Management. Each party to this Agreement agrees to notify the Bureau of Risk Management and the other party in the event it receives notice or knowledge of any claims arising out of the performance of activities under this Agreement. To the extent a determination is made that a claim is not within the coverage provided by the insurance policies procured by the Bureau of Risk Management or its self-insurance program, and to the extent allowed by law, the Universities shall be primarily responsible for conducting the defense of and/or payment of such claim.

18. ASSIGNMENT AND SUBCONTRACTING

A. The Regents may contract with other entities to construct the Facility. No other contract or assignment of responsibilities under this Agreement may be made without the State's prior written consent.

B. Any assignment, contract or subcontract shall not relieve the Regents of their obligations under this Agreement, and the Regents shall be responsible for the satisfactory performance by any assignee, contractor or subcontractor. Assignments, contracts or subcontracts permitted under this section will not be deemed to require any additional payment by the State.

19. GOVERNING LAW

This Agreement shall be governed by the laws of the State of Idaho and performed therein.

20. APPROPRIATION BY LEGISLATURE

A. This Agreement shall in no way or manner be construed so as to bind or obligate the State beyond the term of any particular appropriation of funds by the Idaho State Legislature or the United States Congress as may exist from time to time. In the event the Legislature of the State of Idaho, or the United States Congress, fails, neglects, or refuses to appropriate such funds as may be required and designated to continue payment of this Agreement, this Agreement shall be at such time automatically terminated. All future rights and liabilities of the Parties shall thereupon cease within thirty (30) calendar days after notice to the Universities.

B. It is the intent of the parties that the Universities will not require the Idaho State Legislature to appropriate any moneys to fund any portion of the construction or continued operation and maintenance of the Facility. It is the intent of the parties that these activities be self-supporting and will be funded from revenues generated by use fees, federal grants and performance contracts.

21. NOTICE

Any notice required under this Agreement shall be in writing and shall be delivered by certified or registered mail, return receipt requested, to the following addresses:

If to the State:	If to the Universities:
CST Contract Officer	Director, Capital Planning and Budget
Idaho Department of Commerce	University of Idaho
P.O. Box 83720	P.O. Box 443162
Boise, ID 83720-0093	Moscow, ID 83844-3162

Either party may modify the above notice information by written notice as provided for in this section.

22. NONWAIVER OF BREACH

The failure of the State to insist upon strict performance of any of the terms and conditions of this Agreement, or to exercise any option herein conferred in any one or all instances, shall not be construed to be a waiver or relinquishment of any such covenant or condition, but the same shall be and remain in full force and effect unless such waiver is evidenced by the prior written consent of the State.

23. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected, and the rights and obligations of the Parties shall be construed and enforced as if the Agreement did not contain the particular provision held to be invalid.

24. MERGER

This Agreement and related Attachment constitute the entire agreement between the Parties and shall supersede all previous proposals, oral or written, negotiations, representations, commitments, and all other communications between the Parties concerning the scope of this Agreement. It may not be released, discharged, changed, extended or modified and no claim for additional services not specifically provided herein will be allowed by the State, except to the extent provided by an instrument in writing signed by a duly authorized representative of the Universities and the State.

Dirk Kempthorne

DIRK KEMPTHORNE
Governor

Date: 6-29-01

Karen McGee

KAREN McGEE
President, Regents of the University of Idaho

Date: 6-21-01

Karen McGee

KAREN McGEE
President of the Trustees, Idaho State University

Date: 6-21-01

FY 2000 EDI - SPECIAL PROJECT NO. B-00-SP-ID-0116

GRANT AGREEMENT

This Grant Agreement between the Department of Housing and Urban Development ("HUD") and the University of Idaho (the "Grantee") is made pursuant to the authority of Public Law 106-74 (the FY 2000 Appropriations Act for HUD and other agencies) and House Report 106-379 (the Conference Report on the Appropriations Act), with an adjusted grant amount as shown below, pursuant to the Consolidated Appropriations Act for FY 2000 (PL 106-113). The Grantee's application package, as may be amended by the provisions of this Grant Agreement, is hereby incorporated into this Agreement.

In reliance upon and in consideration of the mutual representations and obligations hereunder, HUD and the Grantee agree as follows:

Subject to the provisions of the Grant Agreement, HUD will make grant funds in the amount of $925,000.00 available to the Grantee.

The Grantee agrees to abide by the following:

ARTICLE I. HUD Requirements.

The Grantee agrees to comply with the following requirements for which HUD has enforcement responsibility.

A. The grant funds will only be used for activities described in the application, which is incorporated by reference and made part of this Agreement as may be modified by Article VII (A) of this Grant Agreement.

B. EQUAL OPPORTUNITY REQUIREMENTS
The grant funds must be made available in accordance with the following:

1. For projects involving housing, the requirements of the Fair Housing Act (42 U.S.C. 3601-20) and implementing regulations at 24 CFR Part 100; Executive Order 11063 (Equal Opportunity in Housing) and implementing regulations at 24 CFR Part 107.

2. The requirements of Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) (Nondiscrimination in Federally Assisted Programs) and implementing regulations issued at 24 CFR Part 1.

3. The prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and implementing regulations at 24 CFR Part 146, and the prohibitions against discrimination against handicapped individuals under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR Part 8.

4. The requirements of 24 CFR 5.105(a) regarding equal opportunity as well as the requirements of Executive Order 11246 (Equal Employment Opportunity) and the implementing regulations issued at 41 CFR Chapter 60.

5. For those grants funding construction covered by 24 CFR 135, the requirements of section 3 of the Housing and Urban Development Act of 1968, (12 U.S.C. 1701u) which requires that economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, be given to low- and very low-income persons and to businesses that provide economic opportunities for these persons.

6. The requirements of Executive Orders 11625 and 12432 (concerning Minority Business Enterprise), and 12138 (concerning Women's Business Enterprise). Consistent with HUD's responsibilities under these Orders, the Grantee must make efforts to encourage the use of minority and women's business enterprises in connection with grant funded activities. See 24 CFR Part 85.36(e) , which describes actions to be taken by the Grantee to assure that minority business enterprises and women business enterprises are used when possible in the procurement of property and services.

7. Where applicable, Grantee shall maintain records of its efforts to comply with the requirements cited in Paragraphs 5 and 6 above.

C. The Grantee agrees to assume all of the responsibilities for environmental review and decision making and actions, as specified and required in regulations issued by the Secretary pursuant to the Multifamily Housing Property Disposition Reform Act of 1994 and published in 24 CFR Part 58.

D. Administrative requirements of OMB Circular A-133 "Audits of States, Local governments and Non-Profit Organizations."

E. For State and Local Governments, the Administrative requirements of 24 CFR Part 85, including the procurement requirements of 24 CFR Part 85.36, and the requirements of OMB Circular A-87 regarding Cost Principles for State and Local Governments. For Non-Profits, the Administrative requirements of 24 CFR Part 84, including the procurement requirements of 24 CFR Part 84.40, and OMB Circular A-122 regarding Cost Principles for Non-Profit Institutions. For Institutions of Higher Education the applicable OMB Circular regarding Cost Principles is A-21.

F. The regulations at 24 CFR Part 87, related to lobbying, including the requirement that the Grantee obtain certifications and disclosures from all covered persons.

G. Restrictions on participation by ineligible, debarred or suspended persons or entities as described in Executive Order 12549 and at CFR 24 Part 5.105(c).

H. The Uniform Relocation Act as implemented by regulations at 49 CFR Part 24.

I. The Grantee will comply with all accessibility requirements under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR Part 8, where applicable.

ARTICLE II. Conditions Precedent to Draw Down.

The Grantee may not draw down grant funds until the following actions have taken place:

A. The Grantee and HUD have executed a contract.

B. The Grantee has received and approved any certifications and disclosures required by 24 CFR 87.100 concerning lobbying and by 24 CFR 24.510(b) regarding ineligibility, suspension and debarment.

C. Any other preconditions listed in Article VII (C) of this Grant Agreement.

ARTICLE III. Draw Downs.

A. A request by the Grantee to draw down grant funds under the Voice Response Access system or any other payment system constitutes a representation by the Grantee that it and all participating parties are complying with the terms of this Grant Agreement.

B. The Grantee will be paid on an advance basis provided that the Grantee minimizes the time elapsing between transfer of the grant funds and disbursement for project purposes and otherwise follows the requirements of 24 CFR Part 85 and Treasury Circular 1075 (31 CFR Part 205).

C. Before the Grant Agreement is signed, the Grantee may incur cost for activities which are exempt from environmental review under 24 CFR Part 58 and may charge the costs to the grant.

ARTICLE IV. Progress Reports.

The Grantee shall submit to the Grant Officer a progress report every six months after the effective date of the Grant Agreement. Progress reports shall include reports on both performance and financial progress and shall conform with 24 CFR 85.40 and 85.41 or 24 CFR Sections 84.50 through 84.53, as applicable. Additional information required or increased frequency of reporting as may be described in Article VII (C).

A. The performance reports must contain the information required under 24 CFR Part 85.40(b) (2) or 24 CFR Part 84.51(a), as applicable including a comparison of actual accomplishment to the objectives indicated in the approved application, the reasons for slippage if established objectives were not met, and additional pertinent information including explanation of significant cost overruns.

B. Financial reports shall be submitted on Standard Form 269 and the following: for construction costs, form 271; for non-construction costs, a breakdown in costs similar to the line items in the application budget.

C. No grant payments will be approved for projects with overdue progress reports.

ARTICLE V. Project Close-out.

A. The Grantee shall initiate project close-out within 30 days of project completion by submitting to HUD the Financial Status Report. (Form 269A). Grantee shall indicate in Block 12 of SF 269A: "Ready to initiate project close-out." HUD will then send close-out documents to the Grantee. At HUD's option, the Grantee may delay initiation of project close-out until the resolution of any HUD monitoring findings. If HUD exercises this option the Grantee must promptly resolve the findings.

B. The Grantee recognizes that the close-out process may entail a review by HUD to determine compliance with the Grant Agreement by the Grantee and all participating parties. The Grantee agrees to cooperate with any review in any way possible, including making available records requested by HUD and the project for on-site HUD inspection.

C. Within 90 days of project completion, the Grantee shall provide to HUD the following documentation., in the format approved by HUD.

1. A Certification of Project Completion.

2. A Grant Close-out Agreement.

3. A final financial report giving the amount and types of project costs charged to the grant (that meet the allowability and allocability requirements of OMB Circular A-122 or A-87 as applicable, including the "necessary and reasonable" standard); a certification of the costs; and the amounts and sources of other project funds.

4. A final performance report providing a comparison of actual accomplishments with each of the project commitments and objectives in the approved application, the reasons for slippage if established objectives were not met and additional pertinent information including explanation of significant cost overruns.

D. The Grantee agrees that the grant funds are allowable only to the extent that the project costs, meeting the standard of OMB Circular A-122. A-87 or A-21 as applicable, equal the grant amount plus other sources of project funds provided.

E. When HUD has determined that the grant funds are allowable, the activities were completed as described by the Grant Agreement, and all Federal requirements were satisfied, HUD and the Grantee will sign the Close-out Agreement.

ARTICLE VI. Default.

A default under this Grant Agreement shall consist of using grant funds for a purpose other than as authorized by this Agreement, any noncompliance with legislative, regulatory, or other requirements applicable to the Agreement, any other material breach of this Agreement, or any material misrepresentation in the application submissions.

ARTICLE VII. Additional Provisions.

A. Project Description. The project is as described in the application with the following changes: NONE

B. Changes or Clarification to the Application Related to Participating Parties: NONE

C. Special Conditions: The grantee shall carry out such environmental review procedures as are recommended by the HUD Oregon State Office - environmental officer, prior to HUD's release of grant funds.

U.S. Department of Housing and Urban Development	University of Idaho
Authorized Signature	Authorized Signature
Grant Officer	Assistant VP Finance & Administration
Title	Title
9/20/02	12/19/02
Date	Date

Assistance Award/Amendment

U.S. Department of Housing and Urban Development
Office of Administration

1. Assistance Instrument ☐ Cooperative Agreement X Grant		2. Type of Action X Award ☐ Amendment	
3. Instrument Number B-00-SP-ID-0116	4. Amendment Number	5. Effective Date of this Action 9/20/02	6. Control Number
7. Name and Address of Recipient University of Idaho 111 Morrill Hall Moscow, ID 83844-3010 EIN: 82-60000945		8. HUD Administering Office Community Planning and Development	
		8a. Name of Administrator	8b. Telephone Number
10. Recipient Project Manager		9. HUD Government Technical Representative Janice Smith (202) 708-3434	
11. Assistance Arrangement ☐ Cost Reimbursement ☐ Cost Sharing X Fixed Price	12. Payment Method ☐ Treasury Check Reimbursement ☐ Advance Check X Automated Clearinghouse	13. HUD Payment Office Chief Financial Officer	

14. Assistance Amount		15. HUD Accounting and Appropriation Data	
		15a. Appropriation Number	15b. Reservation number
Previous HUD Amount	$		
HUD Amount this action	$925,000	860/20162 Year 2000	EID-00-
Total HUD Amount	$925,000	Amount Previously Obligated	$
Recipient Amount	$	Obligation by this action	$925,000
Total Instrument Amount	$925,000	Total Obligation	$925,000

16. Description

This FY 2000 EDI-Special Project grant will be used for start up costs to develop technology transfer and business development with Idaho.

This award consists of the following items which are appended to and hereby made parts of this Award:

(A) Cover Page - HUD Form 1044

(B) Grant Agreement

17. X Recipient is required to sign and return three (3) copies of this document to the HUD Administering Office		18. ☐ Recipient is not required to sign this document.	
19. Recipient (By Name) Jerry Wallace		20. HUD (By Name) James Selvaggi	
Signature & Title Vice President for Finance and Admin.	Date (mm/dd/yyyy) 12/29/00	Signature & Title National EDI-SP Manager	Date (mm/dd/yyyy) 9/20/02

form HUD-1044 (8/90)
ref. Handbook 2210.17

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FY 2001 EDI-SPECIAL PROJECT NO. B-01-SP-ID-0172
GRANT AGREEMENT

This Grant Agreement between the Department of Housing and Urban Development ("HUD") and University of Idaho (the "Grantee") is made pursuant to the authority of Public Law 106-377 (the FY 2001 Appropriations Act for HUD and other agencies) and House Report 106-988 (the Conference Report on the Appropriations Act). The grant was reduced by 0.22% pursuant to the FY 2001 Omnibus Consolidated and Emergency Appropriations Act (PL 106-554), which mandated a government wide rescission. The Grantee's application package, as may be amended by the provisions of this Grant Agreement, is hereby incorporated into this Agreement.

In reliance upon and in consideration of the mutual representations and obligations hereunder, HUD and the Grantee agree as follows:

Subject to the provisions of the Grant Agreement, HUD will make grant funds in the amount of $ 1,017,756.00 available to the Grantee.

The Grantee agrees to abide by the following:

ARTICLE I. HUD Requirements.

The Grantee agrees to comply with the following requirements for which HUD has enforcement responsibility.

A. The grant funds will only be used for activities described in the application, which is incorporated by reference and made part of this Agreement as may be modified by Article VII (A) of this Grant Agreement.

B. EQUAL OPPORTUNITY REQUIREMENTS
The grant funds must be made available in accordance with the following:

1. For projects involving housing, the requirements of the Fair Housing Act (42 U.S.C. 3601-20) and implementing regulations at 24 CFR Part 100; Executive Order 11063 (Equal Opportunity in Housing) and implementing regulations at 24 CFR Part 107.

2. The requirements of Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) (Nondiscrimination in Federally Assisted Programs) and implementing regulations issued at 24 CFR Part 1.

3. The prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and implementing regulations at 24 CFR Part 146, and the prohibitions against discrimination against handicapped individuals under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR Part 8.

4. The requirements of 24 CFR 5.105(a) regarding equal opportunity as well as the requirements of Executive Order 11246 (Equal Employment Opportunity) and the implementing regulations issued at 41 CFR Chapter 60.

5. For those grants funding construction covered by 24 CFR 135, the requirements of section 3 of the Housing and Urban Development Act of 1968, (12 U.S.C. 1701u) which requires that economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, be given to low- and very low-income persons and to businesses that provide economic opportunities for these persons.

6. The requirements of Executive Orders 11625 and 12432 (concerning Minority Business Enterprise), and 12138 (concerning Women's Business Enterprise). Consistent with HUD's responsibilities under these Orders, the Grantee must make efforts to encourage the use of minority and women's business enterprises in connection with grant funded activities. See 24 CFR Part 85.36(e) , which describes actions to be taken by the Grantee to assure that minority business enterprises and women business enterprises are used when possible in the procurement of property and services.

7. Where applicable, Grantee shall maintain records of its efforts to comply with the requirements cited in Paragraphs 5 and 6 above.

C. The Grantee agrees to assume all of the responsibilities for environmental review and decision making and actions, as specified and required in regulations issued by the Secretary pursuant to the Multifamily Housing Property Disposition Reform Act of 1994 and published in 24 CFR Part 58.

D. Administrative requirements of OMB Circular A-133 "Audits of States, Local governments and Non-Profit Organizations."

E. For State and Local Governments, the Administrative requirements of 24 CFR Part 85, including the procurement requirements of 24 CFR Part 85.36, and the requirements of OMB Circular A-87 regarding Cost Principles for State and Local Governments. For Non-Profits, the Administrative requirements of 24 CFR Part 84, including the procurement requirements of 24 CFR Part 84.40, and OMB Circular A-122 regarding Cost Principles for Non-Profit Institutions. For Institutions of Higher Education the applicable OMB Circular regarding Cost Principles is A-21.

F The regulations at 24 CFR Part 87, related to lobbying, including the requirement that the Grantee obtain certifications and disclosures from all covered persons.

G. Restrictions on participation by ineligible, debarred or suspended persons or entities as described in Executive Order 12549 and at CFR 24 Part 5.105(c).

H. The Uniform Relocation Act as implemented by regulations at 49 CFR Part 24.

I. The Grantee will comply with all accessibility requirements under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR Part 8, where applicable.

ARTICLE II. Conditions Precedent to Draw Down.

The Grantee may not draw down grant funds until the following actions have taken place:

A. The Grantee and HUD have executed a contract.

B. The Grantee has received and approved any certifications and disclosures required by 24 CFR 87.100 concerning lobbying and by 24 CFR 24.510(b) regarding ineligibility, suspension and debarment.

C. Any other preconditions listed in Article VII (C) of this Grant Agreement.

ARTICLE III. Draw Downs.

A request by the Grantee to draw down grant funds under the Voice Response Access system or any other payment system constitutes a representation by the Grantee that it and all participating parties are complying with the terms of this Grant Agreement.

B. The Grantee will be paid on an advance basis provided that the Grantee minimizes the time elapsing between transfer of the grant funds and disbursement for project purposes and otherwise follows the requirements of 24 CFR Part 85 and Treasury Circular 1075 (31 CFR Part 205).

C. Before the Grant Agreement is signed, the Grantee may incur cost for activities which are exempt from environmental review under 24 CFR Part 58 and may charge the costs to the grant.

ARTICLE IV. Progress Reports.

The Grantee shall submit to the Grant Officer a progress report every six months after the effective date of the Grant Agreement. Progress reports shall include reports on both performance and financial progress and shall conform with 24 CFR 85.40 and 85.41 or 24 CFR Sections 84.50 through 84.53, as applicable. Additional information required or increased frequency of reporting as may be described in Article VII (C).

A. The performance reports must contain the information required under 24 CFR Part 85.40(b) (2) or 24 CFR Part 84.51(a), as applicable including a comparison of actual accomplishment to the objectives indicated in the approved application, the reasons for slippage if established objectives were not met, and additional pertinent information including explanation of significant cost overruns.

B. Financial reports shall be submitted on Standard Form 269A and a breakdown in costs similar to the line items in the application budget.

C. No grant payments will be approved for projects with overdue progress reports.

ARTICLE V. Project Close-out.

A. The Grantee shall initiate project close-out within 30 days of project completion by submitting to HUD the Financial Status Report. (Form 269A). Grantee shall indicate in Block 12 of SF 269A: "Ready to initiate project close-out." HUD will then send close-out documents to the Grantee. At HUD's option, the Grantee may delay initiation of project close-out until the resolution of any HUD monitoring findings. If HUD exercises this option the Grantee must promptly resolve the findings.

B. The Grantee recognizes that the close-out process may entail a review by HUD to determine compliance with the Grant Agreement by the Grantee and all participating parties. The Grantee agrees to cooperate with any review in any way possible, including making available records requested by HUD and the project for on-site HUD inspection.

C. Within 90 days of project completion, the Grantee shall provide to HUD the following documentation., in the format approved by HUD.

1. A Certification of Project Completion (provided by HUD).

2. A Grant Close-out Agreement (provided by HUD).

3. A final financial report giving the amount and types of project costs charged to the grant (that meet the allowability and allocability requirements of OMB Circular A-122 or A-87 as applicable, including the "necessary and reasonable" standard); a certification of the costs; and the amounts and sources of other project funds.

4. A final performance report providing a comparison of actual accomplishments with each of the project commitments and objectives in the approved application, the reasons for slippage if established objectives were not met and additional pertinent information including explanation of significant cost overruns.

D. The Grantee agrees that the grant funds are allowable only to the extent that the project costs, meeting the standard of OMB Circular A-122, A-87 or A-21 as applicable, equal the grant amount plus other sources of project funds provided.

E. When HUD has determined that the grant funds are allowable, the activities were completed as described by the Grant Agreement, and all Federal requirements were satisfied, HUD and the Grantee will sign the Close-out Agreement.

ARTICLE VI. Default.

A default under this Grant Agreement shall consist of using grant funds for a purpose other than as authorized by this Agreement, any noncompliance with legislative, regulatory, or other requirements applicable to the Agreement, any other material breach of this Agreement, or any material misrepresentation in the application submissions.

ARTICLE VII. Additional Provisions.

A. Project Description. The project is as described in the application with the following changes: NONE

B. Changes or Clarification to the Application Related to Participating Parties: None

C. Special Conditions: The grantee shall carry out such environmental review procedures as are recommended by Lisa Frack, Environmental Officer, Portland, OR telephone number (503) 326-2701 prior to HUD's release of grant funds.

U.S. Department of Housing and Urban Development	University of Idaho
______________________	______________________
Authorized Signature	Authorized Signature
DAS	Vice President Finance and Administration
Title	Title
______________________	7/29/03
Date	Date

Assistance Award/Amendment

U.S. Department of Housing and Urban Development
Office of Administration

1. Assistance Instrument ☐ Cooperative Agreement X Grant	2. Type of Action X Award ☐ Amendment
3. Instrument Number B-01-SP-ID-0172 | 4. Amendment Number	5. Effective Date of this Action | 6. Control Number
7. Name and Address of Recipient University of Idaho Grants and Contracts, 414 Morrill Hall Moscow, ID 83844-3020 EIN: 82-60000945	8. HUD Administering Office Community Planning and Development 8a. Name of Administrator | 8b. Telephone Number
10. Recipient Project Manager Robert R. Stiger (208) 282-7960	9. HUD Government Technical Representative (202) 708-3773 EXT. 4621 Gregory Lambert
11. Assistance Arrangement ☐ Cost Reimbursement ☐ Cost Sharing X Fixed Price 12. Payment Method ☐ Treasury Check Reimbursement ☐ Advance Check X Automated Clearinghouse	13. HUD Payment Office Chief Financial Officer

14. Assistance Amount		15. HUD Accounting and Appropriation Data	
		15a. Appropriation Number	15b. Reservation number
Previous HUD Amount	$		
HUD Amount this action	$1,017,756.00	861/30162 Year 2001	EID-01-
Total HUD Amount	$1,017,756.00	Amount Previously Obligated	$
Recipient Amount	$	Obligation by this action	$1,017,756.00
Total Instrument Amount	$1,017,756.00	Total Obligation	$1,017,756.00

16. Description

This EDI-Special Project Grant will be used for construction of a Center for Science and Technology

This Award consists of the following items which are appended to and hereby made part of this Award:

(A) Cover Page - HUD Form 1044
(B) Grant Agreement

SPECIAL CONDITION:

The grantee shall carry out such environmental review procedures as are recommended by Lisa Frack, Environmental Officer Portland, OR telephone number ((503) 326-2701 prior to HUD's release of grant funds.

17. X Recipient is required to sign and return three (3) copies of this document to the HUD Administering Office	18. ☐ Recipient is not required to sign this document.
19. Recipient (By Name) Laura E. Hubbard	20. HUD (By Name) Donald P. Mains
Signature & Title VP for Finance and Administration | Date (mm/dd/yyyy) 7/29/03	Signature & Title DAS for Economic Development | Date (mm/dd/yyyy)

Form HUD-1044 (8/90)

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LEASE AGREEMENT

BETWEEN

IDAHO STATE UNIVERSITY

AND

BATTELLE ENERGY ALLIANCE, LLC

FOR

THE CENTER FOR ADVANCED ENERGY STUDIES

LEASE AGREEMENT

THIS LEASE, made and entered into this day of,___________,2000_, by and between the **IDAHO STATE UNIVERSITY** an institution of higher education and agency of the State of Idaho (Lessor), with the acknowledgment and consent of the University of Idaho and Boise State University, all three collectively referred to herein as the Idaho Universities Consortium, and **BATTELLE ENERGY ALLIANCE, LLC**, a limited liability company organized under the laws of the State of Delaware, the (Lessee or BEA) collectively referred to as the Parties.

WITNESSETH:

WHEREAS, BEA is the Management and Operating (**M&O**) contractor for the Idaho National Laboratory **(INL**) under Contract with the U.S. Department of Energy (**DOE**); and

WHEREAS, the Idaho State Legislature, through appropriation of funds for the design and ultimate construction of a facility that will contain the Center for Advanced Energy Studies (**CAES**) ~~on~~ at the Idaho Falls Center for Higher Education campus, has approved a facility to be jointly occupied by the Idaho Universities Consortium and BEA in a collaboration intended to foster the deployment of new technology beneficial to the residents of the state, to encourage further collaborative research between the Consortium and BEA, and to enhance educational offerings at the Idaho Falls Center for Higher Education campus;

WHEREAS, the Consortium contemplates the construction of a multipurpose building at the Idaho Falls Center for Higher Education campus in the City of Idaho Falls, Bonneville County, Idaho, which shall be designed and constructed through a joint collaboration between the Consortium and BEA; and

WHEREAS, BEA, with the intent of collaborating with the Consortium, is desirous of renting general office, and dry and wet laboratory space in the facility, and BEA is willing to lease said space upon the terms and conditions and for the purposes hereinafter set forth;

NOW, THEREFORE, it is agreed:

ARTICLE 1 - DESCRIPTION OF PREMISES

Lessor, for and in consideration of the rental payments herein provided and the covenants and agreements herein contained, hereby agrees to lease to Lessee approximately 29,250 gross square feet or 58.5% of the gross square feet of space located in the facility that will contain CAES (**Premises** or **Building**), as more fully described in Exhibit A, Description of Premises, and by this reference made a part hereof. The Parties agree that Lessee will make available to the Lessor its leased laboratory and class room space on a non-interference basis and without cost; provided however, (1) such non-interference use by Lessor of Lessee's leased space must be pre-authorized in writing by Lessee's Director of the Center for Advanced Energy Studies, and (2) if Lessor's use of any of Lessee's leased space and associated equipment results in any damage (excluding reasonable wear and tear), Lessor agrees to reimburse Lessee for such damage. All parking areas provided for Lessee's use are included in and subject to the terms and conditions of this Lease.

ARTICLE 2 - TERM

A. The original term of this Lease shall be, subject to the provisions of Article 9 herein, for twenty (20) years beginning on the _____ day of __________, 200_ ("Effective Date") and expiring on the ____ day of ______________, 202-.

B. The Effective Date of this Lease shall be amended by mutual agreement of the Parties signing a "COMMENCEMENT DATE AGREEMENT" (see Exhibit B).

C. The term "Beneficial Occupancy" means the time when the Lessor has met the requirements of the Lease in order to place the Premises in a condition of occupancy by the Lessee and the Lessor has received a "Certificate of Occupancy" from the City of Idaho Falls.

ARTICLE 3 - OPTION TO EXTEND LEASE

The Lessee shall have the option to extend this Lease for six (6) additional five (5) year terms for up to thirty (30) additional years, provided that Lessee is not in default hereunder at the time of extension or on the date of expiration of the original or any succeeding terms hereof. Lessee shall give notice of intent to extend the Lease and such extension shall be automatic unless notice is given by Lessee to Lessor of intent to terminate the Lease at least six (6) months prior to the expiration of the original or any succeeding terms hereof. The base rent for any such extension shall be negotiated by the Lessor and the Lessee prior to the beginning of each renewal term. The negotiation will take into consideration that (i) the bond financing will have been paid off by the Lessee, (ii) the need for additional capital improvements, and (iii) Lessee's leasing of 58.5% of the square footage of the Facility but paying for 50%, together with Lessee's making available to Lessor its laboratory and classroom space as provided in Article 1.

ARTICLE 4 - PAYMENT

A. **Base Rent** - The Lessee covenants and agrees to pay Lessor as rental for said Premises a base monthly rental rate of $XXX. The "amount necessary to provide the proceeds to pay the portion of the construction costs of the Premises which exceeds the previous proceeds provided to construct the Premises" will include all issuance costs as charged by the Office of the State Treasurer, and all interest on an amount not to exceed $_________________ capitalized from the date of issuance to a date no more than six months beyond the date scheduled for completion of the project. Rent shall be due on the fifth business day of each month, payable in arrears.

B. **Service Rent** – In addition to the Base Rent, the Lessee shall pay a pro rata share (based on percentage of facility occupied) of all actual maintenance and operations costs, utilities, parking (if charged in the future), applicable taxes on the facility or its operation, and insurance (subject to change) on an annual basis. Such monthly payment shall be based initially on one twelfth (1/12) of the estimated annual cost, with payment due at the same time as the base rent, and the service rent subsequently being adjusted to actual annual cost within sixty (60) days after the end of each Lessor fiscal year. If the actual cost was less than the amount that the Lessee paid, such excess shall be allowed as a credit against the service rent charges next coming due or if at the end of the Lease such excess repaid to Lessee.

ARTICLE 5 – TITLE

The Lessor warrants it has title to the premises, or sufficient interest and rights in the premises to guarantee the Lease with no interference to the Lessee's rights of possession under the Lease. Should the Lessee suffer any damages or expenses as the result of any defect in the Lessor's title or rights and interests in the presises, the Lessor shall reimburse the Lessee for all such damages or expenses.

ARTICLE 6 – APPLICABLE LAWS, CODES AND ORDINANCES

The Lessor, as part of the Lease consideration, agrees to comply with all applicable laws, codes, ordinances, rules, regulations and requirements of all federal, state and municipal governments and their appropriate departments, commission, boards and officials applicable to the ownership and establishment of the premises and at its own expense, to obtain all necessary permits and related items. The Lessee agrees to comply with all laws, codes, ordinances, rules, regulations and requirements of all federal, state and municipal governments and their appropriate departments, commissions, boards and officials applicable to its tenancy and use of the said premises.

ARTICLE 7 – WARRANTY AS TO MECHANICAL EQUIPMENT AND UTILITIES

The Lessor warrants that the mechanical equipment and utilities will be in good serviceable and proper operating condition on the Commencement Date, and agrees it will maintain the equipment and utilities and perform regular preventative maintenance on all equipment and devices as recommended by the original equipment manufacturer during the Lease term, and any extension periods of this Lease. The equipment and utilities include all plumbing, heating, cooling systems, and electrical and mechanical devices and fixtures.

ARTICLE 8 - USE OF PREMISES

A.	Lessee agrees that the Premises are to be used as laboratory facilities and associated offices for the prior written consent of the Lessor. Lessee shall not allow Lessee's use of the Premises in a manner which would increase insurance premiums (unless Lessee pays the increased premium through service rent) or for any illegal purpose.

B.	Lessor shall provide Lessee with written notice of Lessor's requirements imposed upon the Premises by Lessor's environmental permits applicable to CAES. Lessee shall ensure that all Lessee activities conducted on the Premises are in full compliance with Lessor's requirements contained in such written notification. In return, Lessor shall provide adequate advance notice and opportunity to comment upon any proposed change(s) to such environmental permits and shall cooperate fully with Lessee in making reasonable changes and accommodations with regard to such permits to facilitate Lessee's continued use of the Premises.

C.	Lessee shall cooperate with the Lessor in the Lessor's development of general CAES policies and procedures (i.e., hazardous chemicals handling and disposal, reporting and tracking, fitness for duty, safety, etc.) for the management and operation of CAES. Any subsequent modification or adjustment to such policies and procedures shall be in writing and shall be developed by Lessor in cooperation with Lessee. The Lessee, its agents, officers, employees, subcontractors, licensees, and invitees shall comply with CAES policies and procedures for the management and operation of CAES and the Premises. Failure to comply with such policies and procedures shall be grounds for default as set forth in Article 26, "Default".

D.	Lessor and Lessee agree that each Party will allow the other to use designated areas of the Premises on a basis that does not interfere with planned activities of the other Party.

ARTICLE 9 - TERMINATION

A.	**Termination by Lessee.** Lessee shall have the right upon at least 12 months' advance written notice to terminate this Lease for any reason.

B.	**BMI's Obligation.** If Lessee terminates this Lease under Article 9.A. of this Lease, the_terms of Article 36 of this Lease shall apply effective the day after the last day of Lessee's occupation of the Premises.

C.	**Termination by Lessor.** Lessor may terminate this Lease during the original term under_any one of the following circumstances: (i) as allowed in Article 20 of this Lease; (ii) as allowed in Article 21 of this Lease; (iii) as allowed in Article 27 of this Lease.

ARTICLE 10 – COMMON AREAS AND ALTERATIONS TO PREMISES BY LESSOR

A. The Lessee shall have nonexclusive use of all areas of CAES designated by the Lessor as common areas for the use generally of the tenants of CAES. The Lessor shall maintain the common areas in good condition.

B. Prior to the commencement of the original leasehold term, in order to ready the Premises for Beneficial Occupancy, the Lessor shall, at its own expense, complete the work that is necessary to establish Beneficial Occupancy as generally described in Exhibit B.

C. The Lessee has the right during the Lease term or any option or extension to make alterations or to attach fixtures and erect signs in or upon the Premises. The fixtures, alterations and/or signs placed in, upon or attached to the Premises are and remain the property of the Lessee or the Government and may be removed by the lessee prior to or upon the expiration of this Lease. At the option of Lessee, and with the written consent of Lessor, Lessee's improvements may be left on the Premises upon termination or expiration of the term or any option of this Lease. If left after Lessee vacates the Premises, the improvements become the property of the Lessor. If the improvements are removed by the Lessee, the Lessee agrees to restore the Premises to their condition prior to installation of Lessee's property, reasonable wear and tear excepted. Plans for structural change will be submitted to the Lessor for approval and approval will not be unreasonably withheld.

D. Title to property of the United States Government will not be affected by the incorporation of the property or it's attachment to any property not owned by the Government. Government property will not become a fixture or lose its identity as personalty because of affixation to realty. Any damage to the premises caused by the removal of Government property will be repaired and restored by Lessee to its condition prior to attachment of government property, less normal wear and tear.

E. If major capital alterations or modifications are desired and mutually agreed upon the Lessor will provide them and a new rental rate will be negotiated to cover the cost of installation. Any real estate taxes or assessments, if any, resulting from capital improvement of the premises by Lessor are the responsibility of Lessor.

ARTICLE 11 - IMPROVEMENTS

A. After the commencement of any leasehold term, and at Lessee's own expense, the Lessee may make additions or improvements to the Premises after having obtained Lessor's prior written approval to do so. Lessor's concurrence of any additions or improvements shall eliminate any right to request restoration or removal upon termination of this Lease. Upon early termination or expiration of the respective leasehold term, all such improvements and additions, unless otherwise approved by the Lessor shall become the property of Lessor.

B. Lessee may, during any leasehold term, install in the Premises such furnishings, machinery, equipment and fixtures as Lessee deems necessary for its use of the

Premises, provided such furnishings, machinery, equipment, or fixtures do not materially damage the Premises, are not hazardous to other tenants or users of the property upon which the Premises are situated, are not in conflict with Lessor's permits or any other applicable regulatory requirements, and do not unduly interfere with any other tenant's use and enjoyment of their premises. Should Lessee's installation of any such furnishings, machinery, equipment and/or fixtures require service upgrades to the Premises to support the same, Lessee shall be responsible for all costs related to such service upgrades. During the respective leasehold term, the furnishings, machinery, equipment, and fixtures shall remain the personal property of the Lessee. Upon early termination or expiration of the respective leasehold term, if there is no default by the Lessee in the Lease, the Lessee shall have the right to remove all such furnishings, machinery, equipment and fixtures from the Premises regardless of whether this personal property is attached to the Premises by piping, wiring, bolts or otherwise. If so removed, Lessee shall repair any damage to Premises caused by the removal.

ARTICLE 12 - ACCEPTANCE OF PREMISES

The taking of possession of the Premises by the Lessee shall constitute an acknowledgment by Lessee that the Premises are in good and habitable condition and as represented by Lessor.

ARTICLE 13 - MAINTENANCE AND REPAIR

A. All matters regarding maintenance and repair of the Premises (and Common areas if applicable) shall be referred to:

Name:	, Manager, Facilities Operations
Office Address:	
Work Phone Number:	(208)
Pager Number	(208)
Home Address:	
Emergency Phone Number:	(208)

Said individual or his/her designee shall be available at all times to receive such contacts.

B. The Lessor shall provide and pay for maintenance, repair and replacement of the Premises, including the building interior, exterior, grounds, and all equipment, fixtures, and appurtenances furnished by the Lessor under this Lease in order to keep the same in good repair and habitable condition, except for damage resulting from willful abuse or negligence of the Lessee. The appropriate share of these expenses (based on percentage of the facility occupied by Lessee) will be billed to Lessee in the service rent. The Lessor shall have the right to enter upon the Premises at reasonable times in order to inspect the same and to perform such maintenance and repair, as well as replacement, but this right shall be exercised in a manner that does not unreasonably interfere with Lessee's use of the Premises. Methodology used to establish maintenance requirements, future maintenance forecasts and actual maintenance performance records as may be reasonably available will be made available to Lessee upon request.

C. Maintenance, repair, and replacement services by the Lessor, in accordance with Paragraph B, will be coordinated with Lessee, and will include but not be limited to the following:

1. Snow removal and ice control in parking areas and sidewalks;
2. Painting of interior and exterior of the building as reasonably required for maintenance;
3. Scheduled routine preventive maintenance of existing building mechanical, electrical and heating, ventilation, and air conditioning (HVAC) systems;
4. Repair or replacement of existing building mechanical, electrical and HVAC systems caused by wear and tear during ordinary use of these systems. This includes required relamping of interior and exterior light fixtures;
5. Grounds maintenance including grass, tree, and shrub care and clean-up plus maintenance and repair of automatic underground sprinkler system;
6. Pest control on interior (sprays will not be used on interiors) and exterior of building as needed to control ants, insects, rodents, or other common pests to maintain the Premises in habitable condition. Lessor shall give Lessee advance notice before spraying or applying chemicals to provide control of any and all pests;
7. Replacement/repair of exterior and interior worn or failed structural components;
8. Replacement of carpet and drapes and/or blinds as needed and as mutually agreed to by the Parties. Replacements should be color coordinated with the existing draperies and/or blinds and floor coverings;
9. Perform or have performed all necessary inspections, periodic testing, and maintenance of elevators, fire extinguishers, fire alarm, and fire preventive equipment and systems in accordance with applicable laws, regulations and warranties;
10. Facility system outages under the control of Lessor, of any duration, affecting the Premises, will not be initiated by the Lessor without notification and concurrence of the Lessee at least 48 hours in advance of such outage;
11. In the event Lessor learns that a fire suppression or detection system is out of service, Lessor shall notify Lessee and provide a manned fire watch during non-working hours. The fire watch shall be performed on a minimum frequency of every two (2) hours; and
12. Lessor shall be responsible to maintain an acceptable temperate range for the Building. This range shall be 68 degrees F to 78 degrees F during normal working hours.

ARTICLE 14 - JANITORIAL SERVICES

A. Lessor shall provide and pay for all janitorial services for common use areas, and shall keep those portions of the Premises in good and habitable condition. The appropriate share of these expenses (based on percentage of the facility occupied by Lessee) will be billed to Lessee in the service rent.

ARTICLE 15 - ASSUMPTION OF RISK

A. Lessor shall not be responsible for any injuries or damages incurred by Lessee, its agents, officers, employees, invitees or licensees arising from acts or omissions of any co-tenants or from any cause other than the negligence or willful misconduct of Lessor or its employees.

B. Lessor shall take reasonable measures to maintain the Premises in safe and habitable condition and shall be responsible for injuries or damages incurred by Lessee, its agents, officers, employees, invitees or licensees arising out of or resulting from, and to the extent of, the negligence or willful misconduct of Lessor or its employees. Lessee shall be responsible for occupying and utilizing the space leased hereunder in a safe manner and shall be responsible for injuries or damages incurred by Lessor, its agents, officers, employees, invitees or licensees arising out of or resulting from, and to the extent of, the negligence or willful misconduct of Lessee or its employees.

ARTICLE 16 - LIENS

Each Party shall keep the Premises and the property on which the Premises are situated, free from any liens or encumbrances arising out of any work performed, materials furnished or obligations incurred by that Party. If any such lien is filed against the building, Lessee's leasehold interest or Lessor, the Party responsible for incurring such lien shall cause the same to be discharged within twenty (20) days after the date of filing the same.

ARTICLE 17 - LIABILITY INSURANCE

A. Lessee shall provide and maintain at its sole cost and expense the following minimum insurance coverage throughout the original term of the Lease and any extensions thereof:

1. Comprehensive or Commercial Form General Liability Insurance (contractual liability included) in the minimum amount of five million dollars ($5,000,000) per occurrence, and with an aggregate limit of not less than one million dollars ($1,000,000);
2. Workers compensation insurance in accordance with the laws of the state of Idaho;
3. Comprehensive business automobile liability insurance, including operation of owned, scheduled, non-owned, and hired automobiles, covering bodily injury and property damage with a

combined single limit of not less than five million dollars ($5,000,000) per occurrence;

B. All insurance required hereunder shall be maintained in full force and effect through a company or companies reasonably satisfactory to Lessor. All insurance required under paragraphs A.1 and A.3, above, shall name (the State of Idaho and the Idaho State Board of Education, in its capacity as an executive department of state government, and in its capacity as the board of regents of the University of Idaho, the Board of Trustees of Boise State University, and the Board of Trustees of Idaho State University, and each of their respective officers, employees, agents, and assigns (all of whom are collectively referred to as the **University Insureds**) as additional insureds), and shall contain a clause requiring written notice to Lessor thirty (30) days in advance of the cancellation, non-renewal, or material modification of said insurance as evidenced by return receipt of United States certified mail; provided, however, that Lessee's insurance shall name the University Insureds as additional insureds soley with regard to claims arising out of the Lessee's use of the Premises under this Lease; and provided further that nothing in this paragraph B shall be construed to extend Lessee's insurance policies to any of the University Insureds with regard to any claims that arise out of or result from the sole actions/inactions of the University Insureds. Coverage on a claims made basis shall survive for a period of not less than three (3) years after termination of this Lease. Certificates of insurance evidencing compliance with this Article shall be supplied contemporaneously to Lessor with the execution and delivery of this Lease. Said certificates shall evidence compliance with all sections of this Article.

ARTICLE 18 – PROPERTY INSURANCE

The Lessor shall provide and maintain property and casualty insurance on the Building, insuring the Building against damage or loss as a result of fire or other natural casualty; provided, however, that Lessee shall pay its pro rata share of such cost of insurance as part of the Service Rent. Lessor shall not provide personal property insurance on any of Lessee's personal property used, stored or otherwise situated within the Building, and Lessee shall bear all responsibility for any damage or loss to said personal property, regardless of the cause.

ARTICLE 19 - CONDEMNATION

In the event that an authority superior to the Lessor, such as the State of Idaho or the United States of America should condemn the Premises of the CAES facility for public use, whether the right condemned shall consist of the fee title or interest less than fee simple but of such nature as to render operations by the Lessee impractical or unfeasible, then this Lease shall forthwith terminate, without any further obligation by Lessee or BMI under any provision of this Lease. Lessor shall not be obligated in any way to Lessee as a result of such condemnation, except to pay to Lessee any sums actually paid to Lessor by the condemning authority for rent paid by Lessee but not yet earned by Lessor, or for leasehold improvements owned by Lessee. Lessee shall be responsible for recovering any damages to which Lessee is legally entitled directly from the condemning authority.

ARTICLE 20 - DAMAGE OR DESTRUCTION

A. If the Premises are damaged or destroyed by fire or any cause other than an act or omission of Lessee, its employees, agents, invitees, or licensees, Lessor shall restore the Premises, except for such fixtures, improvements and alterations as are installed by Lessee, as nearly as practicable to their condition immediately prior to such damage or destruction. Lessee, at Lessee's expense, may so restore all such fixtures, improvements, and alterations installed by the Lessee. Lessor, at Lessee's expense, shall so restore the Premises with respect to all damage caused by any act or omission of Lessee, its employees, agents, invitees or licenses, and Lessee agrees to reimburse Lessor upon demand for all sums expended for such restoration. The obligations to restore provided in this paragraph shall be subject to Lessor's termination rights provided below. Any restoration shall be promptly commenced and diligently prosecuted, subject to availability of funds, and to the terms and conditions of any applicable bond purchase or related agreement. Lessor shall not be liable for any consequential damages by reason of any such damage or destruction.

B. Notwithstanding any of the foregoing provisions of this Article, in the event the Premises shall be destroyed or damaged to such an extent that Lessor deems that it is not economically feasible to restore the same, then Lessor may terminate this Lease as of the date of the damage or destruction by giving the Lessee notice to that effect. Upon such termination, neither Lessee nor BMI shall have any further obligation to Lessee under any provision of this Lease.

C. If Lessor undertakes to restore the Premises as provided within this Article, then commencing with the date of the damage or destruction and continuing throughout the period of restoration, the Service Rent for the Premises shall be abated for such period in the same proportion as the untenantable portion of the Premises bears to the whole thereof, except that there shall be no abatement to the extent that any such damage or destruction is caused by any act or omission of the Lessee, its employees, agents, invitees or licensees.

ARTICLE 21 - CLOSURE AND SURRENDER OF PREMISES

Subject to the covenants and conditions set forth within this Lease, Lessee, at the expiration or sooner termination of this Lease, shall quit and surrender the Premises in good, neat, clean and sanitary condition, except for reasonable wear and tear, and damage not caused by acts or omissions by Lessee, its employees, agents, invitees or licensees.

ARTICLE 22 - ACCESS TO PREMISES

Lessee will allow Lessor free access at all reasonable times to said Premises for the purpose of inspection and to fulfill any of Lessor's obligations under this Lease. Lessor shall have the right to place and maintain "For Rent" signs in a conspicuous place on said Premises for ninety (90) days prior to expiration of this Lease.

ARTICLE 23 - INSTALLATION OF SIGNS

Lessee will not cause or permit the display of any sign, notice or advertisement in or about the Premises without Lessor's prior written consent, which shall not be unreasonably withheld, except as may be required by law.

ARTICLE 24 - HOLDOVER

If Lessee lawfully holds over after the expiration of the term of this Lease, such tenancy shall be a month to month tenancy. During such tenancy Lessee agrees to pay Lessor the same rates as the just expired term, and to be bound by all the applicable terms, covenants and conditions herein specified. Such tenancy may be terminated by either Party upon giving thirty (30) days prior written notice to the other Party.

ARTICLE 25 – DISPUTES AND GOVERNING LAW

A. Pending resolution of a disputed matter, the Parties shall continue performance of their respective obligations pursuant to this Lease. Disputes regarding any factual matter relating to this Lease shall be discussed by the Parties' authorized representatives who shall use their reasonable efforts to amicably and promptly resolve the dispute. If the authorized representatives are unable to resolve any controversy or claim arising out of or relating to this Lease, or the breach thereof, the Parties agree that the controversy or claim shall be submitted to mediation by a mediator satisfactory to both Parties.

B. This Lease shall be governed by the law of the State of Idaho.

ARTICLE 26 - DEFAULT

A. If any rents reserved, or any part thereof, shall be and remain unpaid when the same shall become due, or if Lessee shall violate or default in any of the covenants and agreements herein contained, then the Lessor may terminate this Lease upon giving thirty (30) days prior notice, and re-enter and take possession of said Premises. Notwithstanding such re-entry by Lessor, the liability of Lessee for the base rent, service rent, and leasehold tax provided herein shall not be extinguished for the balance of the term of the Lease. Lessee shall continue to pay the base rent, service rent, and leasehold tax, as they become due, and covenants and agrees to make good to the Lessor any deficiency arising after re-entry and re-letting of the Premises at a lesser rental than herein agreed to. The Lessee shall pay such deficiency each month as the amount thereof is ascertained by the Lessor.

B. The rights and remedies of the Lessor in this Article are in addition to any other rights or remedies provided by law and under this Lease.

ARTICLE 27 - LIMITATION OF LIABILITIES

A. Neither Party shall be liable to the other Party for indirect, consequential, or special damages whether based on tort, contract, strict liability or other legal or equitable theory or action.

B. Neither Party shall be liable under this Lease for, or be considered to be in material breach or default under this Lease on account of any delay in or failure of performance due to Force Majeure. Force Majeure is defined as any event, cause or condition beyond a party's reasonable control (such events, causes or conditions include but are not limited to: fire, flood, earthquake, volcanic activity, wind, and other acts or the elements; court order and act or failure to act of civil, military or governmental authority; strike, lockout and other labor disputes; riot, insurrection , sabotage and war; breakdown of or damage to facilities or equipment; and any act or omission of any person or entity except an act or omission of such party or of such party's contractors or suppliers of any tier or anyone acting on behalf of such party that is within the reasonable control of such party or of such party's contractors or suppliers of any tier acting on behalf of such party), which prevents or delays the party claiming the Force Majeure from performing its obligations under this Lease; provided, however, that any party claiming Force Majeure shall be entitled to a delay only to the extent, despite the exercise of due diligence, it is unable to overcome the effects of the Force Majeure event. In the event of Force Majeure, the time for performance thereby delayed shall be extended by a period of time reasonably necessary to compensate for such delay. Nothing in this paragraph shall require either party to settle any strike, lockout or other labor dispute. Each party shall give the other party prompt written notice of any event it considers to be a Force Majeure.

ARTICLE 28 - NOTICES

All notices, demands, and requests to be given by either party to the other shall be in writing and served either personally or sent by United States mail, postage pre-paid, to the addresses below or such other addresses as may be designated by the parties from time to time:

TO LESSOR at:	Vice President for Business Affairs Idaho State University P.O. Box Pocatello, ID
TO LESSEE at:	BEA Attention: Director, Supply Chain Management P.O. Box 1625 Idaho Falls, ID 83415

ARTICLE 29 - WAIVER OF RIGHTS

The failure of either Party to insist upon strict performance of any of the covenants and agreements of this Lease, or to exercise any option or right herein conferred, shall not be construed to be a waiver or relinquishment of any such option or right, or any other covenants or agreements, but the same shall be and remain in full force and effect.

ARTICLE 30 - TRANSFER OF OBLIGATION

The covenants and agreements of this Lease shall be binding upon the heirs, legal representatives, successors and agreed assigns of any or all the Parties hereto.

ARTICLE 31 - HAZARDOUS SUBSTANCES TRACKING AND COMMUNICATION

A. Lessee is responsible for tracking, recording, and proper use and disposal of all of the hazardous substances that are received, stored, handled or disposed of by Lessee on or from the Premises, including spills or accidents involving hazardous substances within the Premises, and both planned and unplanned releases to the environment. Lessee shall maintain appropriate inventory and material balance records for their material, accordingly.

B. Lessee shall provide Lessor with current data documenting such tracking and recording required under Paragraph A above, and cooperate with Lessor to integrate such data into a CAES computerized data base system.

ARTICLE 32 - ORDER OF PRECEDENCE

The Contract comprises the following documents in the order of precedence set forth below:

1. CAES Lease Agreement and Amendments thereto
2. Exhibit A, Description of Premises
3. Exhibit B, Commencement Date Agreement
4. Exhibit C, Monthly Rental Rate

The above order of precedence controls in the event of any conflict, inconsistency or ambiguity in the terms and conditions set forth within these documents.

ARTICLE 33 - SHARED USE OF SPACE AND EQUIPMENT

The Parties acknowledge and agree that the cooperation, collaboration, and shared use of space, equipment and personnel for research are important to the successful operation of this facility. In that regard, the provisions of this Lease shall be interpreted in such a manner as to support such purposes.

ARTICLE 34 - ARTICLES INCORPORATED BY REFERENCE

The following Federal Acquisition Regulation (FAR) clauses and Federal Acts are incorporated herein by reference.

1. Affirmative Action for Workers With Disabilities, FAR 52.222-36 (Jun 1998)
2. Americans with Disabilities Act, 28 CFR Part 36, (as revised July 1, 1994).
3. Equal Opportunity, FAR 52.222-26 (Feb 1999)
4. Limitations on Payments to Influence Certain Federal Transactions, FAR 52.203-12 (Jun 1997)
5. Anti-Kickback Act of 1986 (Jul 1995)
6. Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (Dec 2001), FAR 52.222-35. (Dec 2001)

ARTICLE 35 – EXAMINATION OF RECORDS

Unless exempted by applicable law, the Parties agree that the State of Idaho and the Comptroller General of the United States or the DOE Inspector General or any duly authorized representatives shall, have access to and the right to examine any books, documents, papers, and records that are relevant to each Party's performance under this Lease.

ARTICLE 36 – STATUS OF BATTELLE MEMORIAL INSTITUTE

A. Parent Company Assurance. Battelle Memorial Institute (**BMI**) is a party to this Lease for the sole purpose of providing secondary security, as provided in paragraph D below, for the amortization of certain bonds issued by Lessor in the amount of $7 million for the purpose of providing partial financing in assist in constructing the Building (such bonds being referred to hereafter as "Bond Debt"). The primary security for amortizing the Bond Debt is the rentals due Lessor under this Lease. Except as provided in paragraph D of this Section 36, BMI has no obligation to Lessor under this Lease.

B. Amortization of Bond Debt. The Parties agree that the rentals paid to Lessor under Article 4.A this Lease shall be applied to amortize the Bond Debt. Payments made to Lessor under Article 4.B for maintenance of the Building shall not be considered rental payments for purposes of this Article 36.B.

C. Successor Contractor. If (i) the Lessee's contract with DOE (Contract No. DE-AC07-05ID14517) expires or is terminated before amortization of the Bond Debt and (ii) Lessee is succeeded by another contractor, Lessor hereby consents to Lessee's assignment of this Lease to the successor contractor. The rentals made to Lessor by such successor contractor shall be applied as prescribed in subsection B above. Lessor agrees that despite assignment of this Lease to any successor contractor, this Section 36 is made for the express benefit of BMI and is enforceable by BMI.

D. BMI's Obligation. If the total rentals under this Lease, as provided in paragraphs B and C above, are insufficient to amortize the Bond Debt, or if Lessee terminates the Lease pursuant to Article 9, BMI shall be responsible for making payment to the Lessor of any shortfall required to amortize the Bond Debt. Upon acceptance of assignment of this Lease, BMI shall succeed to the rights and obligations of Lessee or any successor contractor under this Lease; provided however, that BMI shall accept assignment of this

Lease solely for the time necessary to amortize the Bond Debt and once the Bond Debt is amortized, BMI shall be immediately and automatically released from any and all obligations under this Lease.

E. Release of BMI. Once the Bond Debt is amortized as provided in the preceding subsections, BMI shall be released from any and all obligations under this Lease.

F. Sublease. The Parties agree that (i) Lessee or (ii) BMI, provided it becomes the Lessee under paragraph D above, may enter into subleases under this Lease regarding the Leased Premises.

ARTICLE 37 - ENTIRE AGREEMENT

This document and Exhibits "A", "B", and "C", hereto contain the entire and integrated agreement of the Parties and may not be modified or amended except in writing signed and acknowledged by both Parties.

Both Parties acknowledge that ISU and/or the Consortium will work with the Office of the State Treasurer to enter into a financing contract, including a site lease and related documents in order to secure financing of a portion of the facility. In the process of securing financing, certain provisions of this Lease may require amendment or conformance with the financing documents. Both Parties agree to cooperate and act in good faith in considering and approving required amendments. In particular, Lessor may be required to agree to certain provisions to ensure compliance with the Internal Revenue Code and reporting requirements, which may require additional assurances from BEA.

IN WITNESS WHEREOF, the Parties hereto have signed this Lease on the date(s) written below.

LESSOR:	Title	Date
LESSEE:	Title	Date
BATTELLE MEMORIAL INSTITUTE	Title	Date

ACKNOWLEDGED AND CONSENTED TO:

University of Idaho	Title	Date
Boise State University	Title	Date

CENTER FOR ADVANCED ENERGY STUDIES

BUSINESS CASE

CAES
Center for Advanced Energy Studies

Table of Contents

Mission and Planning

1.1 Mission

"The Center for Advanced Energy Studies (CAES) mission is to address critical science issues that resolve the grand challenges associated with providing an appropriate mix of advanced energy technologies to address critical United States and global energy needs. Although CAES will have an emphasis on nuclear energy, it will also address other energy areas critical to ensuring U.S. energy security. Additional areas include but are not limited to affordability, limited environmental impacts and leadership in the global energy arena. Advanced energy sources to be researched include nuclear, hydrogen, fossil fuels (coal, oil and gas) and the full spectrum of renewable energy sources.

CAES will advance the education of the next generation of scientists and engineers, engage in long-term university-based research activities and host a range of national and international events. Activities are being designed to facilitate an informed debate which will address the questions and issues concerning the "best energy technology mix necessary to meet U.S. and global needs." This dialogue will present the facts about the benefits of nuclear energy in the world energy and environmental debate and conduct a wide range of academic and public activities."[1]

CAES will advance academic capabilities by fostering collaboration and interdisciplinary studies and by making its research and development facilities and resources available to a network of universities. The Center will serve as a hub for a university network and as a gateway for developing collaboration, partnerships and connectivity between researchers.

1.2 Congruency with DOE Strategic and Program Plans

The Department of Energy's vision for the Idaho National Laboratory (INL) is to enhance the Nation's energy security by becoming the preeminent, internationally-recognized nuclear energy research, development, and demonstration laboratory within 10 years. Specific mission requirements are outlined in the INL Management and Operating (M&O) Contract No. DE-AC07-05ID14517. The contract requires that the INL be a multi-program National Laboratory with world-class nuclear capabilities. The INL will foster new academic, industry, government, and international collaborations to produce the investment, programs and expertise that ensure this vision is realized. The development of the CAES facility realizes DOE's vision and is required by the M & O contract as part of the assumption of a major role in revitalizing nuclear engineering and science education in the U.S. - Section C.5.e. specifically, the contract reads:

[1] CAES Program Plan, September 2005, Section 1.3 Mission , p 1-2

"Establishing a Center for Advanced Energy Studies in Idaho Falls, Idaho, as directed by DOE. The Center shall be an independent entity, in which the INL and Idaho, regional, and other Universities cooperate to conduct on-site research, classroom instruction, technical conferences, and other events for a world-class academic and research institution."

2 Overview of CAES

2.1 Project Data Summary: Goals and Objectives

"The CAES facility will be a premier international user facility for promoting, performing, and revitalizing research, education, and training in nuclear energy science, engineering, technology, and related disciplines. The facility, to be opened during FY 2008, is expected to be between 50,000 and 60,000 sq. feet. Battelle Energy Alliance (BEA) will have beneficial use of approximately 58.5% of the building. The facility is envisioned to be a two-story, structural steel building with a brick façade. The current planning assumption is that the CAES facility will be located at the Idaho State University/University of Idaho Center for Higher Education at University Place in Idaho Falls. ISU and the Idaho Division of Public Works will issue a request for proposal and award a contract to an architectural engineering firm to complete the design and then contract for the construction based on the completed design."

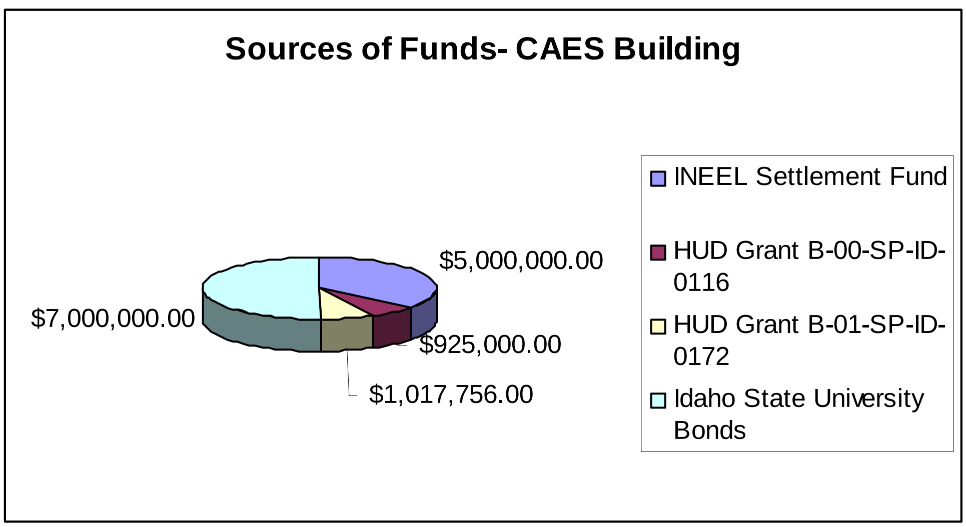
When fully occupied the CAES facility will hold a total of 175 people, including approximately 100 faculty, researchers and staff, 50 graduate students and 25 undergraduate students."[2]

[2] CAES Program Plan, September 2005, p 16

2.2 Project Funding

"The design and construction of the State of Idaho-owned CAES facility is estimated to cost approximately $14 million. Funding for this facility has been obtained as follows:

- A total of $5 million dollars from the INEEL Settlement Fund, as defined in the Idaho Code 67-806A, for use according to the terms of the agreement for the construction of the Center for Science and Technology in Idaho Falls, dated June 29, 2001, 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.
- A total of $1,942,756 in two grants from the U.S. Department of Housing and Urban Development (HUD) to the University of Idaho, HUD Grant B-00-SP-ID-0116 in the amount of $925,000 and HUD Grant B-01-SP-ID-0172 in the amount of $1,017,756 for use according to the terms of the grant.
- Additional support for the design and construction of the CAES facility through the issuance of bonds, exempt from federal income taxation, in the amount of $7 million by Idaho State University to be retired over 20 years by rent paid by BEA and its affiliates for occupancy of approximately 58.5% of the CAES facility.
- The CAES facility will be constructed following all laws and regulations of the State of Idaho and the project will be administered under the provisions of Idaho Statutes of Title 67, Chapter 57. The Idaho Division of Public Works will secure all plans and specifications for, let all contracts for, and have charge of and supervision for the construction of the CAES facility."[3]



[3] CAES Program Plan, September 2005, p 17

2.3 Risk Analysis

The CAES facility is a relatively low risk governmental project. Risk is defined in terms of the governmental nature of the project. That is, if the project is less governmental in nature, the private sector risk is considered to be higher.

"The following types of illustrative criteria indicate ways in which facilities are less governmental:

1. *There is no provision of Government financing and no explicit Government guarantee of third party financing.*
2. *Risks incident to ownership of the asset (e.g. financial responsibility for destruction or loss of the asset) remain with the lessor unless the Government was at fault for such losses.*
3. *The asset is a general purpose asset rather than being for a special purpose of the Government and is not built to the unique specification of the Government as lessee.*
4. *There is a private market for the asset.*
5. *The project is not constructed on Government land."*[4]

The CAES facility satisfies all five of the criteria listed above which indicates that it will be of low governmental risk.

Criteria 1: There is no provision of Government[5] financing and no explicit Government guarantee of third party financing. Instead, Article 36 of the Lease Agreement Between Idaho State University and BEA for CAES (Lease Agreement) asserts that "[Battelle Memorial Institute will provide secondary security] for the amortization of certain bonds issued by Lessor (Idaho State University) in the amount of $7,000,000 for the purpose of providing partial financing to assist in constructing the building." In addition, the Lease Agreement contains no provision indicating Government financing. As such, there is no provision of Government financing and no Government guarantees within the CAES Lease Agreement.

Criteria 2: The Lease Agreement provides for the lessor to retain the risks incident to ownership of the asset unless the Government was at fault for such losses. Article 20, Section A of the Lease Agreement provides, "If the premises are damaged or destroyed by fire or any other cause other than an act or omission of Lessee, its employees, agents, invitees or licensees, Lessor shall restore the Premises, except for such fixtures, improvements and alterations as are installed by Lessee, as nearly as practicable to their condition immediately prior to such damage or destruction." As Article 20 clearly indicates, the Government retains no risks incident to ownership of the asset; therefore, the second criterion also indicates low governmental risk for this project.

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[4] OMB Circular A-11, Appendix B p 8

[5] For the purposes of this analysis, "Government" refers to the Federal Government and not any State or Local Governments.

Criteria 3: The CAES facility is a general purpose asset. As defined in OMB Circular A-11 "Budgetary Treatment of Lease Purchases and Leases of Capital Assets," a general purpose asset is an asset not clearly constructed for the exclusive and limited use of the Government. As discussed previously, the CAES facility is comprised of laboratories and offices. This type of building is easily re-leased to another entity as office space, laboratories, medical facilities or other uses. Because CAES is in close proximity to Idaho State University and the INL, there is also a sustainable market for both educational and consumer needs; therefore, the CAES facility is a general purpose asset. The third criterion again supports that this project is of low governmental risk.

Criteria 4: There is a private market for this asset. A private market for this asset would include educational institutions, medical care providers, and other businesses in need of office or laboratory space. As a sufficient demand from these institutions/businesses exists, there is a private market for this asset. Again, this criterion proves the project to be of a low governmental risk.

Criteria 5: The CAES facility will not be constructed on Government land. The CAES facility will be constructed on land owned by the State of Idaho, under control of the State Board of Education.[6] As this land is not federally owned, the fifth and final criterion has also been satisfied to prove that this project is of low governmental risk.

In conclusion, the CAES facility is of low governmental risk. The Government will provide neither the financing nor the financial guarantees for this project. In addition, the Government will not bear the risks incident to ownership of the asset. Lastly, there is a private market for this asset and the asset is built for a general purpose.

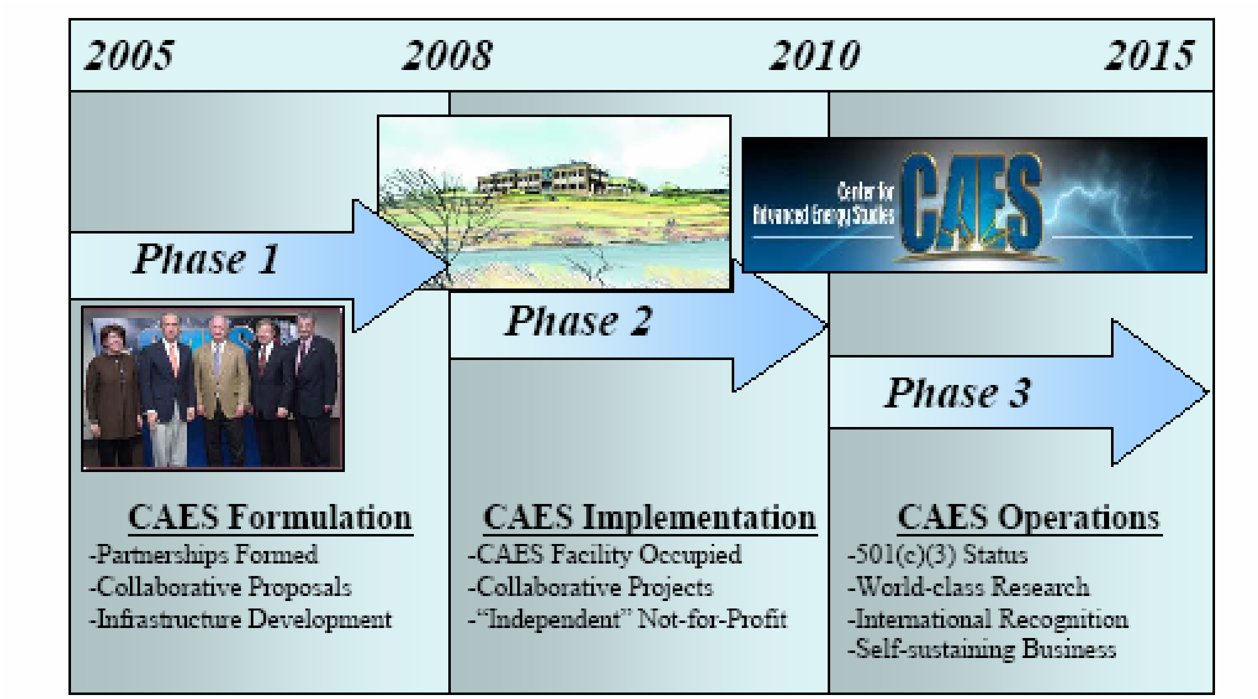
2.4 Identification of Alternatives: Explanation and Exploration

CAES is a collaborative effort and will be built on non-government owned land. There are no known alternatives that will produce a CAES facility that will create the benefits in collaboration, proximity, and shared resources as the given proposal. Alternatives considered included, but were not limited to, variations in site, funding, and programs.

[6] See Article 5 of the Lease Agreement.

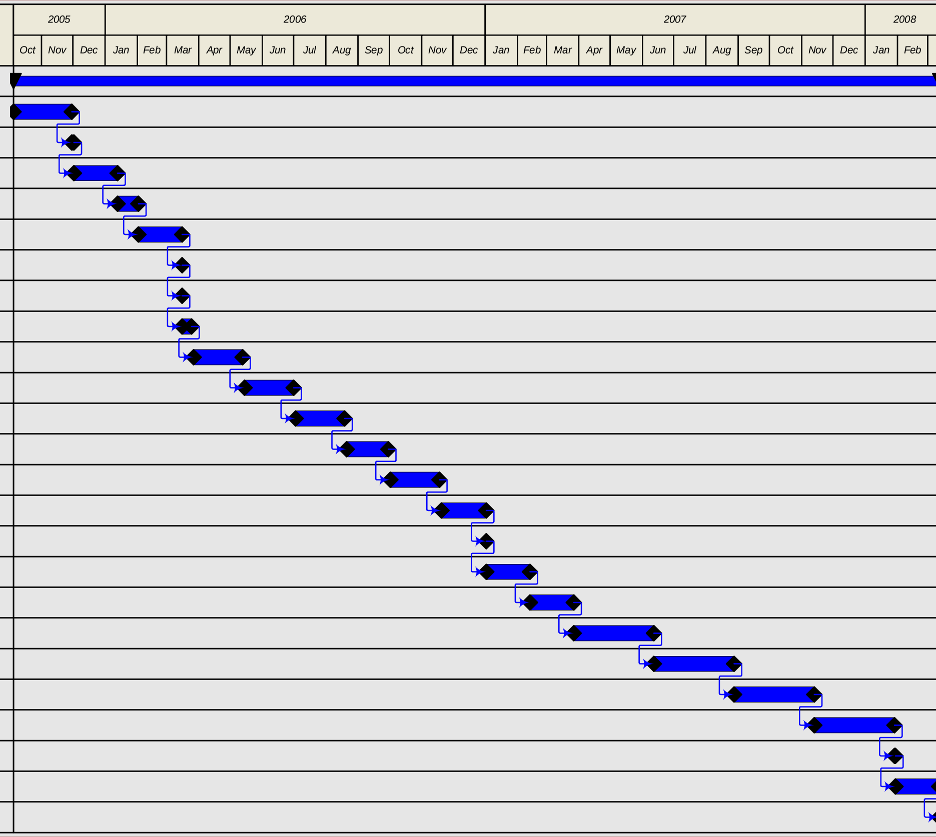
Center for Advanced Energy Studies

2.5 Project Timeline



CAES
Center for Advanced Energy Studies

ID	Task Name	Start	Finish	Duration
1	**Project Schedule of the CAES Building Development**	**10/5/2005**	**3/12/2008**	**635d**
2	State Board of Education Approval	10/5/2005	11/29/2005	40d
3	Transfer project to Department of Public Works	11/30/2005	12/1/2005	2d
4	RFP for Design Proposal	12/2/2005	1/12/2006	30d
5	Review of Design Proposals	1/13/2006	2/1/2006	14d
6	Presentations and Interviews with Design Teams	2/2/2006	3/15/2006	30d
7	Notification of Decision to Respondents	3/16/2006	3/16/2006	0d
8	Notice of Intent to Chosen Design Team	3/16/2006	3/16/2006	0d
9	Contract negotiations with Design Team	3/16/2006	3/24/2006	7d
10	Program Development	3/27/2006	5/12/2006	35d
11	Schematic Development	5/15/2006	6/30/2006	35d
12	Design Development	7/3/2006	8/18/2006	35d
13	AHJ Design Review (if Required)	8/21/2006	9/29/2006	30d
14	Construction Document Development	10/2/2006	11/17/2006	35d
15	Permiting / Entitlements	11/20/2006	1/1/2007	31d
16	Start Construction	1/2/2007	1/2/2007	0d
17	Clearing / Demolition	1/2/2007	2/12/2007	30d
18	Grading	2/13/2007	3/26/2007	30d
19	Foundations	3/27/2007	6/11/2007	55d
20	Building Shell	6/12/2007	8/27/2007	55d
21	Building Interiors	8/28/2007	11/12/2007	55d
22	Landscape	11/13/2007	1/28/2008	55d
23	Final Completion	1/29/2008	1/29/2008	1d
24	Move and Transition	1/30/2008	3/11/2008	30d
25	Operations	3/12/2008	3/12/2008	0d



MOSS-ADAMS LLP

3 Project Analysis

3.1 Lease Summary

The lease has the following specifications:

Lessor:	Idaho State University
Lessee:	Battelle Energy Alliance, LLC
Term:	20 years
Rate:	$17.80[7]
Cancellation:	12 months

3.2 Lease Analysis (in accordance with OMB Circular A-11)

OMB issued Circular A-109 in 1976 to provide uniform guidance to federal agencies on the acquisition of major systems. In recent years, OMB has issued additional, separate guidance on asset acquisition. OMB guidance under Part 3 of Circular A-11 provides information on planning, budgeting, and acquisition of capital assets. The Capital Programming Guide, Supplement to Part 3 of Circular A-11, also provides a basic reference to principles and techniques for planning, budgeting, acquisition, and management of capital assets.[8]

Since OMB Circular A-11 is the current applicable policy, we have relied on it for our analysis. Also, when required, all financial information included in this analysis is determined in accordance with OMB A-94, as required by DOE Order 413.3.

There are six criteria used to determine whether a lease is an Operating Lease or a Capital Lease. The criteria are as follows:

1. *Ownership of the asset remains with the lessor during the term of the lease and is not transferred to the Government at or shortly after the end of the lease term.*
2. *The lease does not contain a bargain price purchase option.*
3. *The lease term does not exceed 75% of the estimated economic life of the asset.*
4. *The present value of the minimum lease payments over the life of the lease does not exceed 90% of the fair market value of the asset at the beginning of the lease term.*
5. *The asset is a general purpose asset rather than being for a special purpose for the Government and is not built to the unique specification of the Government as lessee.*
6. *There is a private sector market for the asset.*

[7] Lease rate is contingent upon total Bonding of $7,000,000- this does not include ANY program fees or ANY other fees associated with obtaining the bond. Interest Rate used = 4.41% (rate given to Moss Adams by State Treasurer's office.

[8] http://www.fedgovcontracts.com/pe00-255.htm

If the lease does not meet all six criteria above, it must be treated as a capital lease for budget scoring purposes.

Criteria 1: Ownership of the asset remains with the lessor during the term of the lease and is not transferred to the Government at or shortly after the end of the lease term.

Ownership of the CAES facility will remain with the lessor (Idaho State University) and will not be transferred to the Government at or shortly after the end of the lease. The Lease Agreement between Idaho State University and Battelle Energy Alliance, LLC for The Center for Advanced Energy Studies (Lease Agreement), provides that the CAES facility will be owned by Idaho State University, an agency of the State of Idaho.[9] Also, no provision within the Lease Agreement provides for the transfer of the Building to the Government at or shortly after the end of the lease term. As such, the first criterion to establish an operating lease has been satisfied.

Criteria 2: The lease does not contain a bargain price purchase option.

The Lease Agreement does not contain a bargain price purchase option. A bargain price purchase option is a provision allowing the Government to purchase the leased property for a price that is lower than the expected fair market value (FMV) of the property at the date the option can be exercised. The purchase price includes the value of any rebates or income to the agency or Government resulting from its purchase of the asset. As no such provision exists within the Lease Agreement, this criterion is also satisfied.

Criteria 3: The lease term does not exceed 75% of the estimated economic life of the asset.

The lease term for the CAES facility does not exceed 75% of the estimated economic life of the asset. The estimated economic life of the asset is established in OMB Circular A-94 which provides that the useful life of an asset is its taxable life. The 2005 U.S. Master Depreciation Guide published by CCH Incorporated provides for a 39 year useful life. As Article 2 of the Lease Agreement indicates a 20 year lease, the effective lease term is 51%; far below the 75% threshold. Therefore, the third criterion to establish an operating lease has been satisfied.

Criteria 4: The present value of the minimum lease payments over the life of the lease does not exceed 90% of the fair market value of the asset at the beginning of the lease term.

The space BEA is beneficially occupying will be 58.5% of the CAES facility. The fair market value of this space is approximately $8,156,512. The total lease payments for the

[9] See Introductory Paragraph of Lease Agreement on p 1.

lease are approximately $7,000,000. At an approximate rate of 86% the FMV test is satisfied (See Appendix B).

Criteria 5: The asset is a general purpose asset rather than being for a special purpose for the Government and is not built to the unique specification of the Government as lessee.

The CAES facility is a general purpose asset. As defined from OMB Circular A-11, a general purpose asset is an asset not clearly constructed for the exclusive and limited use of the Government. As discussed previously, the CAES facility is comprised of laboratories and offices; this type of building is readily convertible into full office space, laboratories, medical facilities and other uses. As a sustainable market for these types of real estate exists in the Idaho Falls Area for both educational and consumer needs, the CAES facility is a general purpose asset thereby satisfying the fifth criterion to indicate that the Lease Agreement is in fact an operating lease.

Criteria 6: There is a private sector market for the asset.

Lastly, a private sector market does exist for the CAES facility. A private market for this asset would include educational institutions, medical care providers, and other businesses in need of office or laboratory space. As a sufficient demand from these institutions and businesses exists, there is a private market for this asset.[10] Therefore, the sixth and final criterion has been satisfied in order to indicate that this Lease Agreement is an operating lease.

3.3 Lease Rate Market Analysis

As part of the analysis completed for feasibility, we conducted a market lease rate analysis. Similar to national patterns, Idaho Falls, Idaho has experienced a surge in office and medical space occupancy. There is relatively limited availability of office and medical space in Idaho Falls particularly for firms looking for large spaces to lease.

Overall, steady job growth and soaring corporate profits are fueling the surging U.S. office market, which has seen dramatic improvement during the first half of 2005. Nationally, downtown vacancy declined another .4% to 13.4% as suburban vacancy dropped to 15.6% from 16.3% in the second quarter of 2005.[11]

The CAES facility is a hybrid of office and laboratory space, which makes determining market comparables rather difficult. For comparison purposes, our research uses office

[10] As evidenced by real estate research in the area
[11] Office Insight: Mid Year 2005. CB Richard Ellis Second Quarter 2005 Office Vacancy Index.

and medical space. Medical space is most similar to laboratory space in cost of tenant improvements and occupancy per square foot as relative to office, retail or industrial space. The CAES facility is expected to be roughly 60,000 square feet, and Idaho Falls has relatively little availability of large office or medical space. It is important to note that the CAES facility will be built to specifications given; therefore the cost per square foot would be expected to be slightly higher than the more "generic" buildings that are currently available in the markets researched.

In order to determine market comparables, we analyzed available lease opportunities in Idaho Falls, Idaho, as well as locations similar to Idaho Falls across the United States. The markets we used as comparables were those markets adjacent to or including the following laboratories:

- Savannah River Site (Aiken, SC)
- National Renewable Energy Laboratory (Golden, CO)
- Argonne National Laboratory (Argonne, IL)
- Pacific Northwest National Laboratory (Richland, WA)
- Oak Ridge National Laboratory (Oak Ridge, TN)

An analysis of Idaho Falls comparables of office/ medical space reveals a base lease rate of $14.75 per square foot. With confirmation from local real estate agents, we have ascertained that a range between $16 - $20 is reasonable for a mixed-use facility such as the CAES facility.

As detailed above, in addition to the Idaho Falls analysis, we have compared office and medical space in Aiken, South Carolina; Richland, Washington; Golden, Colorado; and Oak Ridge, Tennessee.[12] Our analysis was from two perspectives, currently available space and market analysis and brokers.

Appendix A includes detailed information from each of the markets examined, however the following chart represents our cumulative findings.

Savannah River Site	$15.00
National Renewable Energy Laboratory (NREL)	$16.58
Pacific Northwest National Laboratory	$30.00-$35.00[13]
Oak Ridge National Laboratory	$21.60

[12] This analysis was done of the cities indicated and surrounding localities.
[13] Based on confirmation of a current proposal that appears to be a similar project, however our team has not seen the specifics to determine if this is a valid comparable.

4 Summary

Based on the analysis given in this document, we are seeking final approval to proceed with the building lease by the DOE-ID contracting officer for the following reasons:

- The building that will house CAES, together with the land on which the building will be constructed, is owned by the State of Idaho
- Collaborating Idaho universities will carry out many of their own activities in their portion of the building
- The lease will contain a one-year cancellation clause such that DOE and BEA exposure under the lease is limited to one year's rent
- To the extent that rent receipts are insufficient to amortize ISU's bonds, Battelle Memorial Institute has agreed to guarantee retirement of the bonds
- The facility to house CAES is being built to carry out specific terms and conditions of the BEA contract, not as a means that BEA has chosen to advance general contract objectives. Thus, BEA has no discretion.[14]

In summary, the lease contemplated between BEA and ISU carries out requirements of the BEA contract. Adherence to the enclosed timeline is highly dependent upon State Board approval of the bonding application and DOE's willingness to grandfather the CAES project from the new OMB Circular A-11 CD-0 and CD-1 requirements. The entire CAES team was energized by the June 2005 kick-off of the project and has been working diligently to make sure that all requirements are fulfilled.

[14]Memo from Mark Olsen (BEA General Counsel) to Amy Grose (DOE Idaho Operations Office Chief Counsel) titled, "Approval of BEA's Lease with ISU on the Facility Housing CAES, dated August 25, 2005

APPENDIX A- LEASE MARKET DATA

The following pages of market data include two distinct types of information: comparable analysis and market analysis. The comparable analysis includes properties that are currently available for lease in the markets surveyed. The market analysis is based on conversations with local real estate brokers and represents their best estimate of a lease rate given the parameters of our project. The two may be distinctly different for some of the following reasons:

1. The CAES facility is located in a more/less favorable location than what is currently available on the market
2. The brokers anticipates an upturn/downturn in the market
3. There is currently a surplus/shortage of property available.

Comparable Analysis

Idaho Falls, Idaho Medical Office Comparables[15]

Location	Type	Max Space Available (square feet)	Lease Rate	Comments
Idaho Falls, Idaho	Medical	3,245	$16.00	Agent: Lincoln Property Company. Built in 1994. Connected to local hospital.
		Average	**$16.00**	

Idaho Falls, Idaho Comparables- 25,000 Square feet and above

Location	Type	Max Space Available (square feet)	Lease Rate	Comments
Idaho Falls, Idaho	Office	80,580	$12.50	Agent: RFR Properties. Project not complete.
		Average	**$12.50**	

[15] Market information derived from searches of CB Richard Ellis, Cushman Wakefield, Loopnet.com, and other related real estate sources.

Idaho Regional Comparables

Location	Type	Max Space Available (square feet)	Lease Rate	Comments
Caldwell, Idaho	Office	123,710	$20.00	Agent: Grubb & Ellis: Idaho Commercial Group. Project not complete.
Boise, Idaho	Office	31,949	$14.50	Agent: Intermountain Commercial Real Estate. Can be used for medical purpose.
Eagle, Idaho	Office	35,000	$18.00	Agent: Colliers International. Can be used for medical purpose.
Meridian, Idaho	Medical	92,280	$17.00	Agent: Intermountain Commercial Real Estate. Project not complete.
		Average	**$18.15**	

Aiken, South Carolina Comparables

Nothing available which matches our criteria. An analysis of the surrounding areas yields the following results:

Location	Type	Max Space Available (square feet)	Lease Rate	Comments
Spartanburg, South Carolina	Office	25,000	$12.00	Agent: Grubb & Ellis.
Florence, South Carolina	Office	37,790	$14.00	Agent: Colliers Keenan.
Columbia, South Carolina	Office	42,000	$18.00	Agent: Colliers Keenan.
North Charleston, South Carolina	Office	50,625	$12.50	Agent: Meridian Properties.
Columbia, South Carolina	Office	27,640	$18.50	Agent: Colliers Keenan.
		Average	**$15.00**	

Richland, Washington Comparables

Location	Type	Max Space Available (square feet)	Lease Rate	Comments
Richland, WA (Bioproducts)	Office/Lab	25,000	$30.00 - $35.00	Bioproducts proposed deal- see footnote #12
		Average	**$30.00 - $35.00**	

Golden, Colorado Comparables

Location	Type	Max Space Available (square feet)	Lease Rate	Comments
Golden, Colorado	Office	26,781	$16.00	Agent: Fuller & Company.
Golden, Colorado	Office	25,624	$21.00	Agent: CB Richard Ellis.
Golden, Colorado	Office	90,000	$15.50	Agent: Frederick Ross Company.
		Average	**$16.58**	

Oak Ridge, Tennessee Comparables

Location	Type	Max Space Available (square feet)	Lease Rate	Comments
ORNL	Office	~200,000	$21.60	Business Plan number, not confirmed with actual lease-
		Average	**$21.60**	

Market Rate Analysis

Name	Firm	Phone Number	Location	Determination (square/foot)
Linda Weiss	Voight Davis Realtors	(208) 524 6000	Idaho Falls, Idaho	$16.00-$20.00
Rebecca Wall	Meybohm Realtors	(706) 736 0700	Aiken, South Carolina	$15.00
Herbert Hafter	Trammell Crow Company	(858) 526 2647	Richland, Washington	$18.00-$20.00
Kittie Hook	Fuller & Company	(303) 312 4265	Golden, Colorado	$20.00-$45.00
Jon Carlson	Lincoln Property Company	(801) 424 6080	Boise	$13.75-$15.75

APPENDIX B- FAIR MARKET VALUE CALCULATION

Total Square feet anticipated	Lease Rate anticipated	Total PV of Lease Payments	Total Value- No Interest	%ages		NPV of Lease PMTs	% of value
60000	$ 17.80	$ 7,000,000.00	$ 13,942,756.00	40.00%	$ 5,577,102	$ 7,000,000	125.51%
				41.00%	$ 5,716,530	$ 7,000,000	122.45%
				42.00%	$ 5,855,958	$ 7,000,000	119.54%
				43.00%	$ 5,995,385	$ 7,000,000	116.76%
				44.00%	$ 6,134,813	$ 7,000,000	114.10%
				45.00%	$ 6,274,240	$ 7,000,000	111.57%
				46.00%	$ 6,413,668	$ 7,000,000	109.14%
				47.00%	$ 6,553,095	$ 7,000,000	106.82%
				48.00%	$ 6,692,523	$ 7,000,000	104.59%
				49.00%	$ 6,831,950	$ 7,000,000	102.46%
				50.00%	$ 6,971,378	$ 7,000,000	100.41%
				51.00%	$ 7,110,806	$ 7,000,000	98.44%
				52.00%	$ 7,250,233	$ 7,000,000	96.55%
				53.00%	$ 7,389,661	$ 7,000,000	94.73%
				54.00%	$ 7,529,088	$ 7,000,000	92.97%
				55.00%	$ 7,668,516	$ 7,000,000	91.28%
				56.00%	$ 7,807,943	$ 7,000,000	89.65%
				57.00%	$ 7,947,371	$ 7,000,000	88.08%
				58.00%	$ 8,086,798	$ 7,000,000	86.56%
				58.25%	$ 8,121,655	$ 7,000,000	86.19%
				58.50%	$ 8,156,512	$ 7,000,000	85.82%
				58.75%	$ 8,191,369	$ 7,000,000	85.46%
				59.00%	$ 8,226,226	$ 7,000,000	85.09%
				60.00%	$ 8,365,654	$ 7,000,000	83.68%
				61.00%	$ 8,505,081	$ 7,000,000	82.30%
				62.00%	$ 8,644,509	$ 7,000,000	80.98%
				63.00%	$ 8,783,936	$ 7,000,000	79.69%
				64.00%	$ 8,923,364	$ 7,000,000	78.45%
				65.00%	$ 9,062,791	$ 7,000,000	77.24%
				66.00%	$ 9,202,219	$ 7,000,000	76.07%
				67.00%	$ 9,341,647	$ 7,000,000	74.93%
				68.00%	$ 9,481,074	$ 7,000,000	73.83%
				69.00%	$ 9,620,502	$ 7,000,000	72.76%
				70.00%	$ 9,759,929	$ 7,000,000	71.72%
				71.00%	$ 9,899,357	$ 7,000,000	70.71%
				72.00%	$ 10,038,784	$ 7,000,000	69.73%
				73.00%	$ 10,178,212	$ 7,000,000	68.77%
				74.00%	$ 10,317,639	$ 7,000,000	67.84%
				75.00%	$ 10,457,067	$ 7,000,000	66.94%
				76.00%	$ 10,596,495	$ 7,000,000	66.06%
				77.00%	$ 10,735,922	$ 7,000,000	65.20%

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INL/EXT-05-00729

Center for Advanced Energy Studies (CAES) Program Plan

September 2005

Center for Advanced Energy Studies

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INL/EXT-05-00729

Center for Advanced Energy Studies (CAES) Program Plan

September 2005

Idaho National Laboratory
Idaho Falls, Idaho 83415

Prepared for the
U.S. Department of Energy
Under DOE Idaho Operations Office
Contract DE-AC07-05ID14517

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EXECUTIVE SUMMARY

The world is facing critical energy-related challenges regarding world and national energy demands, advanced science and energy technology delivery, nuclear engineering educational shortfalls, and adequately trained technical staff. Resolution of these issues is important for the United States to ensure a secure and affordable energy supply, which is essential for maintaining U.S. national security, continued economic prosperity, and future sustainable development.

One way that the U.S. Department of Energy (DOE) is addressing these challenges is by tasking the Battelle Energy Alliance, LLC (BEA) with developing the Center for Advanced Energy Studies (CAES) at the Idaho National Laboratory (INL). By 2015, CAES will be a self-sustaining, world-class, academic and research institution where the INL; DOE; Idaho, regional, and other national universities; and the international community will cooperate to conduct critical energy-related research, classroom instruction, technical training, policy conceptualization, public dialogue, and other events.

The Center for Advanced Energy Studies will be central to the nuclear renaissance and an integrating element of the INL transformation, including workforce reinvigoration and diversification, strategic hires, and culture change. By growing research partnerships via a university network, CAES will enable university and other organizational access to INL facilities. Although ultimately evolving into an independent, nonprofit company, as governed by section 501(c)(3) of the Internal Revenue Code, CAES will initially operate as an internal INL organization staffed with representatives from the INL, universities, and industry. As a nonprofit company, CAES will function as a joint institute between the INL, Idaho State University, Boise State University, and the University of Idaho.

This Program Plan serves as the guiding document for the development and management of CAES and describes the implementation strategies being employed to formulate and subsequently operate CAES. The organizational structure, including collaborative partners, program elements, the development schedule, and the business model, are also presented. The progress of CAES will be measured against performance metrics, which will be reported at an annual meeting and published in an annual report. This Program Plan will be reviewed annually and modified as necessary.

Programmatic goals are being established to guide CAES towards achievement of its vision of advancing energy-related research, education, training, and policy. CAES will facilitate the collocation and collaboration of Government-University-Industry energy-related interests by developing a fully functional nuclear education and research user-facility by 2008. CAES will enhance nuclear educational opportunities by creating a bridge between Idaho, national, and international universities and the INL.

Collaborative and collocated centers, established in association with CAES, will serve as key implementation partners. These centers will focus resources in critical energy areas and will partner with CAES researchers and staff. In this manner, CAES will serve as the hub for a wider network of Idaho, regional, and national universities; private industry; and other associated institutions. CAES will form collaborative arrangements with these various institutions to share resources, equipment, and technical staff.

Three Phases have been defined for the establishment of CAES. The initial activities of CAES, **Phase 1—CAES Formulation (2005-2008)**, involve the establishment of key partnerships and collaborations, infrastructure development, and beginning the process of revitalizing nuclear science and engineering education and research. During **Phase 2—CAES Implementation (2008-2010)**, CAES will expand this revitalization effort through additional technical activities and collaborations. CAES will be organized as a separately incorporated, nonprofit company and will seek tax-exempt status under section 501(c)(3) of the Internal Revenue Code. **Phase 3—CAES Operations** represents the long-term operating position of CAES. This Phase will be characterized by sustainable programmatic activities, publications achieving international impact and recognition, distinctive research signatures, established training programs, and policy studies together with a wide range of education and outreach activities developed in partnership with the Idaho University Consortium (IUC), the National University Consortium (NUC), and the INL.

The Center has achieved a number of significant activities to date towards fulfillment of Phase 1 objectives. The first Director for CAES, Dr Leonard J. Bond, was appointed February 1, 2005. The Secretary of Energy, Samuel Bodman, formally inaugurated the CAES program on June 1, 2005. The core administrative capabilities of CAES and the CAES Steering Committee have been established, and the CAES senior leadership team is being recruited. In cooperation with the INL, the IUC, and the NUC, CAES is in the process of establishing the necessary legal framework between affiliate institutions to streamline and stimulate transdisciplinary interaction and technical collaboration.

Idaho's educational opportunities have already been expanded as the relationship between CAES and its university consortia and affiliate network continue to progress. CAES supported the six-week program for the 1st World Nuclear University Summer Institute held in Idaho Falls, ID, during the summer of 2005. 77 Fellows from 33 countries attended the Summer Institute. The 2+2 Program in undergraduate nuclear engineering was initiated Fall 2005 with six juniors enrolled. INL will supply adjunct professors to teach courses as needed and CAES is working to arrange six-month INL "practicum" assignments for the 2+2 participants. A CAES Scholars Program has helped align INL research needs with appropriate graduate student support, and at the present time, seven full-time nuclear engineering graduate students from ISU are being wholly supported by INL research. A bilateral relationship is being developed with the Dalton Nuclear Institute (DNI), University of Manchester, UK. DNI has 12 UK university partners. This relationship will become the first of several arrangements that form an “international university network” engaged in nuclear and related energy education and research programs that will support the international Gen IV program.

A key element enabling the collocation of government, university, and industry researchers and resources is the future CAES user-facility. A partnership between the State of Idaho, the IUC, and BEA is finalizing construction plans for this facility, which is anticipated to be completed by 2008. When completed, this facility is expected to encompass 50-60,000 ft^2 of which half is expected to be laboratory space and will house a total of 175 people, including faculty, researchers, staff, and students.

In the course of normal operations, CAES will generate revenue from research, policy studies, and training programs and will incur personnel and other operating costs in support of its employees, resources, and facilities. A business model, including revenue, cost, and staff projections is presented in this Plan. These projections remain consistent with the DOE Field Work Proposal, dated March 9, 2005, and other INL planning documents. Several significant risks (programmatic, infrastructure, legal, and financial) have been identified that could adversely impact the execution of this Program Plan. This Plan discusses these risks and presents proposed mitigation actions, which will minimize or neutralize the identified risks.

CONTENTS

FIGURES

ACRONYMS

ACE	Academic Centers of Excellence
ATR	Advanced Test Reactor
BEA	Battelle Energy Alliance, LLC
BSU	Boise State University
CAES	Center for Advanced Energy Studies
CAMS	Center for Advanced Modeling and Simulation
CNFMR	Center for Nuclear Fuels and Materials Research
CNSDA	Center for Nuclear System Design and Analysis
CRADA	Cooperative Research and Development Agreement
CSNR	Center for Space Nuclear Research
DNI	Dalton Nuclear Institute
DOE	Department of Energy
DOE-ID	Department of Energy, Idaho Operation Office
EITC	Eastern Idaho Technical College
EPI	Energy Policy Institute
EPRI	Electric Power Research Institute
ES&H	Environmental, Safety & Health
ESH&Q	Environmental, Safety, Health & Quality
ETRP	INL Education, Training and Research Partnerships Educational Program
FTE's	Full-time Equivalents
GIF	Generation IV International Forum
HUD	U.S. Department of Housing and Urban Development
IAC	Idaho Accelerator Center
IAEA	International Atomic Energy Agency
IAUN	Idaho Affiliated University Network
INL	Idaho National Laboratory
INPO	Institute of Nuclear Power Operators
INSE	Institute of Nuclear Science and Engineering
IRS	Internal Revenue Service
ISMS	Integrated Safety Management System
ISSM	Integrated Safeguards and Security Management
ISU	Idaho State University
IUC	Idaho Universities Consortium
MFC	Materials and Fuel Complex
MIT	Massachusetts Institute of Technology
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding

NASA	National Aeronautics and Space Administration
NEA	Nuclear Energy Agency
NEI	Nuclear Energy Institute
NSF	National Science Foundation
NSF I/U CRC	NSF Industry-University Cooperative Research Center
NSSTC	National Space Science Technology Center
NTEC	Nuclear Technology Education Consortium
NUC	National University Consortium
QA	Quality Assurance
R&D	Research and Development
RTC	Reactor Technology Complex
TPE	Task Proficiency Evaluation
UI	University of Idaho
USRA	Universities Space Research Association
WANO	World Association of Nuclear Operators
WBS	Work Breakdown Structure
WNA	World Nuclear Association
WNU	World Nuclear University
WSERC	Western Strategic Energy Research Center
WSU	Washington State University

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Center for Advanced Energy Studies (CAES) Program Plan

1. INTRODUCTION

This Program Plan serves as the guiding document for the development and management of the Center for Advanced Energy Studies (CAES) and presents the current implementation strategy. The strategy will coordinate the Center's evolution to the self-sustaining and enduring world-class entity as directed and envisioned by the U.S. Department of Energy (DOE).

This document represents a 5-year plan during which time CAES will progress from its current status as an "*Initiative*" of the Idaho National Laboratory (INL) to that of an independent, nonprofit entity by the year 2010. The planning activities also include the option of an accelerated schedule (currently under evaluation) that could potentially move CAES to a separately incorporated, nonprofit company by 2008. This Plan also presents the 10-year end-state vision (a recognized world-class advanced energy organization) for CAES as well as the strategies to achieve this vision.

1.1 Center Description

The Center will be an academic and research institution in which the INL; the DOE; Idaho, regional, and other national universities; and the international community cooperate to conduct energy-related research, classroom instruction, technical training, policy conceptualization, public dialogue, and other events.

Although ultimately operating as an independent, nonprofit company, as governed by section 501(c)(3) of the Internal Revenue Code, CAES will initially operate as an internal INL organization staffed with representatives from the INL, universities, and industry.

Collaborative and collocated centers, established in association with CAES, will serve as implementation partners to focus resources in critical energy areas and partner with CAES researchers and staff. As such, CAES will serve as the hub for a wider network of Idaho, regional and national universities; private industry; and other associated institutions that will form collaborative arrangements to share CAES resources, equipment, and technical staff.

1.2 Vision

World-Class Organization
– an organization that is recognized by its peers, competitors, sponsors and the public as being among the world's best in a particular field.

By 2015, CAES will become a world-class, advanced-energy organization with an emphasis on nuclear energy and recognized for contributions to energy research, policy studies, and the revitalization of nuclear education. CAES will also train a diverse science and engineering workforce.

As a central element of the INL transformation strategy, CAES will engage in workforce reinvigoration, development of a workforce pipeline enabling strategic hiring, workforce diversification, and culture change. CAES will develop research partnerships that provide its university network with enhanced access to INL facilities.

1.3 Mission

The CAES mission is to address critical science and engineering issues that will help resolve the grand challenges associated with providing an appropriate mix of energy technologies needed to address critical U.S. and global energy needs. Although CAES will have an emphasis on nuclear energy, it will also address other energy areas that are critical to ensuring U.S.

energy security, including affordability, limited environmental impacts, and leadership in the global energy arena. Energy technologies to be addressed include those for nuclear, hydrogen, and fossil fuels (coal, oil, and gas) and the full spectrum of renewable energy sources.

The Center will develop its research agenda to advance the education of the next generation of scientists and engineers and provide them with skills and experience needed to address critical workforce needs. CAES will engage in long-term, university-based research activities and host a range of national and international events.

Activities are being designed to facilitate an informed debate, which will address the questions and issues concerning the best energy technology mix necessary to meet U.S. and global needs. This dialogue will present the facts about the benefits and risks of nuclear energy in the world energy and environmental debate, and conduct a wide range of academic and public education activities.

The Center will advance academic capabilities by fostering collaborations and interdisciplinary studies and by making its research and development facilities and those of the INL available to a network of universities.

2. SITUATION ANALYSIS

Critical energy issues, highlighted by recent world events including passage of the most recent U.S. Energy Policy Act (2005), signify a need for action. The need for CAES, in association with the INL, to address key energy challenge issues is evident given the current U.S. and global energy situation, U.S. science and engineering educational challenges, and the combination of current energy industry workforce demographics and future workforce projections.

2.1 Energy Challenge

World energy demands are at an all time high. The world's population, over 6 billion people, uses almost 400 quadrillion BTU of energy annually. This is roughly equivalent to 180 million barrels of crude oil per day. These energy demands are expected to triple by 2050as a result of several factors.

First, as the population of the world continues to increase, the energy demands are projected to further rise. Global population is expected to increase to over 9 billion people during the current century. Economic industrialization occurring throughout the 3rd world further adds to the global energy demands. Globally, about 1/4 of the land surface is devoted to agriculture and 1/4 is forested. At present, as population grows in general terms, land is converted from forest to food production, and productive agricultural land is being lost to urban growth. Additionally, meeting these energy demands is further compounded by resource depletion and environmental concerns, such as climate change, land use change, water resource availability, and global sustainable development efforts.

The United States accounts for approximately 5% of the global population and approximately 25% of the world's energy consumption, or approximately 100 quadrillion BTU each year. The United States requires secure, sustainable, and affordable energy supplies that can be achieved with limited environmental impact. In 1997, a report to the President reviewed federal energy research and development challenges (Gibbons, 1997). This report identified that the United States faces major energy-related challenges as it enters the 21st Century.

The world is not running out of energy, but it is running out of the types of hydrocarbon-based energy that are currently the basis for global energy delivery.

The global energy resources currently used are finite. Achieving a sustainable energy system is essential to meeting both U.S. national needs in terms of energy security and economic stability, as well as global energy demands in ways that avoid wars and economic instability (Tester et al., 2005).

Numerous publications present future energy scenarios. Some reports state that global production of sweet light crude oil will peak in 2005-2006 and that global oil production could be down by 75% within 30 years. Other reports are more optimistic and assume that alternative hydrocarbon resources, including tar sands and gas hydrates, will be utilized and that no problems will be encountered for many decades. One example of estimates for future global energy reserves based on one of many global energy use scenarios is shown in Figure 1. This scenario assumes the rapid development and deployment of advanced nuclear energy technologies used together with a closed nuclear fuel cycle.

The world is not running out of energy, but it is running out of the types of hydrocarbon-based energy that are currently the basis for global energy delivery. Two critical challenges are (a) developing an integrated and coordinated approach – at the global level – that enables an orderly transition to an advanced energy future that is sustainable, affordable, and has limited environmental impact and that can meet growing global energy demands, and (b) providing the critical technologies to meet the global energy future, whether it be the hydrogen economy that some envision, advanced nuclear energy, and/or new synthetic hydrocarbons together with clean coal and renewable energy technologies.

In the long-term, one vision is of a world transportation system powered by hydrogen and nuclear systems providing electricity via fission and fusion and integrated closed fuel cycles. A closed fuel cycle with recycling of spent nuclear fuel offers an energy system with significantly reduced environmental impact, reduced residual waste volume and isotope life, and zero-greenhouse gas emissions. Full implementation of such energy systems is several generations in the future. Generation IV and advanced nuclear energy sources are not expected to be commercially available before mid-century.

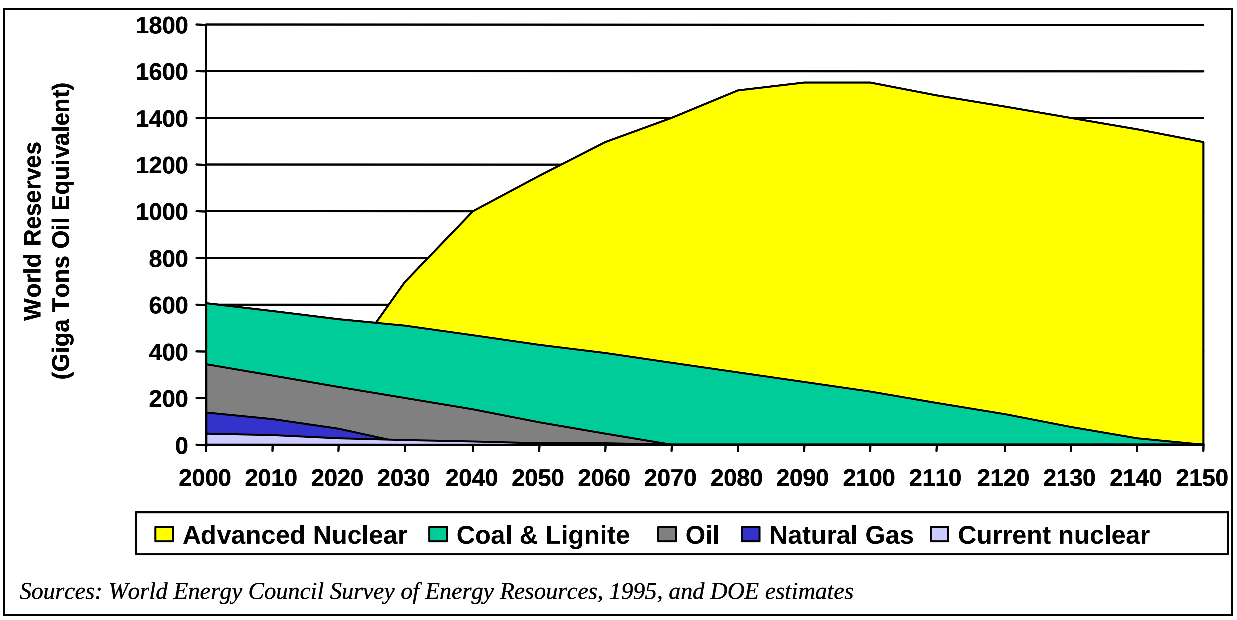


Figure 1. Projection of World Energy Reserves.

Over the next fifty years, the U.S. and the global population will need all current (Figure 2) and envisioned energy technology systems if global energy demand is to be met. CAES will play a vital role by facilitating integration of the necessary science, engineering, and policy to create a world-class center of *thought leadership* and science and technology delivery, recognized for addressing some of these critical science and energy policy issues through its established and distinctive signatures.

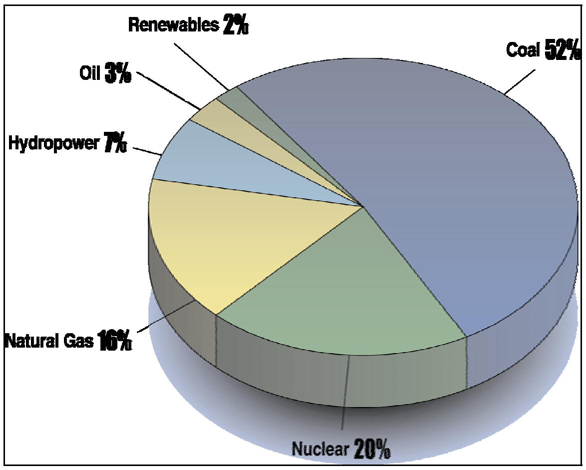
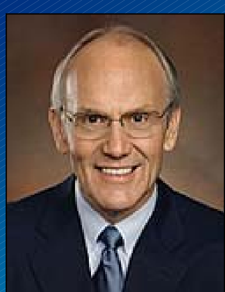


Figure 2. U.S. Current Electricity Generation.



***"Nuclear power must be** an ever-increasing component of our energy production. This not only helps U.S. reach that goal, but sends a clear message to the world that the United States and the Idaho National Laboratory will lead…"* Sen. Larry Craig

2.2 Education Challenge

A series of recent studies discuss the nuclear education and staffing challenge that is facing the United States and other nations. These studies highlight the need to rebuild critical skills that will be necessary to meet the needs of the nuclear research and energy industry (NETF, 2005; Wogman et al., 2005). For example, Corradini et al., (2003) report that "Over the past decade the number of nuclear engineering programs in the United States has declined by half (from 80 to 40), the number of university research and training reactors by two-thirds (from 76 to 28), and total enrollments have dropped by almost 60% (from 3,440 to 1,520)" (Corradini et al., 2003).

Several studies report B.S. and M.S. graduates in nuclear engineering number about 200 per year (Magwood, 2002; Corradini et al., 2003). Magwood cites a nuclear engineering department report (Was and Martin, 2000) that states demand is for ~600 graduates annually and rising, and expected to rise further. Further, Magwood reported that total national undergraduate enrollment in nuclear engineering was just under 1,000 in 2001, down from a level of ~1,500 that persisted through the 1980s and until 1995.

Recent data regarding nuclear engineering degrees is available from the Oak Ridge Institute for Science and Education (ORISE, 2005). This information shows:

- **B.S.** level – 219 graduates in 2004, as compared with 222 in 1998 and a low of 120 in 2001.
- **M.S.** level – 154 graduates in 2004, as compared with 160 in 1998 and a low of 130 in 2002.
- **Ph.D.** level – 75 graduates in 2004, as compared with 98 in 1998 and a low of 67 in 2002.

While enrollment in nuclear engineering programs appears to be increasing slightly from the low seen in ~2002, it has returned only to the level of the late 1990's. The demand for nuclear engineers still exceeds the supply. Enrollments are very much lower than will be needed to support a nuclear resurgence. There are also significant challenges in the areas of health physics, actinide chemistry, and related engineering and science disciplines.

The current numbers of students in the pipeline are a particular concern when set in the context of surveys showing that approximately 75% of nuclear personnel currently employed within the DOE national laboratories will be eligible to retire by 2010 (Wogman et al., 2005).

The particular challenges faced in nuclear and related topics are not unique. Within the United States, there is a lack of talent entering the general science and technology workforce pipeline (BEST, 2004). Recent reports indicate that only 26% of U.S. high school graduates were considered to be qualified for entry into science or engineering programs in further and higher education. The numbers of students entering science and engineering as a percentage of students is a much smaller fraction than those in countries with which the United States has to compete. A further issue is the reduction in numbers of trained science and engineering graduates entering and remaining in the United States and at least in some critical areas reductions in numbers of foreign students in U.S. programs. The ability to provide adequate numbers of educated and trained staff to meet U.S. energy industry needs can be expected to be a major and growing issue over the next decade.

2.3 Staffing Challenge

The educational situation contributes directly to a growing nuclear engineering and related science, engineering, and technical staffing challenge. The "human element" in the nuclear power infrastructure has been identified by the Secretary of Energy Advisory Board's Nuclear Energy Task Force (NETF) as a key area that must not be neglected (NETF, 2005).

The BEST Report noted that 25% of U.S. scientists and engineers will reach retirement age by 2010. The situation, specifically in nuclear, is even more stark with approximately 75% of nuclear personnel currently employed within the DOE national laboratories eligible to retire by 2010. Likewise, approximately 40% of the current technician workforce is also expected to retire in the next 5-7 years. Many utilities, especially in the commercial nuclear utility ranks, are being forced to coordinate their outages due to insufficient supplemental staff. In fact, some utilities have been placed in a position of reducing power levels so they can continue to operate within their safety basis until an outage can be arranged.

The United States is not alone in this staffing challenge. The Organisation for Economic Co-operation and Development (OECD) has described the global nuclear and related skills shortage. As they point out, meeting the global demand for a nuclear workforce, while at the same time addressing security issues, further complicates the personnel issue (NEA-OECD 2000a). With growing competition in the labor market, an additional concern in staffing the energy sector is that replacement workers are expected to have higher levels of qualifications and training and will experience a higher turnover rate than the current experienced staff.

As such, the continuous people pipeline needed to get new workers into the industry (fossil, nuclear, alternative, etc.) is currently insufficient to meet the needs in energy production, transmission, and distribution given the retirement picture and competition for qualified workers. National and industry-wide approaches are needed to rectify this issue. This is anticipated to result from an increased demand for trained experts during the impending workforce shortage.

The NETF recommended to the Secretary of Energy to address this workforce issue and "establish strong programs of undergraduate, graduate, and post-doctoral fellowships or traineeships in the physical sciences and engineering. One important aspect of these efforts is the development of the workforce that is essential for the resurgence of nuclear technologies" (NETF, 2005).

The Center, together with partnering universities, is seeking to work together with INL and DOE to address this identified need for nuclear engineering and energy-related professional education and related training (B.S., M.S., Ph.D., and post-doctoral education and training). At the technician level, CAES is targeting solutions where standardized, industry-driven curricula can be defined, developed, and packaged for uniform use throughout the country.

3. CAES GOALS/OBJECTIVES

To achieve its vision of being a recognized world-class organization, CAES will meet the following programmatic goals and objectives.

1. CAES will advance energy-related research, education, training, and policy.
   a. CAES will facilitate research that is critical to resolving the technical challenges associated with achieving a mix of advanced energy sources.
   b. CAES will advance academic expertise and capabilities in energy science, technology, and policy and do so in Idaho, nationally, and internationally.
   c. CAES will facilitate the training of the next generation of nuclear scientists, engineers, and technicians.
   d. CAES will advance sound energy policy leading the United States towards improved energy security.
2. CAES will develop a fully functional, nuclear education and research user-facility by 2008.
3. CAES will enhance Idaho nuclear educational opportunities.
   a. CAES will create a bridge between Idaho, national, and international universities and the INL.
   b. CAES and INL research and development capabilities and facilities will be available to a network of universities.
   c. CAES will aid the Idaho Universities in becoming world-class centers for nuclear research and education.
4. CAES will facilitate the collocation and collaboration of Government-University-Industry energy-related interests.
   a. CAES will have collocated and collaborating Centers.
5. CAES will be a self-sustaining and internationally recognized advanced energy organization by 2015.
   a. CAES will develop distinctive technical signatures in energy-related research, education, training, and policy.
   b. CAES will be a joint institute of the INL, Idaho State University (ISU), Boise State University (BSU), and the University of Idaho (UI).
   c. CAES will serve as the hub of a network of INL-affiliated universities initially involving Massachusetts Institute of Technology, North Carolina State University, the Ohio State University, Oregon State University, and the University of New Mexico.
   d. CAES will continue to engage a wider network of partnering organizations (e.g. Dalton Nuclear Institute, University of Manchester, UK) and will support the international Generation IV network.

4. IMPLEMENTATION STRATEGIES

While CAES will ultimately operate as an independent, nonprofit company, it is recognized that program development and certain legal and financial requirements must first be satisfied. As such, the evolution of CAES is planned to involve three distinct phases.

The initial activities of CAES, **Phase 1—CAES Formulation (2005-2008)**, involve the establishment of key partnerships and collaborations, infrastructure development, and beginning the process of revitalizing nuclear science and engineering education and research. During **Phase 2—CAES Implementation (2008-2010)**, CAES will be organized as an independent, nonprofit entity and will operate consistent with IRS requirements so as to obtain tax-exempt status [i.e. 501(c)(3)]. This Phase will continue revitalization efforts by expanding technical activities and collaborations. Finally, **Phase 3—CAES Operations (2010-2015+)** represents the long-term operating position of CAES that will attain world-class recognition by 2015. This Phase will be characterized by publications achieving international recognition in education, research, training, and policy analysis.

Figure 3 illustrates this evolution of CAES. Specific elements to be emphasized within each Phase of CAES are discussed in the following sections.

4.1 Phase 1 — CAES Formulation (2005-2008)

CAES has achieved a number of significant accomplishments during fiscal year 2005. A summary of these activities is presented here along with key activities currently under way, as well as those that will be completed during the remainder of Phase 1.

4.1.1 CAES Inauguration

The Secretary of Energy, Samuel Bodman, formerly inaugurated the CAES program on June 1, 2005 (see Figure 4) amidst a host of other dignitaries. *"The goal here in Idaho is to become the premier facility for nuclear energy in the country*."

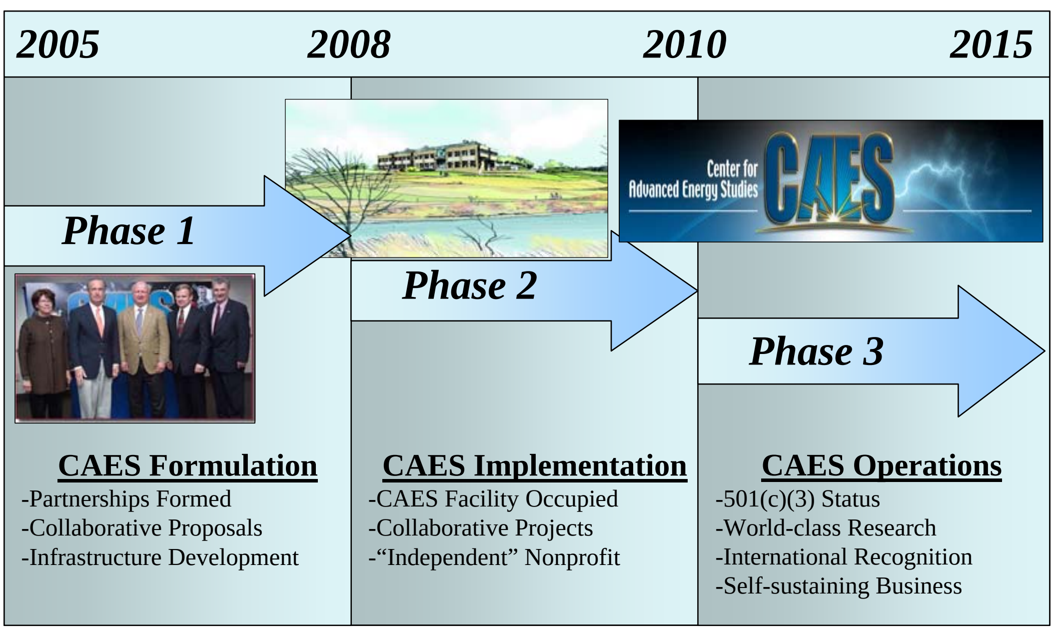


Figure 3. Phased Development of the Center for Advanced Energy Studies.

Figure 4. Secretary of Energy, Samuel Bodman, formerly inaugurating CAES.

4.1.2 Establishment of a Central CAES Organization

During Phase 1, the core administrative capabilities of CAES are being established. A number of administrative elements of CAES were established during FY-05, and several additional elements are being completed during FY-06 to facilitate the advancement of CAES and implementation of a full spectrum of programmatic activities.

This central CAES organization consists of the enabling functions of CAES and is represented in the Work Breakdown Structure (see Figure 13, under Section 6.1) as the Administrative and Collaborative Relations work elements. The establishment of these functions will facilitate and coordinate the broader technical and programmatic elements of CAES.

Strategic Appointments/Hires

The CAES senior leadership team was partially established during FY-05. Dr. Leonard J. Bond was appointed as the first Director for CAES effective February 1, 2005. The UI and ISU University have both appointed Dr. Bond to be an Affiliate Faculty in the Department of Physics, and BSU is in the process of making a similar appointment.

Dr. Michael Lineberry, holding a joint appointment with ISU, has been appointed as the Associate Director of CAES for Education. Mr. Richard Holman is the Acting Manager for Training and Workforce Initiatives.

Several remaining members of this team will be identified during FY-06. Appointments for the positions of Associate Director for Research and Associate Director for Energy Policy will be made following national searches coordinated by representatives of the INL and the IUC partners.

The CAES Board of Governors will be formalized as an “Executive Advisory Committee” in FY-06. This group will become a formal Board when CAES becomes a nonprofit entity and will provide oversight of CAES activities. The organizational representation of this group has been determined. During FY-06, specific representatives from these organizations will be selected to form this Committee.

The CAES Executive Advisory Committee will establish the Technical Advisory Committee during FY-06. The CAES Technical Advisory Committee will be comprised of technical experts selected from the national laboratory complex, academia, and industry. This Committee will provide the necessary independent technical guidance to the CAES Executive Advisory Committee (Board of Governors) and to the CAES senior leadership team.

It is recognized that during FY-06 program development activities are needed to enable a programmatic and business base to be established for CAES, and that the activities will utilize a combination of INL and university staff on an as-needed basis. The CAES leadership, the Steering Committee, and the Executive Advisory Committee will coordinate these business development activities.

A process to identify and appoint CAES Fellows will be established during FY-06. It is planned that at least five Fellow positions will be filled by FY-07. These staff will be instrumental in establishing, implementing, and achieving the technical and programmatic vision of CAES. A competitive selection process will be implemented to identify and select appropriate candidates for these positions. Candidates will be sought from within the INL, the IUC, and the NUC universities. It is anticipated that these fellowship appointments will initially have a duration of 1–2 years.

The Center, in cooperation with the INL and the Idaho Affiliated University Network (IAUN), is in the process of establishing the necessary legal framework for (a) a Memorandum of Agreement (MOA) to establish CAES as a joint institute between INL, ISU, UI, and BSU; (b) a draft lease for the new CAES facility; (c) a joint appointment/affiliate staff program; and (d) the IAUN.

The INL/CAES-University "Joint Appointments" process will stimulate transdisciplinary interaction and foster technical collaboration. This will facilitate appointment of the two remaining CAES Associate Director positions, as well as the establishment of CAES Faculty Affiliates and INL-Staff/CAES Affiliates during 2006.

Expedite Establishment of Nonprofit Entity

To best facilitate a collaborative Government-University-Industry partnership and to diversify funding opportunities, CAES is expected to operate as a nonprofit entity and joint institute. Such a classification is important because it permits CAES to seek unique funding opportunities that are not available to the INL or in some cases universities, it establishes CAES as an independent "non-government" organization, and it ultimately provides financial incentives in terms of tax-exempt status.

The nonprofit transition is complex and is currently expected to take at least four years to ultimately obtain tax-exempt status under section 501(c)(3) of the Internal Revenue Code. CAES will further consider the legal framework as well as an accelerated schedule for establishing a separate nonprofit company entity. This transition and the associated business model appear dependent on the completion and occupation of the new CAES facility (planned for 2008).

Strategic Partnerships

A key implementation strategy is the establishment of strategic partnerships. Strategic partners, identified in Section 5, will work in a collaborative manner with CAES. In some cases, organizations will be collocated with CAES to enhance interactions.

This broader affiliate CAES organization will involve various types of relationships and partnerships. It is envisioned that some partners will bring ongoing independent programs while others will seek to form interdisciplinary collaborative teams that pursue and initiate new programs within CAES.

Given this range of expected interaction, CAES will use a variety of mechanisms to establish and maintain these strategic partnerships, including formal contractual and financial agreements/commitments, cost-sharing arrangements, cooperative research and development agreements (CRADA), and informal MOAs and Memoranda of Understanding (MOU). The INL Technology Partnerships organization and General Counsel will be instrumental in assisting CAES in the establishment of these various arrangements.

Strategic Planning

As CAES moves forward in attracting and organizing the numerous collaborators and development partners, it will continue to shape its technical programs through integrated strategic planning. These efforts will allow CAES to develop its own unique contributions, which align with the three Idaho Universities, a proposed Idaho Fuel Cycle Academic Center of Excellence, the five NUC Academic Centers of Excellence (ACEs), the four collocated Centers and the capabilities of the INL.

It is also expected that as CAES moves forward in establishing its university network, the five NUC universities will play a critical role in formulating an expanded collaboration network with other organizations, such as the Dalton Nuclear Institute, as well as participants from the International Generation IV countries. It is expected that staff exchanges and joint international programs and partnering will be developed. Given the location and nature of the CAES facility as a university building on university land, this will enable the hosting of foreign nationals that could not easily be accommodated in a DOE facility.

During FY-06, CAES will develop detailed Technical Agendas for each of its program areas (research, education, training, and policy). These agendas will be integrated into the CAES FY-06 Strategic Plan and will include an internal analysis of the "greater-CAES community" in terms of its strengths and weaknesses as well as external constraints in terms of threats (competition) and opportunities (financial and programmatic).

4.1.3 Expanding Idaho's Educational Opportunities

Relationships between CAES and its university consortia and affiliate network continue to progress and have already expanded Idaho's educational opportunities. CAES will continue these efforts by establishing an Education Committee, chaired by the CAES Associate Director for Education, which will provide the interface and coordination between INL's Education Programs Office, the partnering universities, and INL's Human Resources Department. This Committee will address how CAES, through the universities, provides a full spectrum of education opportunities, short courses and workshops.

2+2 Program

The 2+2 Program in undergraduate nuclear engineering, which culminates with a B.S. degree in Nuclear Engineering, was initiated Fall Semester 2005. Six juniors, four from the ISU College of Engineering, and one each from BSU and the UI, are currently enrolled and on schedule to graduate in December 2007. These students are supported with tuition, fees, and a stipend paid as a result of a grant from the AREVA Group ($50,000) "matched" by a DOE Industry Matching Grant Award of $40,000.

INL will supply adjunct professors to teach courses as needed. This approach supports the universities and builds the bridge between INL scientists/engineers and the Idaho university community.

The Center is working to arrange six-month INL "practicum" assignments for the 2+2 participants during the summer-fall semester between their junior and senior years. This is intended to be a special internship in which INL's unique nuclear facilities are made available for laboratory work. Details are being worked out between CAES and INL staff regarding use of the Advanced Test Reactor (ATR) at the Reactor Technology Complex (RTC), and Neutron Radiography Reactor (NRAD) at the Materials and Fuels Complex (MFC).

Idaho State University is working to achieve accreditation of the B.S. in Nuclear Engineering degree by 2008. The goal is to have the program provide a joint B.S. degree from ISU and the institution that provided the first two years' education. The three College of Engineering Deans of ISU, UI, and BSU are currently preparing this plan, which requires Idaho State Board of Education approval.

Graduate Program

The graduate curriculum at all three IUC schools is being reviewed to ensure that degree programs meet the needs of the INL. The university community has committed to work with CAES to enhance and expand graduate degree programs and course offerings for academic year 2006–07 to better meet the needs of the new INL and CAES.

The Center is currently arranging for special courses to be taught in highly technical subject areas related to the INL mission. During the summer 2005, this new mechanism for special courses, which includes credit from the IUC universities, was implemented. Dr. Wes Hines of the University of Tennessee taught a Short Course at the Idaho Falls University Place campus during August 2005 entitled, "*Empirical Methods for Nuclear Power Plant Process and Equipment Monitoring*". Visiting professors Dr. Barry Ganapol, from the Department of Aerospace and Mechanical Engineering, University of Arizona, and Dr. Cassiano R. E. de Oliveira of the Nuclear and Radiological Engineering Program, George W. Woodruff School of Mechanical Engineering, Georgia Institute of Technology, taught the "*Advanced Radiation Transport and Shielding*" short course. Dr. Ray Berry of the INL taught a short course entitled, "*Computational Fluid Dynamics*."

CAES Scholars

CAES has already significantly expanded the Idaho universities' participation in INL nuclear energy research. During FY-05, CAES helped align INL research needs with appropriate graduate student support. At the present time seven full-time, traditional nuclear engineering graduate students from ISU are being wholly supported by INL research. This includes five Master's students and two student pursuing Ph.D.'s. CAES is working to increase INL student research support for FY-06 and anticipates that by year's end CAES will have at least 12 CAES Scholars in residence supported by INL.

Distance Learning

The Center will work with the university network, including both the IUC and NUC, to further develop distant learning opportunities for representatives of all participating institutions. For example, consideration will be given to delivery of technical electives on the Idaho Falls and main Idaho campuses for courses taught at the NUC universities.

Education Resource Network

The Center will include access to energy education resources from its web site. Working in partnership with the INL, CAES will seek to become a node in an education information network, which includes nuclear and other advanced energy technologies.

4.1.4 Establishing the Necessary Workforce Training

The CAES Office of Training and Workforce Initiatives has been investigating and assessing the energy sector workforce situation (Section 2.3). CAES will continue to identify the training elements for which CAES can most productively contribute to improve this situation. Two of CAES' national training efforts will be in the area of energy workforce development and improving the numbers and training of nuclear plant startup engineers.

Energy Workforce Development Initiative

The CAES Energy Workforce Development Initiative is an effort to improve the pipeline of people into and development of a robust energy sector workforce. This initiative links several federal agencies, the INL, EPRI, private sector industry, and several educational institutions together to resolve a dilemma in the energy industry—the need to identify, train, and develop new maintenance workers and technicians to replace the large numbers of retiring workers across the sector.

This effort builds on current efforts in both the Departments of Labor and Energy that are aimed at a standardized program. CAES and EPRI, using the existing EPRI Task Proficiency Evaluation (TPE) Program coupled with ISU and Eastern Idaho Technical College (EITC) capabilities and coursework, will support the establishment of a national network of community colleges, vocational-technical schools, and tribal education institutes. The result of this effort will be a standardized two-year curriculum delivered by regional institutions. An unsolicited proposal to develop such an approach is being reviewed by the U.S. Department of Labor's Employment and Training Administration.

Startup Engineer Training (CAES Nuclear Energy Resurgence Curriculum)

The Startup Engineer Training Program is based on the identified needs of industry with regard to the imminent resurgence in nuclear plant construction. It is one element of the CAES nuclear energy resurgence curriculum. With the current focus on expanding the nation's nuclear energy generating capacity it is imperative that the industry has the necessary skills and technical competence to safely and productively undertake system testing and startup activities. Competent "startup" engineers ensure that subsequent plant operations perform safely and efficiently. The activities performed by these engineers can reduce costs by millions and schedules by months. There appears, however, to be a critical shortage of "startup" engineers in the United States. CAES is working to promote a program with industry and regulators that will provide the training and skills needed to ensure successful, timely, cost-effective, and safe startups.

The goal of this program is to produce trained construction test and startup engineers with demonstrated knowledge, skills, and attitudes, and industry-wide contacts who will be an asset to their utility, regulatory agency, or vendor during plant startup. It is imperative that the engineers involved in construction, startup testing, and initial operations, particularly those in the ranks of the regulators and utilities, have the necessary skills, technical competence and proficiency.

This CAES program will be an industry-wide integrated training program intended to involve all viable commercial reactor designs, reactor vendors, equipment vendors, architect-engineers (AEs), utilities, regulators, and others. The overall goal is to provide training for the people who will conduct the startups and help them develop their knowledge, as well as their technical and interpersonal skills.

The Center also plans to offer this training to the regulators since a strong nuclear industry requires a knowledgeable and experienced regulatory workforce. Separate regulator-specific sessions will be offered to maintain the necessary distance between regulators and regulated.

International Efforts

Knowledge Capture/Management

There are currently no reliable and systematic means for ensuring that the tacit knowledge and skills of the aging workforce are captured and communicated to the remaining workers. CAES is working with industry, the INL, other federal agencies and the international community through the International Atomic Energy Agency (IAEA) to determine an approach to best capture the knowledge of the retiring and departing workforce. The IAEA effort is expected to result in an IAEA TechDoc entitled “Guidance Document on the Preservation (and Enhancement) of Knowledge for Nuclear Power Plant Operating Organizations.” Mr. Richard Holman, Acting Manager of the CAES Office of Training and Workforce Initiatives, is an IAEA invited member to this technical committee.

4.1.5 Research

As CAES moves to be an enduring and self-sustaining entity it will achieve its business base by establishing a set of distinctive research signatures. These distinctive signatures will be carefully selected and CAES resources will be focused to establish and maintain these signatures.

Business development activities have been initiated during FY-05 and initial proposals have been submitted. Additional activities will be conducted during FY-06. An integrated CAES Strategic Research Plan will be developed during FY-06 and potential funding opportunities will be identified and targeted. Pre-proposal planning activities will be performed so as to position CAES and the affiliated team to prepare and submit proposals with high probabilities of success. In FY-07 a targeted business development strategy will be implemented to capture the necessary research funding for selected programs and CAES affiliated staff.

The Center began in FY-05 to significantly increase involvement of full-time nuclear engineering graduate students doing their research at INL, via INL support, on problems relevant to major INL programs. This program contributes to the revitalization of nuclear engineering in the IUC. The intent is to increase the nuclear engineering student involvement to at least 12 students-in-residence during FY-06 as well as consider non-nuclear engineering opportunities.

To continue to grow the total number of students involved, it is necessary to bring more faculty into roles within INL programs. As such, a pilot program was initiated in FY-05 whereby faculty began working with INL programs via low-cost “mini-grants”. It is anticipated that these working contacts will lead to more substantial involvement of the faculty in INL and CAES programs such as expanded involvement of graduate students and joint proposals for new CAES research. The goal for FY-06 is to continue the pilot program with 10 mini-grants.

The Center is an advanced energy Center, not exclusively an advanced nuclear energy Center. Therefore, both nuclear and non-nuclear research will be conducted. Topics being considered include:

Nuclear Energy Research

Although discussions and activities were initiated during FY-05, the process of identifying unique CAES research areas will be expanded during FY-06. CAES will conduct a series of workshops to further refine and develop appropriate research topics given its collective research capabilities (INL, IUC, NUC, etc.). Some initial areas being considered include:

1. **International Nuclear Fuel Cycle** – The nuclear fuel cycle represents an ideal area of CAES research emphasis. First, it is of vital importance to ensure safeguarding of existing and planned fuel cycle activities. Second, as nuclear power continues to expand globally, new technologies and institutions will be required. This will be even more critical if the world moves to closure of the nuclear fuel cycle and the recycle of fuel materials.

   The combination of challenges in both the technologies and in the institutions of the nuclear fuel cycle provides rationale for a long-term CAES role. With its own technical resources and that of the INL and its University partners, CAES is well positioned to contribute technology. With the Energy Policy Institute (EPI), CAES will contribute to key institutional issues such as the internationalization of nuclear fuel cycle activities.

   Fuel cycle activities are multidisciplinary by nature. Engineering, physics, chemistry, mathematics, and simulation, for example, play key roles. This multidisciplinary approach increases the value of the CAES/INL/University consortia. Moreover, the IUC is building an ACE for fuel cycle activities.

   An activity initiated by the INL in FY-05 is the SINEMA fuel cycle modeling and simulation research. This is at present an INL activity that will have increased CAES and university involvement. INL researchers will partner with CAES, IUC and NUC researchers in the development and use of what is envisioned to be a suite of modeling and simulation codes resulting ultimately in the world's most powerful and flexible fuel cycle simulation capability.

   In FY-06, $150K is anticipated to support the IUC development of a strategic plan for the nuclear fuel cycle research ACE. This will be leveraged with the institutional efforts of EPI to form a combined project, which will plan the CAES/IUC fuel cycle activity.

2. **High Temperature Reactor Materials** – CAES will work with a sub-set (5) of the IUC and NUC universities to support and develop a proposal for a National Science Foundation (NSF). The Idaho Falls element of activities would be housed in the CAES facility. These activities will supplement those being developed through collocated centers and within INL programs.

3. **Instrumentation & Controls** – Advanced NDE/Diagnostics Prognostics - CAES will facilitate an advanced NDE workshop focused on the needs of the Next Generation Nuclear Plant (NGNP) and Gen IV systems. The results of this workshop will help define a three-lab research effort (i.e. INL, ORNL, PNNL), with CAES coordinating.

Non-nuclear Energy Research

Discussions and activities were initiated during FY-05 and the process of identifying unique CAES non-nuclear research areas will be expanded during FY-06. CAES will conduct a series of workshops to further refine and develop appropriate research topics given its collective research capabilities (INL, IUC, NUC, etc.). Some initial areas being considered include:

1. **Hydrogen** – Scientific and engineering advancements must be made to realize the potential benefits of a hydrogen economy. In the long term, hydrogen will have to be produced without the release of carbon dioxide and by using abundant and reliable feedstocks. CAES will work with INL, university and industrial partners to help develop the hydrogen science and technology

bases needed to secure our nations' energy future. Specific areas of research being evaluated include fuel reforming, e.g. coal, heavy diesel; electrolysis and thermochemical cycle development; biomass conversion; separations, purification and storage; and fuel cells.

2. **Carbon Management and CO_2 Sequestration** – Carbon dioxide emissions resulting from burning of fossil fuels play a key role in global climate change and continue to be a major international concern. CAES research, working with IUC, NUC and INL collaborators, may focus in the area of carbon capture, transformation and sequestration. Specific areas of research being evaluated include CO_2 emissions modeling, transformation chemistry and subsurface storage technology.

3. **Coal and Fossil Energy** – Coal and fossil energy sources continues to play critical roles in the US and global energy supply. CAES will work with INL and industry research teams to help advance new science needed to improve the utilization and environmental acceptability of these resources. Areas of research will need to be more thoroughly defined but likely will involve improved conversion science and technology. Workshops will be conducted in FY-06 to better define and focus this area of research.

4. **Energy and Water** – Energy, water, and environmental sustainability are inextricably linked to U.S. economic performance as well as the health and welfare of our citizens and environmental quality. Maintaining abundant, sustainable sources of clean water is dependent on the availability of clean, inexpensive, and sustainable energy. Likewise, our nations' energy goals cannot be reached without simultaneously addressing the use of water for power plant cooling, emissions scrubbing, and energy production related issues. The magnitude of the challenge facing us to manage the nexus between energy and water is enormous since the projected needs of both energy and water are expected to grow substantially over the next 25 years. CAES will work with the INL, IUC and NUC collaborators to establish and implement research to better understand the water cycle and water utilization, as they pertain to energy production and utilization. The science and technologies necessary to help optimize the use of our water resources and the production and utilization of energy also needs to be better understood.

4.1.6 Energy Policy Institute Startup

The Energy Policy Institute (EPI) will lead a comprehensive national, international, and regional dialogue on nuclear energy and other energy policy issues that span the range of topics including energy technology mix, energy-water nexus, consequences and impacts to the economy, society, natural resources, and the environment.

Public Policy
– the result of what society and its institutions decide to do about a problem that affects the lives of its citizenry.

During FY-06 EPI will be establishing its organization through the hiring of key staff. An Interim CAES Associate Director for Energy Policy will be in place early in FY-06 and activities will be initiated in Idaho Falls. A national search will be performed in FY-06 to hire a permanent CAES Associate Director for Energy Policy. The selected individual is expected to also serve as a tenure track professor at BSU. Additionally, EPI staff, faculty and graduate assistants will be retained.

EPI will assemble a community of interested parties and will begin to execute its research agenda through strategic partnerships with other institutions, presenting research papers at national conferences, and conducting energy policy seminars and workshops. An initial policy study will be performed and reported in FY-06. During FY-07, EPI will showcase its capabilities by organizing and hosting an initial Energy Policy Conference. These activities are expected to build on the initial study to be performed in FY-06 and to form the basis for establishing the EPI distinctive signature, looking at the policy-technology interface.

The EPI will complete a business development plan that includes identification of potential funding opportunities. Proposals will be developed and submitted to targeted organizations in FY-06–07. Activities will be conducted to enable a fully functioning EPI to be prepared to move into the new CAES facility in Idaho Falls in FY-08 and for EPI to be supporting and aligned with activities at BSU.

4.1.7 CAES Communications

During FY-05, CAES began the implementation of various communication mechanisms. These efforts will continue to be expanded in FY-06 to generate further awareness and advocacy for CAES and its activities.

Informational Outreach

The Center informational outreach efforts will include the routine generation and distribution of various information packages. These information packages involve electronic, video and hardcopy media including text, brochures, newsletters, videos, web pages, photographs, drawings, graphics, and other materials as needed.

The CAES web site at http://CAESenergy.org will be further developed to become a key information portal. Periodic electronic newsletters will be distributed to interested individuals, organizations and the affiliate network.

Technical Exchanges

Seminar Series

The Center is working with the IUC and the INL to initiate the CAES Seminar Series during FY-06. Similarly, one result of the initial interaction with the Dalton Nuclear Institute leadership, late in FY-05, was mutual interest expressed in a joint seminar series. This seminar series will include the active participation of visiting scientists and engineers as well as key CAES-affiliated experts. Invited lectures will address a diverse set of energy related topics including nuclear energy, alternative energy sources, energy policy, economics, waste management, and nonproliferation. This series is expected to be open to the public.

Workshops

The Center is working with the IUC and the INL to define a series of CAES workshops. These workshops will be instrumental in formulating the technical agenda for CAES. For example, EPI will organize workshops and surveys of citizenry, policymakers and other interested stakeholders to help establish priorities of relevant energy policy issues.

Conferences

The Center representatives will be active participants in national and international conferences. This participation will serve to present the work conducted via CAES as well as to promote CAES and its affiliates. Participation will include presentation of individual technical work, programmatic overviews and conference/session coordination.

The Center is scheduled to participate, at a minimum, in the following annual conferences during FY-06.

- American Nuclear Society Winter Meeting, Washington D.C. – November 2005
- ISU Regional Energy Conference – November 2005
- Waste Management 2006, Tucson, AZ – February 2006
- American Nuclear Society Summer Meeting, Reno, NV – June 2006
- American Society of Engineering Education Annual Conference – June 2006
- Alternative Energy Week, Boise, ID, – September 2006.

The Center has also started planning efforts for an advanced NDE workshop, which will look at Very High Temperature Reactor and Generation IV needs.

Consideration is also being given to establishing a CAES Research Conference. This conference could be structured similar to the "Review of Progress in QNDE", that is run by the

Iowa State University, NDE Center, and the "X-Ray Conference" coordinated by the Physics Department of the University of Denver. Such a conference would have published conference proceedings and could become a focus for national activity in selected technical areas that support advanced nuclear energy.

4.1.8 Infrastructure Development

A partnership between the State of Idaho, the IUC, and BEA will complete construction of the CAES facility at University Place in Idaho Falls in 2008. This new CAES facility will enable the collaboration of university, CAES administration, INL researchers, and other affiliate members.

The CAES facility will be a premier international user-facility for promoting, performing research and revitalizing education and training in nuclear energy science, engineering, technology, and related disciplines (see Figure 5). The facility is expected to encompass 50-60,000 ft^2 with approximately 50% of the facility will be dedicated to laboratory space and will be opened during 2008. The facility is envisioned to be a two-story, structural steel building with a brick façade. Coordination with other University Place and INL planned building initiatives will ensure the architecture is compatible with the overall campus design.

With CAES and the collocated centers, including industry partners, it is anticipated that this facility will house, when fully occupied, a total of 175 people including approximately 100 faculty, researchers and staff, 50 graduate students and 25 undergraduate students from the 2+2 Program.

CAES Infrastructure Development Project

The IUC and CAES are working together to meet the requirements of the State Board of Education. The building will be a university building located on state/university land. The CAES infrastructure development project team is lead by an ISU Project Manager. Core project team members include an engineering manager (ISU), a project controls lead (ISU), a construction lead, a finance lead (ISU), an INL representative (to coordinate all INL inputs to design), a UI representative, a BSU representative, and a project architect from the Idaho Division of Public Works. This group is working in close cooperation with the CAES Steering Committee and State Board of Education for final approvals.

The current planning assumption is that this new building will be located at the ISU/UI Center for Higher Education at University Place in Idaho Falls. A final siting decision is expected to be made during the first quarter of FY-06. CAES and the IUC have held building requirements workshops and an outline requirements document is ready for transmission to an architectural firm. IUC and the Idaho Division of Public Works will issue a request for proposal and award a contract to an architectural engineering firm to complete the design and then subcontract for the construction based on the completed design.

Bonding/Guarantees

The design and construction of the State-owned CAES facility is estimated to cost approximately $14 million.

Figure 5. Conceptual Illustration of the Future CAES Facility.

Funding for this facility has been obtained as follows:

- A total of $5 million dollars from the INEEL Settlement Fund, as defined in the Idaho Code 67-806A, for use according to the terms of the agreement for the construction of the Center for Science and Technology in Idaho Falls, dated June 29, 2001, 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.
- A total of $1,942,756 in grants from the U.S. Department of Housing and Urban Development (HUD) to the University of Idaho, HUD Grant B-00-SP-ID-0116 in the amount of $925,000 and HUD Grant B-01-SP-ID-0172 in the amount of $1,017,756 for use according to the terms of the grants.
- Additional support for the design and construction of the CAES through the issuance of bonds, exempt from federal income taxation in the amount of an additional $7 million by Idaho State University to be retired over 20 years, by rent paid by BEA and its affiliates for occupancy of approximately 50% of the CAES facility.

The CAES building will be constructed following all laws and regulations of the State of Idaho and the project will be administered under the provisions of Idaho Statutes of Title 67, Chapter 57. The Idaho Division of Public Works will secure all plans and specifications for, let all contracts for, and have charge of and supervision of the construction of the CAES facility.

Equipment Acquisition

The normal "supplied with construction" equipment (such as HVAC and laboratory fixtures) will be included in the allocated CAES facility development funding and will be supplied under the construction subcontract. Specialty equipment and equipment to be installed after the building is completed, to support the CAES program, education, research, and the collocated Centers is provided by other sources.

Specialty equipment for the new CAES facility will be provided through a combination of sources including: (a) INL excess equipment, (b) direct programmatic funding, (c) university funds, and (d) large items, through INL and university capital equipment and DOE funds.

4.1.9 Operation, Management and Performance

The Formulation Phase of CAES – Phase 1 is intended to establish the foundation on which CAES will build a world-class entity. This foundation includes the establishment of key partnerships and the development of necessary infrastructure, and the formulation of researcher-friendly administrative tools.

During Phase 1 CAES will initiate an annual CAES meeting, which will include presentations and discussions of key projects, programs and business development activities. CAES will also initiate its semi-annual Executive Advisory Committee Meetings and strategic planning workshops.

The operation, management and performance monitoring mechanisms will be developed and implemented to ensure successful execution of this program plan. Prior to the establishment of CAES as an independent entity CAES will operate in accordance with INL and BEA practices and requirements. A CAES handbook will be developed during Phase 1 to aid collaborators, researchers and staff for the transition to an independent entity.

The Center will identify and apply operating policies from other related and successful institutions such as the National Science Foundation (NSF) Industry/University Cooperative Research Centers Program (Gray and Walters, 1998), other Battelle-operated National Laboratories (Oak Ridge National Laboratory, Pacific Northwest National Laboratory), and the National Space Science Technology Center (NSSTC). For example, NSSTC, a partnership between National Aeronautics and Space Administration (NASA) Marshall, seven Alabama research universities and the State of Alabama, has a 20-year history and currently has 350 to 400 people actively engaged in its research efforts. This successful organization, described as a “confederation”, has received strong State, university and NASA support.

A survey of energy research centers was performed by BSU and INL staff and has been reported to CAES (O'Brien and Louis, 2005). CAES leadership will continue to learn from both successful, and less successful centers and policy organizations.

A set of CAES performance metrics will be developed during Phase 1. These metrics are expected to include:

- The number of **Peer Reviewed Publications** (and Citations/Impact)
- The number of **Conference Presentations**
- The number of issued **Reports**
- **Business Volume**
- **Collaborative Partnerships**
- The number of **Staff**, **Affiliate** and **Associated Faculty** and **Students**.

A summary of activities and performance against these metrics, including interactions with collocated and collaborating centers and the university network will be provided in the Annual Report and presented at the Annual meeting. Other periodic reports and information will be provided through semi-annual newsletters and the CAES web site (http://CAESenergy.org).

4.2 Phase 2 — CAES Implementation (2008–2010)

The Center Implementation – Phase 2 will focus on development of a full spectrum of programmatic activities in education, research, training and policy studies while operating as an independent nonprofit entity, and expanding its collaborations as the hub for the university network. These activities will be key to supporting the INL transformation, including the revitalization of the human capital (workforce), workforce skill-mix adjustment, engagement of the wider research community, workforce pipeline development and support of the INL workforce diversity strategic hiring goals and objectives.

The Center will be functioning as the hub for a university network and a network of wider collaborations, both in the United States as well as internationally and will serve as a gateway for contacts with INL researches and facilities.

4.2.1 Occupy New CAES Facility

The commencement of Phase 2 is scheduled to coincide with the completion of the new CAES facility. This facility will serve both as a visible achievement as well as be a key physical enabler for CAES to progress towards its programmatic vision.

The Center administrative and research staff, INL researchers through the collocated research centers and institutes, and CAES affiliate faculty and researchers will jointly relocate into the new CAES facility during FY-08. The collocation of government, academia and private industry resources and staff will foster CAES interactions and technical collaborations.

It is expected that the building will be at least 50% occupied by the end of FY-08 and the full occupancy of 175 people will be achieved by 2010.

4.2.2 Transition to Nonprofit Entity

During Phase 2 CAES will move to be organized and recognized as an independent nonprofit entity. It is anticipated that CAES will transition to a nonprofit entity by FY-10 (accelerated schedule is during 2008). This transition will move CAES from its current internal INL organizational status, operating with an MOA that establishes the teaming with three Idaho universities and an expanded affiliated university network (the 5 charter members of NUC), to an independent entity. This nonprofit transition will better position CAES to begin operating consistent with IRS requirements including the establishment of complete and independent records (establishment of 24-month operating history) that will be used in support of tax-exempt status consideration. Initial review of requirements and planning for this transition began in FY-05. The detailed planning for this transition approach will be completed in FY-06.

4.2.3 Program Achievements

The Center programmatic achievements will continue to be realized during this Implementation Phase. These accomplishments will be evident in each of the CAES technical areas.

Research

It is expected that CAES will focus its research efforts in 3-5 critical areas, which align with its distinctive expertise. These research signatures will form the basis for CAES research activities, business development and delivery on grants and contracts. In each area it will be necessary to achieve and maintain a critical mass for the research effort (expected to be $3–5M per area). Performance will be measured using the CAES performance metrics and reported at the annual meeting and through the Annual Report.

Education

A CAES education committee, established in Phase 1, will ensure that needed courses are provided through the IUC. A core activity will continue to be to support the "2+2" B.S. in Nuclear Engineering and to enable it to be an accredited program with internships at the INL site. At least 50 graduate students and post-docs will be associated with CAES activities.

In addition to graduate and undergraduate education the CAES Seminar Series will have been established and will be attracting national and international lecturers. Additionally, a program of short courses, and workshops will be fully functional.

Following on the success of the first WNU, Summer Institute 2005, CAES will seek to maintain and develop its interactions with the WNU and host a second WNU Summer Institute that is provisionally planned for 2007 or 2008.

Policy

The CAES EPI will be fully established before the start of Phase 2. As such, EPI will be performing an expanded number of policy studies, hosting workshops and increasing its impact as a center for thought leadership.

EPI will be establishing a recognized and distinctive signature, currently anticipated to be the technology-policy interface. It will work closely with the INL to integrate with the INL energy security strategy (Figure 6).

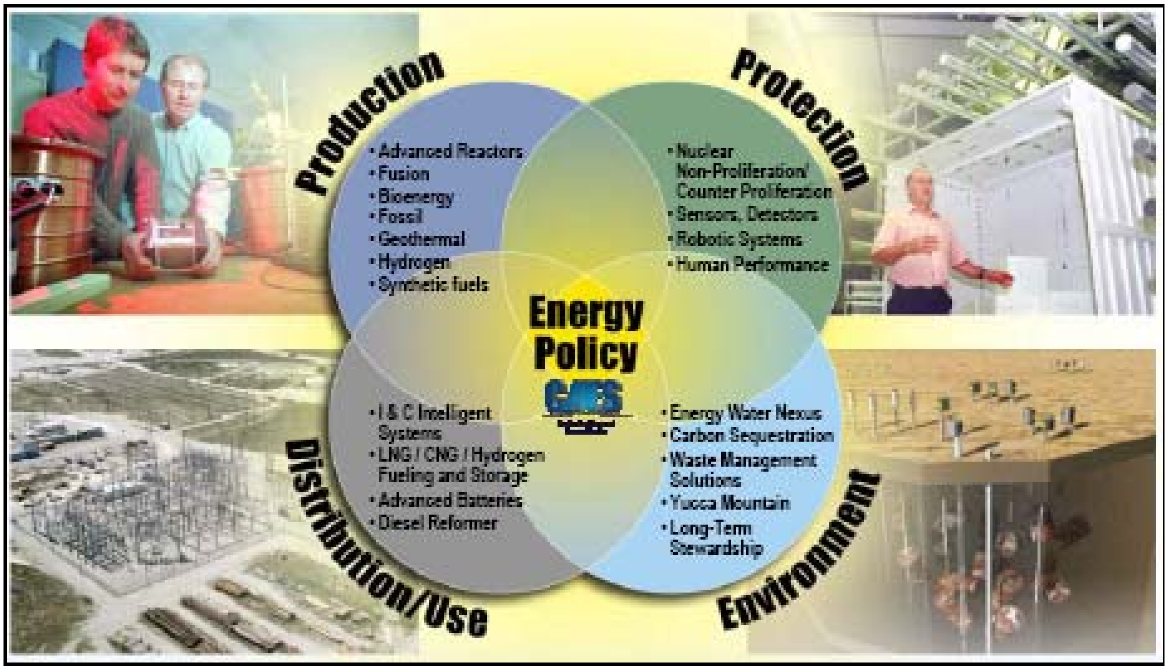


Figure 6. INL's Energy Security Integration.

EPI will have an expanded set of partnerships with such groups as the Joint Global Change Research Institute and the Global Energy Technology Strategy Program.

Training

The Center will be integral to the training efforts in the energy community. As an implementation resource to EPRI, INPO and NEI, CAES will help train and develop the nuclear workforce at the crafts/technician level. By providing leadership, support and coordination, CAES will help strengthen national energy-related curricula presented at community colleges, vocational technical schools and tribal education institutes nationwide.

A full-cost recovery Startup Engineering Training and Resource Program will provide training and information resources for reactor startup activities to national and international clients. This program will be staffed with both permanent and as needed technical personnel from industry and the NRC.

The Center will serve as a national and international training resource. In cooperation with the INL Technical Library CAES and INL will hold the largest standing resource base of reactor startup literature and information resources in the world. As an international resource CAES will support the International Atomic Energy Agency (IAEA) in addressing the questions of workforce development and knowledge capture.

4.3 Phase 3 — CAES Operations (2010–2015+)

4.3.1 Sustainable Operations

As an independent entity, CAES must achieve a self-sustaining funding stream based on its technical and programmatic contributions. CAES revenue streams include direct programmatic funding, funding obtained by the researchers and EPI, the four affiliated independent centers, sublease payments from affiliate members, as well as financial support from both the DOE and the INL. It is intended that CAES operate as an independent organization no later than the beginning of FY-12. The long-term operating position for CAES is that CAES revenue will be 1/3 DOE, 1/3 other federal agencies and 1/3 other grants and contracts, including payments for space and collaborating activities and provision of administrative services to collocated centers and related industrial partners.

The personnel costs associated with CAES researchers, staff, students and affiliate members dominate CAES costs. A CAES business model is presented in Section 7. This model projects a positive net cash flow for CAES that will enable investment and growth. Achieving this vision is dependent on adequate investments being made in CAES activities in both Phase 1 and Phase 2.

4.3.2 Programmatic Accomplishments

Research

The CAES distinctive research signatures will have been used to integrate faculty, students and researcher activities. These research signatures will continue to form the basis for CAES research activities, business development and delivery on grants and contracts. In each area it will be necessary to achieve and maintain a critical mass for the research effort (expected to be $3–5M per area). Performance will be measured using the CAES performance metrics and reported at the annual meeting and through the Annual Report.

Education

Nuclear engineering and science research will be growing nationwide. The educational opportunities provided by the Idaho universities in partnership with INL and CAES will be seen as a key component of this revitalization. A collaborative bridge between Idaho, national and international universities and the INL will have been established and will be fully functional.

Graduate and undergraduate students will be receiving practical work experience through this broad educational network. Distance learning capabilities will support enhanced student-faculty-professional interactions. Access to government, industry and university resources will provide unique, one-of-a-kind educational opportunities.

Policy

The CAES EPI will be fully established and operational. EPI will continue to perform an increasing number of significant policy studies and workshops. Through these efforts EPI will be recognized internationally as a pre-eminent energy policy institute.

Through its broad collaborative partnerships EPI will come to be instrumental in identifying energy-related issues and formulating solution-oriented energy policy.

Training

The Center will be identified as a leader for the development of training curriculum, activities, and materials for future generation reactors. The establishment of technical training programs in support of the nuclear industry will gain international recognition for CAES. CAES will also be an advisor to the Nuclear Regulatory Commission for training and workforce-related questions.

4.4 Program Schedule

The following Program Schedule details the activities, milestones and key deliverables for CAES for the period FY-06–10.

Activity ID	Activity Description	Orig Dur	Early Start	Early Finish
CAES Program				
Administrative				
Governance				
Establish CAES Executive Committee				
C100	Establish CAES Executive Committee	42	03OCT05*	01DEC05
C100A	Maintain CAES Executive Committee	456	02DEC05	28SEP07
Establish CAES Technical Advisory Council				
C101	Establish CAES Technical Advisory Council	59	01NOV05*	01FEB06
C101A	Maintain CAES Technical Advisory Council	418	02FEB06	28SEP07
INL A100 Organizational Operations				
C102	INL A100 Organizational Operations	498	03OCT05*	28SEP07
Establish Non-Profit Organization				
C104	Clarify IRS Requirements	122	03OCT05*	31MAR06
C104A	Determine Non-Profit Strategy	127	03APR06	29SEP06
C105	Establish CAES Board of Directors	165	02OCT06	31MAY07
C106	Prepare Draft Bylaws	84	01JUN07	28SEP07
C107	Prepare Draft Articles of Incorporation	84	01JUN07	28SEP07
C108	Prepare Financial Statements	501	01OCT07*	30SEP09
C109	IRS Determination	42	01OCT09*	01DEC09
C110	Obtain 501(C)(3) Status	18	02DEC09	04JAN10
Complete CAES Annual Meeting				
C111	FY2006 Annual Meeting	122	03OCT05*	31MAR06
C112	FY2007 Annual Meeting	122	02OCT06*	30MAR07
C113	FY2008 Annual Meeting	124	01OCT07*	01APR08
C114	FY2009 Annual Meeting	123	01OCT08*	01APR09
C115	FY2010 Annual Meeting	123	01OCT09*	01APR10
Program Coordination				
Develop CAES Annual Baseline				
C116	Develop CAES Annual Baseline	0	01JUN05	31MAY05
C117	Establish FY2006 Annual Baseline	86	01JUN05*	30SEP05
C117A	Maintain FY2006 Annual Baseline	249	03OCT05	29SEP06
C118	Establish FY2007 Annual Baseline	85	01JUN06*	29SEP06
C118A	Maintain FY2007 Annual Baseline	249	02OCT06	28SEP07
C119	Establish FY2008 Annual Baseline	85	01JUN07*	01OCT07
C119A	Maintain FY2008 Annual Baseline	251	02OCT07	01OCT08
C120	Establish FY2009 Annual Baseline	85	02JUN08*	30SEP08
C120A	Maintain FY2009 Annual Baseline	250	01OCT08	30SEP09
C121	Establish FY2010 Annual Baseline	86	01JUN09*	30SEP09
C121A	Maintain FY2010 Annual Baseline	250	01OCT09	30SEP10
Develop Operating Procedures				
C122	Develop Operating Procedures	0	01JUN05	31MAY05
C123	Implement Relevent INL Procedures	664	03OCT05*	30MAY08
C124	Adopt ISU Relevant Procedures	335	02JUN08*	30SEP09
C125	Develop CAES-specific Procedures	59	01OCT09*	24DEC09
Strategic Planning				
Develop Research Agenda				
C126	Develop Research Agenda	74	01FEB06*	15MAY06

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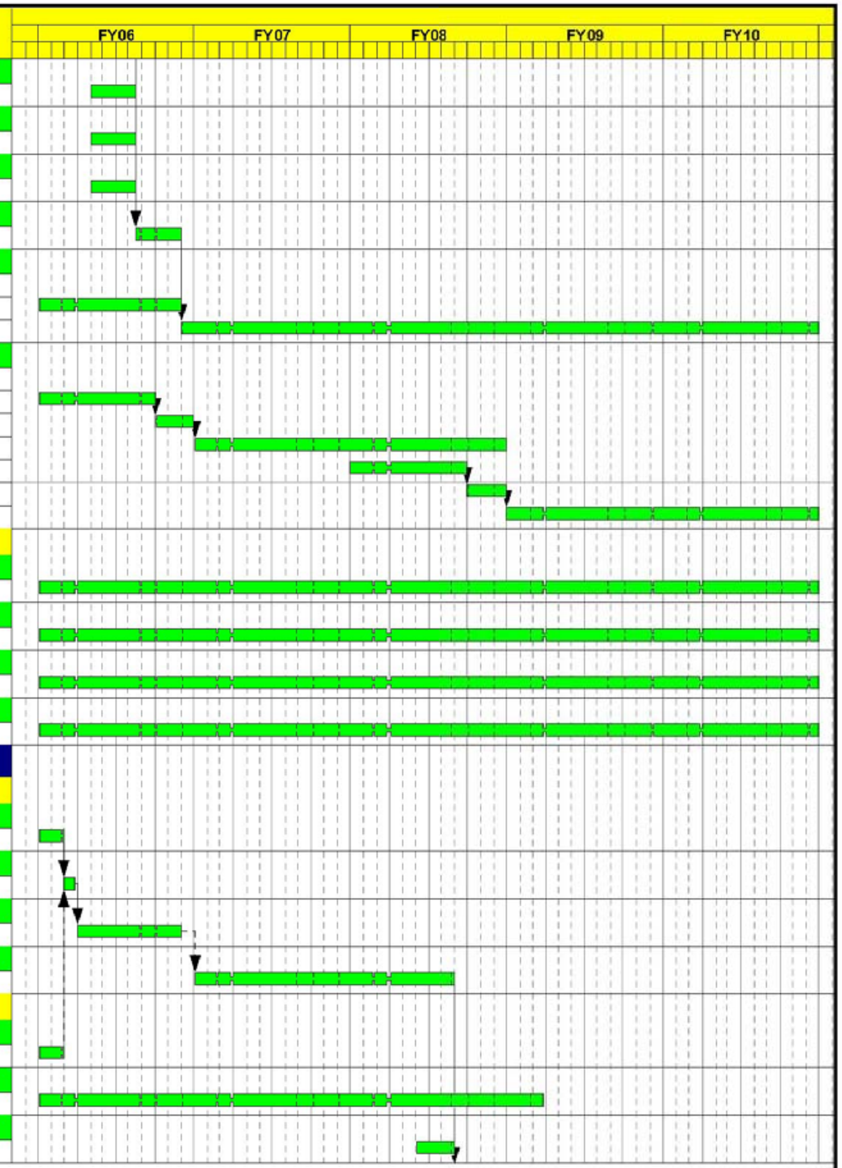
Activity ID	Activity Description	Orig Dur	Early Start	Early Finish
Develop Education Agenda				
C127	Develop Education Agenda	74	01FEB06*	15MAY06
Develop Energy Agenda				
C128	Develop Energy Agenda	74	01FEB06*	15MAY06
Develop Policy Agenda				
C129	Develop Preliminary Policy Research Agenda	74	01FEB06*	15MAY06
Develop CAES Business/Strategic Plan				
C130	Develop CAES Business/Strategic Plan	76	16MAY06*	31AUG06
Business Development				
C131	Business Development	0	01JUN05	31MAY05
C132	Ongoing Proposal Development	229	03OCT05*	31AUG06
C132A	Strategic Proposal Development	1,020	01SEP06*	30SEP10
Strategic Hires				
C133	Strategic Hires	0	01JUN05	31MAY05
C134	Identify CAES Fellows	186	03OCT05*	30JUN06
C134A	Hire 5 CAES Fellows	63	03JUL06	29SEP06
C134B	Maintain CAES Fellows	500	02OCT06	30SEP08
C134C	Identify CAES Fellows	187	01OCT07*	30JUN08
C134D	Hire 5 CAES Fellows	64	01JUL08	30SEP08
C134E	Maintain CAES Fellows	500	01OCT08	30SEP10
Communications				
Maintain CAES Webpage				
C135	Maintain CAES Webpage	1,249	03OCT05*	30SEP10
Issue CAES Newsletter				
C136	Issue CAES Newsletter	1,249	03OCT05*	30SEP10
Conduct CAES Workshops/Seminars				
C137	Conduct CAES Workshops/Seminars	1,249	03OCT05*	30SEP10
CAES Outreach Efforts				
C138	CAES Outreach Efforts	1,249	03OCT05*	30SEP10
Infrastructure				
Facility Development				
Prepare CAES Facility Development Plan				
C139	Prepare CAES Facility Development Plan	42	03OCT05*	01DEC05
State Board Approval to Proceed				
C140	State Board Approval to Proceed	16	02DEC05*	23DEC05
Building Design				
C141	Building Design	172	03JAN06*	01SEP06
Building Construction				
C142	Building Construction	415	02OCT06*	30MAY08
Space Management				
Bond/Lease Agreement				
C143	Bond/Lease Agreement	41	03OCT05*	30NOV05
INL Space Coordination				
C144	INL Space Coordination	808	03OCT05*	24DEC08
Sublease Agreements				
C145	Sublease Agreements	64	03MAR08*	30MAY08



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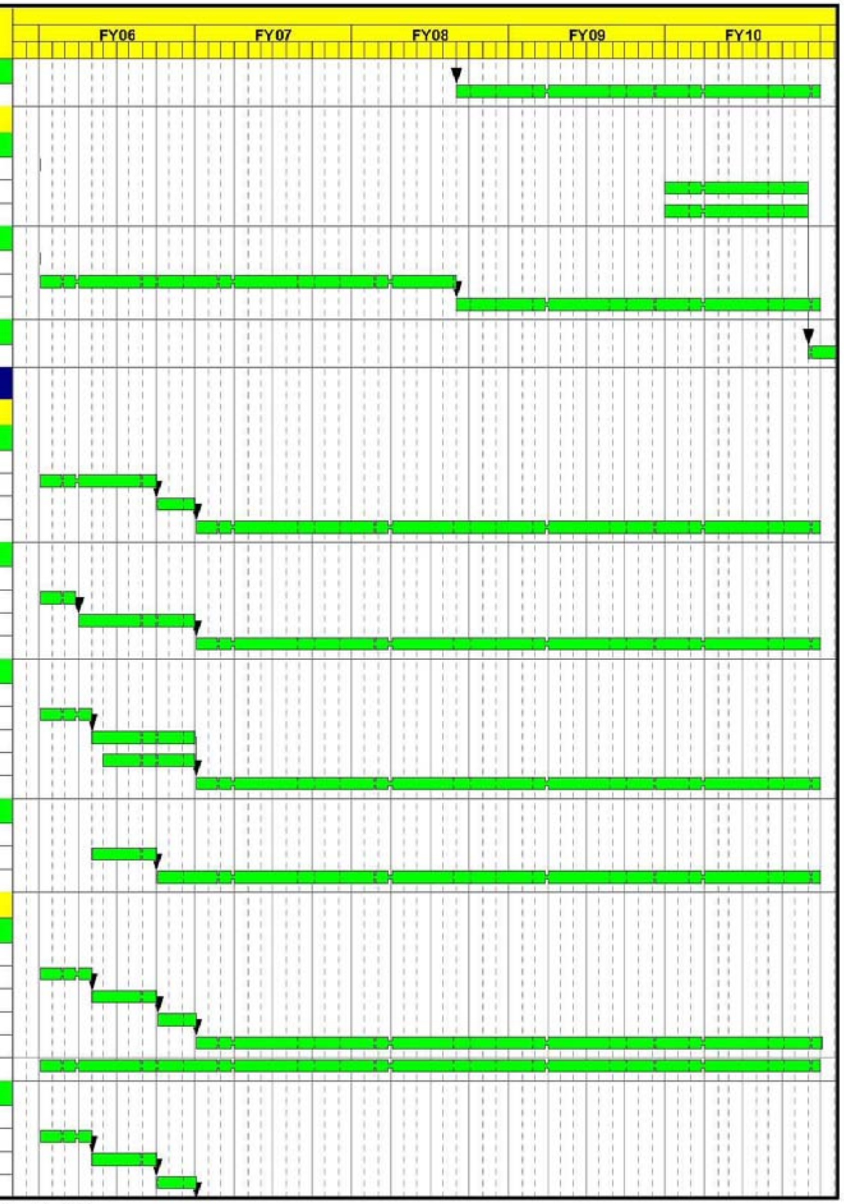
Activity ID	Activity Description	Orig Dur	Early Start	Early Finish
Relocation Support & 60% Occupancy				
C146	Relocation Support & 60% Occupancy	585	02JUN08*	30SEP10
Resource Management				
Equipment Acquisition				
C147	Equipment Acquisition	0	03OCT05*	30SEP05
C148	Procure Scanning Transmission Microscope	230	01OCT09*	01SEP10
C149	Procure Focused Ion Beam System	230	01OCT09*	01SEP10
Obtain IT Computer Network Services				
C150	Obtain IT Computer Network Services	0	03OCT05*	30SEP05
C151	INL Services	664	03OCT05*	30MAY08
C152	ISU Services	585	02JUN08*	30SEP10
Equipment Maintenance				
C153	Equipment Maintenance	1,270	02SEP10	30SEP15
Collaborative Relations				
Collocated Centers				
Create CNFMR				
C154	Create CNFMR	0	01JUN05	31MAY05
C155	Appoint Director	186	03OCT05*	30JUN06
C156	Establish CAES/CNFMR Agreement	63	03JUL06*	29SEP06
C156A	Maintain CAES/CNFMR Agreement	1,000	02OCT06*	30SEP10
Create CSNR				
C157	Create CSNR	0	01JUN05	31MAY05
C158	Establish IF-based Office	58	03OCT05*	23DEC05
C159	Establish CAES/CSNR Agreement	191	03JAN06*	29SEP06
C159A	Maintain CAES/CSNR Agreement	1,000	02OCT06*	30SEP10
Create CNSDA				
C160	Create CNSDA	0	01JUN05	31MAY05
C161	Appoint Director	80	03OCT05*	01FEB06
C162	Establish IF-based Office	169	02FEB06*	29SEP06
C163	Establish CAES/CNSDA Agreement	150	01MAR06*	29SEP06
C163A	Maintain CAES/CNSDA Agreement	1,000	02OCT06*	30SEP10
Create CAMS				
C164	Create CAMS	0	01JUN05	31MAY05
C165	Establish CAES/CAMS Agreement	107	01FEB06*	30JUN06
C165A	Maintain CAES/CAMS Agreement	1,063	03JUL06*	30SEP10
University Consortia				
Idaho University Consortium				
C166	Idaho University Consortium	0	01JUN05	31MAY05
C167	Appoint IUC Committee/Director	80	03OCT05*	01FEB06
C168	Establish Charter	107	02FEB06	03JUL06
C169	Establish Agreement	63	05JUL06	02OCT06
C169A	Maintain CAES/IUC Agreement	1,000	03OCT06	01OCT10
C170	Joint Appointments	1,249	03OCT05*	30SEP10
National University Consortium				
C171	National University Consortium	0	01JUN05	31MAY05
C172	Appoint NUC Committee/Director	79	03OCT05*	31JAN06
C173	Establish Charter	107	01FEB06	30JUN06
C174	Establish Agreement	64	03JUL06*	02OCT06



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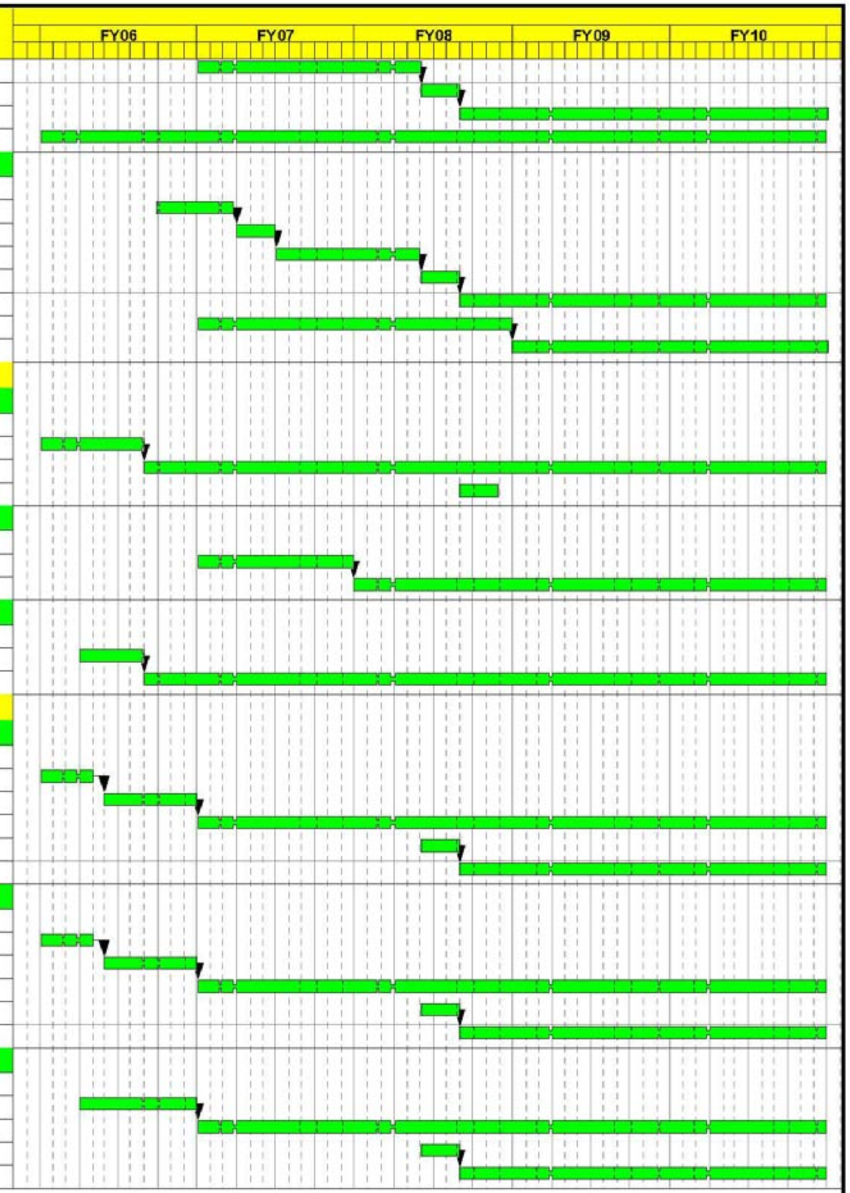
Activity ID	Activity Description	Orig Dur	Early Start	Early Finish
C174A	Maintain NUC Agreement	351	03OCT06*	03MAR08
C175	Establish Sublease	64	04MAR08*	02JUN08
C175A	Maintain Sublease	585	03JUN08	01OCT10
C176	Joint Appointments	1,249	03OCT05*	30SEP10
Idaho Affiliated Universities Network				
C177	Idaho Affiliated Universities Network	0	01JUN05	31MAY05
C178	Establish Charter	122	30JUN06*	22DEC06
C179	Establish Agreement (8)	64	02JAN07	30MAR07
C179A	Maintain Agreement	229	02APR07	29FEB08
C180	Establish Sublease	64	03MAR08	30MAY08
C180A	Maintain Sublease	585	02JUN08	30SEP10
C181	Expand IAUN Membership (18)	500	03OCT06*	01OCT08
C181A	Maintain IAUN Membership	500	02OCT08	01OCT10
Affiliate Network				
World Nuclear University				
C182	World Nuclear University	0	01JUN05	31MAY05
C183	Establish Agreement	164	03OCT05*	31MAY06
C183A	Maintain Agreement	1,085	01JUN06*	30SEP10
C184	Host Summer Institute FY08	64	02JUN08*	29AUG08
Dalton Nuclear Institute				
C185	Dalton Nuclear Institute	0	01JUN05	31MAY05
C186	Establish Agreement	249	02OCT06*	28SEP07
C186A	Maintain Agreement	751	01OCT07*	30SEP10
Western Strategic Energy Research Center				
C187	Western Strategic Energy Research Center	0	01JUN05	31MAY05
C188	Establish Agreement	106	03JAN06*	31MAY06
C188A	Maintain Agreement	1,085	01JUN06*	30SEP10
Industrial Partners				
Burns & Roe				
C189	Burns & Roe	0	01JUN05	31MAY05
C190	Appoint Director for CNSDA	80	03OCT05*	01FEB06
C191	Establish Agreement	150	01MAR06*	29SEP06
C191A	Maintain Agreement	999	02OCT06	29SEP10
C192	Finalize Sublease	64	03MAR08*	30MAY08
C192A	Maintain Sublease	585	02JUN08	30SEP10
Studsvik Scandpower				
C193	Studsvik Scandpower	0	01JUN05	31MAY05
C194	Appoint Director for CNSDA Analysis	80	03OCT05*	01FEB06
C195	Establish Agreement	150	01MAR06*	29SEP06
C195A	Maintain Agreement	1,000	02OCT06*	30SEP10
C196	Finalize Sublease	64	03MAR08*	30MAY08
C196A	Maintain Sublease	585	02JUN08*	30SEP10
USRA				
C197	USRA	0	01JUN05	31MAY05
C198	Establish Agreement	191	03JAN06*	29SEP06
C198A	Maintain Agreement	1,000	02OCT06*	30SEP10
C199	Finalize Sublease	64	03MAR08*	30MAY08
C199A	Maintain Sublease	585	02JUN08	30SEP10



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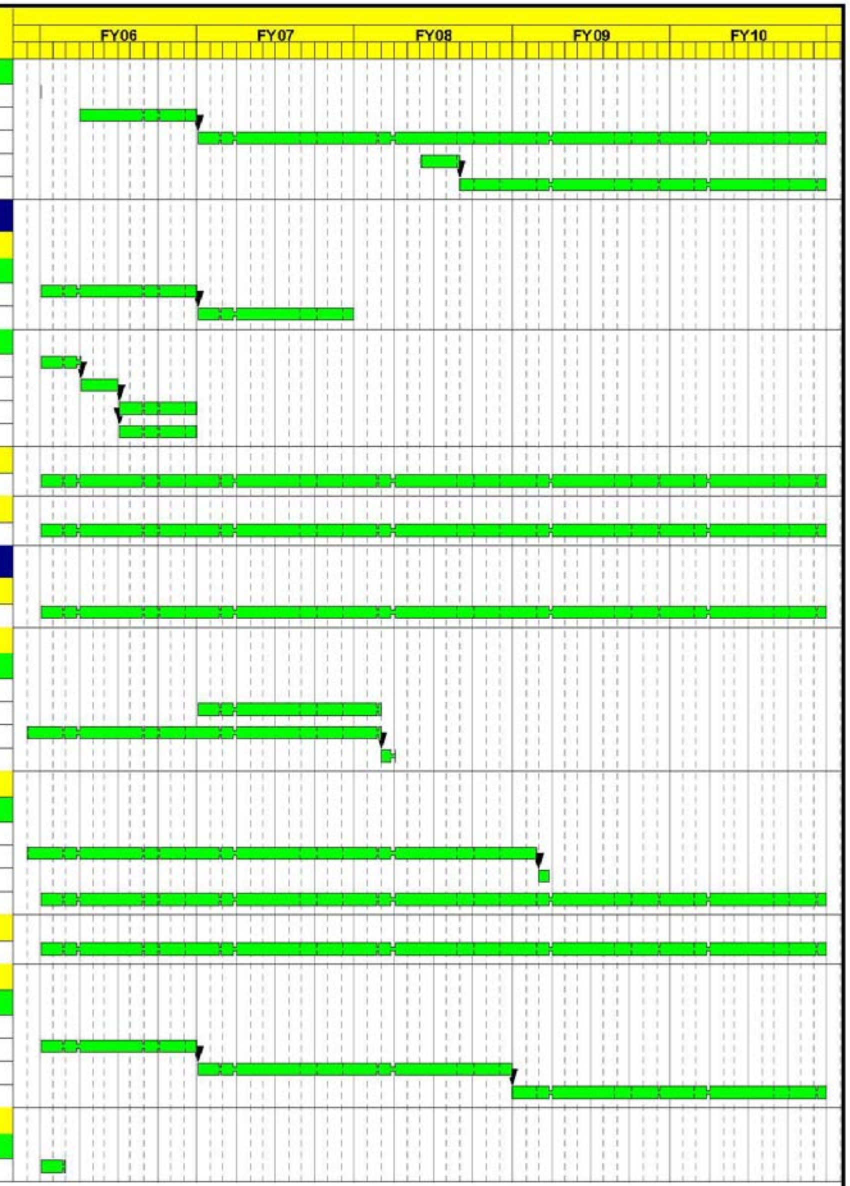
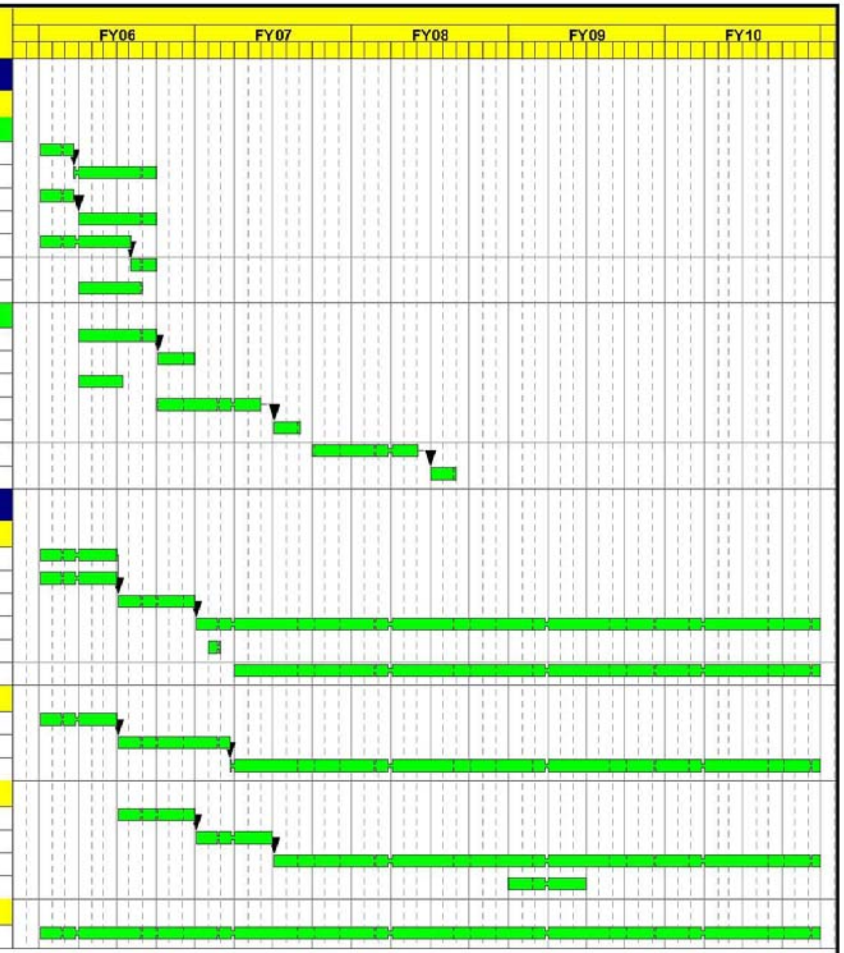
Activity ID	Activity Description	Orig Dur	Early Start	Early Finish
EPRI				
C200	EPRI	0	03OCT05*	30SEP05
C201	Establish Agreement	191	03JAN06*	29SEP06
C201A	Maintain Agreement	1,000	02OCT06	30SEP10
C202	Finalize Sublease	64	03MAR08*	30MAY08
C202A	Maintain Sublease	585	02JUN08	30SEP10
Research				
DOE Sponsored				
CAES Scholars				
C203	INL NE Research Support for Students (7)	249	03OCT05*	29SEP06
C203A	Expand INL NE Research Support (12)	249	02OCT06	28SEP07
CAES Mini-Grant Research Program				
C203B	Solicit IUC/NUC Faculty	59	03OCT05*	03JAN06
C203C	Define INL Placement Opportunities	63	04JAN06	31MAR06
C203D	Award 5 IUC Mini-Grants	126	03APR06	28SEP06
C203E	Award 5 NUC Mini-Grants	126	03APR06	28SEP06
Private Sector Sponsors				
C204	Private Sector Sponsors	1,249	03OCT05*	30SEP10
Academic Sponsors				
C205	Academic Sponsors	1,249	03OCT05*	30SEP10
Education				
K-12 Education				
C206	K-12 Education	1,249	03OCT05*	30SEP10
Undergraduate Education				
NE 2+2 B.S. Program				
C208	NE 2+2 B.S. Program	0	01JUN05	31MAY05
C209	ABET Program Accreditation	292	02OCT06*	30NOV07
C210	Initial Student Enrollment	562	01SEP05*	30NOV07
C211	Initial Graduates	18	03DEC07	03JAN08
Graduate Education				
NE MS, PhD Program				
C212	NE MS, PhD Program	0	01JUN05	31MAY05
C213	Initial Student Enrollment	811	01SEP05*	26NOV08
C214	Initial Graduates	18	01DEC08*	24DEC08
C214A	Coordinate Curriculum/Special Courses	1,249	03OCT05*	30SEP10
Post-Doc/Fellowships				
C215	Post-Doc/Fellowships	1,249	03OCT05*	30SEP10
Faculty				
CAES Affiliate Faculty				
C217	CAES Affiliate Faculty	0	01JUN05	31MAY05
C218	Appoint Initial Affiliate Faculty (5)	249	03OCT05*	29SEP06
C219	Expand Affiliate Faculty (20)	500	02OCT06*	30SEP08
C219A	Maintain Affiliate Faculty	500	01OCT08*	30SEP10
Conference				
Regional Energy Conference				
C219B	Conduct CAES/ISU Regional Energy Conference	41	03OCT05*	30NOV05



Sheet 5 of 6

	Activity ID	Activity Description	Orig Dur	Early Start	Early Finish
Policy					
Energy Policy Institute					
Establish EPI					
	C221	Appoint Interim Director	55	03OCT05*	20DEC05
	C222	Hire Permanent Director	132	21DEC05*	03JUL06
	C222A	Establish BSU Office	55	03OCT05*	20DEC05
	C222B	Establish IF Office	129	03JAN06*	03JUL06
	C222C	Policy Research	143	03OCT05*	01MAY06
	C222D	National Conference Presentation	44	02MAY06	03JUL06
	C222E	Incorporate Policy curriculum into 2+2 program	107	03JAN06*	01JUN06
Establish Policy/Research Agenda					
	C223	Conduct Policy Seminars	129	03JAN06*	03JUL06
	C223A	Conduct Workshops	62	05JUL06	29SEP06
	C224	Perform Benchmarking Studies	74	03JAN06*	14APR06
	C224A	Plan EPI Conference	164	03JUL06*	01MAR07
	C224B	Conduct EPI Conference	44	02APR07*	01JUN07
	C224C	Plan EPI Conference	166	02JUL07*	03MAR08
	C224D	Conduct EPI Conference	44	01APR08*	02JUN08
Training					
Energy Workforce Development Initiative					
	C227	Establish MOA with NEI	122	03OCT05*	31MAR06
	C228	Establish MOA with INPO	122	03OCT05*	31MAR06
	C230	Establish HP curriculum partnerships	127	03APR06	29SEP06
	C232	Implement CAES Training modules	1,000	02OCT06	30SEP10
	C234	Present Training concepts at ANS Conference	20	01NOV06*	30NOV06
	C236	Conduct Energy Workforce Training	942	02JAN07*	30SEP10
Startup Engineering Training					
	C238	Identify Startup Engineer information needs	122	03OCT05*	31MAR06
	C240	Consolidate information sources	183	03APR06	20DEC06
	C242	Conduct Startup Engineer training courses	941	21DEC06	27SEP10
Knowledge Capture (KC)					
	C244	Identify needs and requirements	127	03APR06*	29SEP06
	C246	Develop KC methods and tools paper	122	02OCT06	30MAR07
	C248	Implement KC methodology	878	02APR07	30SEP10
	C250	Present KC results at IAEA workshop	122	01OCT08*	31MAR09
Integration & Coordination					
	C252	Workforce Training integration activities	1,249	03OCT05*	30SEP10



Start Date	01JUN05
Finish Date	30SEP15
Data Date	01JUN05
Run Date	15SEP05 10:27

Early Bar
Progress Bar
Critical Activity

CAES — Sheet 6 of 6

INL

CAES Program Schedule

Classic Schedule Layout

Date	Revision	Checked	Approved

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5. ORGANIZATIONAL STRUCTURE

The organizational structure of CAES is initially that of an internal organization (Org. A100) within the INL with the CAES Director reporting directly to the INL Laboratory Director. This initial CAES organization is designed to facilitate start-up operations of CAES including establishment of the administrative organization, the formulation of collaborative relationships, the establishment of research, educational, policy and training agendas and cooperation with university-led infrastructure development efforts.

Figure 7 illustrates the current CAES organization. The roles and responsibilities of the various CAES members are discussed in the following sections.

5.1 Steering Committee

The CAES Steering Committee, established in FY-05, provides oversight for the Formulation Phase of CAES program (Phase 1) and for facility development. The membership of this committee includes:

- INL Chief Research Officer (Chair, Dr. Bill Rogers)
- Director, CAES (Dr. Leonard J. Bond)
- Vice-President for Academic Affairs, Idaho State University (Dr. Robert Wharton)
- Vice-President for Research, University of Idaho (Dr. Charles Hatch)
- Interim Vice-President for Research, Boise State University (Dr. Jack Pelton).

Under the leadership of the Steering Committee, CAES, in partnership with the State, IUC member universities, and INL staff will develop detailed program and project plans including business development activities.

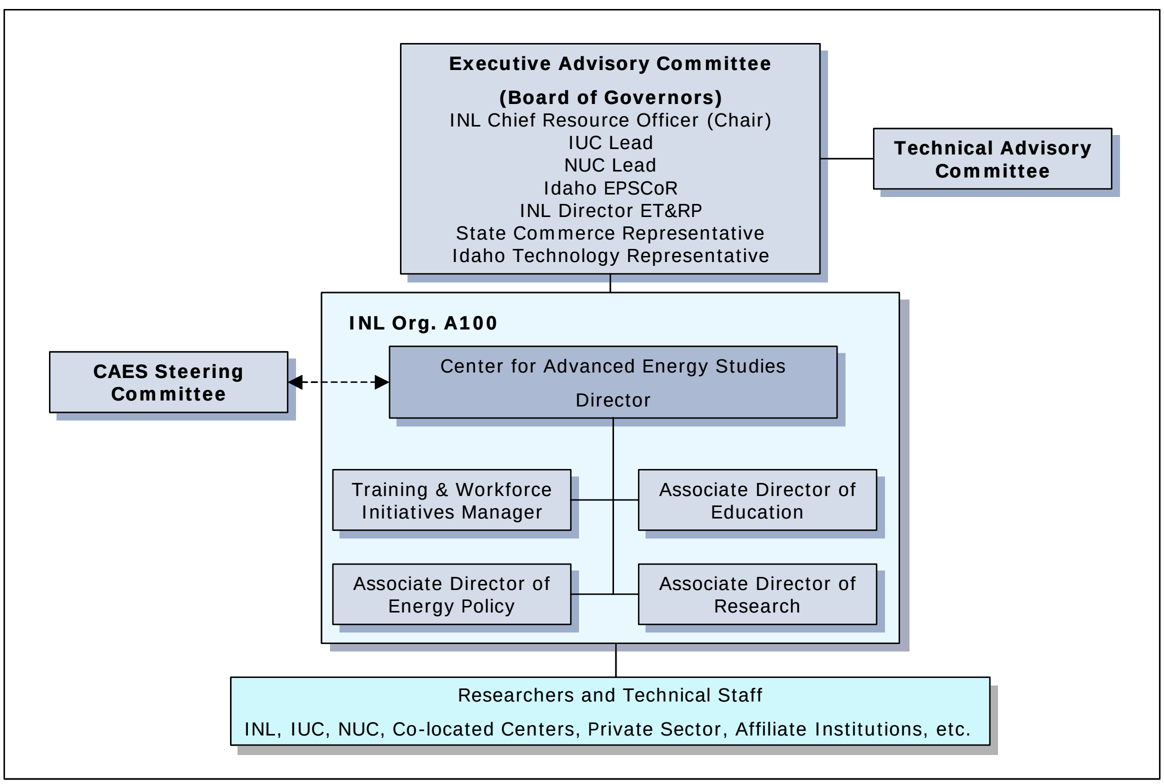

Figure 7. CAES Organizational Chart.

5.2 Executive Advisory Committee (Board of Governors)

A CAES Executive Advisory Committee, to be established during FY-06, will be responsible for oversight of CAES policy, budgeting, planning, human resources, and program evaluation. This Committee will serve initially as an Executive Advisory Committee until such time as CAES moves to a nonprofit status at which time it will be formalized as the Board of Governors.

The initial membership of the CAES Executive Advisory Committee (Board of Governors) is anticipated to include:

- INL Chief Research Officer
- Idaho University Consortium Representative
- National University Consortium Representative
- Idaho Experimental Program to Stimulate Competitive Research (EPSCoR) Representative
- INL Director of Education, Training, and Research Partnerships
- State of Idaho Commerce Representative
- State of Idaho Technology Representative
- State Board of Education Representative.

5.3 Technical Advisory Committee

The CAES Executive Advisory Committee (Board of Governors) will establish, during FY-06, a Technical Advisory Committee consisting of 5-8 members. This advisory committee will be formed as a subcommittee of the Executive Advisory Committee and will support CAES by providing technical guidance and recommendations. These recommendations will primarily focus on enhancing the CAES programs in research, education, policy and training.

5.4 CAES Administration and Staff

The CAES administration organization is responsible for all operational aspects of CAES. As an INL organization, CAES position descriptions, qualifications, and experience requirements are being developed in accordance with the current INL job classification requirements. Formal R2A2's (roles, responsibilities, accountabilities and authorities) will be developed for each CAES position. These R2A2's will be used to guide CAES members and will establish performance expectations. All senior staff will be expected to actively engage in both research and educational activities of CAES.

Each CAES Associate Director and Manager will have programmatic and related responsibilities in the areas of (a) Research, (b) Education, (c) Policy Studies, and (d) Training, respectively as well as cross-cutting collaborative roles.

5.4.1 Director

The CAES Director, Dr. Leonard J. Bond, serves as the program lead for CAES operations. Responsibilities of the Director include all aspects of program formulation, implementation and operation such as safety, quality and technical excellence. Operational activities include, but are not limited to, the management of human, capital and financial resources.

5.4.2 Associate Director for Research

The CAES Associate Director for Research will serve as the program lead for CAES research. Responsibilities of the Associate Director include business development and coordination of all CAES sponsored and affiliated research. Activities include establishment of collaborative agreements, development of joint research proposals, coordination of research operations, and management of product delivery in terms of quality, schedule, costs and technical excellence. This position is anticipated to be filled during the first quarter of FY-06. This position is anticipated to be a joint appointment with the UI.

5.4.3 Associate Director for Education

The CAES Associate Director for Education, Dr. Michael Lineberry, serves as the program lead for CAES educational programs. Responsibilities of the Associate Director include coordination of all CAES sponsored and affiliated educational programs. Activities include establishment of collaborative agreements, development of joint educational proposals, coordination of educational programs, development of workshops, short courses, seminars and management of product delivery in terms of quality, schedule, costs and technical excellence.

5.4.4 Associate Director for Energy Policy

The CAES Associate Director for Energy Policy will serve as the program lead for CAES energy policy programs. Responsibilities of the Associate Director include coordination of all CAES sponsored and affiliated policy research. Activities include establishment of collaborative agreements, development of joint policy proposals, coordination of policy programs, and management of product delivery in terms of quality, schedule, costs and technical excellence. This position will be filled with an Interim Director during the first quarter of FY-06. It is expected that this position will be permanently filled following a national search and that it will be a joint appointment with the BSU.

5.4.5 Manager of Training and Workforce Initiatives

Mr. Richard Holman currently serves as the Acting CAES Manager of Training and Workforce Initiatives. In this capacity, Mr. Holman, serves as the acting program lead for CAES Training and Workforce Initiatives. Responsibilities of the Manager include coordination of all CAES sponsored and affiliated training and development programs. Activities include identification and establishment of collaborative agreements, development of joint workforce program proposals, inter-organizational coordination of workforce development programs, program coordination with other energy sector professional and trade organizations, and management of product delivery in terms of quality, schedule, costs and technical excellence. In FY-06 the requirements for this position will be reviewed and it will be determined if this should be established as a CAES Associate Director or Manager position. It is anticipated that this position will be permanently filled during FY-06, as funds become available.

5.4.6 CAES Researchers & Technical Staff

The Center researchers and technical staff will initially be obtained from its affiliate organizations. This will include faculty and students from IUC, NUC and other affiliate universities. Additionally, CAES researchers will also include affiliate scientists from National Laboratories and private industry. These researchers and staff will engage in collaborative projects and joint proposals. Faculty and INL researchers will be appointed, as appropriate to CAES affiliate positions.

To facilitate this collaborative environment, CAES is in the process of establishing the mechanisms to obtain Joint Appointments between CAES and its affiliate organizations. The legal framework necessary to achieve these appointments is currently under development and review.

5.5 Energy Policy Institute

The Energy Policy Institute (EPI) will lead a comprehensive national, international, and regional dialogue on nuclear energy and other energy policy issues that span the range of topics encountered in consideration of the energy future of the nation, including consequences and impacts to the economy, society, natural resources, and the environment.

Operating as a distributed institute within CAES and with offices located in Idaho Falls and Boise, EPI will assemble a community of interested parties. By utilizing the latest collaborative problem-solving and decision-making methods and tools, EPI will map the values and trade-offs involved in defining and solving the nation's energy-related problems. The output of these discussions along with the research conducted under EPI's guidance will provide policy-makers, citizens, and other interested parties with relevant and timely information to guide the development of energy policy.

The Energy Policy Institute will also be involved in educating and preparing tomorrow's leaders in the importance and application of energy policy in determining the nation's future energy mix. Students participating in the Institute's research and seminars will gain a real-life appreciation of the role that political decision-making has in energy-policy as well as the fundamental principles involved.

5.6 Collocated Centers

Four independent INL research Centers will be collocated within the new CAES facility. The collocation of these Centers is intended to foster technical collaboration. These Centers will establish collaboration agreements (in the form of MOU/MOA's), lease arrangements for space and support services. Some collocation will be started in FY-06.

5.6.1 Center for Space Nuclear Research (CSNR)

The INL is teaming with the Universities Space Research Association (USRA), University of New Mexico (Institute for Space and Nuclear Power Studies), and General Atomics to establish a Center for Space Nuclear Research (CSNR). CSNR will support the space nuclear research and educational mission needs of the United States and will reinvigorate research and education in space nuclear engineering within U.S. universities.

The CSNR will be an independent entity acting under the authority of the USRA, a nonprofit organization. The CSNR will develop, through its contacts with NASA and other government agencies, an independently funded research program that includes participation of INL scientists and engineers and university faculty and students. A Director, appointed by USRA, under contract with the BEA, will manage the CSNR. The CSNR will move to the new CAES facility as soon as possible.

5.6.2 Center for Advanced Modeling and Simulation (CAMS)

The Center for Advanced Modeling and Simulation (CAMS) is a Center established at the INL to provide advanced modeling and simulation/high performance computing for the Laboratory and other clients. CAMS will focus on four modeling and simulation areas that are important to advanced energy systems: (a) three-dimensional transport modeling (radiation, heat, multiphase fluids), (b) behavior of both solid and fluid materials (based on computational material science) in extreme conditions, (c) design and layout of instrumentation and control systems (such as reactor control rooms of the future), and (d) implementation of the appropriate computing infrastructure, both hardware and software (see Figure 8). The CAMS will move to the new CAES facility as soon as possible and opportunities will be sought to develop joint modeling activities.

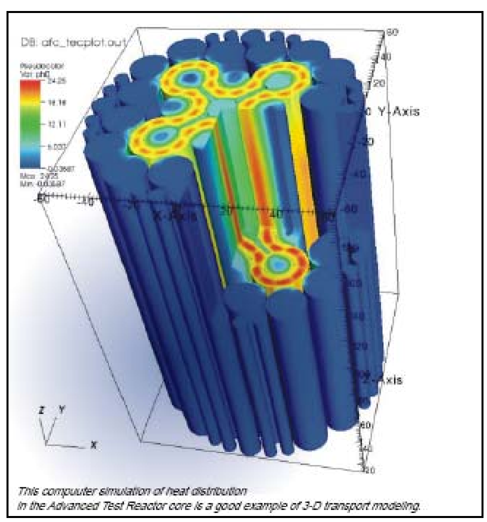

Figure 8. A 3-Dimensional Simulation of Heat Distribution in ATR.

5.6.3 Center for Nuclear Fuels and Materials Research (CNFMR)

The Center for Nuclear Fuels and Materials Research (CNFMR) is a Center established at the INL to provide complete nuclear fuel and core materials evaluation capabilities in support of industry and government programs (see Figure 9). CNFMR works in collaboration with government, university and industry partners to develop, test and qualify new fuels and core materials for emerging operating requirements and for new reactor concepts; develop, evaluate, and qualify fabrication processes; and provide access to state-of-the-art facilities and equipment for clients to obtain fuels and materials research data. Opportunities will be sought to develop joint and related activities with the IUC and NUC universities that are seeking to develop sponsored activities in the area of high temperature reactor materials.

The CNFMR will establish an office in the new CAES facility as soon as possible.

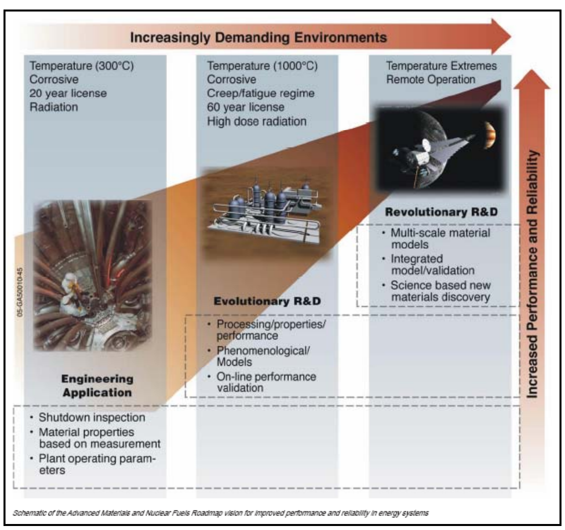

Figure 9. Illustrative Roadmap for Advanced Materials and Nuclear Fuels.

5.6.4 Center for Nuclear System Design and Analysis (CNSDA)

The Center for Nuclear Systems Design and Analysis (CNSDA) will be established to build understanding and acceptance of advanced nuclear plant designs and technology, support the training of the next generation of nuclear component and plant designers, develop the advanced design tools necessary to take advantage of the modeling and visualization technology available, and help create design basis criteria for future plants that are economically and efficiently achievable.

The CNSDA will be established in cooperation with industry. Burns and Roe Enterprises, Inc. a well-known architectural-engineering firm, and Studsvik Scandpower, a world leader in computational reactor physics, will be key partners in the establishment of the CNSDA. Burns and Roe will provide a Director to manage the CNSDA who will report to INL's Associate Laboratory Director for Nuclear Programs. Studsvik Scandpower will provide a Director to manage the analysis component of the CNSDA operations. The CNSDA, and staff from supporting industry partners, will move to the new CAES facility as soon as possible and opportunities will be sought to develop joint and related modeling activities.

5.7 Idaho National Laboratory

The Center is recognized as a major development enterprise of the INL and is central to its transformation (development of the INL University Network; INL human capital development, skill-mix realignment, re-tooling and revitalization and workforce diversification). As such, CAES draws upon the expertise of the entire INL organization. The advantage of this approach is that the existing organizational infrastructure can be utilized so as to accelerate the implementation of the CAES vision. This approach includes INL financial support for administrative and start-up costs, business development funds for collaborative proposal development, and technical support in terms of expert personnel.

The roles of several of the INL organizations involved in the establishment and implementation of CAES are discussed in the following sections.

5.7.1 INL Educational Programs

The INL Education, Training, and Research Partnerships Educational Programs (ETRP) administer education contracts with Idaho, regional, and national colleges and universities that are aimed at promoting continuing education for INL employees. Through various programs, such as the INL Academic Center of Excellence, Inc., university faculty and students, industry professionals, and pre-college teachers are also connected with INL researchers and facilities.

The INL educational programs currently bring a growing number of students pursuing science, engineering, math, and technological degrees, at colleges and universities throughout the nation into the INL. CAES and its affiliate organizations will similarly be involved in a range of educational efforts. Appropriate educational efforts will be closely coordinated between ETRP and CAES to support both educational missions. During FY-06 a MOA will be established that defines CAES and ETRP roles and responsibilities.

5.7.2 Nuclear Programs

The mission of the INL Nuclear Programs organization is to develop advanced nuclear technologies that provide clean, abundant, affordable and reliable energy to the United States and the world. These efforts support the U.S. government's role in leading the revitalization of the nation's nuclear power industry and re-establishing U.S. world leadership in nuclear science and technology.

The INL maintains a full spectrum of research, development, and testing efforts in areas as diverse as nuclear power systems, low-energy nuclear physics, system safety analysis, advanced fuel cycle processes, neutron capture therapy, and future technologies such as the next generation reactor technology.

5.7.3 Nuclear Operations

The INL Nuclear Operations organization maintains the nuclear infrastructure and operational expertise of the laboratory. Infrastructure capabilities include fuel manufacturing, conditioning and examination facilities; spent fuel handling and storage facilities; the Advanced Test Reactor; the Neutron Radiography Reactor; and post irradiation examination facilities.

5.7.4 National Security

The INL's National and Homeland Security Programs play a leading role in our nation's nonproliferation efforts. These efforts support the U.S. government's objective of reducing international threats associated with nuclear materials and weapons of mass destruction.

The Center will obtain the national security, nonproliferation and safeguards & security expertise from the INL, which maintains a range of research, development and testing capabilities. These capabilities include development, prototyping and testing capabilities as well as risk and vulnerability assessment capabilities.

5.7.5 Science and Technology

The INL conducts fundamental and applied science and engineering that address the needs of the DOE and other customers. Relevant to CAES, INL's energy security research and development is of paramount importance. These efforts are focused on four key challenges associated with energy security—production, distribution, protection, and environmental stewardship. CAES and EPI are seen as an integral part of this energy security strategy as illustrated in Figure 6.

INL researchers are actively engaged with CAES in the areas of fossil fuel, geothermal, bio-energy and other renewable energy source production. INL efforts to modernize the nation's energy infrastructure will also be key to ensuring safe and secure energy generation, distribution, use and conservation.

5.7.6 Legal

The INL Office of General Counsel will provide CAES with legal support prior to separate incorporation. This legal support will be limited to BEA's legal involvement within CAES.

As CAES develops, legal activities will include outside legal counsel, contractual agreements such as partnering agreements and leases, joint appointment frameworks, employment agreements, and intellectual property protection including patents, copyrights, licenses and export controls. These services will help CAES achieve its business objectives while minimizing legal risks and expenses.

5.7.7 Finance

The INL Financial Operations organization will initially be used by CAES (prior to separate incorporation) to establish, maintain, and control the CAES financial accounts and reports, payrolls, travel accounts, and benefits. These services will be critical for ensuring adequate control of all funds consistent with INL financial controls including accurate recording of sales, revenues, and expenditures.

5.8 University Consortia

The Center will establish key academic networks to integrate its efforts. Several key university networks have already been formed.

5.8.1 Idaho University Consortium

The Idaho Universities Consortium (IUC) consists of three Idaho research universities—Idaho State University, University of Idaho, and Boise State University. The principal research officers, i.e., the Vice Presidents (VP) for Research at the University of Idaho and Boise State University, and the Vice President for Academic Affairs at the Idaho State University, serve as the representatives of these institutions. These individuals provide technical and programmatic oversight via the CAES Steering Committee.

IUC will provide vital resources and expertise to CAES researchers and students. These resources include: engineering, biology, chemistry, mathematics, health physics, geology, hydrology, public policy, and information science.

The IUC and its affiliate Universities have established Institutes, Centers, and research departments that will collaborate with CAES. MOUs are being established between INL/BEA and the three IUC universities that define the establishment of CAES as a joint institute.

Institute of Nuclear Science and Engineering

A key component of the IUC is the Institute of Nuclear Science and Engineering (INSE). INSE is a collaborative Institute comprised of ISU, UI and BSU. It is an administrative entity of ISU, approved formally by the Idaho State Board of Education, and supported by BSU and the UI. INSE is to be governed by the IUC representatives, namely the VP Academic Affairs at ISU, and the VPs for Research at BSU and the UI.

Through INSE, the three universities jointly focus on nuclear science and engineering education and research at the combined University Place campus in Idaho Falls, and at the main campuses of the IUC institutions. INSE will be a strong implementation mechanism for IUC and CAES by bringing Idaho university resources in nuclear energy, nuclear engineering, nuclear science, and public policy related to energy to the INL community, through CAES.

Idaho Accelerator Center

The Idaho Accelerator Center (IAC) is a unique research facility operated by ISU (see Figure 10). The Center has the following key capabilities: 10 Operating Accelerators; Instrumentation and Mechanical Fabrication Support; Radiography, Tomography, and

Nuclear Techniques for Nondestructive Assay; Instrument and Radiation Detectors; Radiation effects in biological and electronic systems; and experienced nuclear physics and nuclear science support.

Figure 10. The Idaho Accelerator Center.

The Center researchers will cooperate with IAC consistent with a MOU that governs a wide range of joint activities. A significant advantage of this agreement is easy access to this equipment by universities, government agencies, and the private sector.

5.8.2 National University Consortium

The National University Consortium (NUC) consists of academic representation of five national universities. These five NUC universities include: Massachusetts Institute of Technology (MIT), North Carolina State University, the Ohio State University, Oregon State University, and the University of New Mexico.

These NUC organizations are of critical importance to the future of the nation's nuclear industry and will assist CAES in accessing academic expertise via the establishment of university-based Academic Centers of Excellence (ACE). ACE will channel academic expertise to CAES programs, collocated Centers and affiliate researchers. MIT will provide ACE expertise for Advanced Energy Systems; Oregon State University will provide ACE expertise for Thermal Fluids and Reactor Safety; North Carolina State University will provide ACE expertise for Modeling and Simulation; the Ohio State University will provide ACE expertise for Instrumentation and Control (I&C) and Safety of Advanced Energy Systems; and the University of New Mexico will provide ACE expertise in the area of Space Nuclear Power.

As CAES expands beyond its initial membership (INL and the three Idaho universities) the NUC universities are expected to become the charter members of the wider CAES Idaho Affiliated University Network (IAUN), which will more formally engage the NUC in CAES. This development is expected to occur in FY-06.

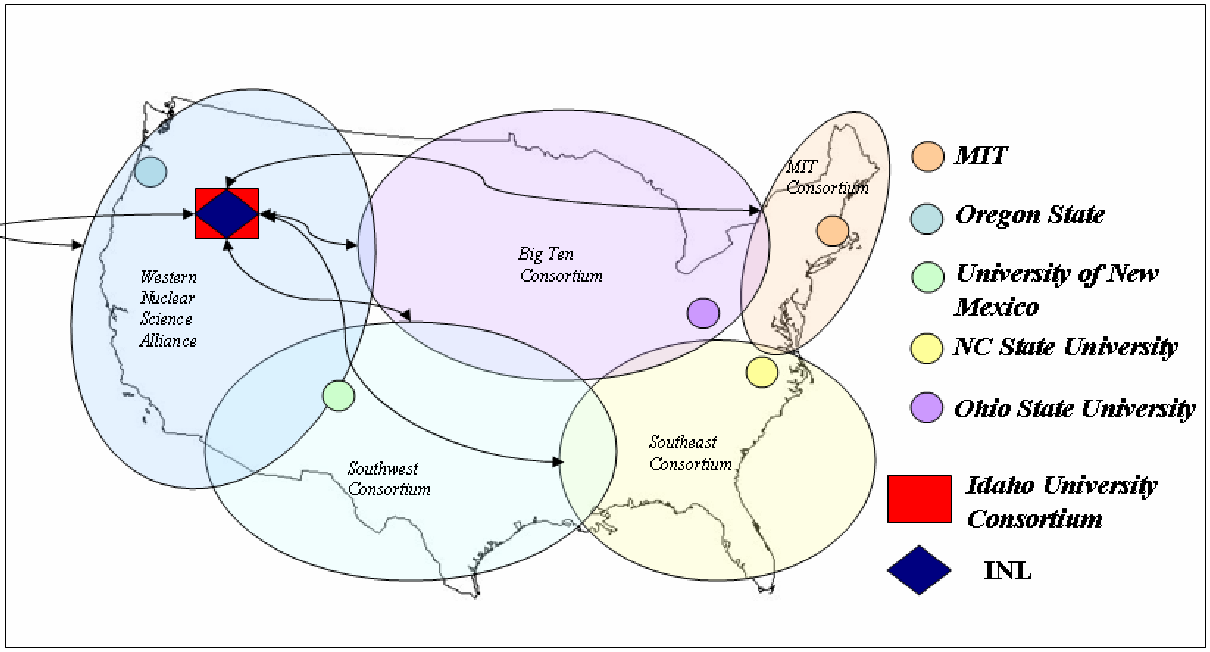

Figure 11. Illustration of the Idaho Affiliated University Network.

5.8.3 Idaho Affiliated University Network

The NUC and the IUC will work in partnership with CAES to form the Idaho Affiliated University Network (IAUN) (see Figure 11). A goal of this network is to assist the Idaho universities to reach first-tier academic and research status. The NUC ACEs will form a natural academic conduit fostering collaborative research among the IUC, NUC and INL.

5.9 CAES Affiliate Network

The Center will establish additional affiliations to further access the necessary world-class talent required to achieve the vision.

Several key affiliates of this network are in place and actively engaged with CAES. Additional affiliate institutions will be incorporated into the activities of CAES as the Center progresses. Examples of such affiliated organizations are the Dalton Nuclear Institute (DNI), the World Nuclear University, Generation IV International Forum, the Western Strategic Energy Research Center the National Energy Foundation, the Joint Global Change Research Institute, and the Center for Process Analytical Chemistry.

5.9.1 Dalton Nuclear Institute

The University of Manchester has established the Dalton Nuclear Institute (DNI). The DNI operates on an interdisciplinary basis, thus the Institute's interests extend beyond the more traditional areas of engineering, physics and chemistry into medical applications, nuclear decommissioning and fusion.

The Institute provides the focal point for the University's nuclear research activities and interacts with external bodies nationally and internationally with the intent of establishing the University of Manchester as the United Kingdom's leading university in nuclear research and education and one of the principal international players in this field. Along these lines, the Dalton Nuclear Institute coordinates the Nuclear Technology Education Consortium (NTEC) which consists of 12 universities and research institutes who together represent 90% of nuclear postgraduate teaching expertise in the UK.

5.9.2 World Nuclear University

The mission of the World Nuclear University (WNU) is to strengthen the international community of people and institutions so as to guide and further develop the safe and increasing use of nuclear power as the one proven technology able to produce clean energy on a global scale and the many valuable applications of nuclear science and technology that contribute to sustainable agriculture, medicine, nutrition, industrial development, management of fresh water resources and environmental protection. This worldwide organization coordinates, supports and draws on the strengths of established institutions of nuclear learning.

World Nuclear University – Summer Institute 2005

The WNU Summer Institute 2005, developed in cooperation with the International Atomic Energy Agency, the Nuclear Energy Agency (NEA), the World Association of Nuclear Operators (WANO), and the World Nuclear Association (WNA), was conducted in Idaho Falls during July/August, 2005 (see Figure 12).

Figure 12. World Nuclear University's 2005 Summer Institute at the INL.

The INL and IUC, in support of the worldwide renaissance in nuclear energy, hosted 77 WNU fellows from 33 nations. These individuals participated in education, research, and dialogue with the world leaders in nuclear energy, energy security, and strategic planning. It is being proposed to the DOE that additional WNU Summer Institutes be hosted by CAES, the IUC, and the INL, and that CAES/IUC/INL become more involved with evolving WNU activities.

5.9.3 Generation IV International Forum

INL is assembling an international group of preeminent research directors and policy experts from industry, academia, national laboratories and government to develop an integrated global nuclear energy agenda.

The Center will work with this group to contribute to the formulation of a national agenda in 2006. Subsequently, an international agenda will be developed under the auspices of the Generation IV International Forum (GIF).

5.9.4 Western Strategic Energy Research Center

A Western Strategic Energy Research Center (WSERC) is being established by the INL, with initial focus on coal utilization projects in Wyoming. A partnership with the University of Wyoming is currently being established for research collaboration that will support future energy solutions for low rank coal and oil shale. It is anticipated that WSERC will be expanded to include other universities, various industrial companies (energy, coal mining), and government agencies. International participation is also anticipated (i.e., China).

A primary focus of this Partnership is to develop technologies to efficiently use western low-rank coals that are not well suited for the current generation of coal gasification technologies. During 2006 WSERC will further develop its partnerships and research agenda. CAES will provide access to common economic and process modeling capability, trained economists and policy analysts, and maintain a common repository of data to allow effective collaboration among both local and distant users.

5.9.5 Other CAES Affiliates

Additional CAES Affiliate organizations will be incorporated into the Program as its business elements mature.

6. PROGRAM ELEMENTS

The Center has been organized to facilitate the execution of world-class Research, Education, Training and Policy formulation. In support of these four technical work elements are three mission-support enabling elements (Administration, Infrastructure, and Collaborative Relations). These seven work elements, as represented in the Work Breakdown Structure (WBS) shown in Figure 13, represent the unique work activities to be performed and products to be delivered by CAES. Additional information regarding these work elements is presented in the following sections.

6.1 Work Breakdown Structure

6.1.1 Administration

The Administration Work Element involves the following activities that are necessary to enable implementation of the CAES technical agendas (i.e., research, education, training, policy).

Governance

The CAES Governance work element will include the activities necessary to establish and manage the governing bodies of CAES. This includes establishment of the Executive Advisory Committee (Board of Governors), the Technical Advisory Committee and the CAES Steering Committee.

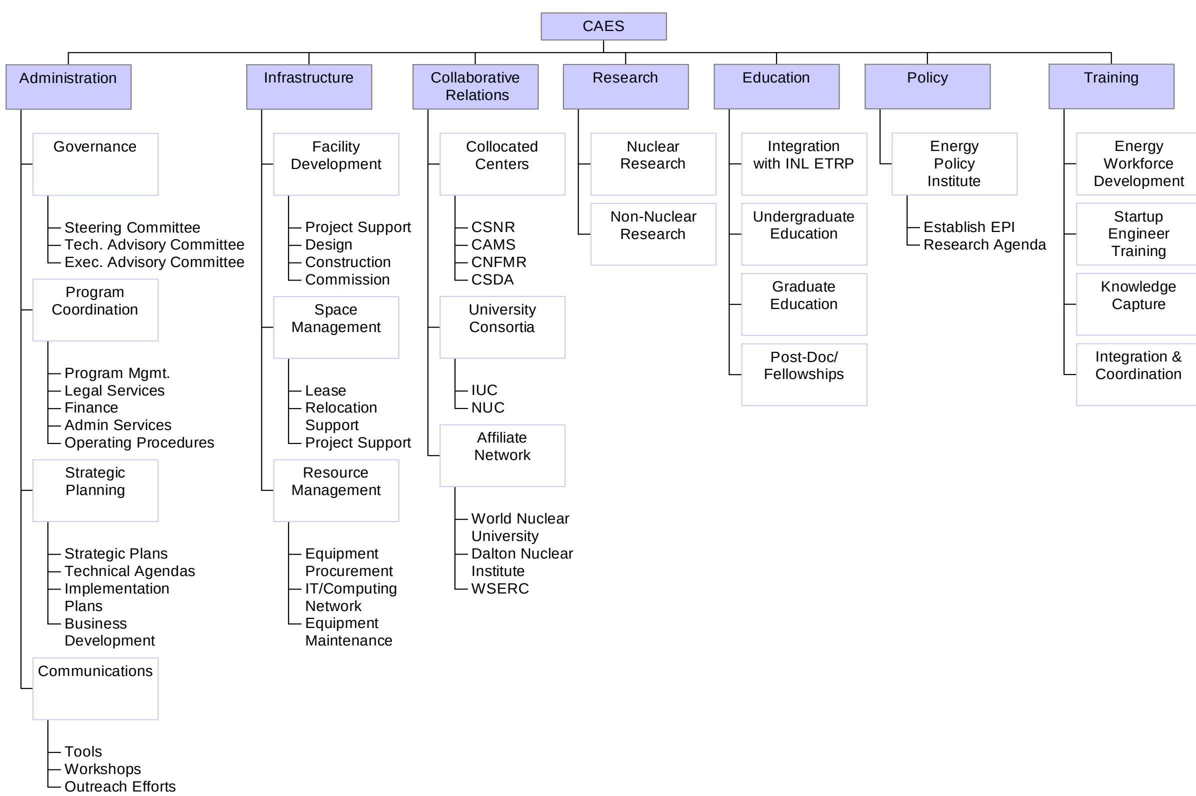

Figure 13. CAES Work Breakdown Structure.

Program Coordination

The CAES Program Coordination work elements will perform the activities necessary to support planning, and execution of the CAES Program. These activities include program and project management, establishment and management of CAES baselines, cost control tracking and reporting, change controls, and administrative support.

Also included within the Program Coordination element is the management of CAES legal, financial and contractual mechanisms that are necessary to establish partnership arrangements (MOUs, MOAs, etc.), intellectual property management and subcontracting.

As CAES moves to create a positive technical environment that supports the development of collaborative research and development partnerships, it will be important to establish researcher-friendly operating procedures and policies that enable, rather than hinder, the CAES research teams. This work element will work with CAES researchers to establish streamlined security procedures to accommodate non-U.S. citizens; an agile administrative system to create cooperative legal agreements and mechanisms to accomplish Environmental, Safety, Health and Quality (ESH&Q), records management and publication requirements.

Strategic Planning

As CAES progresses it is imperative that it develop and maintain current Strategic Plans, distinctive signatures, technical and policy agendas, and implementation plans so that CAES can achieve critical mass in terms of intellectual and business activities. The Strategic Planning work element will manage these elements of the CAES Program. Also included within this element will be the Proposal Development mechanisms whereby CAES and its partners will develop technical proposals consistent with its strategic plans and technical and policy agendas.

Communications

The Communications work element will consolidate CAES communication efforts so as to develop a clear and consistent message. Communication efforts include organized events (public ceremonies, news/media events), technical exchanges (workshops, seminars, conferences), informational materials (newsletters, news webpages, presentations, graphics), general communications (public, employees, students) and community outreach efforts. A CAES Annual Report will also be produced.

6.1.2 Infrastructure

The Infrastructure work element will manage the CAES infrastructure-related activities. This element includes Facility Development collaboration efforts related to the design and development of the CAES building; Space Management efforts such as INL/CAES lease arrangements for the building and temporary space management; Resource Management activities such as equipment acquisition, equipment maintenance, advanced computing and simulation capabilities management, and the establishment and management of a modern electronic communications network.

6.1.3 Collaborative Relations

The Collaborative Relations work element will capture those unique activities that are necessary to establish and maintain the CAES external partnerships. Four types of partnerships are currently envisioned depending on the organizations involved. These include the collocated Centers, the university consortia, the affiliate network, and other partners.

6.1.4 Research

The Center will conduct and participate in research involving a broad range of energy-related topics. Nuclear and non-nuclear energy research will be performed for a variety of sponsors. This work will involve U.S. federal sponsors, private sector sponsors, international sponsors, university sponsors, etc. This work element will provide a management structure suitable for organizing and coordinating this diverse range of research.

The Center research clusters will serve to concentrate its resources. The results of research will be presented in peer-reviewed publications, conferences, and reports. A summary of activities will be presented at the annual meeting and in the annual report.

6.1.5 Education

The Center and its affiliate organizations will be involved in a range of educational efforts and academic programs. The INL ETRP will be an important partner for successfully implementing this work. Within the CAES WBS, this work element, under the direction of the CAES Associate Director for Education, will coordinate CAES-related educational activities that will be implemented collaboratively with its affiliate institutions. The Education work element includes the following sub-elements.

INL Academic Center of Excellence, Inc.

The INL Academic Center for Excellence, Inc. (ACE, Inc.) is a 501(c) (3) corporation that administers Pre-College and University fellowships at INL, as well as the INL Scholastic Tournament. ACE, Inc. was established in 1999 to administer programs which encourage scientific and academic excellence at INL, assist promising students to obtain post-secondary education in scientific fields, assist students and faculty with short-term research projects relating to their educational goals, and encourage secondary school students to pursue careers in science and mathematics by promoting academic competitions in the area, at the secondary school level.

Fellowship Program

Collaboration between academia (undergraduate, graduate, and faculty) and CAES scientists and engineers increase the exchange of ideas, information and technology. The INL/CAES fellowship program will focus on bringing university students and faculty to the INL/CAES. Particular emphasis will be placed on increasing the number of postdoctoral, female, and minority investigators at the laboratory.

Postgraduate Program

The Postgraduate program will provide college graduates who have completed all institutional requirements for a Bachelors, Masters, or Doctoral degree from an accredited college or university with research experience and opportunities to explore their major discipline in a real world environment through involvement with INL/CAES mission-related projects. In collaboration with Washington State University (WSU), an INL ETRP staff member will administer this postgraduate internship program. The participants become WSU employees, thereby incorporating their appointments and payments into WSU's customary policies and procedures. Selection of participants is competitive and is based on applicant qualifications, interests and compatibility with the needs and resources of the INL/CAES, career goals, references, and the projected benefit of the experience to the individual and the INL/CAES. Assignment to the INL/CAES may be up to three years.

International Research Associate Program

The International Research Associate Program provides undergraduate students, graduate students and faculty, who are *not* citizens or permanent residents of the United States, with the opportunity to work on research projects at the INL. In collaboration with WSU an INL ETRP staff member administers the IRA program.

Pre-College Programs

The Center will coordinate with and rely upon the INL ETRP for a variety of pre-college programs. Currently, the INL supports the INL Scholastic Tournament, the DOE National Science Bowl, a 10-week DOE Pre-Service Teacher Program, an eight-week Teaming Teachers with INL summer program, and an eight-week Student Action Team summer program.

6.1.6 Policy

The Center will provide international, national, and regional leadership on energy-related policy issues. This work element will coordinate and manage the CAES Policy-related efforts.

The CAES EPI is the key component of this work element. CAES EPI will develop, during FY-06, a CAES Policy Research Agenda that will define specific areas of focus for this work element. It is envisioned that additional Policy sub-elements will be added. For example, there is growing realization with regard to Energy-Water interdependences. As such this presents an opportunity whereby policy formulation will be critical.

6.1.7 Training

The Center will help resolve a pressing dilemma in the energy industry; the need for new skilled crafts and maintenance workers and trained technicians that are necessary to replace the current aging workforce. This work element will coordinate CAES training elements including the introduction of a new generation of pre-college and non-college bound workers to the energy sector. This work element will also develop the vehicles whereby this new workforce and those already in the field can adequately train to gain or maintain proficiency in their field.

The CAES Training and Workforce Initiatives are initially focused on five primary components:

- Engage CAES in the national energy sector training dialogue
- Using a CAES-developed technical training roadmap, define and deliver critical technical training for engineers, staff and trainers
- Improve outreach efforts for pre- and non-college bound workers to promote a more robust and reliable energy sector "people pipeline"
- Define and establish a supportive educational, employer, and professional association training infrastructure for non-college bound energy sector staff
- Define, develop and promote methods for energy sector knowledge capture.

During FY-06 the CAES Training Agenda will be further refined and developed in concert with CAES affiliates to define the goals, projects and metrics for this work element.

7. BUSINESS MODEL

The Center researchers and technical staff will engage in core research, education, training and policy activities. Collaborative projects and joint proposals with its collocated, independent centers and university and affiliate partners will also be pursued. In the course of normal operations CAES will generate revenue from research, policy studies and training activities. CAES will incur personnel and other operating costs in support of its employees and building. CAES and its collaborating and affiliated entities will operate as a "loose confederation". CAES is investigating the NSSTC structure, discussed in Section 4.1.9, as a possible model for operation.

For the purpose of this section, CAES is defined as the Core CAES organization, EPI, and some fraction of students and faculty engaged in CAES projects and housed in the CAES building. The Core CAES organization includes the CAES Director, three Associate Directors, one Manager, five research Fellows, a Deputy Director of Operations and two administrative staff.

The revenue, cost and staffing projections are consistent with the DOE Field Work Proposal dated March 9, 2005 and represent the minimum amounts necessary to ensure the long-term success of CAES. The cost and staff projections are discussed below.

7.1 Projected CAES Revenue

Core CAES revenue consists of research funding obtained by the five CAES Fellows, EPI, and, through 2011, financial support from both the DOE and the INL. Beginning in FY-08 sublease payments from CAES affiliates are also included. Core CAES costs include personnel costs associated with thirteen FTEs and other standard operating costs.

It is the intent of CAES to be an independent self-sustaining entity no later than the beginning of FY-12. To meet this objective it is critical that CAES receive the projected funding support from the Department of Energy and the INL during

Phases 1 and 2 of its development. Over the five-year period FY-07-11 a total of $29.5M in DOE direct funding support is required to ensure the long-term viability and eventual world-class status of CAES. During the same period $7.5M in INL indirect support is required. CAES Fellows are expected to generate approximately $9.5M in total revenues over the same period. DOE and INL financial support will end beginning in FY-12. At that time CAES Fellow, EPI and sublease revenues are expected to be sufficient to cover ongoing expenses. Figure 14 shows the breakdown of CAES revenue for the period FY-07-16.

7.2 Projected CAES Costs

Figure 15 shows the breakdown of CAES costs for the period FY 07-16. Personnel costs account for over 90% of total Core CAES costs. Two significant pieces of research equipment will be purchased in FY-08 and FY-09 contributing to the spike in costs indicated in those years. FTE's are assumed to be 50% INL and 50% non-INL employees and are fully burdened using a labor factor of 2.769 and 2.0 respectively.

Based on the revenue and cost projections discussed above, CAES is expected to realize a positive net cash flow throughout the period FY-07-16. Any positive cash flow will be reinvested into CAES in the form of staffing, and business development efforts, so as to enable CAES to achieve its business goals.

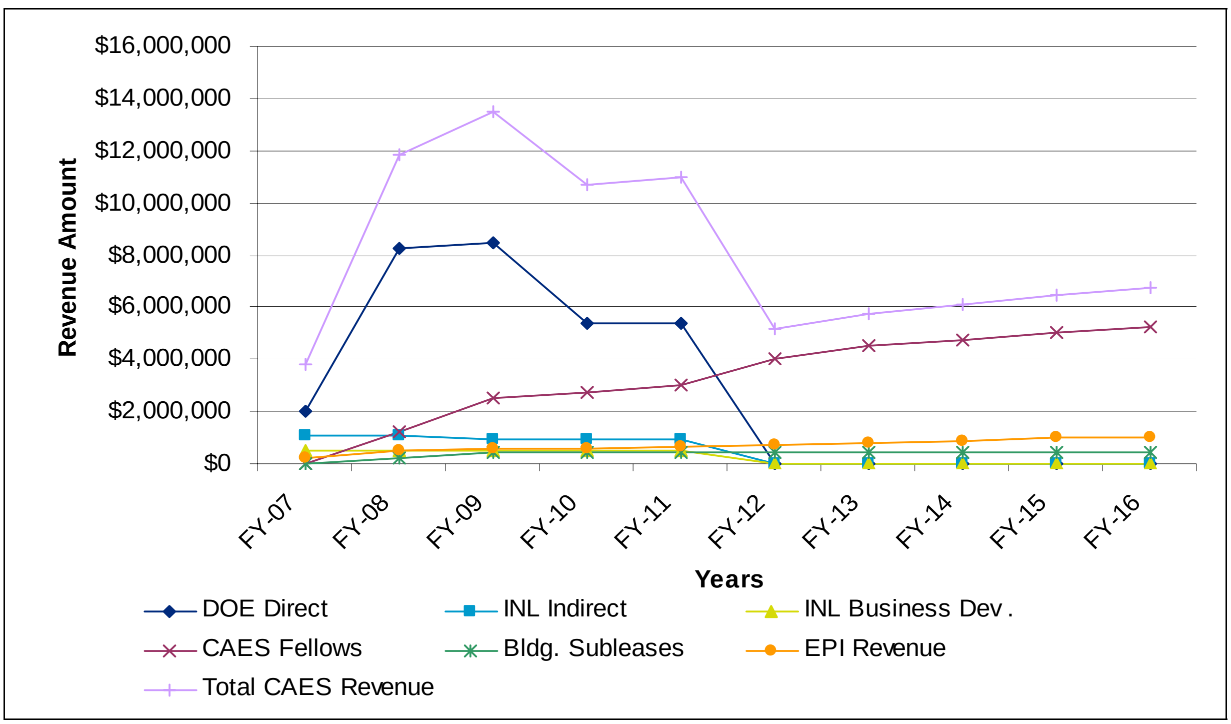

Figure 14. Breakdown of CAES Revenue.

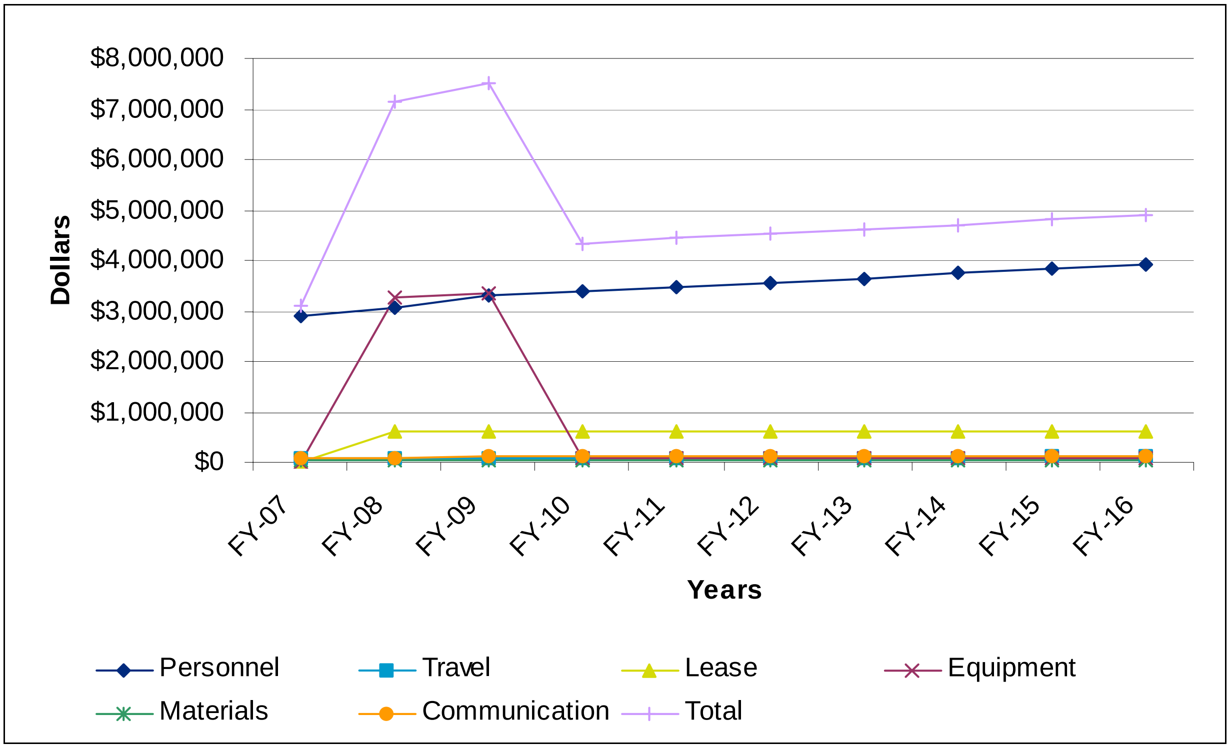

Figure 15. Breakdown of CAES Costs.

7.3 Staffing Plan

The projected CAES staffing levels have been derived from scoping information developed in support of the new CAES facility. Based on this scoping data, it is estimated that CAES will be fully-staffed at thirteen Full Time Equivalents (FTEs) as follows: CAES Director, Training & Workforce Initiatives Manager, Associate Director of Energy Policy, Associate Director of Education, Associate Director of Research, five CAES Research Fellows, a Deputy Director for Operations and two administrative employees. Additionally, 10-12 CAES researchers or graduate students are anticipated to be housed at the CAES facility by 2010.

As previously discussed, additional researchers and technical staff from EPI, the collocated Centers, and affiliated organizations will have FTEs located in the CAES facility. The projected distribution of these related staff is anticipated to be approximately 105 by 2010.

8. RISK ASSESSMENT

Several significant risks have been identified that could adversely impact the execution of this Program Plan and thereby impact the success of the CAES Program. This section discusses these risks and presents proposed mitigation actions, which will minimize or neutralize these risks.

8.1 Programmatic

Stiff competition, flat federal research and development (R&D) budgets and changing federal policy and priorities result in CAES failing to generate funding sufficient to cover its operating costs.

Mitigation Actions: Given the projected budget profile and highly competitive nature of the federal R&D market a well-thought out and detailed business development strategy is key to CAES success. It is essential that a clear and concise programmatic agenda be developed and implemented by CAES and its partners prior to the development of the business development strategy. Development of a comprehensive business plan including a fully developed marketing plan is essential. This activity needs to be initiated in FY-06 and maintained in subsequent years. In order to broaden its potential market beyond the federal R&D sector, CAES must also exploit to the highest degree possible its ties to private industry through the BEA team, and universities. To broaden its accessible market CAES must also aggressively pursue nonprofit status so that wider ranges of potential funding sources are available.

8.2 Infrastructure

Federal and State review and approval delays of the CAES facility could negatively impact the design and construction schedule resulting in a completion date delay beyond the target 2008 date. Specifically, DOE facility development requirements could delay the building construction process.

Mitigation Actions: BEA is working with DOE-ID to resolve the review and approval requirements for the CAES facility. The facility is expected to be a university building on university land. BEA is supporting IUC in defining the review and approval requirements for the State of Idaho. Appropriate resolution of this issue and presentation to the State Board of Education by December 2005 will minimize schedule delays.

8.3 Legal

8.3.1 Nonprofit Status

Although CAES is expected to transition to a separately incorporated nonprofit company, CAES may not be able to solicit and receive certain funding prior to obtaining tax-exempt, charitable status under section 501(c)(3) of the Internal Revenue Code.

Mitigation Actions: Efforts to compile the necessary financial data to complete Part IX of IRS Form 1023, "Application for Recognition of Exemption under Section 501(c)(3)" will aid CAES's efforts to obtain tax-exempt status as quickly as possible. It is possible to apply for such status if CAES is in existence less than four (4) years, but CAES must complete financial statements for each year in existence and provide projections of likely revenues and expenses based on a reasonable and good faith estimate of future finances for a total of three (3) years of financial information.

8.3.2 Risk Management

Initially BEA's Office of General Counsel and legal staff of affiliated entities will provide legal support for CAES with respect to drafting and negotiating various agreements that will be needed for the formation and operation of CAES as a nonprofit entity, however long term risk management and legal support will need to be provided for CAES.

Mitigation Actions: It is envisioned that in due course after CAES has formally been established and is operating as a nonprofit company, CAES will obtain independent legal counsel to advise the governing board and provide legal support with respect to risk management and other legal issues.

8.3.3 Intellectual Property

Because collaborative research efforts will involve the interactive participation of employees of BEA, employees of the respective members of the IUC, as well as employees and individuals associated with other entities, it is expected that various CAES affiliated entities will have an interest in the ownership of intellectual property resulting from the research efforts. Furthermore, entities providing funding for research efforts will likely have expectations, if not requirements, with respect to the ownership and/or the licensing of intellectual property resulting from such funded research efforts.

Mitigation Actions: Agreements addressing intellectual property ownership and licensing arrangements will need to be negotiated and executed prior to all research efforts that are undertaken by CAES. Furthermore, all such agreements in which BEA is a party will need to have terms and conditions which are consistent with BEA's Management and Operating Contract.

8.3.4 Conflict of Interest

Because it is anticipated that research efforts will be conducted on behalf of a variety of funding sponsors, there will be a need to identify potential conflict of interests with respect to conducting research efforts on same or similar technical subject matter on behalf of different funding sponsors that may be business competitors.

Mitigation Actions: A sponsor/technical subject matter conflict of interest check will need to be conducted by CAES and the respective CAES associated entities prior to executing agreements for research efforts and other activities.

8.3.5 Confidentiality

It is likely that sponsors funding research efforts at CAES will need to disclose confidential/ business sensitive information to the respective CAES associated entities prior to and while research efforts are being conducted.

Mitigation Actions: A procedure for negotiating, executing, and managing non-disclosure agreements and confidentiality obligations in research agreements, including identifying potential conflict of interest concerns, will need to be maintained by CAES and the affiliated entities.

8.4 Financial

Several financial risks have been identified in association with CAES.

8.4.1 DOE Funding Limitation

DOE funding to support CAES during its development period (FY-07–14) is insufficient to adequately launch CAES.

Mitigation Actions: CAES, in conjunction with senior management at INL and its university partners, must develop and execute a well-orchestrated strategy to establish DOE funding support for CAES. Frequent contact with senior DOE officials and the Idaho and other congressional delegations is a key component of this strategy. A consistent message that CAES requires a significant operating budget to ensure success is the unifying theme underlying the communication strategy.

8.4.2 CAES Competes with INL

The Center competes directly with INL for R&D funding thereby reducing both organizations funding base.

Mitigation Actions: In developing its research agenda, CAES and its partners must clearly delineate R&D scope and R&D markets to be pursued by CAES. To the fullest extent possible INL and CAES scope should avoid overlap to reduce the potential for competition. In areas where overlap between INL and CAES will inevitably occur a protocol for customer contact and bid/proposal activities is advised. The sales credit system set up at the INL should, to the fullest extent possible, facilitate cooperative research rather than hinder it.

8.4.3 Failure to Establish Charging Practices

CAES fails to successfully collaborate with the INL and its various partners in the development and implementation of innovative charging practices and other business-related policies that facilitate the sharing of resources and joint R&D.

Mitigation Actions: INL, CAES, and CAES partners commit sufficient resources to developing the agreements, policies and procedures necessary to ensure CAES success. Each entity must push beyond its comfort zone and break down barriers that may stand in the way of CAES success. Where applicable CAES must seek lessons learned from related efforts and avoid similar pitfalls.

8.4.4 Failure to Establish Collaborations

The Center and its partners fail to develop a detailed business plan and critical path in a timely manner.

Mitigation Action: During FY-06 CAES partners must be engaged in the development of a detailed business plan complete with a well-developed marketing plan.

8.4.5 Staffing

The Center and its partners fail to attract and retain the technical expertise necessary to develop and implement world-class research, policy, training and education.

Mitigation Action: INL, CAES, and CAES partners must commit during 2006 to make available key personnel and resources sufficient to establish a critical staffing base. Additionally, CAES must work with all of its affiliate organizations to establish competitive salaries, benefits packages and resource commitments sufficient to attract the necessary talent that will be needed to achieve the CAES vision. From this base CAES and its partners must develop long-range staffing projections.

8.4.6 CAES Competes with Established Energy Organizations

The Center competes directly with established industry and professional organizations funded by their members in the energy sector and specifically the nuclear sector with respect to mission responsibilities.

Mitigation Action: CAES management will develop relationships with leaders from these organizations. CAES will present itself as complementary to meeting overall energy and nuclear sector mission objectives and show it is able to facilitate implementation of activities and programs to meet these goals with a level and diversity of technical expertise unavailable to these organizations. Close ties to DOE, the NRC, Energy Information Administration and Federal Energy Regulatory Commission will be developed to promote an understanding of the issues from, not just a commercial perspective, but a regulatory and policy perspective as well. Cooperative ventures should be identified between EPRI and CAES.

9. ENVIRONMENTAL, SAFETY & HEALTH CONSIDERATIONS

The Center activities will be performed in a safe, secure, cost-effective, and compliant manner to ensure worker safety as well as protection of facilities, the environment and the public through the identification, analysis, and mitigation of safety and health hazards.

All CAES work performed by INL staff or affiliated with INL fund sources will be conducted consistent with applicable INL Environmental, Safety, and Health (ES&H) requirements and Integrated Safety Management System (ISMS) procedures (see Figure 16). These requirements include, but are not limited to, environmental protection, occupational health, emergency preparedness, and safety.

Figure 16. ISMS Core Functions.

10. QUALITY ASSURANCE CONSIDERATIONS

The Center is committed to producing the highest quality products and services to meet customer expectations. To achieve this commitment, CAES will implement the INL quality assurance (QA) program that promotes the achievement of quality through (a) planning and documentation of requirements for items, processes, and services; (b) controlling activities affecting the quality of those items, processes and services; (c) verifying the achievement of required quality; and (d) analyzing and correcting conditions adverse to quality in a continuing process of self-improvement.

11. SAFEGUARDS & SECURITY CONSIDERATIONS

The Center activities will be performed in a safe and secure manner, which balances the programmatic goals and objectives along with national security and safeguards requirements. All CAES work performed by INL staff or affiliated with INL fund sources will be conducted consistent with the INL Integrated Safeguards and Security Management (ISSM) program. ISSM is intended to provide a formal, organized process for planning, performing, assessing and improving the secure conduct of work in accordance with risk-based protection strategies.

12. RECORDS MANAGEMENT

To ensure the management of critical information, CAES will comply with the INL requirements for Records Management. This system complies with identified regulations and standards for consistent care of information including the creation or receipt, maintenance and use, and disposition of records.

13. PROJECT CONTROLS

The Center activities will be managed consistent INL Project Management requirements. These requirements include establishment of project cost and schedule controls for baseline management including work authorization and expenditure controls, performance monitoring and reporting, trend identification and baseline change controls.

14. REFERENCES

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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

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.

REFERENCE – APPLICABLE STATUTE, RULE OR POLICY - continued

K. Construction Projects

1. Major Project Approvals - Proposed Plans

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

2. Project Approvals

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

3. Fiscal Revisions to Previously Approved Projects

   Project revisions that substantially alter the use of the project causing changes in project costs between two hundred fifty thousand dollars ($250,000) and five hundred thousand dollars ($500,000) must first be submitted to the executive director for review and approval. Changes in project costs of more than five hundred thousand dollars ($500,000) must first be submitted to the Board for its review and approval. Requests must be supported by a revised detailed project budget and justification for changes.

4. Project Acceptance

   Projects under the supervision of the Department of Administration are accepted by the Department on behalf of the Board and the state of Idaho. Projects under the supervision of an institution, school or agency are accepted by the institution, school or agency and the project architect. Projects under the supervision of the University of Idaho are accepted by the University on behalf of the Board of Regents.

5. Statute and Code Compliance

   a. All projects must be in compliance with Section 504 of the Rehabilitation Act of 1973 and must provide access to all persons. All projects must be in compliance with applicable state and local building and life-safety codes and applicable local land-use regulations as provided in Chapter 41, Title 39, and Section 67-6528, Idaho Code.

   b. In designing and implementing construction projects, due consideration must be given to energy conservation and long-term maintenance and operation savings versus short-term capital costs.

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO

SUBJECT

Request for authorization for professional services.

APPLICABLE STATUTE, RULE, OR POLICY

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

BACKGROUND

This is for legal services provided to the University of Idaho (UI) by the firm Miller Nash, LLP.

DISCUSSION

The University anticipates that the cumulative value of services will reach the Board approval threshold.

IMPACT

The University anticipates that it will have continued need for these services.

STAFF COMMENTS AND RECOMMENDATIONS

This is an existing contract with Miller Nash, LLP. The UI is reporting the total contract payment will likely reach the Board approved threshold.

BOARD ACTION

A motion to approve the professional services contract between the University of Idaho and Miller Nash, LLP.

Moved by ___________ Seconded by ____________ Carried Yes _____ No _____

REFERENCE – APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: V. FINANCIAL AFFAIRS
Subsection: I. Real and Personal Property and Services April 2002

I. Real and Personal Property and Services

3. Acquisition of Personal Property and Services

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

INSTITUTION / AGENCY AGENDA
COLLEGE AND UNIVERSITIES OF THE STATE BOARD

SUBJECT

Intercollegiate Athletics Reports of revenues, expenditures, and number of participants.

APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section III. T.4.

BACKGROUND

Responsibility, management, control and reporting requirements for Athletics are detailed in the policy. The institutions are required to submit regular financial reports as specified by the Board office. The revenue and expenditures reported on these reports must reconcile to the NCAA Agreed Upon Procedures Reports that are prepared annually and reviewed by the external auditors.

DISCUSSION

The Board policy establishes limits on the amount of general account and institutional funds an institution can allocate to athletics. These limits are adjusted annually at the same rate of change as the general education appropriation. Increases to the student activity fee supporting athletics, is limited to the rate of increase for the total student activity fees. There is no limit on program funds. Appropriated funds above the limit can be allocated for additional women's programs, addressing gender equity issues.

In fiscal years 2005 and 2006, the Legislature passed House Bill 805 (HB805) and House Bill 395 (HB395), respectively. These bills provided additional one-time salary increases for eligible state employees, and the institutions expended these additional amounts in addition to the established limits for both General Education and Institutional Limits as outlined at the bottom of page 5. Board staff has reviewed the data submitted by the institutions; there does not appear to be any violations to the limit policy.

The following charts and worksheets are provided:

EXHIBIT A Page 3	Chart identifying the Board limits from general education appropriated funds and from institutional funds. All institutions are within the limits.
EXHIBIT B Page 5	Chart identifying the revenue by major source for each institution. Displays the relationship among the funding sources.

INSTITUTION / AGENCY AGENDA
COLLEGE AND UNIVERSITIES OF THE STATE BOARD - continued

EXHIBIT C Page 6	Chart identifying the revenue by major source as a percent of the total athletic revenue.
EXHIBIT D Page 7	Athletic departments fund balance at fiscal year end.
EXHIBIT E Page 8	Chart displaying students participating in athletic programs and the number of students participating who are on scholarships, both full-ride scholarships and partial scholarships.
EXHIBIT F Pages 9-31	Intercollegiate Athletic report worksheets for each institution consisting of five pages each. The reports identify actual revenue and expenditures for Fiscal Years 2000 through 2004 and estimated revenue and expenditures for Fiscal Year 2005. For each institution, the first page summarizes revenue and expenditures; the second and third pages categorize revenue and expenditures by sport; the fourth page identifies the number of participants by sport; and the fifth page identifies the number of scholarships (both full-ride and partial) by sport.

IMPACT

The reports present the financial status of the intercollegiate athletic programs and the participation of students in the various sport programs.

STAFF COMMENTS AND RECOMMENDATIONS

There are no estimated negative year-end end fund balances for any of the institutions (Exhibit D, Page 9).

Staff recommends acceptance of the report.

BOARD ACTION

A motion to accept the Annual Intercollegiate Athletics Reports as presented.

Moved by___________ Seconded by___________ Carried Yes_____ No_____

State Board of Education

Intercollegiate Athletics Support Limits

Exhibit A

Board Policy (III.T.3.) on funds allocated and used by athletic program from:

General Education Funds:

"... In subsequent years, the limits shall be computed by an adjustment for the rate of change in the general education funds allocated by the Board. Beginning in FY98, the limits for each institution may be raised by the amounts annually approved and budgeted for implementation of institutional gender equity plans."

Institutional Funds:

"shall not exceed $250,000 for Boise State University; $350,000 for Idaho State University; $500,000 for University of Idaho; and $100,000 for Lewis-Clark State College for FY2000. In subsequent years, these limits shall be computed by an adjustment for the rate of change in the general education funds allocated by the Board."

Student Fee Revenue:

"shall not exceed revenue generated from student activity fee dedicated for the athletic program. Increases to the student fee for the athletic program shall be at the same rate of increase as the total student activity fees."

Program Funds:

"the institutions can use the program funds generated, without restriction."

		FY02	FY03	FY04	FY05	FY06
1	**Calculation of Limits:**					
2	**General Education Funds:**					
3	General Education Allocation:					
4	General Account	235,939,800	213,558,800	218,000,000	223,366,200	233,182,000
5	Endowment	15,906,700	13,635,900	11,964,700	10,020,500	9,519,600
6	Student Fee Revenue	63,089,600	67,127,300	97,207,800	97,207,800	107,907,800
				(14,902,400)		
7	Total	314,936,100	294,322,000	312,270,100	330,594,500	350,609,400
8	% Growth from Prior Year	9.54%	-6.55%	6.10%	5.87%	6.05%
9						
10	Limits:					
11	Universities	1,867,600	1,745,400	1,851,800	1,960,500	2,079,200
12	% Growth from Prior Year	9.54%	-6.54%	6.10%	5.87%	6.05%
13	Lewis-Clark State College	694,300	648,900	688,500	728,900	773,000
14	% Growth from Prior Year	9.53%	-6.54%	6.10%	5.87%	6.05%
15						
16	**Institutional Funds:**					
17	Limits:					
18	Boise State University	292,200	273,100	289,800	306,800	325,400
19	% Growth from Prior Year	9.52%	-6.54%	6.11%	5.87%	6.06%
20	Idaho State University	409,100	382,300	405,600	429,400	455,400
21	% Growth from Prior Year	9.53%	-6.55%	6.09%	5.87%	6.05%
22	University of Idaho	584,500	546,200	579,500	613,500	650,600
23	% Growth from Prior Year	9.54%	-6.55%	6.10%	5.87%	6.05%
24	Lewis-Clark State College	116,900	109,200	115,900	122,700	130,100
25	% Growth from Prior Year	9.56%	-6.59%	6.14%	5.87%	6.03%

Note: House Bills 805 (HB805, FY05) and 395 (HB395, FY 06) provided an additional 1% (one-time) salary increase for eligible employees. For compliance with HB805 and HB395, the institutions expended the following amounts in addition to the established limits for General Education at lines 11 and 13, and Institutional Limits between lines 18 and 25.

	FY 2005 HB 805		**FY 2006 HB 395**	
Institution	**General Funds Limit Increases**	**Institutional Funds Limit Increases**	**General Funds Limit Increases**	**Institutional Funds Limit Increases**
Boise State University	$15,418	$27,701	$25,531	$37,826
Idaho State University	$15,359	$0	$17,350	$0
University of Idaho	$13,971	$8,087	$18,000	$8,000
Lewis Clark State College	$3,634	$0	$3,549	$0

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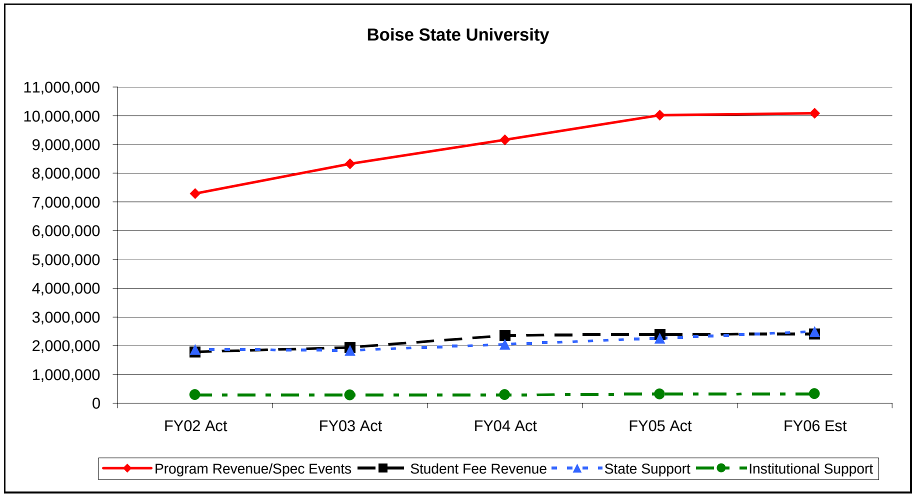
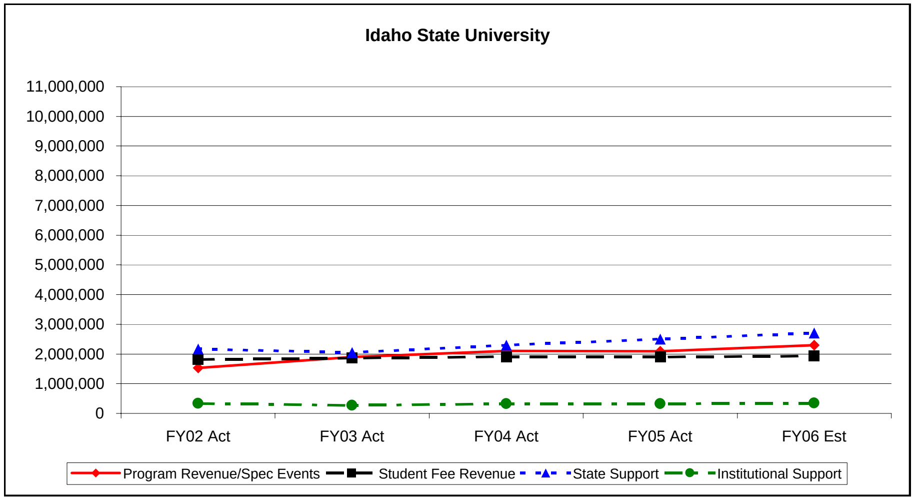
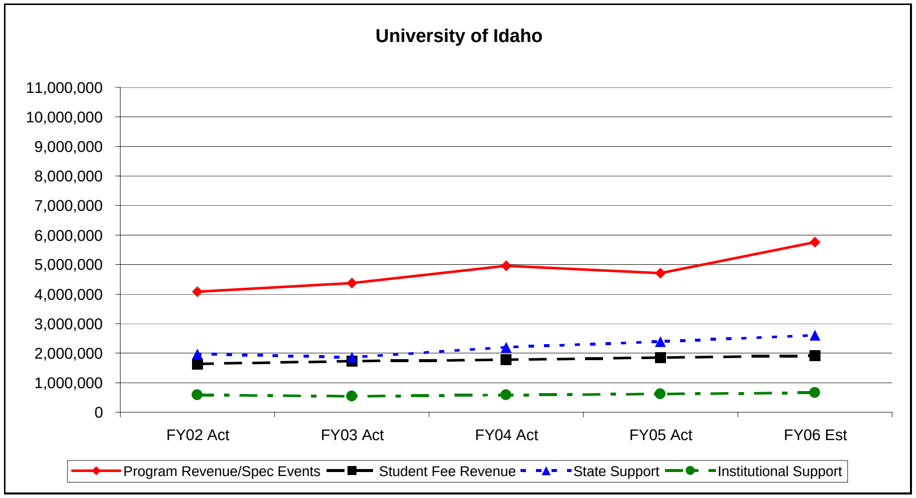
Intercollegiate Athletics Report

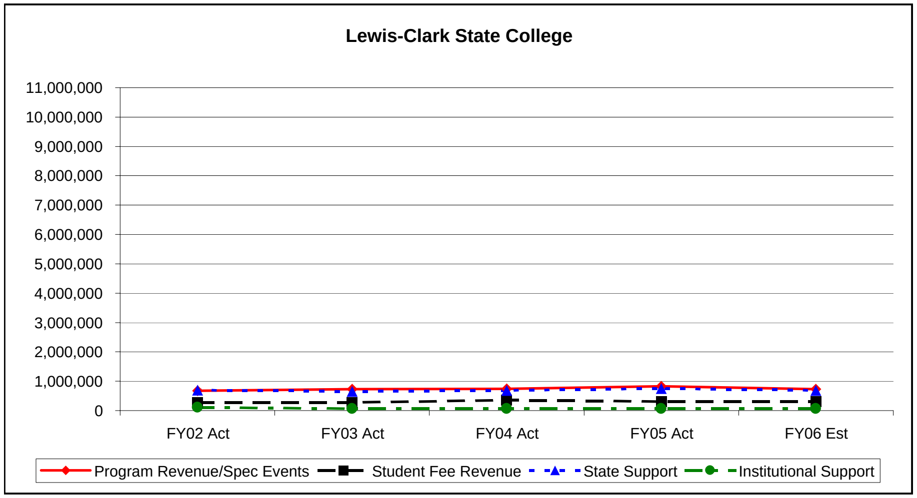
Revenue by Major Source

Exhibit B





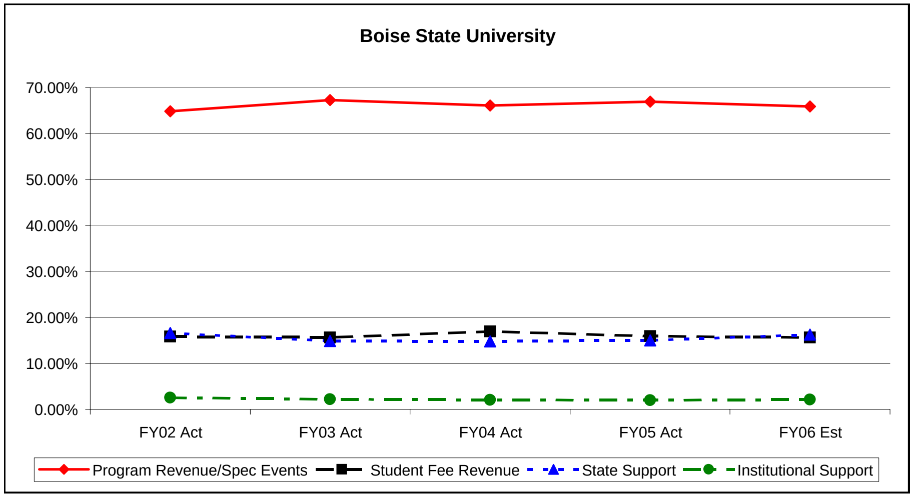


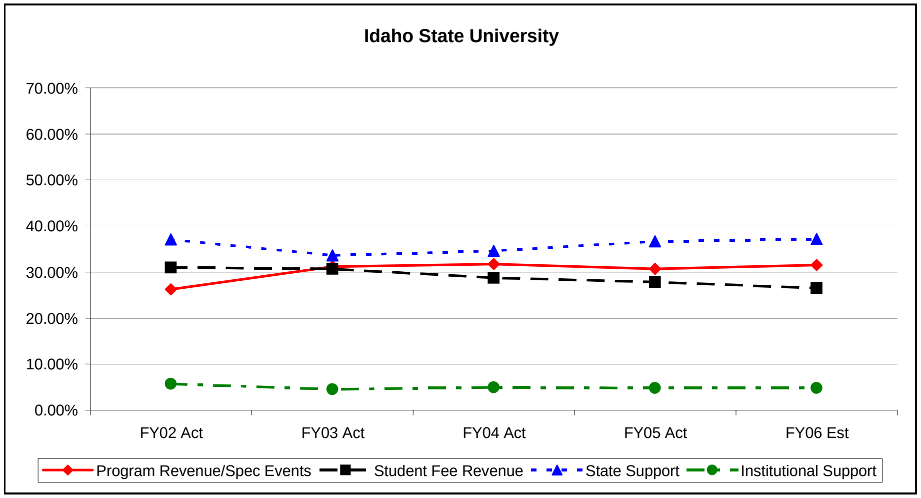


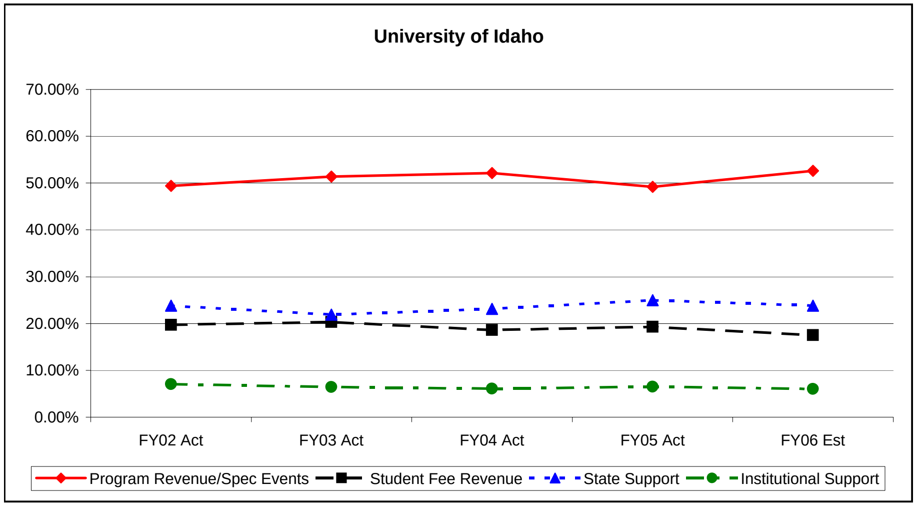
Intercollegiate Athletics Report

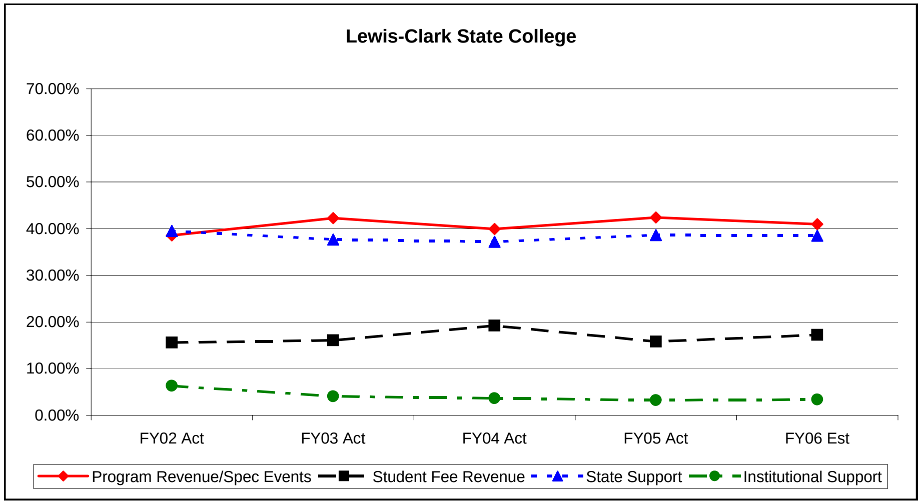
Revenue as a Percent of Total Revenue by Major Source

Exhibit C





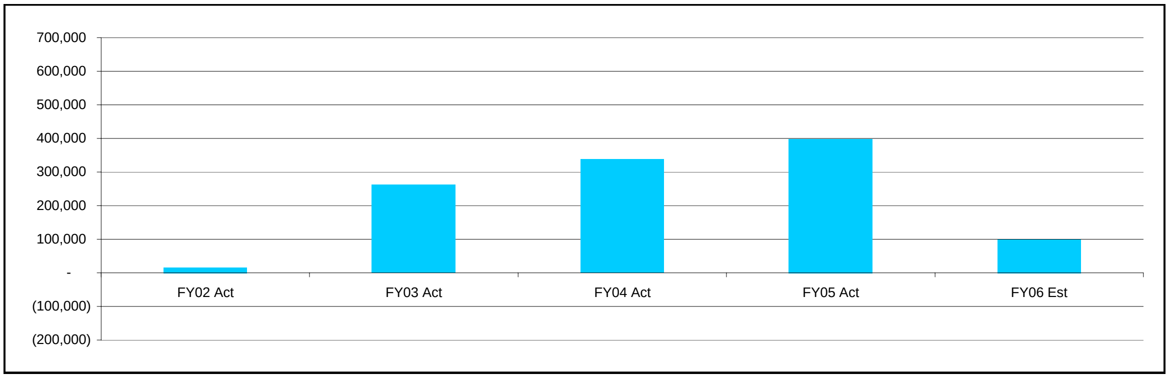




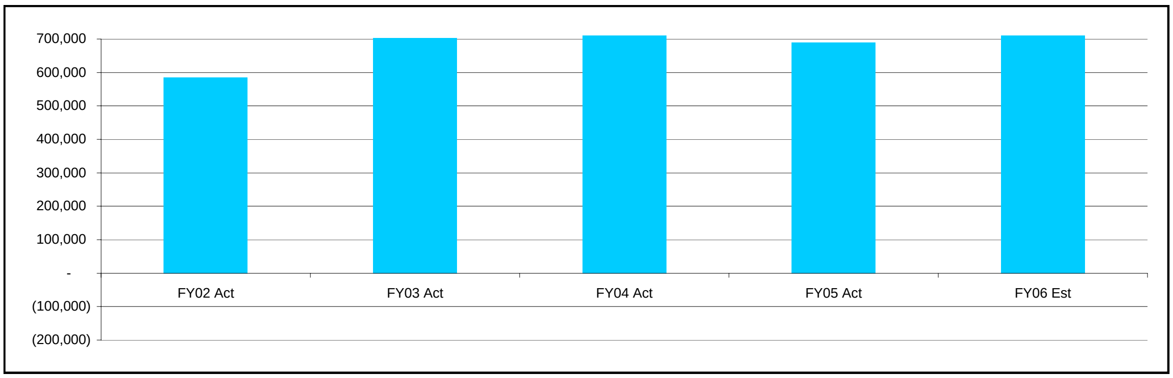
Intercollegiate Athletic Report

Fiscal Year Ending Fund Balance for Athletic Program by Institution

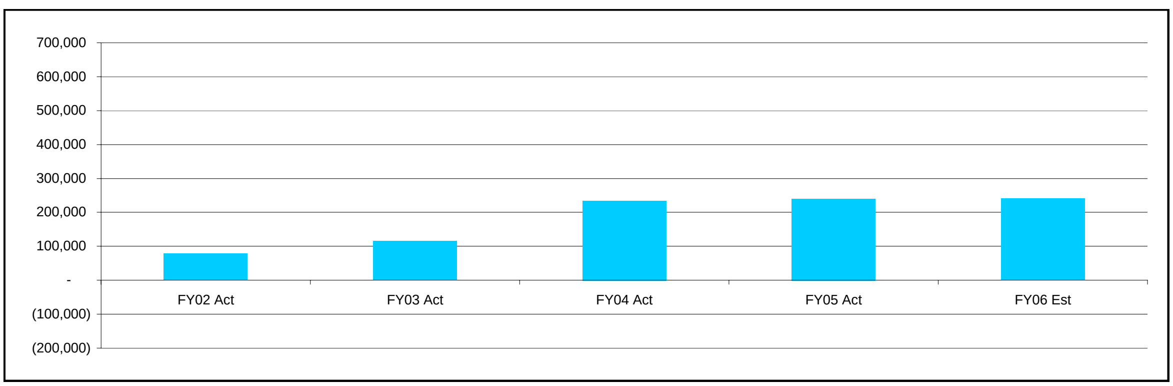
Boise State University **Exhibit D**



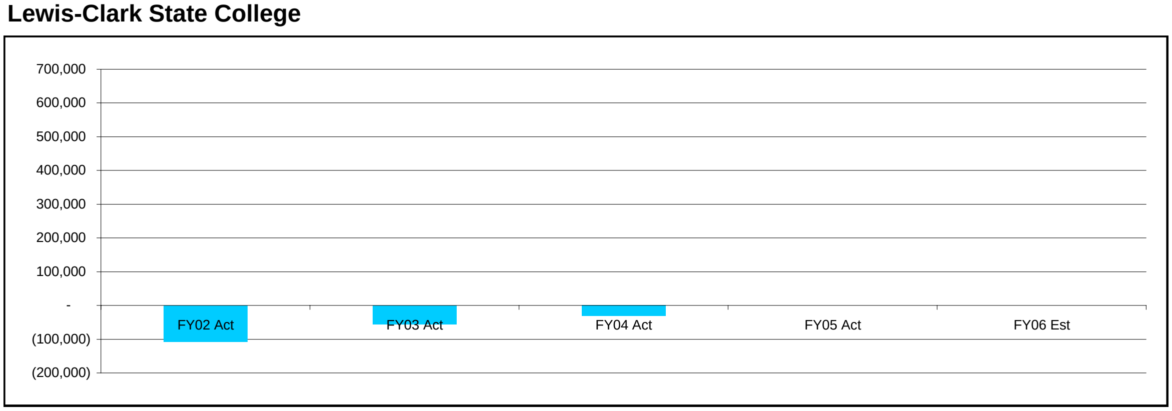
Idaho State University



University of Idaho



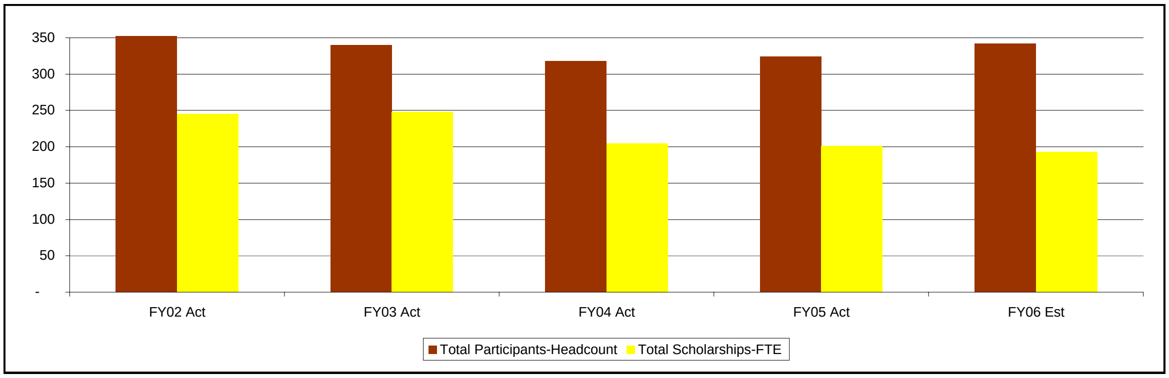
Lewis-Clark State College



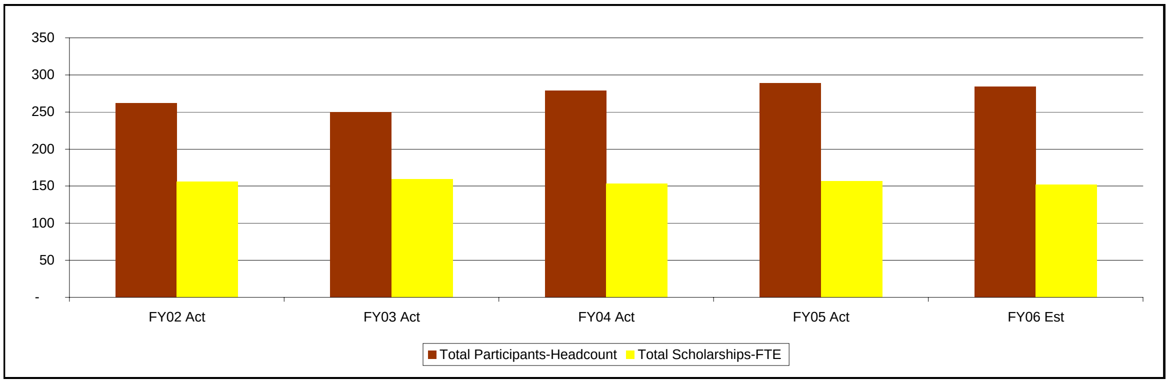
Intercollegiate Athletic Report

Athletic Participation and Scholarships

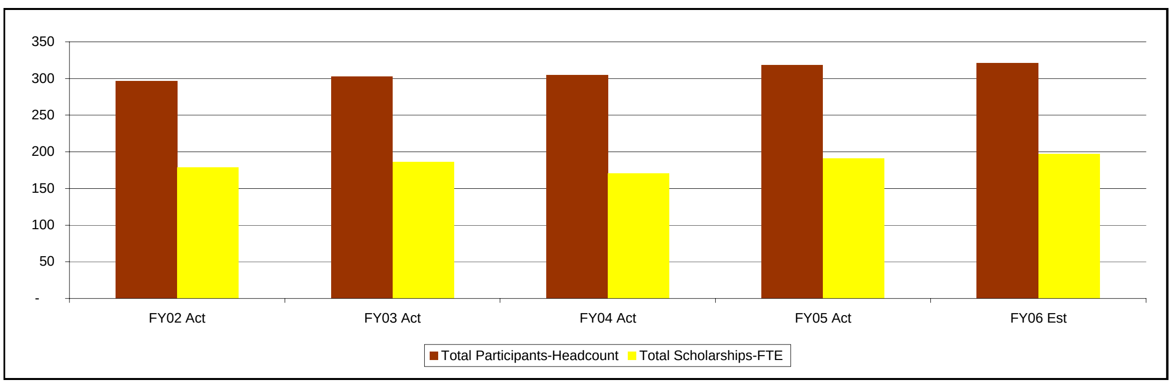
Boise State University **Exhibit E**



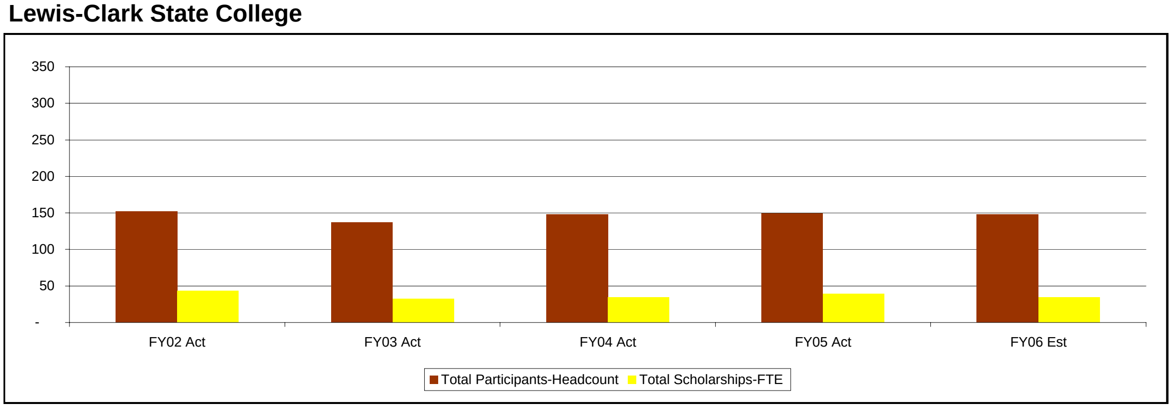
Idaho State University



University of Idaho



Lewis-Clark State College



Boise State University
Intercollegiate Athletics Report
Summary of Revenue and Expenditures

	Revenues/Expend/Fund Balance	FY02 Act	FY03 Act	FY04 Act	FY05 Act	FY06 Est	% Change
1	**Revenue (Detail):**						
2	**Program Revenue:**						
3	Ticket Sales/Event Revenue	$ 1,921,066	$ 2,442,818	$ 2,593,821	$ 3,568,743	$ 3,398,694	-5%
4	Tournament/Bowl/Conf Receipts	893,379	1,110,239	959,078	1,711,618	1,209,945	-29%
5	Media/Broadcast Receipts	175,050	94,750	748	914	1,291	41%
6	Concessions/Prog/Parking/Advert	1,253,559	1,406,037	1,698,619	1,643,124	1,786,537	9%
7	Game Guarantees	518,200	581,500	327,500	0	732,400	
8	Foundation/Booster/Priv Donations	2,207,963	1,816,973	2,715,310	1,921,897	2,310,232	20%
9	Other	183,391	354,486	441,916	591,234	617,292	4%
10	Total Program Revenue	7,152,608	7,806,803	8,736,992	9,437,530	10,056,391	7%
11	**Non-Program Revenue:**						
12	**Special Events Revenue:**						
13	NCAA Games/Humanitarian	134,815	518,162	425,833	586,860	26,600	-95%
14	**Student Fee Revenue:**						
15	Student Fees	1,785,622	1,935,752	2,358,376	2,390,045	2,400,000	0%
16	**State Support::**						
17	Approp Funds - Limit	1,867,500	1,745,300	1,851,700	1,975,918	2,079,200	5%
18	Approp Funds - Gender Equity		94,000	200,000	279,872	417,872	49%
19	Total State Support	1,867,500	1,839,300	2,051,700	2,255,790	2,497,072	11%
20	**Institutional Support:**						
21	Auxiliary Eneterprises						
22	Institutional	292,200	273,100	289,800	306,800	325,400	6%
23	Total Institutional Support	292,200	273,100	289,800	306,800	325,400	6%
24	Total Non-Program Revenue	4,080,137	4,566,314	5,125,709	5,539,495	5,249,072	-5%
25	**Total Revenue:**	$ 11,232,745	$ 12,373,117	$ 13,862,701	$ 14,977,025	$ 15,305,463	2%
26							
27	**Expenditures:**						
28	Coaches Salaries & Bonuses	2,106,347	2,018,106	2,415,834	2,616,651	2,859,439	9%
29	Other Salaries and Wages	1,446,693	1,620,609	1,770,897	2,259,379	2,261,271	0%
30	Fringe Benefits	1,052,014	1,099,314	1,298,313	1,493,325	1,804,507	21%
31	Athletic Scholarship/Grants in Aid	1,478,656	1,853,990	2,073,650	2,326,436	2,559,621	10%
32	Game Guarantees	245,266	272,800	286,600	446,826	400,600	-10%
33	Medical Insurance/Medical Fees	45,314	63,899	52,410	29,819	34,570	16%
34	Travel:						
35	Team and Coaches	1,165,340	1,008,151	1,203,302	995,236	1,272,394	28%
36	Recruiting and Other	260,651	387,037	277,394	303,091	351,766	16%
37	Supplies, Equip, Serv & Op Exp	2,166,451	1,996,648	2,623,531	2,314,223	1,986,250	-14%
38	Facility Use Charges	244,986	430,592	408,634	628,459	558,574	-11%
39	Debt Service on Athletic Facilities	823,069	839,591	868,116	888,294	1,153,837	30%
40	Special Events	173,964	385,091	361,737	403,297	26,589	-93%
41	Capital Improvements	23,454	151,630	146,503	211,375	335,600	59%
42	**Total Expenditures:**	$ 11,232,205	$ 12,127,458	$ 13,786,921	$ 14,916,411	$ 15,605,018	5%
43							
44	**Excess (Deficiency) of Revenues**						
45	**Over Expenditures**	540	245,659	75,780	60,614	(299,555)	-594%
46							
47	**Ending Fund Balance 6/30**	16,376	262,035	337,815	398,429	98,874	-75%
48							
49	**Nonresident Fee Waivers**	1,034,302	1,118,263	1,164,856	1,190,520	1,451,712	22%
50							
51	**Athletic Camp Activity:**						
52	Camp Revenue	397,657	376,588	418,918	411,925	400,000	-3%
53	Camp Expenditures	404,317	389,797	325,073	447,947	400,000	-11%
54	**Camp Surplus/(Deficit)**	(6,660)	(13,209)	93,845	(36,022)	0	100%

Boise State University
Intercollegiate Athletics Report
Summary of Revenue and Expenditures

Revenue by Program:	FY02 Act	FY03 Act	FY04 Act	FY05 Act	FY06 Est	% Change
General Revenue:						
Foundation/Booster/Priv Donations	$ 2,207,961	$ 1,816,973	$ 2,715,310	$ 1,921,897	$ 2,310,232	20%
Student Fees	1,785,622	1,935,752	2,358,376	2,390,045	2,400,000	0%
Appropriated Funds	1,867,500	1,745,300	1,851,700	2,255,790	2,497,072	11%
Institutional Support	292,200	367,100	489,800	306,800	325,400	6%
Special Events	134,815	518,162	425,833	586,860	26,600	-95%
Other	1,272,671	1,565,968	1,913,127	1,948,473	2,193,601	13%
Total General Revenue	$ 7,560,769	$ 7,949,255	$ 9,754,146	$ 9,409,865	$ 9,752,905	4%
Revenue By Sport:						
Men's Programs:						
Football						
Ticket S Ticket Sales	1,310,537	1,857,898	1,885,799	2,933,632	2,797,632	-5%
Game Guarantees	475,000	575,000	325,000	0	721,400	
Media/Broadcast Receipts	148,704	75,800	598	731	1,033	41%
Other (Tourn/Bowl/Conf)	519,938	659,737	612,723	1,008,061	721,779	-28%
Basketball						
Ticket Sales	590,676	555,205	681,320	609,254	580,960	-5%
Game Guarantees	40,000	0		0	0	
Media/Broadcast Receipts	49,146	18,950	150	183	258	41%
Other (Tourn/Bowl/Conf)	178,809	221,603	201,881	340,226	242,529	-29%
Track & Field/Cross Country	46,105	58,364	50,301	87,141	61,256	-30%
Tennis	17,868	22,229	19,242	38,732	24,199	-38%
Baseball Ticket Sales				0	0	
Wrestling	28,728	35,560	33,609	52,865	37,564	-29%
Golf	17,868	22,205	19,182	34,897	24,199	-31%
Media/Broadcast Receipts				0	0	
Total Men's Sport Revenue	$ 3,423,379	$ 4,102,551	$ 3,829,805	$ 5,105,722	$ 5,212,809	2%
Women's Programs						
Volleyball						
Ticket Sales	1,307	0	2,541	2,729	2,278	-17%
Game Guarantees						
Other (Tourn/Bowl/Conf)	35,735	37,362	31,972	51,249	36,298	-29%
Basketball						
Ticket Sales	15,012	15,809	13,103	13,801	11,665	-15%
Game Guarantees		5,000			11,000	
Media/Broadcast Receipts						
Other (Tourn/Bowl/Conf)	30,971	38,329	35,239	59,276	42,438	-28%
Track & Field/Cross Country	55,039	67,966	58,392	104,371	73,356	-30%
Tennis	17,868	22,205	20,182	34,232	24,199	-29%
Gymnastics	39,062	43,820	35,594	58,034	41,719	-28%
Golf	17,868	24,205	19,182	35,049	24,199	-31%
Soccer	35,735	44,410	43,363	68,465	48,398	-29%
Rodeo						
Skiing		22,205	19,182	34,232	24,199	-29%
Total Women's Sport Rev	$ 248,597	$ 321,311	$ 278,750	$ 461,438	$ 339,749	-26%
Total Revenue	$ 11,232,745	$ 12,373,117	$ 13,862,701	$ 14,977,025	$ 15,305,463	2%

Boise State University
Intercollegiate Athletics Report
Summary of Revenue and Expenditures

	Expenditures by Admin/Sport	FY02 Act	FY03 Act	FY04 Act	FY05 Act	FY06 Est	% Change
103	**Administrative and General**						
104	Athletic Director Office	$ 763,607	$ 867,034	$ 903,375	$ 981,235	$ 1,224,226	25%
105	Fund Raising Office	638,987	1,038,848	1,145,545	1,190,981	761,778	-36%
106	Sports Information	247,702	232,845	280,771	287,224	317,400	11%
107	Trainer/Equipment Manager	199,079	199,077	303,579	340,717	365,626	7%
108	Equipment Manager	89,117	96,903	113,803	125,756	107,485	-15%
109	Ticket Office	174,230	165,323	176,757	199,302	278,473	40%
110	Medical/Insurance	45,314	61,117	49,335	27,082	30,000	11%
111	Special Events	173,964	385,091	361,737	403,297	26,589	-93%
112	Other Miscellaneous	733,368	866,355	1,021,035	1,321,061	1,425,649	8%
113	Facilities Mtn & Debt Service	1,412,102	1,193,295	1,241,355	1,503,103	2,182,708	45%
114	Capital Improvements	60,688	121,071	141,358	191,909	335,600	75%
115	**Total Admin & General**	$ 4,538,158	$ 5,226,959	$ 5,738,650	$ 6,571,667	$ 7,055,534	7%
116							
117	**Men's Programs:**						
118	Football	2,932,243	2,806,025	3,318,890	3,482,093	3,518,766	1%
119	Basketball	783,070	771,674	849,573	974,026	1,022,144	5%
120	Track & Field/Cross Country	267,707	258,541	298,858	309,118	323,278	5%
121	Tennis	168,846	216,829	264,240	261,411	259,502	-1%
122	Baseball						
123	Wrestling	270,152	230,955	280,280	324,303	311,300	-4%
124	Golf	83,265	167,976	181,630	137,347	136,233	-1%
125	Volleyball						
126	Rodeo						
127	**Total Men's Programs**	$ 4,505,283	$ 4,452,000	$ 5,193,471	$ 5,488,298	$ 5,571,223	2%
128							
129	**Women's Programs**						
130	Volleyball	354,366	408,368	459,139	437,285	469,379	7%
131	Basketball	539,276	615,368	649,773	678,056	706,295	4%
132	Track & Field/Cross Country	335,100	304,661	349,718	360,705	377,791	5%
133	Tennis	185,655	222,893	247,374	251,387	245,627	-2%
134	Gymnastics	330,064	309,759	382,997	419,425	442,390	5%
135	Golf	139,628	201,316	234,223	200,946	183,472	-9%
136	Soccer	304,675	333,484	374,605	356,601	360,943	1%
137	Rodeo						
138	Skiing		52,650	156,971	152,041	192,364	27%
139	Swimming						
140	**Total Women's Programs**	$ 2,188,764	$ 2,448,499	$ 2,854,800	$ 2,856,446	$ 2,978,261	4%
141							
142	**Total Expenditures**	$ 11,232,205	$ 12,127,458	$ 13,786,921	$ 14,916,411	$ 15,605,018	5%

Boise State University
Intercollegiate Athletics Report
Summary of Revenue and Expenditures

	Participants by Sport (Headcount)	FY02 Act	FY03 Act	FY04 Act	FY05 Act	FY06 Est	% Change
143	**Men's Programs:**						
144	Football	118	111	115	108	115	6%
145	Basketball	14	15	13	14	14	0%
146	Track & Field/Cross Country	38	35	35	29	28	-3%
147	Tennis	11	11	9	10	8	-20%
148	Baseball						
149	Wrestling	27	31	22	30	27	-10%
150	Golf	11	12	12	10	10	0%
151	Volleyball						
152	Rodeo						
153	Total Male Participation	219	215	206	201	202	0%
154							
155	**Women's Programs**						
156	Volleyball	18	15	13	13	15	15%
157	Basketball	13	15	13	14	13	-7%
158	Track & Field/Cross Country	37	35	35	34	39	15%
159	Tennis	8	8	8	8	10	25%
160	Gymnastics	22	19	14	16	17	6%
161	Golf	8	7	8	8	9	13%
162	Soccer	27	26	21	25	28	12%
163	Rodeo						
164	Skiing				5	9	80%
165	Swimming						
166	Total Female Participation	133	125	112	123	140	14%
167	**Total Participants**	352	340	318	324	342	6%

Boise State University
Intercollegiate Athletics Report
Summary of Revenue and Expenditures

	Full Ride Scholarships (Headcount)	FY02 Act	FY03 Act	FY04 Act	FY05 Act	FY06 Est	% Change
168	**Men's Programs:**						
169	Football	72.0	77.0	85.0	85.5	75.5	-12%
170	Basketball	11.0	11.0	11.5	11.5	12.0	4%
171	Track & Field/Cross Country	2.0	6.0	4.0	3.0	1.0	-67%
172	Tennis	0.0	0.0		1.0	1.0	0%
173	Baseball						
174	Wrestling	0.0	2.0	0.0	1.0	0.0	-100%
175	Golf	0.0	0.0	0.0	0.0	0.0	
176	Volleyball						
177	Subtotal	85.0	96.0	100.5	102.0	89.5	-12%
178							
179	**Women's Programs**						
180	Volleyball	10.0	9.0	12.0	9.5	12.0	26%
181	Basketball	10.0	12.0	13.0	12.5	13.0	4%
182	Track & Field/Cross Country	4.0	4.0	5.0	5.0	7.0	40%
183	Tennis	7.0	7.0	8.0	7.0	8.5	21%
184	Gymnastics	10.0	11.0	11.0	11.0	11.0	0%
185	Golf	2.0	2.0	1.0	4.0	4.0	0%
186	Soccer	2.0	2.0	2.0	1.0	1.0	0%
187	Swimming						
188	Skiing			1.0	3.0	0.0	-100%
189	Subtotal	45.0	47.0	53.0	53.0	56.5	7%
190	**Total Scholarships**	130.0	143.0	153.5	155.0	146.0	-6%
191							
192	**Partial Scholarships by Sport (Full-time Equivalent)**						
193	**Men's Programs:**						
194	Football	7.00	6.00	1.11	0.00	1.75	
195	Basketball	0.00	0.00	0.00	0.00	0.00	
196	Track & Field/Cross Country	18.00	13.00	8.27	7.85	6.48	-17%
197	Tennis	8.00	8.00	3.78	3.18	2.19	-31%
198	Baseball						
199	Wrestling	21.00	20.00	8.40	9.14	9.26	1%
200	Golf	8.00	8.00	4.01	3.69	4.14	12%
201	Volleyball						
202	Rodeo						
203	Subtotal	62.00	55.00	25.57	23.86	23.82	0%
204							
205	**Women's Programs**						
206	Volleyball	3.00	0.00	0.00	1.53	0.00	-100%
207	Basketball	2.00	0.00	0.29	1.63	0.00	-100%
208	Track & Field/Cross Country	20.00	24.00	9.53	7.31	11.10	52%
209	Tennis	0.00	0.00	0.25	0.00	0.00	
210	Gymnastics	4.00	1.00	1.00	0.58	0.00	-100%
211	Golf	5.00	5.00	4.63	1.39	0.98	-29%
212	Soccer	19.00	20.00	9.02	9.74	10.85	11%
213	Rodeo						
214	Skiing			1.00	0.04	0.17	325%
215	Swimming						
216	Subtotal	53.00	50.00	25.72	22.22	23.10	4%
217	**Total Scholarships**	115.00	105.00	51.29	46.08	46.92	2%

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Idaho State University
Intercollegiate Athletics Report
Summary of Revenue and Expenditures

	Revenues/Expend/Fund Balance	FY02 Act	FY03 Act	FY04 Act	FY05 Act	FY06 Est	% Change
1	**Revenue (Detail):**						
2	**Program Revenue:**						
3	Ticket Sales/Event Revenue	$ 348,763	$ 441,856	$ 526,837	$ 303,364	$ 370,952	22%
4	Tournament/Bowl/Conf Receipts	284,136	373,151	423,041	394,652	370,000	-6%
5	Media/Broadcast Receipts	34,200	31,588	36,300	4,300	0	-100%
6	Concessions/Prog/Parking/Advert	283,668	279,861	381,585	564,000	600,000	6%
7	Game Guarantees	141,000	211,888	185,510	287,500	271,000	-6%
8	Foundation/Booster/Priv Donations	418,576	513,066	510,695	511,670	685,660	34%
9	Other	24,067	45,612	41,398	29,736	0	-100%
10	Total Program Revenue	1,534,410	1,897,022	2,105,366	2,095,222	2,297,612	10%
11	**Non-Program Revenue:**						
12	**Special Events Revenue:**						
13	NCAA Games/Humanitarian	332					
14	**Student Fee Revenue:**						
15	Student Fees	1,812,229	1,867,895	1,908,073	1,896,971	1,932,143	2%
16	**State Support::**						
17	Approp Funds - Limit	1,867,500	1,745,300	1,851,700	1,975,859	2,079,200	5%
18	Approp Funds - Gender Equity	300,000	300,000	443,500	526,500	626,500	19%
19	Total State Support	2,167,500	2,045,300	2,295,200	2,502,359	2,705,700	8%
20	**Institutional Support:**						
21	Auxiliary Enterprises	46,000	46,000	46,000	46,000	46,000	0%
22	Institutional	287,240	227,640	281,100	281,200	301,700	7%
23	Total Institutional Support	333,240	273,640	327,100	327,200	347,700	6%
24	Total Non-Program Revenue	4,313,301	4,186,835	4,530,373	4,726,530	4,985,543	5%
25	**Total Revenue:**	$ 5,847,711	$ 6,083,857	$ 6,635,739	$ 6,821,752	$ 7,283,155	7%
26							
27	**Expenditures:**						
28	Coaches Salaries & Bonuses	961,688	1,054,190	1,051,731	1,106,760	1,237,163	12%
29	Other Salaries and Wages	858,460	788,422	862,131	964,800	972,434	1%
30	Fringe Benefits	550,516	574,174	588,376	670,566	801,237	19%
31	Athletic Scholarship/Grants in Aid	1,255,692	1,305,437	1,410,249	1,606,427	1,690,128	5%
32	Game Guarantees	63,600	70,500	115,888	39,500	44,500	13%
33	Medical Insurance/Medical Fees	64,133	148,457	242,957	230,887	325,700	41%
34	Travel:						
35	Team and Coaches	476,887	503,131	643,587	617,600	707,300	15%
36	Recruiting and Other	202,329	209,937	210,111	211,425	99,270	-53%
37	Supplies, Equip, Serv & Op Exp	1,051,459	1,130,870	1,387,586	1,340,708	954,123	-29%
38	Facility Use Charges	85,000	85,000	85,000	85,000	85,000	0%
39	Debt Service on Athletic Facilities						
40	Special Event:	0					
41	Capital Improvements	45,468	94,599				
42	**Total Expenditures:**	$ 5,615,232	$ 5,964,717	$ 6,597,616	$ 6,873,673	$ 6,916,855	1%
43							
44	**Excess (Deficiency) of Revenues**						
45	**Over Expenditures**	232,479	119,140	38,123	(51,921)	366,300	805%
46							
47	**Ending Fund Balance 6/30**	584,029	703,169	741,292	689,371	1,055,671	53%
48							
49	**Nonresident Fee Waivers**	792,480	764,460	815,100	849,600	1,062,600	25%
50							
51	**Athletic Camp Activity:**						
52	Camp Revenue	212,310	162,157	120,804	131,802	160,000	21%
53	Camp Expenditures	175,452	163,188	166,656	148,884	160,000	7%
54	**Camp Surplus/(Deficit)**	36,858	(1,031)	(45,852)	(17,082)	0	100%

Idaho State University
Intercollegiate Athletics Report
Summary of Revenue and Expenditures

	Revenue by Program:	FY02 Act	FY03 Act	FY04 Act	FY05 Act	FY06 Est	% Change
55	**General Revenue:**						
56	Foundation/Booster/Priv Donations	$418,576	$513,066	$510,695	$511,670	$685,660	34%
57	Student Fees	1,812,230	1,867,895	1,908,073	1,896,971	1,932,143	2%
58	Appropriated Funds	2,167,500	2,045,300	2,295,200	2,502,359	2,705,700	8%
59	Institutional Support	350,240	273,640	344,100	327,200	347,700	6%
60	Special Events	332	0	0	0	0	
61	Other	526,331	646,227	750,061	938,983	960,000	2%
62	Total General Revenue	$5,275,209	$5,346,128	$5,808,129	$6,177,183	$6,631,203	7%
63							
64	**Revenue By Sport:**						
65	**Men's Programs:**						
66	Football						
67	Ticket Sales	192,206	253,943	325,130	167,432	204,762	22%
68	Game Guarantees	70,000	80,000	100,000	190,000	200,000	5%
69	Media/Broadcast Receipts	17,400	18,887	21,054	4,300	0	-100%
70	Other (Tourn/Bowl/Conf)	7,637	13,103	12,925	10,480	0	-100%
71	Basketball						
72	Ticket Sales	131,896	167,212	175,653	103,776	142,857	38%
73	Game Guarantees	67,000	122,798	77,430	80,000	70,000	-13%
74	Media/Broadcast Receipts	16,200	12,100	14,520	0	0	
75	Other (Tourn/Bowl/Conf)	10,957	12,112	29,176	12,662	10,000	-21%
76	Track & Field/Cross Country	4,516	3,323	981	6,393	952	-85%
77	Tennis	1,236	1,849	855	1,316		-100%
78	Baseball Ticket Sales						
79	Wrestling						
80	Golf	5,986	3,169	10,770	995	0	-100%
81	Media/Broadcast Receipts						
82	Total Men's Sport Revenue	$525,034	$688,496	$768,494	$577,354	$628,571	9%
83							
84	**Women's Programs**						
85	Volleyball						
86	Ticket Sales	4,093	2,442	3,955	2,797	2,857	2%
87	Game Guarantees		1,500	0			
88	Other (Tourn/Bowl/Conf)	945	3,765	2,578	7,426		-100%
89	Basketball						
90	Ticket Sales	11,970	11,681	15,693	18,241	13,810	-24%
91	Game Guarantees	4,000	4,000	7,000	17,500	1,000	-94%
92	Media/Broadcast Receipts	600	600	726			
93	Other (Tourn/Bowl/Conf)	5,887	2,723	12,299	2,458		-100%
94	Track & Field/Cross Country	5,009	2,337	4,223	8,128	952	-88%
95	Tennis	901	1,598	1,355	903		-100%
96	Gymnastics						
97	Golf	5,490	1,393	2,205	1,508		-100%
98	Soccer	8,573	17,194	9,082	8,254	4,762	-42%
99	Rodeo						
100	Skiing						
101	Total Women's Sport Rev	$47,468	$49,233	$59,116	$67,215	$23,381	-65%
102	**Total Revenue**	$5,847,711	$6,083,857	$6,635,739	$6,821,752	$7,283,155	7%

Idaho State University
Intercollegiate Athletics Report
Summary of Revenue and Expenditures

	Expenditures by Admin/Sport	FY02 Act	FY03 Act	FY04 Act	FY05 Act	FY06 Est	% Change
103	**Administrative and General**						
104	Athletic Director Office	$677,137	$755,862	$1,010,332	$1,075,668	$850,856	-21%
105	Fund Raising Office	198,403	201,231	270,118	245,489	245,672	0%
106	Sports Information	131,320	115,355	128,113	158,641	160,583	1%
107	Trainer/Equipment Manager	124,961	155,977	168,422	187,566	222,175	18%
108	Equipment Manager	45,217	54,660	55,750	63,166	58,586	-7%
109	Ticket Office						
110	Medical/Insurance	83,014	70,882	254,721	277,864	349,062	26%
111	Special Events	2,862					
112	Other Miscellaneous	278,668	285,752	281,327	285,146	217,541	-24%
113	FacilitiesMtn & Debt Service	85,000	85,000	85,000	85,000	85,000	0%
114	Capital Improvements						
115	**Total Admin & General**	$1,626,582	$1,724,719	$2,253,783	$2,378,540	$2,189,475	-8%
116							
117	**Men's Programs:**						
118	Football	1,497,875	1,563,318	1,692,454	1,668,522	1,624,346	-3%
119	Basketball	558,904	636,429	616,423	619,209	588,839	-5%
120	Track & Field/Cross Country	222,320	238,627	218,541	266,068	268,896	1%
121	Tennis	81,023	92,795	93,690	121,632	107,139	-12%
122	Baseball						
123	Wrestling						
124	Golf	55,890	54,658	59,919	68,868	79,104	15%
125	Volleyball						
126	Rodeo						
127	**Total Men's Programs**	$2,416,012	$2,585,827	$2,681,027	$2,744,299	$2,668,324	-3%
128							
129	**Women's Programs**						
130	Volleyball	313,022	323,934	339,875	315,964	357,166	13%
131	Basketball	480,610	509,516	516,386	548,849	508,242	-7%
132	Track & Field/Cross Country	259,732	308,290	257,479	303,016	324,707	7%
133	Tennis	127,278	118,660	137,650	126,282	141,809	12%
134	Gymnastics						
135	Golf	71,778	64,479	100,775	107,397	108,978	1%
136	Soccer	320,218	329,292	310,641	345,531	358,588	4%
137	Rodeo			0	3,795	259,566	6740%
138	Skiing						
139	Swimming						
140	**Total Women's Programs**	$1,572,638	$1,654,171	$1,662,806	$1,750,834	$2,059,056	18%
141							
142	**Total Expenditures**	$5,615,232	$5,964,717	$6,597,616	$6,873,673	$6,916,855	1%

Idaho State University
Intercollegiate Athletics Report
Summary of Revenue and Expenditures

	Participants by Sport (Headcount)	FY02 Act	FY03 Act	FY04 Act	FY05 Act	FY06 Est	% Change
143	**Men's Programs:**						
144	Football	85	81	86	86	90	5%
145	Basketball	18	14	13	15	16	7%
146	Track & Field/Cross Country	33	33	44	50	50	0%
147	Tennis	8	10	12	7	8	14%
148	Baseball						
149	Wrestling						
150	Golf	11	11	14	10	9	-10%
151	Volleyball						
152	Rodeo						
153	Total Male Participation	155	149	169	168	173	3%
154							
155	**Women's Programs**						
156	Volleyball	11	12	12	11	12	9%
157	Basketball	18	14	14	14	15	7%
158	Track & Field/Cross Country	39	38	46	57	47	-18%
159	Tennis	9	7	9	9	7	-22%
160	Gymnastics						
161	Golf	7	6	8	9	8	-11%
162	Soccer	23	24	21	21	22	5%
163	Rodeo						
164	Skiing						
165	Swimming						
166	Total Female Participation	107	101	110	121	111	-8%
167	**Total Participants**	262	250	279	289	284	-2%

Idaho State University
Intercollegiate Athletics Report
Summary of Revenue and Expenditures

		FY02 Act	FY03 Act	FY04 Act	FY05 Act	FY06 Est	% Change
	Full Ride Scholarships (Headcount)						
168	**Men's Programs:**						
169	Football	53.0	52.0	51.0	53.0	57.0	8%
170	Basketball	12.0	10.0	11.0	12.0	13.0	8%
171	Track & Field/Cross Country	0.0	1.0	1.0	1.0	2.0	100%
172	Tennis	0.0	0.0	0.0	0.0	0.0	
173	Baseball						
174	Wrestling						
175	Golf	1.0	1.0	0.0	0.0	0.0	
176	Volleyball						
177	Subtotal	66.0	64.0	63.0	66.0	72.0	9%
178							
179	**Women's Programs**						
180	Volleyball	10.0	11.0	12.0	10.0	11.0	10%
181	Basketball	15.0	14.0	12.0	13.0	13.0	0%
182	Track & Field/Cross Country	1.0	3.0	0.0	1.0	0.0	-100%
183	Tennis	6.0	6.0	6.0	4.0	6.0	50%
184	Gymnastics						
185	Golf	3.0	0.0	5.0	4.0	1.0	-75%
186	Soccer	5.0	5.0	5.0	4.0	2.0	-50%
187	Swimming						
188	Skiing						
189	Subtotal	40.0	39.0	40.0	36.0	33.0	-8%
190	**Total Scholarships**	106.0	103.0	103.0	102.0	105.0	3%
191							
192	**Partial Scholarships by Sport (Full-Time Equivalent)**						
193	**Men's Programs:**						
194	Football	6.70	10.35	10.60	7.69	4.18	-46%
195	Basketball	0.50	2.99	0.00	0.00	0.00	
196	Track & Field/Cross Country	10.90	11.69	10.31	11.16	10.00	-10%
197	Tennis	4.02	4.61	4.50	4.50	2.33	-48%
198	Baseball						
199	Wrestling						
200	Golf	2.88	1.02	1.85	2.43	2.79	15%
201	Volleyball						
202	Rodeo						
203	Subtotal	25.00	30.66	27.26	25.78	19.30	-25%
204							
205	**Women's Programs**						
206	Volleyball	0.47	0.50	0.00	0.48	0.47	-2%
207	Basketball	0.00	0.00	0.50	0.50	0.00	-100%
208	Track & Field/Cross Country	13.20	13.46	14.03	16.34	16.23	-1%
209	Tennis	2.25	1.49	1.00	2.06	0.32	-84%
210	Gymnastics						
211	Golf	1.25	3.47	0.55	1.83	2.72	49%
212	Soccer	8.26	6.90	6.89	7.57	7.85	4%
213	Rodeo						
214	Skiing						
215	Swimming						
216	Subtotal	25.43	25.82	22.97	28.78	27.59	-4%
217	**Total Scholarships**	50.43	56.48	50.23	54.56	46.89	-14%

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University of Idaho
Intercollegiate Athletics Report
Summary of Revenue and Expenditures

	Revenues/Expend/Fund Balance	FY02 Act	FY03 Act	FY04 Act	FY05 Act	FY06 Est	% Change
1	**Revenue (Detail):**						
2	**Program Revenue:**						
3	Ticket Sales/Event Revenue	$272,267	$268,793	$339,051	$140,363	$208,500	49%
4	Tournament/Bowl/Conf Receipts	260,837	328,985	451,326	523,353	951,600	82%
5	Media/Broadcast Receipts	68,308	132,273	155,921	128,042	215,000	68%
6	Concessions/Prog/Parking/Advert	438,923	447,764	561,906	610,764	687,300	13%
7	Game Guarantees	1,307,800	1,155,800	1,059,612	894,552	951,500	6%
8	Foundation/Booster/Priv Donations	1,468,537	1,623,694	2,018,715	2,151,204	2,519,025	17%
9	Other	270,129	420,310	373,959	263,959	227,000	-14%
10	Total Program Revenue	4,086,801	4,377,619	4,960,490	4,712,237	5,759,925	22%
11	**Non-Program Revenue:**						
12	**Special Events Revenue:**						
13	NCAA Games/Humanitarian						
14	**Student Fee Revenue:**						
15	Student Fees	1,631,225	1,733,410	1,773,104	1,851,406	1,915,895	3%
16	**State Support::**						
17	Approp Funds - Limit	1,780,143	1,587,400	1,851,700	1,974,371	2,097,200	6%
18	Approp Funds - Gender Equity	191,800	275,760	346,660	419,460	508,060	21%
19	Total State Support	1,971,943	1,863,160	2,198,360	2,393,831	2,605,260	9%
20	**Institutional Support:**						
21	Auxiliary Eneterprises	50,000	50,000	50,000	50,000	50,000	0%
22	Institutional	534,500	496,200	529,500	571,600	608,600	6%
23	Total Institutional Support	584,500	546,200	579,500	621,600	658,600	6%
24	Total Non-Program Revenue	4,187,668	4,142,770	4,550,964	4,866,837	5,179,755	6%
25	**Total Revenue:**	$8,274,469	$8,520,389	$9,511,454	$9,579,074	$10,939,680	14%
26							
27	**Expenditures:**						
28	Coaches Salaries & Bonuses	1,635,018	1,578,766	1,621,147	1,712,555	1,687,043	-1%
29	Other Salaries and Wages	1,215,949	1,185,633	1,117,886	1,178,186	1,352,929	15%
30	Fringe Benefits	743,764	735,276	792,090	859,134	1,023,420	19%
31	Athletic Scholarship/Grants in Aid	1,473,765	1,632,751	1,718,598	2,094,309	2,288,414	9%
32	Game Guarantees	221,100	387,000	281,076	159,200	10,700	-93%
33	Medical Insurance/Medical Fees	171,092	184,304	238,712	240,383	270,504	13%
34	Travel:						
35	Team and Coaches	1,015,220	906,823	1,153,186	1,255,730	1,186,281	-6%
36	Recruiting and Other	272,954	248,171	328,527	276,476	301,300	9%
37	Supplies, Equip, Serv & Op Exp	1,523,623	1,515,403	1,875,374	1,665,343	2,708,943	63%
38	Facility Use Charges	110,000	60,959	76,522	89,896	75,000	-17%
39	Debt Service on Athletic Facilities	0	0	0	0	0	
40	Special Event:						
41	Capital Improvements	57,450	48,002	189,549	42,082	34,600	-18%
42	**Total Expenditures:**	$8,439,935	$8,483,088	$9,392,667	$9,573,294	$10,939,134	14%
43							
44	**Excess (Deficiency) of Revenues**						
45	**Over Expenditures**	(165,466)	37,301	118,787	5,780	546	-91%
46							
47	**Ending Fund Balance 6/30**	78,305	115,606	234,393	240,173	240,719	0%
48							
49	**Nonresident Fee Waivers**	1,061,780	1,186,255	1,189,383	1,526,899	1,675,000	10%
50							
51	**Athletic Camp Activity:**						
52	Camp Revenue	177,820	158,164	209,244	284,316	325,000	14%
53	Camp Expenditures	177,820	121,041	202,459	262,762	325,000	24%
54	**Camp Surplus/(Deficit)**	0	37,123	6,785	21,554	0	-100%

University of Idaho
Intercollegiate Athletics Report
Summary of Revenue and Expenditures

	Revenue by Program:	FY02 Act	FY03 Act	FY04 Act	FY05 Act	FY06 Est	% Change
55	**General Revenue:**						
56	Foundation/Booster/Priv Donations	$1,468,537	$1,623,694	$2,018,715	2,151,204	$2,519,025	17%
57	Student Fees	1,631,225	1,733,410	1,773,104	1,851,406	1,915,895	3%
58	Appropriated Funds	1,971,943	1,863,160	2,198,360	2,393,832	2,605,260	9%
59	Institutional Support	584,500	546,200	579,500	621,600	658,600	6%
60	Special Events						
61	Other	939,799	1,131,561	1,300,796	1,349,032	1,855,900	38%
62	Total General Revenue	$6,596,004	$6,898,025	$7,870,475	$8,367,074	$9,554,680	14%
63							
64	**Revenue By Sport:**						
65	**Men's Programs:**						
66	Football						
67	Ticket S Ticket Sales	242,795	223,606	289,501	95,500	160,000	68%
68	Game Guarantees	1,260,000	1,090,000	1,010,000	855,000	860,000	1%
69	Media/Broadcast Receipts	0	24,000	15,000	0	75,000	
70	Other (Tourn/Bowl/Conf)	7,222	11,520	14,322	12,218	2,000	-84%
71	Basketball						
72	Ticket Sales	23,944	36,081	35,271	26,544	30,000	13%
73	Game Guarantees	40,000	65,000	46,112	38,552	85,000	120%
74	Media/Broadcast Receipts	0	0		0	0	
75	Other (Tourn/Bowl/Conf)	0	11,954	14,322	10,992	0	-100%
76	Track & Field/Cross Country	4,910	8,024	9,971	3,993	4,000	0%
77	Tennis	1,000	973		1,076	0	-100%
78	Baseball Ticket Sales	NA	NA		0	0	
79	Wrestling	NA	NA		0	0	
80	Golf	8,795	5,680	4,920	0	0	
81	Media/Broadcast Receipts	68,308	108,273	140,921	128,042	140,000	9%
82	Total Men's Sport Revenue	$1,656,974	$1,585,111	$1,580,340	$1,171,917	$1,356,000	16%
83							
84	**Women's Programs**						
85	Volleyball						
86	Ticket Sales	2,650	3,491	3,622	3,971	3,500	-12%
87	Game Guarantees	1,500	0		0	0	
88	Other (Tourn/Bowl/Conf)	0	0	9,450	0	0	
89	Basketball						
90	Ticket Sales	2,878	5,615	10,657	14,348	15,000	5%
91	Game Guarantees	5,000	0	3,500	1,000	6,500	550%
92	Media/Broadcast Receipts	0	0	0	0	0	
93	Other (Tourn/Bowl/Conf)	0	11,200	15,119	15,695	0	-100%
94	Track & Field/Cross Country	4,988	10,152	9,971	3,993	4,000	0%
95	Tennis	0	973	3,125	1,076	0	-100%
96	Gymnastics	NA	NA		0	0	
97	Golf	4,475	5,610	5,195	0	0	
98	Soccer	0	212		0	0	
99	Rodeo	NA	NA				
100	Skiing	NA	NA		0	0	
101	Total Women's Sport Rev	$21,491	$37,253	$60,639	$40,083	$29,000	-28%
102	**Total Revenue**	$8,274,469	$8,520,389	$9,511,454	$9,579,074	$10,939,680	14%

University of Idaho
Intercollegiate Athletics Report
Summary of Revenue and Expenditures

	Expenditures by Admin/Sport	FY02 Act	FY03 Act	FY04 Act	FY05 Act	FY06 Est	% Change
103	**Administrative and General**						
104	Athletic Director Office	$660,186	$716,728	$600,203	$529,978	$1,424,115	169%
105	Fund Raising Office	276,368	343,935	259,892	271,706	371,608	37%
106	Sports Information	163,933	156,313	162,123	173,574	179,485	3%
107	Trainer/Equipment Manager	429,261	406,119	472,685	307,175	331,301	8%
108	Equipment Manager				0	0	
109	Ticket Office	18,512	28,408	15,654	11,345	25,857	128%
110	Medical/Insurance	316,202	315,836	442,805	265,470	575,859	117%
111	Special Events	0	0	0			
112	Other Miscellaneous	754,741	705,593	756,528	1,107,050	1,018,345	-8%
113	Facilities Mtn & Debt Service						
114	Capital Improvements	57,450	48,002	185,861	42,082	34,600	-18%
115	**Total Admin & General**	$2,676,653	$2,720,934	$2,895,751	$2,708,380	$3,961,170	46%
116							
117	**Men's Programs:**						
118	Football	2,772,447	2,727,375	3,070,320	2,994,452	2,756,936	-8%
119	Basketball	880,871	852,241	889,954	898,680	951,758	6%
120	Track & Field/Cross Country	235,168	252,776	279,437	293,957	314,645	7%
121	Tennis	95,123	75,889	95,584	79,210	98,416	24%
122	Baseball				0	0	
123	Wrestling				0	0	
124	Golf	88,029	82,474	109,724	114,858	131,855	15%
125	Volleyball						
126	Rodeo				0	0	
127	**Total Men's Programs**	$4,071,638	$3,990,755	$4,445,019	$4,381,157	$4,253,610	-3%
128							
129	**Women's Programs**						
130	Volleyball	358,568	362,854	414,482	474,486	562,849	19%
131	Basketball	503,057	535,968	553,910	669,305	710,576	6%
132	Track & Field/Cross Country	280,652	326,814	408,912	397,542	404,062	2%
133	Tennis	140,484	113,757	148,000	135,289	148,051	9%
134	Gymnastics						
135	Golf	123,940	139,260	136,192	132,415	153,941	16%
136	Soccer	284,943	292,746	355,788	357,502	405,557	13%
137	Rodeo						
138	Skiing						
139	Swimming			34,613	317,218	339,318	7%
140	**Total Women's Programs**	$1,691,644	$1,771,399	$2,051,897	$2,483,757	$2,724,354	10%
141							
142	**Total Expenditures**	$8,439,935	$8,483,088	$9,392,667	$9,573,294	$10,939,134	14%

University of Idaho
Intercollegiate Athletics Report
Summary of Revenue and Expenditures

	Participants by Sport (Headcount)	FY02 Act	FY03 Act	FY04 Act	FY05 Act	FY06 Est	% Change
143	**Men's Programs:**						
144	Football	116	119	113	111	110	-1%
145	Basketball	10	12	15	17	15	-12%
146	Track & Field/Cross Country	35	42	49	42	43	2%
147	Tennis	9	8	10	8	9	13%
148	Baseball						
149	Wrestling						
150	Golf	10	15	11	11	11	0%
151	Volleyball						
152	Rodeo						
153	Total Male Participation	180	196	198	189	188	-1%
154							
155	**Women's Programs**						
156	Volleyball	13	12	18	15	17	13%
157	Basketball	19	17	18	20	19	-5%
158	Track & Field/Cross Country	40	36	32	37	40	8%
159	Tennis	8	8	8	8	8	0%
160	Gymnastics						
161	Golf	10	8	8	8	7	-13%
162	Soccer	27	26	23	23	23	0%
163	Rodeo						
164	Skiing						
165	Swimming				18	19	6%
166	Total Female Participation	117	107	107	129	133	3%
167	**Total Participants**	297	303	305	318	321	1%

University of Idaho
Intercollegiate Athletics Report
Summary of Revenue and Expenditures

	Full Ride Scholarships (Headcount)	FY02 Act	FY03 Act	FY04 Act	FY05 Act	FY06 Est	% Change
168	**Men's Programs:**						
169	Football	82.0	81.0	73.5	76.5	82.0	7%
170	Basketball	10.5	9.0	12.5	13.0	13.0	0%
171	Track & Field/Cross Country	7.0	10.0	3.5	4.5	7.5	67%
172	Tennis	0.0	0.0	0.0	0.0	0.0	
173	Baseball						
174	Wrestling						
175	Golf	0.0	0.0	0.0	0.0	0.0	
176	Volleyball						
177	Subtotal	99.5	100.0	89.5	94.0	102.5	9%
178							
179	**Women's Programs**						
180	Volleyball	11.5	11.5	11.0	11.0	12.0	9%
181	Basketball	13.5	13.5	12.0	14.5	15.0	3%
182	Track & Field/Cross Country	9.5	11.0	9.0	11.0	9.0	-18%
183	Tennis	8.0	7.5	7.0	7.5	7.0	-7%
184	Gymnastics						
185	Golf	2.0	1.0	0.0	2.0	2.0	0%
186	Soccer	5.0	4.0	2.0	3.0	3.0	0%
187	Swimming				7.0	8.0	14%
188	Skiing						
189	Subtotal	49.5	48.5	41.0	56.0	56.0	0%
190	**Total Scholarships**	149.0	148.5	130.5	150.0	158.5	6%
191							
192	**Partial Scholarships by Sport (Full-Time Equivalent)**						
193	**Men's Programs:**						
194	Football	0.00	4.44	3.83	1.15	0.53	-54%
195	Basketball	0.00	0.00	0.00	0.00	0.00	
196	Track & Field/Cross Country	3.80	6.07	5.56	6.18	4.67	-24%
197	Tennis	4.50	3.66	4.26	4.00	4.06	1%
198	Baseball						
199	Wrestling						
200	Golf	3.50	3.55	3.55	4.29	4.44	3%
201	Volleyball						
202	Rodeo						
203	Subtotal	11.80	17.72	17.20	15.62	13.70	-12%
204							
205	**Women's Programs**						
206	Volleyball	0.00	0.00	0.00	0.27	0.00	-100%
207	Basketball	0.00	0.89	0.26	0.00	0.00	
208	Track & Field/Cross Country	7.50	7.48	7.64	6.43	5.51	-14%
209	Tennis	0.00	0.00	0.00	0.39	0.00	-100%
210	Gymnastics						
211	Golf	3.90	4.38	5.45	3.71	3.88	5%
212	Soccer	6.50	7.11	9.51	8.71	8.80	1%
213	Rodeo						
214	Skiing						
215	Swimming				6.19	6.55	6%
216	Subtotal	17.90	19.86	22.86	25.70	24.74	-4%
217	**Total Scholarships**	29.70	37.58	40.06	41.32	38.44	-7%

Lewis Clark State College
Intercollegiate Athletics Report
Summary of Revenue and Expenditures

	Revenues/Expend/Fund Balance	FY02 Act	FY03 Act	FY04 Act	FY05 Act	FY06 Est	% Change
1	**Revenue (Detail):**						
2	**Program Revenue:**						
3	Ticket Sales/Event Revenue	$22,059	$22,666	$25,110	$23,253	$29,000	25%
4	Tournament/Bowl/Conf Receipts						
5	Media/Broadcast Receipts	4,800	5,280	5,280	5,280	5,400	2%
6	Concessions/Prog/Parking/Advert						
7	Game Guarantees						
8	Foundation/Booster/Priv Donations	252,623	300,961	314,713	378,110	326,000	-14%
9	Other	9,754	10,894	12,442	22,000	12,000	-45%
10	Total Program Revenue	289,236	339,801	357,545	428,643	372,400	-13%
11	**Non-Program Revenue:**						
12	**Special Events Revenue:**						
13	World Series	387,217	388,515	384,250	398,319	360,000	-10%
14	**Student Fee Revenue:**						
15	Student Fees	273,821	276,339	357,235	307,332	308,000	0%
16	**State Support:**						
17	Approp Funds - Limit	681,200	629,800	671,765	728,171	663,429	-9%
18	Approp Funds - Gender Equity	13,000	19,000	19,000	25,000	25,000	0%
19	Total State Support	694,200	648,800	690,765	753,171	688,429	-9%
20	**Institutional Support:**						
21	Auxiliary Enterprises						
22	Institutional	110,604	70,000	68,000	62,632	60,000	-4%
23	Total Institutional Support	110,604	70,000	68,000	62,632	60,000	-4%
24	Total Non-Program Revenue	1,465,842	1,383,654	1,500,250	1,521,454	1,416,429	-7%
25	**Total Revenue:**	$1,755,078	$1,723,455	$1,857,795	$1,950,097	$1,788,829	-8%
26							
27	**Expenditures:**						
28	Coaches Salaries & Bonuses	250,449	253,511	268,381	259,693	266,800	3%
29	Other Salaries and Wages	201,676	189,661	250,171	249,731	196,508	-21%
30	Fringe Benefits	130,171	135,388	159,607	180,016	166,021	-8%
31	Athletic Scholarship/Grants in Aid	280,440	260,051	279,052	311,949	302,000	-3%
32	Game Guarantees						
33	Medical Insurance/Medical Fees	11,040	31,601	29,030	27,476	40,000	46%
34	Travel:						
35	Team and Coaches	218,331	176,719	178,827	224,279	165,000	-26%
36	Recruiting and Other	6,800	12,082	12,849	14,170	17,500	24%
37	Supplies, Equip, Serv & Op Exp	253,270	241,941	265,804	271,044	285,000	5%
38	Facility Use Charges	32,473	32,028	53,441	28,092	30,000	7%
39	Debt Service on Athletic Facilities						
40	Special Event: World Series	318,217	338,515	336,250	353,319	320,000	-9%
41	Capital Improvements						
42	**Total Expenditures:**	$1,702,867	$1,671,497	$1,833,412	$1,919,769	$1,788,829	-7%
43							
44	**Excess (Deficiency) of Revenues**						
45	**Over Expenditures**	52,211	51,958	24,383	30,328	0	-100%
46							
47	**Ending Fund Balance 6/30**	(106,669)	(54,711)	(30,328)	0	0	
48							
49	**Nonresident Fee Waivers**	333,619	259,237	415,402	388,964	325,000	-16%
50							
51	**Athletic Camp Activity:**						
52	Camp Revenue	39,330	43,224	58,061	42,379	30,000	-29%
53	Camp Expenditures	27,578	33,463	47,093	27,465	20,000	-27%
54	**Camp Surplus/(Deficit)**	11,752	9,761	10,968	14,914	10,000	-33%

Lewis Clark State College
Intercollegiate Athletics Report
Summary of Revenue and Expenditures

	Revenue by Program:	FY02 Act	FY03 Act	FY04 Act	FY05 Act	FY06 Est	% Change
55	**General Revenue:**						
56	Foundation/Booster/Priv Donations	$252,623	$300,961	$314,713	$378,110	$326,000	-14%
57	Student Fees	273,821	276,339	357,235	307,332	308,000	0%
58	Appropriated Funds	694,200	648,800	690,765	753,171	688,429	-9%
59	Institutional Support	110,604	70,000	68,000	62,632	60,000	-4%
60	Special Events	387,217	388,515	384,250	398,319	360,000	-10%
61	Other	9,754	10,894	12,442	22,000	12,000	-45%
62	Total General Revenue	$1,728,219	$1,695,509	$1,827,405	$1,921,564	$1,754,429	-9%
63							
64	**Revenue By Sport:**						
65	**Men's Programs:**						
66	Football						
67	Ticket :Ticket Sales						
68	Game Guarantees						
69	Media/Broadcast Receipts						
70	Other (Tourn/Bowl/Conf)						
71	Basketball						
72	Ticket Sales	3,882	4,330	3,646	3,600	5,000	39%
73	Game Guarantees						
74	Media/Broadcast Receipts						
75	Other (Tourn/Bowl/Conf)						
76	Track & Field/Cross Country						
77	Tennis						
78	Baseball Ticket Sales	11,190	12,887	15,610	15,600	15,600	0%
79	Wrestling						
80	Golf						
81	Media/Broadcast Receipts	4,800	5,280	5,280	5,280	5,400	2%
82	Total Men's Sport Revenue	$19,872	$22,497	$24,536	$24,480	$26,000	6%
83							
84	**Women's Programs**						
85	Volleyball						
86	Ticket Sales	2,642	1,310	1,471	1,500	2,500	67%
87	Game Guarantees						
88	Other (Tourn/Bowl/Conf)						
89	Basketball						
90	Ticket Sales	4,345	4,139	4,383	2,553	5,900	131%
91	Game Guarantees						
92	Media/Broadcast Receipts						
93	Other (Tourn/Bowl/Conf)						
94	Track & Field/Cross Country						
95	Tennis						
96	Gymnastics						
97	Golf						
98	Soccer						
99	Rodeo						
100	Skiing						
101	Total Women's Sport Rev	$6,987	$5,449	$5,854	$4,053	$8,400	107%
102	**Total Revenue**	$1,755,078	$1,723,455	$1,857,795	$1,950,097	$1,788,829	-8%

Lewis Clark State College
Intercollegiate Athletics Report
Summary of Revenue and Expenditures

	Expenditures by Admin/Sport	FY02 Act	FY03 Act	FY04 Act	FY05 Act	FY06 Est	% Change
103	**Administrative and General**						
104	Athletic Director Office	$247,276	$257,596	$278,697	$283,100	$246,204	-13%
105	Fund Raising Office	44,663	39,404	50,298	82,052	39,606	-52%
106	Sports Information						
107	Trainer/Equipment Manager	33,456	53,267	60,731	56,269	46,919	-17%
108	Equipment Manager						
109	Ticket Office						
110	Medical/Insurance	11,040	31,601	29,030	27,476	39,000	42%
111	Special Events	318,217	338,515	336,250	353,319	320,000	-9%
112	Other Miscellaneous						
113	Facilities Mtn & Debt Service			53,441	28,092	35,000	25%
114	Capital Improvements						
115	**Total Admin & General**	$654,652	$720,383	$808,447	$830,308	$726,729	-12%
116							
117	**Men's Programs:**						
118	Football						
119	Basketball	206,874	171,545	201,681	218,215	200,900	-8%
120	Track & Field/Cross Country	15,509	20,003	31,715	33,528	30,500	-9%
121	Tennis	28,307	27,075	32,397	36,311	30,900	-15%
122	Baseball	317,996	329,028	318,178	333,313	346,600	4%
123	Wrestling						
124	Golf	24,852	17,396	12,852	34,936	26,100	-25%
125	Volleyball						
126	Rodeo						
127	**Total Men's Programs**	$593,538	$565,047	$596,823	$656,303	$635,000	-3%
128							
129	**Women's Programs**						
130	Volleyball	110,995	119,728	161,994	137,722	144,700	5%
131	Basketball	199,993	165,273	173,366	185,739	184,900	0%
132	Track & Field/Cross Country	32,205	40,474	43,445	48,589	34,500	-29%
133	Tennis	30,005	36,225	33,869	32,484	34,900	7%
134	Gymnastics						
135	Golf	14,305	24,367	15,468	28,624	28,100	-2%
136	Soccer						
137	Rodeo	67,174	0	0	0	0	
138	Skiing						
139	Swimming						
140	**Total Women's Programs**	$454,677	$386,067	$428,142	$433,158	$427,100	-1%
141							
142	**Total Expenditures**	$1,702,867	$1,671,497	$1,833,412	$1,919,769	$1,788,829	-7%

Lewis Clark State College
Intercollegiate Athletics Report
Summary of Revenue and Expenditures

	Participants by Sport (Headcount)	FY02 Act	FY03 Act	FY04 Act	FY05 Act	FY06 Est	% Change
143	**Men's Programs:**						
144	Football						
145	Basketball	11	12	14	14	14	0%
146	Track & Field/Cross Country	9	8	9	13	9	-31%
147	Tennis	12	8	10	8	10	25%
148	Baseball	46	44	47	38	47	24%
149	Wrestling						
150	Golf	11	10	12	9	12	33%
151	Volleyball						
152	Rodeo						
153	Total Male Participation	89	82	92	82	92	12%
154							
155	**Women's Programs**						
156	Volleyball	15	13	14	13	14	8%
157	Basketball	12	12	12	12	12	0%
158	Track & Field/Cross Country	11	12	13	17	13	-24%
159	Tennis	10	11	10	13	10	-23%
160	Gymnastics						
161	Golf	6	7	7	12	7	-42%
162	Soccer						
163	Rodeo	9					
164	Skiing						
165	Swimming						
166	Total Female Participation	63	55	56	67	56	-16%
167	**Total Participants**	152	137	148	149	148	-1%

Lewis Clark State College
Intercollegiate Athletics Report
Summary of Revenue and Expenditures

	Full Ride Scholarships (Headcount)	FY02 Act	FY03 Act	FY04 Act	FY05 Act	FY06 Est	% Change
168	**Men's Programs:**						
169	Football	N/A	N/A	N/A	N/A	N/A	
170	Basketball	N/A	N/A	N/A	N/A	N/A	
171	Track & Field/Cross Country	N/A	N/A	N/A	N/A	N/A	
172	Tennis	N/A	N/A	N/A	N/A	N/A	
173	Baseball	N/A	N/A	N/A	N/A	N/A	
174	Wrestling	N/A	N/A	N/A	N/A	N/A	
175	Golf	N/A	N/A	N/A	N/A	N/A	
176	Volleyball	N/A	N/A	N/A	N/A	N/A	
177	Subtotal	0.0	0.0	0.0	0.0	0.0	
178							
179	**Women's Programs**						
180	Volleyball	N/A	N/A	N/A	N/A	N/A	
181	Basketball	N/A	N/A	N/A	N/A	N/A	
182	Track & Field/Cross Country	N/A	N/A	N/A	N/A	N/A	
183	Tennis	N/A	N/A	N/A	N/A	N/A	
184	Gymnastics	N/A	N/A	N/A	N/A	N/A	
185	Golf	N/A	N/A	N/A	N/A	N/A	
186	Soccer	N/A	N/A	N/A	N/A	N/A	
187	Swimming	N/A	N/A	N/A	N/A	N/A	
188	Skiing	N/A	N/A	N/A	N/A	N/A	
189	Subtotal	0.0	0.0	0.0	0.0	0.0	
190	**Total Scholarships**	0.0	0.0	0.0	0.0	0.0	
191							
192	**Partial Scholarships by Sport (Full-Time Equivalent)**						
193	**Men's Programs:**						
194	Football						
195	Basketball	8.71	6.99	8.88	9.15	8.88	-3%
196	Track & Field/Cross Country	0.31	0.36	0.58	0.57	0.58	2%
197	Tennis	0.89	0.80	1.38	2.04	1.38	-32%
198	Baseball	11.62	9.63	7.89	10.49	7.89	-25%
199	Wrestling						
200	Golf	0.48	0.31	0.35	0.77	0.35	-55%
201	Volleyball						
202	Rodeo						
203	Subtotal	22.01	18.09	19.08	23.02	19.08	-17%
204							
205	**Women's Programs**						
206	Volleyball	6.77	4.98	4.99	4.62	4.99	8%
207	Basketball	10.45	6.70	7.64	7.71	7.64	-1%
208	Track & Field/Cross Country	0.62	0.59	0.96	1.52	0.96	-37%
209	Tennis	1.27	1.62	1.46	1.46	1.46	0%
210	Gymnastics						
211	Golf	0.18	0.36	0.46	0.90	0.46	-49%
212	Soccer						
213	Rodeo	2.00					
214	Skiing						
215	Swimming						
216	Subtotal	21.29	14.25	15.51	16.21	15.51	-4%
217	**Total Scholarships**	43.30	32.34	34.59	39.23	34.59	-12%

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REFERENCE: APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: III. POSTSECONDARY AFFAIRS
T. Intercollegiate Athletics **April 2002**

4**. Financial Reporting.**

The Board requires that the institutions adopt certain reporting requirements and common accounting practices in the area of intercollegiate athletic financing. The institutions will submit the following reports to the Board:

a. At the April Board meeting, the institutions shall submit a budget plan for the upcoming fiscal year beginning July 1. The plans shall detail the sources of revenue by category.

b. At the June Board meeting, the institutions shall submit an operating budget for the upcoming fiscal year beginning July 1 in a format prescribed by the Board office.

c. At the October Board meeting, institutions shall submit a statement of current funds, revenues, and expenditures, in the detail prescribed by the Board office, including all revenue earned during a fiscal year. A secondary breakdown of expenditures by sport and the number of participants will also be required. The number and amounts of nonresident tuition waivers and the fund balances as of June 30 of the report year should be included in the report. The general format of the report will be consistent with the format used in recent years. The revenue and expenditures reported on these reports must reconcile to the NCAA Agreed Upon Procedures Reports that are prepared annually and reviewed by the external auditors. The following fiscal year's financial information will be reported by each institution:

(1) Estimated revenues and expenditures for the current fiscal year.

(2) Actual revenues and expenditures for the fiscal year most recently completed.

(3) Proposed operating budget for the next budget year beginning July 1. This report, however, will be submitted to the Board at its June meeting with other institutional operating budgets.

d. An annual report of estimated (for the current year) and actual (for the most recently completed year) revenues and expenditures of the institution's booster organization, requested for submission to the Board for information only.

e. A general narrative paper explaining each institution's policy on grants-in-aid for men and women athletes (including nonresident tuition waivers), procedures for charging or allocating costs for facilities' use to athletic programs, and any allocations of personnel or operating expenses to or from the other departments or units of the institution.

INSTITUTION/AGENCY AGENDA
COLLEGE AND UNIVERSITIES OF THE STATE BOARD

SUBJECT

Intercollegiate Athletics Department, Employee Compensation Report.

APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section III. T.4.

BACKGROUND

In FY97, the Board adopted an annual report on the compensation of the employees of the Intercollegiate Athletic Departments. The report details the contracted salary received by administrators and coaches, bonuses, additional compensation, and perquisites, if applicable. The reports, by institution, report FY05 actual compensation and FY06 estimated compensation (Reference pages 3-30).

DISCUSSION

The reports are for information only and do not require Board action.

IMPACT

Reports athletic employee compensation for FY05 (actual) and FY06 (estimated).

STAFF COMMENTS AND RECOMMENDATIONS

The Board has delegated to the chief executive officer of the institutions the appointing authority for all athletic department positions except multi-year contracts for head coaches and athletic directors. The compensation reports identify the contracted salary and any additional compensation and perquisites, if received.

BOARD ACTION

A motion to accept the Annual Intercollegiate Athletics Department Employee Compensation Reports as presented.

Moved by___________ Seconded by___________ Carried Yes_____ No_____

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Boise State University
Intercollegiate Athletics Compensation Report
FY2005 Actual Compensation

	Depart/Name/Title		FTE	Compensation: Base Salary	Compensation: Camps/ Clinics	Compensation: Media	Compensation: Equip Co & Other	Total Actual Comp.	Contract Bonus: Grad Rate	Contract Bonus: Winning Perform.	Contract Bonus: Other	Perks: Club Mbershi	Perks: Car	Perks: Other	Multi-Yr Contract
1	Athletic Administration														
2	Gene Bleymaier	Athletic Director	1.00	139,111	0	26,000	750	165,861	5,000	17,500	33,333	Yes	Yes	No	Yes
3	Bob Madden	Associate Athletic Director	1.00	82,054	0	0	0	82,054	0	0	0	Yes	Yes	No	No
4	Herb Criner	Associate Athletic Director	1.00	69,256	0	0	0	69,256	0	0	7,500	Yes	Yes	No	No
5	Lisa Parker	Associate Athletic Director	1.00	60,008	0	0	0	60,008	0	0	0	Yes	Yes	No	No
6	Curt Apsey	Associate Athletic Director	1.00	69,627	0	12,000	0	81,627	0	0	0	Yes	Yes	No	No
7	Mike Waller	Associate Athletic Director	1.00	59,634	0	0	0	59,634	0	0	0	Yes	Yes	No	No
8	Mark Urick	Assistant BAA Director	1.00	36,408	0	0	0	36,408	0	0	0	Yes	No	No	No
9	Gabe Rosenvall	Assistant Athletic Director	1.00	40,956	0	0	0	40,956	0	0	0	No	No	No	No
10	Anita Guerricabeitia	Assistant Athletic Director	1.00	44,025	0	0	0	44,025	0	0	7,000	No	No	No	No
11	Gary Craner	Assistant Athletic Director	1.00	54,684	0	0	0	54,684	0	0	0	No	No	No	No
12	Cyndia Satterfield	Associate Athletic Trainer	1.00	37,461	0	0	0	37,461	0	0	0	No	No	No	No
13	George Goodridge	Associate Athletic Trainer	1.00	37,450	0	0	0	37,450	0	0	0	No	No	No	No
14	Heather Garris	Assistant Athletic Trainer	1.00	34,341	0	0	0	34,341	0	0	0	No	No	No	No
15	Max Corbet	Assistant Athletic Director	1.00	48,000	0	0	0	48,000	0	0	0	Yes	No	No	No
16	Lori Hays	Sports Information Dir.	1.00	41,008	0	0	0	41,008	0	0	500	No	No	No	No
17	Todd Miles	Assistant Sports Info. Dir.	1.00	37,020	0	0	0	37,020	0	0	0	No	No	No	No
18	Doug Link	Assistant Sports Info. Dir.	1.00	36,535	0	0	0	36,535	0	0	0	No	No	No	No
19	Anna Marie Kaus	Academic Advisor	1.00	33,293	0	0	0	33,293	0	0	0	No	No	No	No
20	Oscar Duncan	Academic Advisor	1.00	33,293	0	0	0	33,293	0	0	0	No	No	No	No
21	Brad Larrondo	Director of Promotions	1.00	41,075	0	0	0	41,075	0	0	0	Yes	No	No	No
22	Jeff Pitman	Strength Coordinator	1.00	47,713	5,752	0	0	53,465	0	1,500	0	No	Yes	No	No
23	Jared Aurich	Assistant Strength Coach	1.00	30,000	1,100	0	0	31,100	0	0	0	No	No	No	No
24	Jordan McCoy	Assistant Strength Coach	1.00	30,000	0	0	0	30,000	0	0	0	No	No	No	No
25	Adam Parker	Corporate Sponsorships	1.00	31,824	0	0	0	31,824	0	0	0	No	No	No	No
26	Nicole Gamez	Business Manager	1.00	46,813	0	0	0	46,813	0	0	0	No	No	No	No
27	Cindy Rice	Accountant	1.00	33,098	0	0	0	33,098	0	0	0	No	No	No	No
28	Valerie Tichenor	Assistant to the AD - Special Proje	1.00	46,800	0	0	0	46,800	0	0	0	No	No	No	No
29	Matt Billings	Compliance	1.00	40,000	0	0	0	40,000	0	0	0	No	No	No	No
30	Kevin Bunker	Information Technology	1.00	34,332	0	0	0	34,332	0	0	0	No	No	No	No

Boise State University
Intercollegiate Athletics Compensation Report
FY2005 Actual Compensation

	Depart/Name/Title		FTE	Compensation: Base Salary	Camps/ Clinics	Media	Equip Co & Other	Total Actual Comp.	Contract Bonus: Grad Rate	Winning Perform.	Other	Perks: Club Mbershi	Car	Other	Multi-Yr Contract
31	Men's Sports														
32	Football														
33	Dan Hawkins	Head Coach	1.00	186,744	1,000	158,250	7,418	353,412	2,000	57,499	100,000	Yes	Yes	No	Yes
34	Chris Peterson	Assistant Coach	1.00	124,190	5,752	37,074	750	167,766	750	13,439	0	No	Yes	No	No
35	Ron Collins	Assistant Coach	1.00	88,412	5,752	29,851	750	124,765	750	9,855	0	No	Yes	No	No
36	Kent Riddle	Assistant Coach	1.00	70,995	5,752	9,687	750	87,184	750	6,724	0	No	Yes	No	No
37	Chris Strausser	Assistant Coach	1.00	71,006	5,752	9,645	750	87,153	750	6,721	0	No	Yes	No	No
38	Bryan Harsin	Assistant Coach	1.00	41,637	5,752	4,625	750	52,764	750	3,855	0	No	Yes	No	No
39	Romeo Bandison	Assistant Coach	1.00	45,860	11,674	8,140	750	66,424	750	4,500	0	No	Yes	No	No
40	Steve Smyte	Assistant Coach	1.00	43,000	6,152	27,000	750	76,902	750	5,833	0	No	Yes	No	No
41	Marcel Yates	Assistant Coach	1.00	43,697	9,488		750	53,935	750	3,641	0	No	Yes	No	No
42	Robert Tucker	Assistant Coach	1.00	43,701	5,752	6,635	750	56,838	750	4,195	0	No	Yes	No	No
44	Basketball														
45	Greg Graham	Head Coach	1.00	135,013	8,500	90,000	6,000	239,513	0	13,000	0	Yes	Yes	No	Yes
46	Andy McClousky	Assistant Coach	1.00	60,500	7,000	0	4,000	71,500	0	1,000	0	No	Yes	No	No
47	Tim Cleary	Assistant Coach	1.00	55,500	7,000	0	4,000	66,500	0	1,000	0	No	Yes	No	No
48	Julious Coleman	Assistant Coach	1.00	33,600	7,000	0	4,000	44,600	0	1,000	0	No	No	No	No
49	Wrestling														
50	Greg Randall	Head Coach	1.00	43,890	0	0	0	43,890	0	8,000	0	No	Yes	No	No
51	Chris Owens	Assistant Coach	1.00	32,116	0	0	0	32,116	0	1,250	0	No	No	No	No
52	Rusty Cook	Assistant Coach	0.75	18,015	0	0	0	18,015	0	1,250	0	No	No	No	No
53	Golf														
54	Mike Young	Head Coach	0.48	29,960	0	0	0	29,960			0	Yes	Yes	No	No
55	Tennis														
56	Greg Patton	Head Coach	1.00	62,410	0	0	0	62,410	0	0	1,000	No	Yes	No	No
57	Morgan Shepard	Assistant Coach	1.00	15,000	0	0	0	15,000	0	0	0	No	No	No	No
58															
59	Men/Women's Track & Field														
60	Mike Maynard	Head Coach	1.00	72,704	0	0	0	72,704	0	9,500	1,000	No	Yes	No	No
61	David Welch	Assistant Coach	1.00	28,621	0	0	0	28,621	0	2,750	0	No	No	No	No
62	Jake Jacoby	Assistant Coach	1.00	37,810	0	0	0	37,810	0	2,250	0	No	No	No	No
63	Amy Christoffersen	Assistant Coach	1.00	33,634	0	0	0	33,634	0	2,750	0	No	No	No	No

Boise State University
Intercollegiate Athletics Compensation Report
FY2005 Actual Compensation

	Depart/Name/Title		FTE	Compensation: Base Salary	Camps/ Clinics	Media	Equip Co & Other	Total Actual Comp.	Contract Bonus: Grad Rate	Winning Perform.	Other	Perks: Club Mbership	Car	Other	Multi-Yr Contract
64	Women's Sports														
65	Basketball														
66	Jen Warden	Head Coach	1.00	83,207	6,000	5,000	0	94,207	2,000	0	0	Yes	Yes	No	Yes
67	Dana McGraw	Assistant Coach	1.00	35,500	2,500	0	0	38,000	750	0	0	No	Yes	No	No
68	Heather Sower	Assistant Coach	1.00	38,980	2,500	0	0	41,480	750	0	0	No	Yes	No	No
69	Eliot Reynolds	Assistant Coach	1.00	30,520	2,500	0	0	33,020	750	0	0	No	No	No	No
70	Soccer														
71	Steve Lucas	Head Coach	1.00	43,493	0	0	0	43,493	1,500	0	0	No	Yes	No	No
72	Michelle Zentz	Assistant Coach	1.00	31,508	3,100	0	0	34,608	750	0	0	No	No	No	No
73	Volleyball														
74	Scott Sandel	Head Coach	1.00	60,009	2,000	0	0	62,009	0	0	0	No	Yes	No	No
75	Keisha Demps	Assistant Coach	1.00	27,020	4,750	0	0	31,770	0	0	0	No	No	No	No
76	Mark Pryor	Assistant Coach	1.00	38,003	900	0	0	38,903	0	0	0	No	No	No	No
77	Gymnastics														
78	Sam Sandmire	Head Coach	1.00	52,146	0	2,000	0	54,146	0	2,000	0	Yes	Yes	No	No
79	William Steinbach	Assistant Coach	1.00	33,239	0	0	0	33,239	0	750	0	No	No	No	No
80	Tina Bird	Assistant	1.00	33,725	0	0	0	33,725	0	750	0	No	No	No	No
81	Tennis														
82	Mark Tichenor	Head Coach	1.00	38,605	0	0	0	38,605	0	0	0	No	No	No	No
83	Dean Owens	Assistant Coach	1.00	15,000	0	0	0	15,000	0	0	0	No	No	No	No
84	Golf														
85	Lisa Wasinger	Head Coach	1.00	31,055	0	0	0	31,055	0	0	0	Yes	Yes	No	No
86	Ski														
87	Chris Hendrickson	Head Coach	1.00	38,000	0	0	0	38,000	0	0	0	No	Yes	Yes	No

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Boise State University
Intercollegiate Athletics Compensation Report
FY2006 Estimated Compensation

	Depart/Name/Title		FTE	Compensation: Base Salary	Compensation: Camps/ Clinics	Compensation: Media	Compensation: Equip Co & Other	Total Potential Comp.	Potential Contract Bonus: Grad Rate	Potential Contract Bonus: Winning Perform.	Potential Contract Bonus: Other	Perks: Club Mbership	Perks: Car	Perks: Other	Multi-Yr Contract
1	Athletic Administration														
2	Gene Bleymaier	Athletic Director	1.00	220,000	0	0	750	220,750	0	21,000	0	Yes	Yes	No	Yes
3	Curt Apsey	Sr. Associate Athletic Director	1.00	93,643	0	0	0	93,643	0	0	0	Yes	Yes	No	No
4	Lisa Parker	Sr. Associate Athletic Director	1.00	80,000	0	0	0	80,000	0	0	0	Yes	Yes	No	No
5	Bob Madden	Associate Athletic Director	1.00	86,100	0	0	0	86,100	0	0	0	Yes	Yes	No	No
6	Herb Criner	Associate Athletic Director	1.00	70,641	0	0	0	70,641	0	0	7,500	Yes	Yes	No	No
7	Mike Waller	Associate Athletic Director	1.00	65,597	0	0	0	65,597	0	0	0	Yes	Yes	No	No
8	Brad Larrondo	Sr Asst AD - Market & Promo	1.00	51,000	0	0	0	51,000	0	0	0	Yes	No	No	No
9	Gary Craner	Assistant Athletic Director	1.00	55,778	0	0	0	55,778	0	0	0	No	No	No	No
10	Anita Guerricabeitia	Assistant Athletic Director	1.00	49,000	0	0	0	49,000	0	0	5,000	No	No	No	No
11	Max Corbet	Assistant Athletic Director	1.00	49,000	0	0	0	49,000	0	0	0	Yes	No	No	No
12	Gabe Rosenvall	Assistant Athletic Director	1.00	47,775	0	0	0	47,775	0	0	0	No	No	No	No
13	Jeff Pitman	Strength Coordinator	1.00	53,530	0	0	0	53,530	0	0	0	No	Yes	No	No
14	Nicole Gamez	Business Manager	1.00	49,000	0	0	0	49,000	0	0	0	No	No	No	No
15	Valerie Tichenor	Assistant to the AD - Special Projects	1.00	47,736	0	0	0	47,736	0	0	0	No	No	No	No
16	Lori Hays	Sports Information Director	1.00	41,828	0	0	0	41,828	0	0	0	No	No	No	No
17	Matt Billings	Compliance Director	1.00	40,800	0	0	0	40,800	0	0	0	No	No	No	No
18	Megan Levi	Assistant BAA Direcotor	1.00	40,000	0	0	0	40,000	0	0	0	Yes	No	No	No
19	Cindy Satterfield	Associate Athletic Trainer	1.00	38,210	0	0	0	38,210	0	0	0	No	No	No	No
20	George Goodridge	Associate Athletic Trainer	1.00	38,199	0	0	0	38,199	0	0	0	No	No	No	No
21	Todd Miles	Assistant Sports Info. Dir.	1.00	37,760	0	0	0	37,760	0	0	0	No	No	No	No
22	Doug Link	Assistant Sports Info. Dir.	0.54	37,266	0	0	0	37,266	0	0	0	No	No	No	No
23	Kevin Bunker	Information Technology	1.00	35,109	0	0	0	35,109	0	0	0	No	No	No	No
24	Anna Marie Kaus	Academic Advisor	1.00	33,959	0	0	0	33,959	0	0	0	No	No	No	No
25	Oscar Duncan	Academic Advisor	1.00	33,959	0	0	0	33,959	0	0	0	No	No	No	No
26	Cindy Rice	Accountant	1.00	33,760	0	0	0	33,760	0	0	0	No	No	No	No
27	Shaela Priaulx	Ticket Office Manager	1.00	32,460	0	0	0	32,460	0	0	0	No	No	No	No
28	Adam Parker	Director of Promotions	1.00	32,460	0	0	0	32,460	0	0	0	No	No	No	No
29	Brent Moore	Corporate Services Coordinator	1.00	32,460	0	0	0	32,460	0	0	0	No	No	No	No
30	Brandon Voight	Assistant Athletic Trainer	1.00	32,000	0	0	0	32,000	0	0	0	No	No	No	No
31	Eric Kile	Academic Advisor	1.00	31,824	0	0	0	31,824	0	0	0	No	No	No	No
32	Jared Aurich	Assistant Strength Coach	1.00	30,600	2,000	0	0	32,600	0	0	0	No	No	No	No
33	Jordan McCoy	Assistant Strength Coach	1.00	30,600	1,000	0	0	31,600	0	0	0	No	No	No	No

Boise State University
Intercollegiate Athletics Compensation Report
FY2006 Estimated Compensation

				Compensation				Total	Potential Contract Bonus			Perks			
	Depart/Name/Title		FTE	Base Salary	Camps/ Clinics	Media	Equip Co & Other	Potential Comp.	Grad Rate	Winning Perform.	Other	Club Mbership	Car	Other	Multi-Yr Contract
34	Men's Sports														
35	Football														
36	Dan Hawkins	Head Coach	1.00	525,000	0	0	3,500	528,500	0	0	0	Yes	Yes	No	Yes
37	Chris Peterson	Assistant Coach	1.00	152,536	3,500	39,368	750	196,154	0	0	0	No	Yes	No	No
38	Ron Collins	Assistant Coach	1.00	109,960	0	30,773	750	141,483	0	0	0	No	Yes	No	No
39	Kent Riddle	Assistant Coach	1.00	85,758	3,500	10,245	750	100,253	0	0	0	No	Yes	No	No
40	Chris Strausser	Assistant Coach	1.00	85,780	3,500	10,195	750	100,225	0	0	0	No	Yes	No	No
41	Marcel Yates	Assistant Coach	1.00	51,999	3,500	0	750	56,249	0	0	0	No	Yes	No	No
42	Bryan Harsin	Assistant Coach	1.00	50,118	7,000	4,934	750	62,802	0	0	0	No	Yes	No	No
43	Romeo Bandison	Assistant Coach	1.00	54,573	3,500	4,927	750	63,750	0	0	0	No	Yes	No	No
44	Steve Smyte	Assistant Coach	1.00	53,232	0	30,069	750	84,051	0	0	0	No	Yes	No	No
45	Robert Tucker	Assistant Coach	1.00	52,004	3,500	7,896	750	64,150	0	0	0	No	Yes	No	No
46	Basketball														
47	Greg Graham	Head Coach	1.00	135,013		110,000	7,500	252,513	0	0	0	No	Yes	No	Yes
48	Andy McClousky	Assistant Coach	1.00	60,500		0	1,250	61,750	0	0	0	No	Yes	No	No
49	Tim Cleary	Assistant Coach	1.00	55,500		0	1,500	57,000	0	0	0	No	Yes	No	No
50	Julious Coleman	Assistant Coach	1.00	33,600		0	1,250	34,850	0	0	0	No	No	No	No
51	Wrestling														
52	Greg Randall	Head Coach	1.00	44,768	0	0	0	44,768	0	0	0	No	Yes	No	No
53	Chris Owens	Assistant Coach	.83	32,758	0	0	0	32,758	0	0	0	No	No	No	No
54	Rusty Cook	Assistant Coach	.75	18,375	0	0	0	18,375	0	0	0	No	No	No	No
55	Golf														
56	Kevin Burton	Head Coach	1.00	30,000	0	0	0	30,000	0	0	0	Yes	Yes	No	No
57	Tennis														
58	Greg Patton	Head Coach	1.00	88,000	0	0	0	88,000	0	0	0	No	Yes	No	No
59	Morgan Shepard	Assistant Coach	1.00	15,018	0	0	0	15,018	0	0	0	No	No	No	No
60	Men/Women's Track & Field														
61	Mike Maynard	Head Coach	1.00	74,158	0	0	0	74,158	0	0	0	No	Yes	No	No
62	David Welch	Assistant Coach	1.00	34,000	0	0	0	34,000	0	0	0	No	No	No	No
63	Petros Kyprianou	Assistant Coach	1.00	34,000	0	0	0	34,000	0	0	0	No	No	No	No
64	Amy Christoffersen	Assistant Coach	1.00	34,307	0	0	0	34,307	0	0	0	No	No	No	No

Boise State University
Intercollegiate Athletics Compensation Report
FY2006 Estimated Compensation

				Compensation				Total	Potential Contract Bonus			Perks			
	Depart/Name/Title		FTE	Base Salary	Camps/ Clinics	Media	Equip Co & Other	Potential Comp.	Grad Rate	Winning Perform.	Other	Club Mbership	Car	Other	Multi-Yr Contract
65	Women's Sports														
66	Basketball														
67	Gordon Presnell	Head Coach	1.00	84,900	0	5,100	0	90,000	0	0	0	Yes	Yes	No	Yes
68	Ali Payne	Assistant Coach	1.00	41,000	0	0	0	41,000	0	0	0	No	Yes	No	No
69	Heather Sower	Assistant Coach	1.00	38,000	0	0	0	38,000	0	0	0	No	Yes	No	No
70	Toriano Towns	Assistant Coach	1.00	41,000	0	0	0	41,000	0	0	0	No	No	No	No
71	Soccer														
72	Steve Lucas	Head Coach	1.00	45,232	0	0	0	45,232	0	0	0	No	Yes	No	No
73	Michelle Zentz	Assistant Coach	1.00	32,768	0	0	0	32,768	0	0	0	No	No	No	No
74	Volleyball														
75	Scott Sandel	Head Coach	1.00	66,009	0	0	0	66,009	0	0	0	No	Yes	No	No
76	Keisha Demps	Assistant Coach	1.00	38,003	3,500	0	0	41,503	0	0	0	No	No	No	No
77	TBD	Assistant Coach	1.00	30,000	0	0	0	30,000	0	0	0	No	No	No	No
78	Gymnastics														
79	Sam Sandmire	Head Coach	1.00	53,189	1,000	2,000	0	56,189	0	0	0	Yes	Yes	No	No
80	William Steinbach	Assistant Coach	1.00	33,904	0	0	0	33,904	0	0	0	No	No	No	No
81	Tina Bird	Assistant Coach	1.00	34,400	1,000	0	0	35,400	0	0	0	No	No	No	No
82	Tennis														
83	Mark Tichenor	Head Coach	1.00	39,377	0	0	0	39,377	0	0	0	No	No	No	No
84	Alissa Ayling	Assistant Coach	1.00	15,018	0	0	0	15,018	0	0	0	No	No	No	No
85	Golf														
86	Lisa Wasinger	Head Coach	1.00	31,676	0	0	0	31,676	0	0	0	Yes	Yes	No	No
87	Ski														
88	Chris Hendrickson	Head Coach	1.00	38,760	0	0	0	38,760	0	0	0	No	Yes	Yes	No
89		Assistant Coach	1.00	20,000	0	0	0	20,000	0	0	0	No	No	No	No

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Idaho State University
Intercollegiate Athletics Compensation Report
FY 2005 Actual Compensation

	Depart/Name/Title		FTE	Compensation: Base Salary	Compensation: Camps/ Clinics	Compensation: Media	Compensation: Equip Co & Other	Total Actual Comp.	Contract Bonuses: Grad Rate	Contract Bonuses: Winning Perform.	Contract Bonuses: Acad Perform.	Perks: Club Mbership	Perks: Car	Perks: Other	Multi-Yr Contract
1	Athletic Administration:														
2	James Senter	Athl Dir	0.60	69,704				69,704					Yes		
3	Paul Bubb	Athl Dir	0.40	47,476				47,476					Yes		
4	David Nall	Fiscal Officer	1.00	53,530				53,530							
5	Frank Mercogliano	Sports Info Dir	1.00	38,199				38,199							
6	Jason Erickson	Asst Sports Inf Dir	1.00	22,064				22,064							
7	Phillip Luckey	Men's Trainer	0.91	41,885	248			42,133							
8	Hale Abubo	Assoc Trainer	0.50	5,624				5,624							
9	Jodi Wotowey	Assoc Trainer/Ins	0.50	27,614				27,614							
10	Thomas Brock	Asst Trainer	1.00	28,263	1,102			29,365							
11	Barry Johnson	Stngth Coach	0.78	29,355				29,355							
12	David Hofmaier	Stngth Coach	0.22	8,654				8,654							
13	David Hofmaier	Asst Stngth Coach	0.42	9,188				9,188							
14	Zach Nott	Asst Stngth Coach	0.58	1,385				1,385							
15	Reggie Barton	Asst Stngth Coach	0.42	10,173				10,173							
16	Nancy Graziano	Assoc Athl Dir	1.00	56,270				56,270							
17	Thomas Furr	Market/Prom Dir	0.31	10,054				10,054		26,298					
18	Michael Pritchett	Market/Prom Dir	0.69	25,458				25,458							
19															
20	Bengal Foundation														
21	Daniel Ingram	Dir/Annl Giving	1.00	28,005				28,005							
22	Paul Bubb	Asst Dir of Devel	0.60	33,869				33,869							
23	Rance Pugmire	Asst Dir of Devel	0.27	12,696				12,696							
24	Donna Hayes	Fund Raiser	1.00	32,202				32,202							
25															
26	ISU Bengal Dance														
27	Hiliary Hofmaier	Coach	0.45	16,973				16,973							
28															

Idaho State University
Intercollegiate Athletics Compensation Report
FY 2005 Actual Compensation

	Depart/Name/Title		FTE	Compensation: Base Salary	Compensation: Camps/ Clinics	Compensation: Media	Compensation: Equip Co & Other	Total Actual Comp.	Contract Bonuses: Grad Rate	Contract Bonuses: Winning Perform.	Contract Bonuses: Acad Perform.	Perks: Club Mbership	Perks: Car	Perks: Other	Multi-Yr Contract
29	Men's Sports														
30	Football														
31	Larry Lewis	Hd Coach	0.91	88,644	16,600	5,960	1,000	112,203					Yes		Yes
32	Bruce Barnum	Asst Coach	1.00	52,090	3,637			55,727					Yes		
33	Jeffrey Copp	Asst Coach	0.22	7,038	12,000			19,038							
34	Nick Whitworth	Asst Coach	0.28	9,013	3,500			12,513							
35	Mark Rhea	Asst Coach	1.00	31,448	3,637			35,085							
36	Joe Borich	Asst Coach	1.00	31,448	3,637			35,085					Yes		
37	Joe Lorig	Asst Coach	1.00	35,308	3,637			38,945					Yes		
38	Bryant Thomas	Asst Coach	1.00	28,028	3,637			31,666							
39	David Muir	Asst Coach	1.00	23,344	3,637			26,981							
40	Torey Hunter	Asst Coach	1.00	28,028	3,637			31,666							
41	Basketball														
42	Doug Oliver	Hd Coach	0.96	93,027		6,063	2,000	101,089					Yes		Yes
43	Louis Wilson	Asst Coach	1.00	41,664	2,064		500	44,228		2,000					
44	Jay McMillin	Asst Coach	1.00	41,664	1,238		500	43,403		2,000			Yes		
45	Tennis														
46	Robert Goeltz	Hd Coach	0.43	17,269				17,269							
47	Tom Goodwin	Asst Coach	0.21	5,631				5,631							
48	Track & Field														
49	David Nielsen	Hd Coach	0.46	23,570		69	350	23,988		987					
50	Golf														
51	David Molitor	Hd Coach	0.50	14,137				14,137							
52	Crosscountry														
53	Brian Janssen	Hd Coach	0.50	20,769		69		20,837		792					

Idaho State University
Intercollegiate Athletics Compensation Report
FY 2005 Actual Compensation

	Depart/Name/Title		FTE	Compensation: Base Salary	Camps/ Clinics	Media	Equip Co & Other	Total Actual Comp.	Contract Bonuses: Grad Rate	Winning Perform.	Acad Perform.	Perks: Club Mbership	Car	Other	Multi-Yr Contract
54	Women's Sports														
55	Basketball														
56	Jon Newlee	Hd Coach	0.96	66,789	824	1,063		68,676		2,616			Yes		Yes
57	Gavin Petersen	Asst Coach	0.84	30,343				30,343							
58	Jessica Schutt	Asst Coach	0.16	5,854	300			6,154		1,346					
59	Mindy Lasater Newlee	Asst Coach	1.00	29,996	824			30,820		1,000			Yes		
60	Volleyball														
61 (*)	Mike Welch	Hd Coach	0.91	48,495	6,000	171		54,666					Yes		Yes
62	Jody Paperno	Asst Coach	0.31	4,261				4,261							
63	Jay Hosack	Asst Coach	0.69	9,824	1,131			10,955							
64	Tennis														
65	Robert Goeltz	Hd Coach	0.43	17,269				17,269							
66	Tom Goodwin	Asst Coach	0.21	5,631				5,631							
67	Track & Field														
68	David Neilsen	Hd coach	0.45	23,570		69	350	23,988							
69	Golf														
70	David Molitor	Hd Coach	0.50	14,137				14,137							
71	Crosscountry														
72	Brian Janssen	Hd Coach	0.50	20,769		69		20,837							
73	Soccer														
74	Mark Salisbury	Hd Coach	1.00	53,528	6,147	171		59,847			3,060		Yes		Yes
75	Amanda Fox	Asst Coach	1.00	28,263	1,238			29,502							

(*) These coaches receive pay for their participation in off-campus clinics or events.
These earnings are not reflected in the Regular Salary payroll costs for Idaho State University.

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Idaho State University
Intercollegiate Athletics Compensation Report
FY 2006 Estimated Compensation

	Depart/Name/Title		FTE	Compensation: Base Salary	Compensation: Camps/ Clinics	Compensation: Media	Compensation: Equip Co & Other	Total Potential Comp.	Contract Bonuses: Grad Rate	Contract Bonuses: Winning Perform.	Contract Bonuses: Acad Perform.	Perks: Club Mbership	Perks: Car	Perks: Other	Multi-Yr Contract
1	Athletic Administration:														
2	Paul Bubb	Athl Dir	1.00	121,805				121,805					Yes		
3	David Nall	Fiscal Officer	1.00	50,690				50,690							
4	Frank Mercogliano	Sports Info Dir	1.00	41,787				41,787							
5	Jason Erickson	Asst Sports Inf Dir	1.00	24,565				24,565							
6	Phillip Luckey	Men's Trainer	0.91	42,322	276			42,598							
7	Jody Wotowey	Assoc Trainer	1.00	33,301	300			33,601							
8	Tom Brock	Asst Trainer	1.00	30,638				30,638							
9	David Hofmaier	Stngth Coach	1.00	38,272				38,272							
10	Kaci Williams	Asst Stngth Coach	1.00	24,003				24,003							
11	Nancy Graziano	Assoc Athl Dir	1.00	57,200				57,200							
12	Matt Stewart	Dir Acad Service	1.00	27,069				27,069							
13	Vacant	Market/Prom Dir	1.00	55,016				55,016							
14	Michelle Railsback	Media Relations	0.50	15,233				15,233							
15															
16	Bengal Foundation														
17	Daniel Ingram	Dir/Annl Giving	1.00	35,610				35,610							
18	Rance Pugmire	Sr. Assoc Athl Dir	1.00	56,306				56,306							
19	Donna Hayes	Fund Raiser	1.00	32,510				32,510							
20															
21	ISU Bengal Dance Team														
22	Hiliary Hofmaier	Coach	0.45	17,356				17,356							
23															

Idaho State University
Intercollegiate Athletics Compensation Report
FY 2006 Estimated Compensation

	Depart/Name/Title		FTE	Compensation: Base Salary	Camps/ Clinics	Media	Equip Co & Other	Total Potential Comp.	Contract Bonuses: Grad Rate	Winning Perform.	Acad Perform.	Perks: Club Mbership	Car	Other	Multi-Yr Contract
24	Men's Sports														
25	Football														
26	Larry Lewis	Hd Coach	0.91	91,006	2,000	11,500	1,000	105,506					Yes		Yes
27	Bruce Barnum	Asst Coach	1.00	52,333	2,000			54,333							
28	Nick Whitworth	Asst Coach	1.00	25,002	2,000			27,002							
29	Mark Rhea	Asst Coach	1.00	31,595	2,000			33,595							
30	Joe Borich	Asst Coach	1.00	31,595	2,000			33,595					Yes		
31	Joe Lorig	Asst Coach	1.00	35,506	2,000			37,506					Yes		
32	Bryant Thomas	Asst Coach	1.00	28,184	2,000			30,184							
33	Torey Hunter	Asst Coach	1.00	28,184	2,000			30,184							
34	Stacy Collins	Asst Coach	0.50	20,249	2,000			22,249							
35	Basketball														
36	Doug Oliver	Hd Coach	0.96	93,997		6,000	2,500	102,497					Yes		Yes
37	Louis Wilson	Asst Coach	1.00	42,162	2,064			44,226		2,856					
38	Jay McMillin	Asst Coach	1.00	42,162	2,064			44,226		2,856			Yes		
39	Tennis														
40	Robert Goeltz	Hd Coach	0.43	17,484				17,484							
41	Tom Goodwin	Asst Coach	0.21	5,689				5,689							
42	Track & Field														
43	David Nielsen	Hd Coach	0.46	23,830				23,830							
44	Vacant	Asst Coach	0.01	12,501				12,501							
45	Golf														
46	David Molitor	Hd Coach	0.50	17,857				17,857							
47	Crosscountry														
48	Brian Janssen	Hd Coach	0.50	20,998		100		21,098							

Idaho State University
Intercollegiate Athletics Compensation Report
FY 2006 Estimated Compensation

	Depart/Name/Title		FTE	Compensation: Base Salary	Camps/ Clinics	Media	Equip Co & Other	Total Potential Comp.	Contract Bonuses: Grad Rate	Winning Perform.	Acad Perform.	Perks: Club Mbership	Car	Other	Multi-Yr Contract
49	Women's Sports														
50	Basketball														
51	Jon Newlee	Hd Coach	0.96	67,518	1,000	1,000		69,518					Yes		Yes
52	Gavin Petersen	Asst Coach	1.00	33,654				33,654							
53	Mindy Lasater Newlee	Asst Coach	1.00	30,638				30,638					Yes		
54	Volleyball														
55 (*)	Mike Welch	Hd Coach	0.91	48,778	22,600	200		71,578					Yes		Yes
56	Mika Robinson	Asst Coach	1.00	32,261	3,400			35,661							
57	Tennis														
58	Robert Goeltz	Hd Coach	0.43	17,484				17,484							
59	Tom Goodwin	Asst Coach	0.21	5,689				5,689							
60	Track & Field														
61	David Neilsen	Hd coach	0.45	23,830		150		23,980							
62	Vacant	Asst Coach	0.25	12,501				12,501							
63	Golf														
64	David Molitor	Hd Coach	0.50	17,857				17,857							
65	Crosscountry														
66	Brian Janssen	Hd Coach	0.50	20,998				20,998							
67	Soccer														
68	Mark Salisbury	Hd Coach	1.00	54,059	4,000	200		58,259					Yes		Yes
69	Amanda Fox	Asst Coach	1.00	30,597				30,597							
70	Softball														
71	Larry Stocking	Hd Coach	1.00	45,469				45,469							
72	Vacant	Asst Coach	1.00	25,002				25,002							

(*) These coaches receive pay for their participation in off-campus clinics or events.
These earnings are not reflected in the Regular Salary payroll costs for Idaho State University.

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University of Idaho
Intercollegiate Athletics Compensation Report
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	Depart/Name	Title	FTE	Compensation: Base Salary	Compensation: Camps/ Clinics	Compensation: Media	Compensation: Equip Co & Other	Total Actual Comp.	Maximum Contract Bonuses: Grad Rate	Maximum Contract Bonuses: Winning Perform.	Maximum Contract Bonuses: Other	Perks: Club Mbership	Perks: Car	Perks: Other	Multi-Yr Contract
1	Athletic Administration:														
2	Rob Spear	Athletic Director	1.00	137,146		5,000		142,146				yes	yes		yes
3	Dee Menzies	Sr Assoc AD	1.00	67,655				67,655							
4	Becky Paull	SID	1.00	43,192				43,192							
5	Michele Loftis*	Asst Trainer	0.34	13,828				13,828							
6	Megan Borchert	Asst Trainer	0.55	18,409				18,409							
7	Jackie Williams	Asst Trainer	0.20	7,243				7,243							
8	Barrie Steele	Hd Trainer	1.00	60,481				60,481							
9	Rick Darnell	Assoc AD	1.00	65,655				65,655					yes		
10	Jennifer Boese*	Academics	0.19	9,621				9,621							
11	Kelly Zimmerman	Academics	0.50	21,427				21,427							
12	Aaron Ausmus*	Strength Coach	0.73	32,688	600			33,288							
13	Scott Gadeken	Strength Coach	0.19	8,080				8,080							
14	Matt Kleffner	Assoc AD	1.00	71,359				71,359							
15	Sam Teevens	Video Coor.	1.00	38,772				38,772							
16	Maureen Taylor	Asst. AD	1.00	43,201				43,201							
17	Tom Morris	Dir. Sales	1.00	51,002				51,002					yes		
18	Devon Thomas	Asst. Promo	0.78	25,633				25,633							
19	Shawn Vasquez	Dir. Equip Rm	1.00	35,711	1,200			36,911							
20	Mahmood Sheikh	Devl. Coor.	1.00	41,220				41,220					yes		

University of Idaho
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Depart/Name	Title	FTE	Compensation: Base Salary	Camps/ Clinics	Media	Equip Co & Other	Total Actual Comp.	Maximum Contract Bonuses: Grad Rate	Winning Perform.	Other	Perks: Club Mbership	Car	Other	Multi-Yr Contract
Men's Sports														
Football														
Nick Holt	Hd Coach	1.00	136,364		70,000	1,000	207,364				yes	yes		yes
Nate Kaczor	Assistant	1.00	71,409	1,200			72,609					yes		
Jeff Mills	Assistant	1.00	71,409	3,000			74,409					yes		
Joel Thomas	Assistant	1.00	71,409	1,200			72,609					yes		
Chad Brown	Assistant	1.00	36,306	2,800			39,106					yes		
Jason Eck	Assistant	1.00	40,414	1,200			41,614					yes		
Jonathan Smith	Assistant	1.00	40,794	1,200			41,994					yes		
Johnny Nansen	Assistant	1.00	40,794	1,200			41,994					yes		
Alundis Brice	Assistant	1.00	35,360	1,200			36,560					yes		
James Cregg	Assistant	1.00	50,502	600			51,102					yes		
Basketball														
Leonard Perry	Hd Coach	1.00	116,731		60,000	4000-mercl	176,731	4,423				yes		yes
Mark Leslie	Assistant	1.00	47,946		3,000		50,946					yes		
Chris Lancaster	Assistant	1.00	51,002				51,002					yes		
Brynjar Brynjarsson*	Assistant	0.80	28,494				28,494					yes		
George Pfeifer	Assistant	0.15	7,500				7,500					yes		
Leroy Washington	Assistant	0.05	2,885				2,885					yes		
Men's Track & XC														
Wayne Phipps	Hd Coach	1.00	41,687				41,687							
Julie Taylor	Assistant	0.50	14,156				14,156							
Golf														
Brad Rickel	Hd Coach	0.50	20,231		4,000		24,231					yes		
Tennis														
Katrina Perlman	Hd Coach	0.50	14,581				14,581							

University of Idaho
Intercollegiate Athletics Compensation Report
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	Depart/Name	Title	FTE	Compensation: Base Salary	Compensation: Camps/ Clinics	Compensation: Media	Compensation: Equip Co & Other	Total Actual Comp.	Maximum Contract Bonuses: Grad Rate	Maximum Contract Bonuses: Winning Perform.	Maximum Contract Bonuses: Other	Perks: Club Mbership	Perks: Car	Perks: Other	Multi-Yr Contract
49	Women's Sports														
50	Basketball														
51	Mike Divilbiss	Hd Coach	1.00	80,018		10,000		90,018	6,155			yes	yes		yes
52	Debbie Roueche	Assistant	1.00	46,010	4,780			50,790					yes		
53	Jeff Crouse	Assistant	0.97	28,179	2,000	5,000		35,179					yes		
54	Women's Track & XC														
55	Yogi Teevens	Hd Coach	1.00	45,406				45,406							
56	Julie Taylor	Assistant	0.50	14,156				14,156							
57	Volleyball														
58	Debbie Buchanan	Hd Coach	1.00	71,122	12,000	10,000		93,122	4,662	4,662			yes		yes
59	Ken Murphy	Assistant	1.00	40,657	7,500	5,000		53,157					yes		
60	Sarah McFarland	Assistant	1.00	18,314	2,000	5,000		25,314							
61	Women's Soccer														
62	Royce Busey	Hd Coach	1.00	31,678		4,000		35,678							
63	Peter Showler	Hd Coach	0.36	11,630				11,630							
64	Lori Scheider	Assistant	0.50	10,000				10,000							
65	Women's Golf														
66	Brad Rickel	Hd Coach	0.50	20,231		2,000		22,231					yes		
67	Tennis														
68	Katrina Perlman	Hd Coach	0.50	14,581				14,581							
69	Swimming														
70	Tom Jager	Hd Coach	1.00	44,460				44,460					yes		

*incl. Annual leave payoff

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University of Idaho
Intercollegiate Athletics Compensation Report
FY 2006 Estimated Compensation

				Compensation				Total	Maximum Contract Bonuses			Perks			
				Base	Camps/		Equip Co	Potential	Grad	Winning		Club			Multi-Yr
	Depart/Name	Title	FTE	Salary	Clinics	Media	& Other	Comp.	Rate	Perform.	Other	Mbership	Car	Other	Contract
1	Athletic Administration:														
2	Rob Spear	Athletic Director	1.00	143,747		5,000		148,747				yes	yes		yes
3	Dee Menzies*	Sr Assoc AD	0.25	25,784				25,784							
4	Becky Paull	SID	1.00	47,378				47,378							
5	Megan Borchert	Asst Trainer	1.00	36,418	1,550			37,968							
6	Nick Refvem	Asst Trainer	0.87	31,471				31,471							
7	Jackie Williams	Asst Trainer	0.10	7,530				7,530							
8	Barrie Steele	Hd Trainer	1.00	63,788				63,788							
9	Rick Darnell	Assoc AD	1.00	69,523				69,523					yes		
10	Kelly Zimmerman	Academics	1.00	47,192				47,192							
11	Scott Gadeken	Strength Coach	1.00	43,632				43,632							
12	Matt Kleffner	Assoc AD	1.00	74,866				74,866							
13	Sam Teevens	Video Coor.	1.00	40,649	500			41,149							
14	Maureen Taylor	Asst. AD	1.00	45,295				45,295							
15	Tom Morris	Dir. Sales	1.00	53,473				53,473					yes		
16	Devon Thomas	Asst. Promo	1.00	34,085				34,085							
17	Shawn Vasquez	Dir. Equip Rm	1.00	37,443	650			38,093							
18	Mahmood Sheikh	Devl. Coor.	1.00	43,637				43,637					yes		
19	Shelly Femreite	Devl. Coor.	0.90	32,886									yes		

University of Idaho
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				Compensation				Total	Maximum Contract Bonuses			Perks			
				Base	Camps/		Equip Co	Potential	Grad	Winning		Club			Multi-Yr
	Depart/Name	Title	FTE	Salary	Clinics	Media	& Other	Comp.	Rate	Perform.	Other	Mbership	Car	Other	Contract
20	Men's Sports														
21	Football														
22	Nick Holt	Hd Coach	1.00	141,555	650	70,000	1,000	213,205				yes	yes		yes
23	Nate Kaczor	Assistant	1.00	74,866	650			75,516					yes		
24	Jeff Mills	Assistant	1.00	74,866	650			75,516					yes		
25	Joel Thomas	Assistant	1.00	74,866	650			75,516					yes		
26	Chad Brown	Assistant	1.00	39,429	2,300			41,729					yes		
27	Jason Eck	Assistant	1.00	42,787	650			43,437					yes		
28	Jonathon Smith	Assistant	1.00	42,765	650			43,415					yes		
29	Johnny Nansen	Assistant	1.00	42,765	650			43,415					yes		
30	Alundis Brice	Assistant	1.00	37,443	650			38,093					yes		
31	James Cregg	Assistant	1.00	53,474	650			54,124					yes		
32															
33	Basketball														
34	Leonard Perry	Hd Coach	1.00	115,003	820	60,000	4000-mercl	175,823	4,423				yes		yes
35	George Pfeifer	Assistant	1.00	51,926	3,119	10,000		65,045					yes		
36	Leroy Washington	Assistant	1.00	51,926	410	10,000		62,336					yes		
37	Nate Tessmer	Assistant	0.81	31,350	4,679			36,029					yes		
38	Men's Track & XC														
39	Wayne Phipps	Hd Coach	1.00	38,002				38,002	500						yes
40	Julie Taylor	Assistant	0.50	14,982				14,982							
41	Golf														
42	Brad Rickel	Hd Coach	0.50	21,208		2,750		23,958					yes		yes
43	Tennis														
44	Katrina Perlman	Hd Coach	0.50	16,050				16,050							
45															

University of Idaho
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	Depart/Name	Title	FTE	Compensation: Base Salary	Compensation: Camps/ Clinics	Compensation: Media	Compensation: Equip Co & Other	Total Potential Comp.	Maximum Contract Bonuses: Grad Rate	Maximum Contract Bonuses: Winning Perform.	Maximum Contract Bonuses: Other	Perks: Club Mbership	Perks: Car	Perks: Other	Multi-Yr Contract
46	Women's Sports														
47	Basketball														
48	Mike Divilbiss	Hd Coach	1.00	88,142		15,000		103,142	6,155			yes	yes		yes
49	Debbie Roueche	Assistant	1.00	51,881	2,052			53,933					yes		
50	Jeff Crouse	Assistant	1.00	33,693	2,052	6,000		41,745					yes		
51	Women's Track & XC														
52	Yogi Teevens	Hd Coach	1.00	49,165				49,165	500						yes
53	Julie Taylor	Assistant	0.50	14,982				14,982							
54	Volleyball														
55	Debbie Buchanan	Hd Coach	1.00	68,652	9,901	15,000		93,553	4,662	4,662			yes		yes
56	Ken Murphy	Assistant	1.00	42,787	5,650	5,000		53,437					yes		
57	Sarah McFarland	Assistant	1.00	19,518	4,000	5,000		28,518							
58	Women's Soccer														
59	Peter Showler	Hd Coach	1.00	33,760	500	6,000		40,260							
60	Morgan Crabtree	Assistant	1.00	20,779	1,000			21,779							
61	Women's Golf														
62	Brad Rickel	Hd Coach	0.50	21,208		2,750		23,958					yes		yes
63	Tennis														
64	Katrina Perlman	Hd Coach	0.50	16,050				16,050							
65	Women's Swimming														
66	Tom Jager	Hd Coach	1.00	63,112				63,112	500				yes		yes

*incl. Annual leave payoff

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Lewis-Clark State College
Intercollegiate Athletics Compensation Report
FY 2005 Actual Compensation

				Compensation				Total	Maximum Contract Bonuses			Perks			
	Depart/Name/Title		FTE	Base Salary	Camps/ Clinics	Media	Equip Co & Other	Actual Comp.	Grad Rate	Winning Perform.	Other	Club Mbership	Car	Other	Multi-Yr Contract
1	Athletic Administration:														
2	Vacant	Athl Dir	1.00	60,008				60,008				No	No		No
3	Tracy Collins	Trainer	1.00	32,460				32,460				No	No		No
4	Jamie White	Dir of Aux Svcs/NAIA Series Coord.	1.00	61,200				61,200				No	No		No
5	Cindi Durgan	Athl Devl Officer	0.75	26,495				26,495				No	No		No
6	Laurie Wilson	Comm Relations	0.75	24,345				24,345				No	No		No
7															
8	Men's Sports														
9	Basketball							0							
10	George Pfiefer	Head Coach	1.00	46,641	2,877			49,518				No	Yes		No
11	Tim Walker	Asst. Coach	0.50	5,356				5,356				No	No		No
12															
13	Baseball							0							
14	Ed Cheff	Head Coach	1.00	68,210				68,210				No	Yes		No
15	Gary Picone	Asst. Coach	1.00	33,606	1,000		4,900	39,506				No	No		No
16	Gus Knickrehm	Asst. Coach	0.73	13,140	1,000			14,140				No	No		No
17															
18	Cross-Country							0							
19	Mike Collins	Head Coach	0.20	7,650				7,650				No	No		No
20															
21	Tennis							0							
22	Kai Fong	Head Coach	0.14	5,614				5,614				No	No		No
23															
24	Golf							0							
25	Paul Thompson	Head Coach	0.15	2,750				2,750				No	No		No
26	Steve Tilden	Asst. Coach	0.01	1,000				1,000				No	No		No
27															

Lewis-Clark State College
Intercollegiate Athletics Compensation Report
FY 2005 Actual Compensation

	Depart/Name/Title		FTE	Compensation: Base Salary	Camps/ Clinics	Media	Equip Co & Other	Total Actual Comp.	Maximum Contract Bonuses: Grad Rate	Winning Perform.	Other	Perks: Club Mbership	Car	Other	Multi-Yr Contract
28	Women's Sports														
29	Basketball														
30	Brian Orr	Head Coach	1.00	41,010	2,877			43,887				No	No		No
31	Scott Thompson	Asst. Coach	0.15	2,500				2,500				No	No		No
32															
33	Cross-Country							0							
34	Mike Collins	Head Coach	0.20	7,650				7,650				No	No		No
35															
36	Volleyball							0							
37	Jerry Pruitt	Head Coach	1.00	46,942				46,942				No	No		No
38															
39	Tennis							0							
40	Kai Fong	Head Coach	0.14	5,614				5,614				No	No		No
41								0							
42	Golf														
43	Paul Thompson	Head Coach	0.15	2,750				2,750				No	No		No
44	Steve Tilden	Asst. Coach	0.01	1,000				1,000				No	No		No

Lewis-Clark State College
Intercollegiate Athletics Compensation Report
FY 2006 Estimated Compensation

	Depart/Name/Title		FTE	Compensation: Base Salary	Camps/ Clinics	Media	Equip Co & Other	Total Potential Comp.	Maximum Contract Bonuses: Grad Rate	Winning Perform.	Other	Perks: Club Mbership	Car	Other	Multi-Yr Contract
1	Athletic Administration:														
2	Vacant	Athl Dir	1.00	60,008				60,008				No	No		N/A
3	Tracy Collins	Trainer	1.00	32,785				32,785				No	No		No
4	Jamie White	Dir of Aux Svcs/NAIA Series Coord.	1.00	61,812				61,812				No	No		No
5	Rick Hill	Asst Dir of Aux Svcs/Athl Coor	1.00	40,000				40,000				No	No		No
6	Cindi Durgan	Athl Devl Officer	0.75	26,760				26,760				No	No		No
7															
8	Men's Sports														
9	Basketball														
10	Tim Walker	Head Coach	1.00	41,000	3,248			44,248				No	Yes		No
11	Rick Dessing	Asst. Coach	0.50	5,000				5,000				No	No		No
12															
13	Baseball														
14	Ed Cheff	Head Coach	1.00	68,892				68,892				No	Yes		No
15	Gary Picone	Asst. Coach	1.00	33,942	1,000		4,900	39,842				No	No		No
16	Gus Knickrehm	Asst. Coach	0.73	13,150	1,000			14,150				No	No		No
17															
18	Cross-Country														
19	Mike Collins	Head Coach	0.20	7,727				7,727				No	No		No
20															
21	Tennis														
22	Kai Fong	Head Coach	0.14	5,670				5,670				No	No		No
23															
24	Golf														
25	Paul Thompson	Head Coach	0.15	5,000				5,000				No	No		No
26	Steve Tilden	Asst. Coach	0.01	1,500				1,500				No	No		No
27															

Lewis-Clark State College
Intercollegiate Athletics Compensation Report
FY 2006 Estimated Compensation

Depart/Name/Title		FTE	Compensation: Base Salary	Compensation: Camps/ Clinics	Compensation: Media	Compensation: Equip Co & Other	Total Potential Comp.	Maximum Contract Bonuses: Grad Rate	Maximum Contract Bonuses: Winning Perform.	Maximum Contract Bonuses: Other	Perks: Club Mbership	Perks: Car	Perks: Other	Multi-Yr Contract
Women's Sports														
Basketball														
Brian Orr	Head Coach	1.00	41,420	3,248			44,668				No	Yes		No
Robin Bogar	Asst. Coach	0.15	5,000				5,000				No	No		No
Cross-Country														
Mike Collins	Head Coach	0.20	7,727				7,727				No	No		No
Volleyball														
Erin Mellinger	Head Coach	0.25	41,200				41,200				No	No		No
Tim Stone	Asst. Coach	0.01	250								No	No		No
Tennis														
Kai Fong	Head Coach	0.14	5,670				5,670				No	No		No
Golf														
Paul Thompson	Head Coach	0.15	5,000				5,000				No	No		No
Steve Tilden	Asst. Coach	0.01	1,500				1,500				No	No		No

REFERENCE: APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: III. POSTSECONDARY AFFAIRS
T. Intercollegiate Athletics **April 2002**

4**. Financial Reporting.**

The Board requires that the institutions adopt certain reporting requirements and common accounting practices in the area of intercollegiate athletic financing. The institutions will submit the following reports to the Board:

a. At the April Board meeting, the institutions shall submit a budget plan for the upcoming fiscal year beginning July 1. The plans shall detail the sources of revenue by category.

b. At the June Board meeting, the institutions shall submit an operating budget for the upcoming fiscal year beginning July 1 in a format prescribed by the Board office.

c. At the October Board meeting, institutions shall submit a statement of current funds, revenues, and expenditures, in the detail prescribed by the Board office, including all revenue earned during a fiscal year. A secondary breakdown of expenditures by sport and the number of participants will also be required. The number and amounts of nonresident tuition waivers and the fund balances as of June 30 of the report year should be included in the report. The general format of the report will be consistent with the format used in recent years. The revenue and expenditures reported on these reports must reconcile to the NCAA Agreed Upon Procedures Reports that are prepared annually and reviewed by the external auditors. The following fiscal year's financial information will be reported by each institution:

(1) Estimated revenues and expenditures for the current fiscal year.

(2) Actual revenues and expenditures for the fiscal year most recently completed.

(3) Proposed operating budget for the next budget year beginning July 1. This report, however, will be submitted to the Board at its June meeting with other institutional operating budgets.

d. An annual report of estimated (for the current year) and actual (for the most recently completed year) revenues and expenditures of the institution's booster organization, requested for submission to the Board for information only.

e. A general narrative paper explaining each institution's policy on grants-in-aid for men and women athletes (including nonresident tuition waivers), procedures for charging or allocating costs for facilities' use to athletic programs, and any allocations of personnel or operating expenses to or from the other departments or units of the institution.

INSTITUTION / AGENCY AGENDA

SUBJECT

2nd Reading of Proposed Amendments to Board Policy, Section V.E. – Gifts and Affiliated Foundations.

REFERENCE

April 2005	Review by the Board of the proposed Policy update
June 2005	Review by the Board of the proposed Policy update
August 2005	Review by the Board of the proposed Policy update
October 2005	1st Reading by the Board of the proposed Policy update

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Sections I.A.4. & 5.
Idaho State Board of Education Governing Policies & Procedures, Section V.E.

BACKGROUND

The State Board of Education has requested a review of the relationship of affiliated foundations to the Board's institutions and agencies.

DISCUSSION

After first reading of the proposed policy in October 2005, Board staff and legal staff had numerous discussions with institutional representatives. Comments regarding the proposed policy were received by Board staff but have not been included in a new redline version. However, the section which has comments from two institutions has been included as a separate document, labeled 'Attachment 1'.

IMPACT

This revised policy, which is the product of significant discussion among the institutions and their affiliated foundations and Board staff, more accurately reflects the practical working/business relationship between foundations and the agencies/institutions.

STAFF COMMENTS AND RECOMMENDATIONS

The most recent suggested revisions have focused solely on Section E.2.c.(1), Institutional Resources and Services, primarily relating to under what circumstances a university employee can also represent its affiliated foundation organization. This section of the clean version begins at the bottom of Page 7 of Tab 9.

INSTITUTION / AGENCY AGENDA- continued

Following adoption of this proposed policy, each institution will begin to craft an Operating Agreement with each of its affiliated foundations for eventual presentation and approval by the Board. These agreements will more clearly define the nature of the relationship between the institution and the affiliated foundation.

Attached is the same version of the proposed policy that was considered and passed as first reading at the October meeting. There have been no changes proposed by Board staff in this version. However, representatives from Boise State University and Idaho State University have provided their comments relating to Section E.2.c.(1), displayed in Attachment 1. These proposed revisions would provide additional flexibility to all institutions regarding staffing, which could be further defined by the Operating Agreement to be crafted and adopted at a later date.

<u>However, the board must determine whether it wants to impose, in policy, requirements that cannot be modified by the Operating Agreements that relate to situations in which an institution employee in a key administration or policy making capacity provides services to an affiliated foundation</u>.

Staff notes that one of the additional institutional comments relates to incorporating by reference the ‘AGB Best Practices’. We don't know that AGB has a single 'best practices' document; they have told us (as part of the UI consulting engagement) that best practices are often fluid, and defined by the maturity of the institution/foundation relationship.

Staff recommends adoption for Second Reading the proposed policy as considered at first reading.

BOARD ACTION

A motion to approve for Second Reading the changes to Idaho State Board of Education Governing Policies & Procedures, Section V.E. – Gifts and Affiliated Foundations as approved at First Reading.

Moved by __________ Seconded by ___________ Carried Yes _____ No _____

2nd READING

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: V. FINANCIAL AFFAIRS
Subsection: E. Gifts and Affiliated Foundations ~~October~~December, 2005

E. Gifts and Affiliated Foundations

1. Purpose of the Policy.

a. The Board recognizes the importance of voluntary private support and encourages grants and contributions for the benefit of the institutions, school, and agencies under its governance. Private support for public education is an accepted and firmly established practice throughout the United States. Tax-exempt foundations are one means of providing this valuable support to help the institutions, school, and agencies under the Board's governance raise money through private contributions. Foundations are separate, legal entities, tax-exempt under Section 501(c) of the United States Internal Revenue Code of 1986, as amended, associated with the institutions, school, and agencies under the Board's governance. Foundations are established for the purpose of raising, receiving, holding, and/or using funds from the private sector for charitable, scientific, cultural, educational, athletic, or related endeavors that support, enrich, and improve the institutions, school, or agencies. The Board wishes to encourage a broad base of support from many sources, particularly increased levels of voluntary support. To achieve this goal, the Board will cooperate in every way possible with the work and mission of recognized affiliated foundations.

b. The Board recognizes that foundations:

(1) Provide an opportunity for private individuals and organizations to contribute to the institutions, school, and agencies under the Board's governance with the assurance that the benefits of their gifts supplement, not supplant, state appropriations to the institutions, school, and agencies;

(2) Provide assurance to donors that their contributions will be received, distributed, and utilized as requested for specified purposes, to the extent legally permissible, and that donor records will be kept confidential to the extent requested by the donor and as allowed by law;

(3) Provide an instrument through which alumni and community leaders can help strengthen the institutions, school, and agencies through participation in the solicitation, management, and distribution of private gifts; and

(4) Aid and assist the Board in attaining its approved educational, research, public service, student loan and financial assistance, alumni relations, and financial development program objectives.

c. The Board, aware of the value of tax-exempt foundations to the well being of the institutions, school, and agencies under the Board's governance, adopts this policy with the following objectives:

(1) To preserve and encourage the operation of recognized foundations associated with the institutions, school, and agencies under the Board's governance; and

(2) To ensure that the institutions, school, and agencies under the Board's governance work with their respective affiliated foundations to make certain that business is conducted responsibly and according to applicable laws, rules, regulations, and policies, and that such foundations fulfill their obligations to contributors, to those who benefit from their programs, and to the general public.

2. Institutional Foundations.

The foregoing provisions are designed to promote and strengthen the operations of foundations that have been, and may be, established for the benefit of the public colleges and universities in Idaho. The intent of this policy is to describe general principles that will govern institutional relationships with their affiliated foundations. It is intended that a more detailed and specific description of the particular relationship between an institution and its affiliated foundation will be developed and committed to a written operating agreement, which must be approved by the Board. Technology transfer organizations, including the Idaho Research Foundation, are not subject to this policy.

a. Board Recognition of Affiliated Foundations.

(1) The Board may recognize an entity as an affiliated foundation if it meets and maintains the requirements of this policy. The chief executive officer of each institution must ensure that any affiliated foundation recognized by the Board ascribes to these policies. The Board acknowledges that it cannot and should not have direct control over affiliated foundations. These foundations must be governed separately to protect their private, independent status. However, because the Board is responsible for ensuring the integrity and reputation of the institutions and their campuses and programs, the Board must be assured that any affiliated foundation adheres to sound business practices and ethical standards appropriate to such organizations in order to assure the public that the foundation is conducting its mission with honesty and integrity.

(2) Upon the effective date of this policy, the institution chief executive officer shall provide a list of current affiliated foundations and an implementation plan to bring each foundation before the Board to be formally recognized as a nonprofit corporation or affiliated foundation to benefit a public college or university in Idaho, for one or more of the purposes previously described in this policy. Each foundation shall be brought into substantial conformance with these policies and, upon so

doing, the institution shall provide prompt notice to the Board in order that the Board may recognize the affiliated foundation. Upon recognition by the Board, the organization of the nonprofit corporation or foundation is ratified, validated, and confirmed, and it shall be deemed to have been organized as if its organization had taken place under authority of this policy. Likewise, any new foundations established subsequent to implementation of this policy must be brought to the Board for formal recognition before such foundation begins operations.

b. General Provisions Applicable to all Affiliated Foundations recognized by the Board.

(1) All private support of an institution not provided directly to such institution shall be through a recognized affiliated foundation. While an institution may accept gifts made directly to the institution or directly to the Board, absent unique circumstances making a direct gift to the institution more appropriate, donors shall be requested to make gifts to affiliated foundations.

(2) Each affiliated foundation shall operate as an Idaho nonprofit corporation that is legally separate from the institution and is recognized as a 501(c)(3) public charity by the Internal Revenue Service. The management and control of a foundation shall rest with its governing board. All correspondence, solicitations, activities, and advertisements concerning a particular foundation shall be clearly discernible as from that foundation, and not the institution.

(3) The institutions and foundations are independent entities and neither will be liable for any of the other's contracts, torts, or other acts or omissions, or those of the other's trustees, directors, officers, members, or staff.

(4) It is the responsibility of the foundation to support the institution at all times in a cooperative, ethical, and collaborative manner; to engage in activities in support of the institution; and, where appropriate, to assist in securing resources, to administer assets and property in accordance with donor intent, and to manage its assets and resources.

(5) Foundation funds shall be kept separate from institution funds. No institutional funds, assets, or liabilities may be transferred directly or indirectly to a foundation without the prior approval of the Board except as provided herein. Funds may be transferred from an institution to a foundation without prior Board approval when:

(a) Adonor inadvertently directs a contribution to an institution that is intended for the foundation. If an affiliated foundation is the intended recipient of funds made payable to the Board or to an institution, then such funds may be deposited with or transferred to the affiliated foundation, provided that accompanying documents demonstrate that the foundation is the intended recipient. Otherwise, the funds shall be deposited in an institutional account, and Board approval will be required prior to transfer to an affiliated foundation; or

(b) The institution has gift funds that were transferred from and originated in an affiliated foundation, and the institution wishes to return a portion of funds to the foundation for reinvestment consistent with the original intent of the gift.

(6) Transactions between an institution and an affiliated foundation shall meet the normal tests for ordinary business transactions, including proper documentation and approvals. Special attention shall be given to avoiding direct or indirect conflicts of interest between the institution and the affiliated foundation and those with whom the foundation does business. Under no circumstances shall an institution employee represent both the institution and foundation in any negotiation, sign for both the institution and foundation in a particular transaction, or direct any other institution employee under their immediate supervision to sign for the related party in a transaction between the institution and the foundation.

(7) Prior to the start of each fiscal year, an affiliated foundation must provide the institution chief executive officer with the foundation's proposed annual budget, as approved by the foundation's governing board.

(8) Each foundation shall conduct its fiscal operations to conform to the institution's fiscal year. Each foundation shall prepare its annual financial statements in accordance with Government Accounting Standards Board (GASB) or Financial Accounting Standards Board (FASB) principles, as appropriate.

(9) Institution chief executive officers shall be invited to attend all meetings of an affiliated foundation's governing board in an advisory role. On a case by case basis, other institution employees may also serve as advisors to an affiliated foundation's governing board, as described in the written foundation operating agreement approved by the Board.

(10) The foundation, while protecting personal and private information related to private individuals, is encouraged, to the extent possible or reasonable, to be open to public inquiries related to revenue, expenditure policies, investment performance and/or other information that would normally be open in the conduct of institution affairs.

(11) A foundation's enabling documents (e.g., articles of incorporation and bylaws) and any amendments are to be provided to the institution. These documents must include a clause requiring that in the event of the dissolution of a foundation, its assets and records will be distributed to its affiliated institution, provided the affiliated institution is a qualified charitable organization under relevant state and federal income tax laws. To the extent practicable, the foundation shall provide the institution with an advance copy of any proposed amendments, additions, or deletions to its articles of incorporation or bylaws. The institution shall be responsible for providing all of the foregoing documents to the Board.

(12) Foundations may not engage in activities that conflict with federal or state laws, rules and regulations; the policies of the Board; or the role and mission of the institutions. Foundations shall comply with applicable Internal Revenue Code provisions and regulations and all other applicable policies and guidelines.

(13) Fund-raising campaigns and solicitations of major gifts for the benefit of an institution by its affiliated foundation shall be developed cooperatively between the institution and its affiliated foundation. Before accepting contributions or grants for restricted or designated purposes that may require administration or direct expenditure by an institution, a foundation will obtain the prior approval of the institution chief executive officer or a designee.

(14) Foundations shall obtain prior approval in writing from the institution chief executive officer or a designee if gifts, grants, or contracts include a financial or contractual obligation binding upon the institution.

(15) Foundations shall make clear to prospective donors that:

(a) The foundation is a separate legal and tax entity organized for the purpose of encouraging voluntary, private gifts, trusts, and bequests for the benefit of the institution; and

(b) Responsibility for the governance of the foundation, including investment of gifts and endowments, resides in the foundation's governing board.

(16) Institutions shall ensure that foundation-controlled resources are not used to acquire or develop real estate or to build facilities for the institution's use without prior Board approval. The institution shall notify the Board, at the earliest possible date, of any proposed purchase of real estate for such purposes, and in such event should ensure that the foundation coordinates its efforts with those of the institution. Such notification to the Board may be through the institution's chief executive officer in executive session pursuant to Idaho Code 67-2345 (1) (c).

c. Foundation Operating Agreements.

Each institution shall enter into a written operating agreement with each recognized foundation that is affiliated with the institution. Operating agreements must be signed by the chairman or president of the foundation's governing board, and by the institution chief executive officer. The operating agreement must be approved by the Board prior to execution and must be re-submitted to the Board every two (2) years, or as otherwise requested by the Board, for review and re-approval. Foundation operating agreements shall establish the operating relationship between the parties, and shall, at a minimum, address the following topics:

(1) Institution Resources and Services.

(a) Whether, and how, an institution intends to provide contract administrative and/or support staff services to an affiliated foundation. When it is determined that best practices call for an institution employee to serve in a capacity that serves both the institution and an affiliated foundation, then the operating agreement must clearly define the authority and responsibilities of this position within the foundation. Notwithstanding, no employee of an institution who functions in a key administrative or policy making capacity (including, but not limited to, any institution vice-president or equivalent position) shall be permitted to have responsibility or authority for foundation policy making, financial oversight, spending authority, investment decisions, or the supervision of foundation employees. The responsibility of this position within the foundation that is performed by an institution employee in a key administrative or policy making capacity shall be limited to the coordination of institution and affiliated foundation fundraising efforts, and the provision of administrative support to foundation fundraising activities.

(b) Whether, and how, an institution intends to provide other resources and services to an affiliated foundation, which are permitted to include:

(i) Access to the institution's financial systems to receive, disburse, and account for funds held (with respect to transactions processed through the institution's financial system, the foundation shall comply with the institution's financial and administrative policies and procedures manuals);

(ii) Accounting services, to include cash disbursements and receipts, accounts receivable and payable, bank reconciliation, reporting and analysis, auditing, payroll, and budgeting;

(iii) Investment, management, insurance, benefits administration, and similar services; and

(iv) Development services, encompassing research, information systems, donor records, communications, and special events.

(c) Whether the foundation will be permitted to use any of the institution's facilities and/or equipment, and if so, the details of such arrangements.

(d) Whether the institution intends to recover its costs incurred for personnel, use of facilities or equipment, or other services provided to the foundation. If so, then payments for such costs shall be made directly to the institution. No payments shall be made directly from a foundation to institution employees in connection with resources or services provided to a foundation pursuant to this policy.

(2) Management and Operation of Foundations.

(a) Guidelines for receiving, depositing, disbursing and accounting for all funds, assets, or liabilities of a foundation, including any disbursements/transfers of funds to an institution from an affiliated foundation. Institution officials into whose department or program foundation funds are transferred shall be informed by the foundation of the restrictions, if any, on such funds and shall be responsible both to account for them in accordance with institution policies and procedures, and to notify the foundation on a timely basis regarding the use of such funds.

(b) Procedures with respect to foundation expenditures and financial transactions, which must ensure that no person with signature authority shall be an institution employee in a key administrative or policy making capacity (including, but not limited to, an institution vice-president or equivalent position).

(c) The liability insurance coverage the foundation will have in effect to cover its operations and the activities of its directors, officers, and employees.

(d) Description of the investment policies to be utilized by the foundation, which shall be conducted in accordance with prudent, sound practice to ensure that gift assets are protected and enhanced, and that a reasonable return is achieved, with due regard for the fiduciary responsibilities of the foundation's governing board. Moreover, such investments must be consistent with the terms of the gift instrument.

(e) Procedures that will be utilized to ensure that institution and foundation funds are kept separate.

(f) Detailed description of the organization structure of the foundation, which addresses conflict of interest in management of funds and any foundation data.

(3) Foundation Relationships with the Institutions.

(a) The institution's ability to access foundation books and records.

(b) The process by which the institution chief executive officer ,or designee, shall interact with the foundation's board regarding the proposed annual operating budget and capital expenditure plan prior to approval by the foundation's governing board.

(c) Whether, and how, supplemental compensation from the foundation may be made to institutional employees. Any such payments must have prior Board approval, and shall be paid by the foundations to the institutions, which in turn will make payments to the employee in accordance with normal practice. Employees shall not receive any payments or other benefits directly from the foundations.

(4) Audits and Reporting Requirements.

(a) The procedure foundations will utilize for ensuring that regular audits are conducted and reported to the Board. Unless provided for otherwise in the written operating agreement, such audits must be conducted by an independent certified public accountant, who is not a director or officer of the foundation. The independent audit shall be a full scope audit, performed in accordance with generally accepted auditing standards.

(b) The procedure foundations will use for reporting to the institution chief executive officer the following items:

(i) Regular financial audit report;

(ii) Annual report of transfers made to the institution, summarized by department;

(iii) Annual report of unrestricted funds received, and of unrestricted funds available for use in that fiscal year;

(iv) A list of foundation officers, directors, and employees;

(v) A list of institution employees for whom the foundation made payments to the institution for supplemental compensation or any other approved purpose during the fiscal year, and the amount and nature of that payment;

(vi) A list of all state and federal contracts and grants managed by the foundation; and

(vii) An annual report of the foundation's major activities;

(viii) An annual report of each real estate purchase or material capital lease, investment, or financing arrangement entered into during the preceding foundation fiscal year for the benefit of the institution; and

(ix) An annual report of any actual litigation involving the foundation during its fiscal year, as well as legal counsel used by the foundation for any purpose during such year. This report should also discuss any potential or threatened litigation involving the foundation.

(5) Conflict of Interest and Code of Ethics and Conduct.

A description of the foundation's conflict of interest policy approved by the foundation's governing board and applicable to all foundation directors, officers, and staff members, and which shall also include a code of ethics and conduct.

Such policy must assure that transactions involving the foundation and the personal or business affairs of a trustee, director, officer, or staff member should be approved in advance by the foundation's governing board. In addition, such policy must provide that directors, officers, and staff members of a foundation disqualify themselves from making, participating, or influencing a decision in which they have or would have a financial interest. Finally, such policy must assure that no director, trustee, officer, or staff member of a foundation shall accept from any source any material gift or gratuity in excess of fifty dollars ($50.00) that is offered, or reasonably appears to be offered, because of the position held with the foundation; nor should an offer of a prohibited gift or gratuity be extended by such an individual on a similar basis.

4. Foundations for Other Agencies and Idaho School for the Deaf and the Blind (ISDB).

Other agencies and ISDB under the Board's jurisdiction may establish foundations to accept gifts made for the benefit of the agencies' or school's operating purposes. These agencies and school are subject to the same policies as the institutional foundations. However, agency/school foundations with annual revenues less than $100,000 are not required to obtain an independent audit. These agencies/school must instead submit an annual report to the Board of gifts received and the disposition of such gifts.

5. Idaho Educational Public Broadcasting System Foundations and Friends Groups.

Foundations and Friends groups that exist for the benefit of the Idaho Educational Public Broadcasting System (IEPBS) are required by Federal Communications Commission (FCC) regulations to have specific spending authority designated by the Board. Audits of the IEPBS Foundation and Friends groups will be conducted by the State Legislative Auditor.

a. By action of the Board, the Idaho Educational Public Broadcasting System Foundation, Inc., has been designated to accept gifts made for the benefit of public television in the state of Idaho. The Foundation will conduct its activities in a manner consistent with the Federal Communications Commission (FCC) regulations and the FCC license held by the Board.

b. By action of the Board, the Friends of Channel 4, Inc., has been designated to accept gifts made for the Benefit of KAID TV, Channel 4. The Friends of Channel 4, Inc., will conduct its activities in a manner consistent with the Federal Communications Commission (FCC) regulations and the FCC license held by the Board.

c. By action of the Board, the Friends of Channel 10, Inc., has been designated to accept gifts made for the benefit of KISU TV, Channel 10. The Friends of Channel 10, Inc., will conduct its activities in a manner consistent with the Federal Communications Commission (FCC) regulations and the FCC license held by the Board.

d. By action of the Board, the Friends of KUID, Inc., has been designated to accept gifts made for the benefit of KUID TV, Channel 12. The Friends of Channel 12, Inc., will conduct its activities in a manner consistent with the Federal Communications Commission (FCC) regulations and the FCC license held by the Board.

6. Acceptance of Direct Gifts.

Notwithstanding the Board's desire to encourage the solicitation and acceptance of gifts through affiliated foundations, the Board may accept donations of gifts, legacies, and devises (hereinafter "gifts") of real and personal property on behalf of the state of Idaho that are made directly to the Board or to an institution, school, or agency under its governance. Gifts worth more than $250,000 must be reported to and approved by the executive director of the Board before such gift may be expended or otherwise used by the institution, school, or agency. Gifts worth more than $500,000 must be approved by the Board. The chief executive officer of any institution, school, or agency is authorized to receive, on behalf of the Board, gifts that do not require prior approval by the executive director or the Board and that are of a routine nature. This provision does not apply to transfers of gifts to an institution, school, or agency from an affiliated foundation (such transfers shall be in accordance with the written operating agreement between the institution, school, or agency and an affiliated foundation, as described more fully herein).

ATTACHMENT 1

SUGGESTED EDITS from INSTITUTIONS FOR SECOND READING CONSIDERATION

E. Gifts and Affiliated Foundations

2. Institutional Foundations.

c. Foundation Operating Agreements.

Each institution shall enter into a written operating agreement with each recognized foundation that is affiliated with the institution. Operating agreements must be signed by the chairman or president of the foundation's governing board, and by the institution chief executive officer. The operating agreement must be approved by the Board prior to execution and must be re-submitted to the Board every two (2) years, or as otherwise requested by the Board, for review and re-approval. Foundation operating agreements shall establish the operating relationship between the parties, and shall, at a minimum, address the following topics:

(1) Institution Resources and Services.

(a) Whether, and how, an institution intends to provide contract administrative and/or support staff services to an affiliated foundation. When it is determined that best practices call for an institution employee to serve in a capacity that serves both the institution and an affiliated foundation, then the operating agreement must clearly define the authority and responsibilities of this position within the foundation. ~~Notwithstanding, no employee of an institution who functions in a key administrative or policy making capacity (including, but not limited to, any institution vice-president or equivalent position) shall be permitted to have responsibility or authority for foundation policy making, financial oversight, spending authority, investment decisions, or the supervision of foundation employees. The responsibility of this position within the foundation that is performed by an institution employee in a key administrative or policy making capacity shall be limited to the coordination of institution and affiliated foundation fundraising efforts, and the provision of administrative support to foundation fundraising activities.~~ The operating agreement shall establish the authority of the institution's vice president for advancement or equivalent position that is appropriate to this position in accordance with the Association of Governing Board's best practices. Duties may include oversight of foundation operations, policies, investment strategies, and supervision of advancement staff. The institution's vice president for finance and administration is not authorized to approve financial transactions for the affiliated foundation.

(b) Whether, and how, an institution intends to provide other resources and services to an affiliated foundation, which are permitted to include:

(i) Access to the institution's financial systems to receive, disburse, and account for funds held (with respect to transactions processed through the institution's financial system, the foundation shall comply with the institution's financial and administrative policies and procedures manuals);

(ii) Accounting services, to include cash disbursements and receipts, accounts receivable and payable, bank reconciliation, reporting and analysis, auditing, payroll, and budgeting;

(iii) Investment, management, insurance, benefits administration, and similar services; and

(iv) Development services, encompassing research, information systems, donor records, communications, and special events.

(c) Whether the foundation will be permitted to use any of the institution's facilities and/or equipment, and if so, the details of such arrangements.

(d) Whether the institution intends to recover its costs incurred for personnel, use of facilities or equipment, or other services provided to the foundation. If so, then payments for such costs shall be made directly to the institution. No payments shall be made directly from a foundation to institution employees in connection with resources or services provided to a foundation pursuant to this policy.

REFERENCE - APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: I. Governing Policies and Procedures
Subsection: A. Policy-Making Authority April 2004

4. **Conformance with State and Federal Law**

   All Board Governing Policies and Procedures and the internal policies and procedures of its institutions, agencies and school will comply with and be in conformance to applicable laws.

5. **Adoption, Amendment, or Repeal of Board Policies**

   a. Board policies may be adopted by majority vote at any regular or special meeting of the Board. The adoption, amendment, or repeal of a Board policy may be requested by any member of the Board, the executive director, or any chief executive officer. Persons who are Board employees, or students or student groups, must file a written request with the chief executive officer of an institution, agency or school, or his or her designee, to receive Board consideration. An Idaho resident, other than those described above, may file a written request with the executive director for Board consideration of a proposal. Regardless of the source, a statement of the proposed adoption, amendment, or repeal must be presented to the executive director for transmittal to the Board. If the subject matter of the presentation concerns an agency, institution, school, or department of the Board, the executive director will also notify the appropriate chief executive officer of the nature of the request.

   b. Board action on any proposal will not be taken earlier than the next regular or special meeting following Board approval for first reading. During the interim between the first reading and Board action, the chief executive officers will seek to discuss and review the proposal with faculty, staff, or other Board employees and students or student groups, as appropriate. The chief executive officers will transmit summaries of oral statements and written comments on the proposal to the executive director. After thorough consideration, the proposal will be presented by the executive director to the Board for action.

   c. The executive director is authorized to make nonsubstantive corrections and amendments to Board Governing Policies and Procedures as may be necessary in such areas as typographical errors, cross-references, and citations of state and federal statutes.

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INSTITUTION / AGENCY AGENDA
COLLEGE AND UNIVERSITIES OF THE STATE BOARD

REFERENCE

Annually	Regular December meetings of the State Board of Education

SUBJECT

Presentation of annual financial audit of the Colleges and Universities by Moss Adams LLP.

APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.H.5.e.-f.

BACKGROUND

The Board contracted with Moss Adams LLP, an independent certified public accounting firm, to conduct the annual financial audits of Boise State University, Idaho State University, University of Idaho, Lewis-Clark State College, and Eastern Idaho Technical College.

The audits are conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS), and include an auditor's opinion on the basic financial statements. This is the fourth year the statements are presented using the required Governmental Accounting Standards Board (GASB) format.

DISCUSSION

Along with this agenda, Board members will receive, for each institution audited, the following document from Moss Adams:

- "Financial Statements for the Year Ended June 30, 2005 and Independent Auditors' Reports" which contains the Independent Auditors' Report, Management's Discussion and Analysis (MDA) Financial Statements;

IMPACT

The State Board of Education will be informed, via documents and the Moss Adams presentation, of the financial report regarding the five noted institutions for Fiscal Year 2005. Institutions that have been audited will also be made aware of their particular financial condition, and recommended changes to procedures regarding financial matters.

INSTITUTION / AGENCY AGENDA
COLLEGE AND UNIVERSITIES OF THE STATE BOARD - continued

STAFF COMMENTS AND RECOMMENDATIONS

The financial statements present the total financial activity at each audited institution. Moss Adams has performed in an exemplary manner with respect to keeping the Audit Committee chair and OSBE staff updated on the progress of the audit work throughout the year. This communication has included monthly written reports, and telephone conference calls or face-to-face meetings as needed. In mid-November Moss Adams conducted a preliminary review of the financial statements with Member Agidius and Jeff Shinn of the Board staff.

At the beginning of the second year of work, the Audit Committee will resume discussion with Moss Adams regarding how best to identify and use various indicators (including financial ratios) for the purpose of evaluating the financial condition of the institutions based upon data collected for, and presented in, the financial statements. These discussions will also include institutional staff.

BOARD ACTION

A motion to accept the Fiscal Year 2005 financial audit reports for Boise State University, Idaho State University, University of Idaho, Lewis-Clark State College, and Eastern Idaho Technical College, as presented by Moss Adams LLP.

Moved by__________ Seconded by__________ Carried Yes_____ No_____

REFERENCE - APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: V. FINANCIAL AFFAIRS
H. Audits **August, 2005**

5. Independent Auditors

e. Financial Statement Review

At the completion of the independent audit, the Committee shall review with institution management and the independent auditors each institution's financial statements, Management's Discussion and Analysis (MDA), related footnotes, and the independent auditor's report. The Committee shall also review any significant changes required in the independent auditor's audit plan and any serious difficulties or disputes with institution management encountered during the audit. The Committee shall document any discussions, resolution of disagreements, or action plans for any item requiring follow-up.

f. Single Audit Review

At the completion of the Single Audit Report (as required under the Single Audit Act of 1984, and the Single Audit Act Amendments of 1996), the Committee shall review with institution management and the independent auditors each institution's Single Audit Report. The Committee shall discuss whether the institution is in compliance with laws and regulations as outlined in the current Single Audit Act described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement. The Committee shall report to the Board that the review has taken place and any matters that need to be brought to the Board's attention. The Committee shall document any discussions, resolution of disagreements, or action plans for any item requiring follow-up.

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INSTITUTION / AGENCY AGENDA

SUBJECT

Adopt a Deferred Compensation Plan to expand the capacity of the existing Optional Retirement Plan (the "ORP") for employees under IRS code section 457.

REFERENCE

December 2004	Approval of Supplemental Retirement Plan for highly-compensated employees

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section II.K.2
Sections 33-107A, 33-107B, Idaho Code
Internal Revenue Service Code Section 457

BACKGROUND

Since 1991 the Board of Education has offered an Optional Retirement Program (ORP) under IRS Code Section 401(a), for higher education faculty and managerial/professional staff. This program is separate from the state Public Employee Retirement Program (PERSI), and is used by states and higher education institutions nationwide for education professionals who often move between states during their career. There are two vendors in Idaho for ORP investment products: AIG VALIC and TIAA-CREF.

In December 2004, an additional Supplemental Retirement Plan was approved by the Board under IRS Code Section 403(b). However, the Supplemental Retirement Plan is only available for highly compensated employees (employees whose salary exceeds the IRS Code Section 401(a) (17) cap.

The institutions offer deferred compensation plans under IRS Code Section 403(b). The institutions also permit employees to participate in deferred compensation plans offered by the State of Idaho under IRS Code Sections 401(k) and 457. Each of these deferred compensation plans permit employees to defer income up to $14,000 annually ($15,000 for 2006). However, neither TIAA-CREF nor VALIC currently are vendors under any of the State of Idaho plans.

During the 2003 legislative session, Senate Bill 1084 authorized the Board of Education to offer an additional Deferred Compensation Program under Section 457 of the Internal Revenue Code. If the Board adopts a plan, the effective date for vendors to be allowed to offer deferred compensation products is January 1, 2006. This Board sponsored Deferred Compensation Plan would be in addition to the existing Board sponsored ORP and Supplemental Plans.

INSTITUTION / AGENCY AGENDA - continued

DISCUSSION

Both ORP vendors (TIAA-CREF and VALIC) have indicated a desire to offer deferred compensation products for their clients within the scope of IRS Code Section 457. For this to occur, the Board of Education is required to adopt the plan documents.

IMPACT

The following plan documents (pgs 3-26) must be adopted before AIG VALIC and TIAA-CREF can offer deferred compensation programs for higher education employees covered under the existing ORP. Not adopting these plan documents would cause participants to not have the expanded investment vehicles available through a 457 (b) deferred compensation plan.

STAFF COMMENTS AND RECOMMENDATIONS

Staff has had several discussions with AIG VALIC and TIAA-CREF representatives and outside counsel hired by the Board office to review the proposal and recommends the Board approve the adoption of a 457 Deferred Compensation Plan in concept. The Board had engaged outside counsel to ensure the plan and related documents meets applicable IRS requirements. It is anticipated the plan documents will be finalized prior to December 31, 2005. Outside counsel has offered comments that may require additional documentation and assurances on the part of the two ORP vendors. Staff is engaged with those vendors in discussions regarding outside counsel's comments.

It is recommended the Executive Director be authorized to take actions appropriate to complete the necessary documentation for the 457(b) deferred compensation plan, to contract with AIG-VALIC and TIAA-CREF for investment and recordkeeping for the plan, and to communicate the plan rules to eligible employees. The contributing participants will be expected to decide upon the investment options for their 457(b) deferred compensation plan accounts. A wide variety of investment options will be made available by AIG-VALIC and TIAA-CREF, the two vendors.

The 457(b) plan will accept only elective employee contributions, not employer contributions, and shall pay administrative costs from the participating employee accounts.

Staff recommends the Board grant authority to the Executive Director to approve all final documents, subject to approval by legal counsel.

INSTITUTION / AGENCY AGENDA - continued

BOARD ACTION

A motion to adopt a Deferred Compensation Plan for participants in the Idaho Optional Retirement Plan under Internal Revenue Code Section 457, subject to final review and approval of the plan and related documents by the Executive Director and Board legal counsel.

Moved by ___________ Seconded by ____________ Carried Yes _____ No _____

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SPECIMEN
SECTION 457(b) DEFERRED COMPENSATION PLAN

GOVERNMENTAL EMPLOYERS

This specimen plan document is intended to meet the requirements of an eligible deferred compensation plan under Section 457(b) of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, that is sponsored by a governmental employer, as defined thereunder. This document is provided for consideration by the employer and its legal counsel. Modifications may be required depending on the specific facts and circumstances of the employer, including any applicable state or local laws, rules or regulations regarding deferred compensation or retirement benefits for governmental employees. AIG VALIC and TIAA-CREF cannot and does not provide legal or tax advice.

DEFERRED COMPENSATION PLAN
(Governmental)

ARTICLE I. INTRODUCTION

_________________________________ (hereinafter the "Employer") hereby establishes the __________________________________ Deferred Compensation Plan (hereinafter the "Plan"). The Plan is intended to be an eligible deferred compensation plan under section 457 of the Internal Revenue Code of 1986, as amended. The primary purpose of this Plan is to attract and retain qualified personnel by permitting them to provide for benefits in the event of their retirement or death. Nothing contained in this Plan shall be deemed to constitute an employment agreement between any Participant and the Employer and nothing contained herein shall be deemed to give any Participant any right to be retained in the employ of the Employer.

ARTICLE II. PLAN ELECTIONS

2.01 Plan Effective Date. (Hereinafter the "Effective Date.") (Check one.)

[ ] This Plan is being established by the Employer effective _________________, ______.

[ ] This Plan replaces the Plan previously established by the Employer and is effective on __________________________, _______.

2.02 Participant's Election to Receive In-Service Distribution. A Participant may elect to receive an in-service distribution of his account balance as described in Section 7.09. (Check one.)

[ ] Yes, if the total amount payable to a Participant under the Plan does not exceed _________ (insert an amount up to $5,000).

[ ] No. Section 7.09 shall not apply to this Plan.

2.03 Distribution without Participant's Consent. Small accounts of certain inactive participants may be distributed without the participant's consent as described in Section 7.10. (Check one.)

[ ] Yes, if the total amount payable to a participant under the Plan does not exceed _________ (insert an amount up to $5,000).

[ ] No. Section 7.10 shall not apply to this Plan.

2.04 Loans. (Check one.)

[ ] Yes. Article X shall apply to this Plan.

[ ] No. Article X shall not apply to this Plan.

2.05 Governing Law. This Plan shall be construed under the laws of the State of ______________________ (insert state). This Plan shall be subject to any applicable State, county or local deferred compensation rules and regulations.

ARTICLE III. DEFINITIONS

3.01 Account: The account maintained for each Participant reflecting the cumulative amount of each Participant's Deferred Compensation, including any income, gains, losses, or increases or decreases in market value attributable to the investment of the Participant's Deferred Compensation, and further reflecting any distributions to the Participant or the Beneficiary and any fees or expenses charged against the Participant's Deferred Compensation.

3.02 Annuity Contract: If selected by the Employer as an investment option, one or more group fixed, variable or combination fixed and variable annuity contracts issued by The Variable Annuity Life Insurance Company (VALIC) and approved for sale in the Employer's state, or by another insurance company qualified to do business in the Employer's state, which provides for periodic payments at regular intervals, whether for a period certain or during one or more lives, and which are non-transferable.

3.03 Beneficiary or Beneficiaries: The person or persons designated by the Participant in his Deferred Compensation Agreement who shall receive any benefits payable hereunder in the event of the Participant's death. If more than one designated Beneficiary survives the Participant, payments shall be made equally to the surviving Beneficiaries, unless otherwise provided in the Deferred Compensation Agreement. If no Beneficiary is designated in the Deferred Compensation Agreement or if no designated Beneficiary survives the Participant, then the estate of the Participant shall be the Beneficiary. However, a Participant may designate a contingent Beneficiary (or Beneficiaries) who shall become the primary Beneficiary (or Beneficiaries) under this Plan in the event that no primary Beneficiary survives the Participant.

3.04 Code: The Internal Revenue Code of 1986, as amended, and regulations thereunder.

3.05 Deferred Compensation: The amount of Normal Compensation otherwise payable to the Participant that the Participant and the Employer mutually agree to defer hereunder, any amount credited to a Participant's Account by reason of a transfer under Section 9.01, or any other amount that the Employer agrees to credit to a Participant's Account and that does not exceed the Maximum Limitation.

3.06 Deferred Compensation Agreement: An agreement entered into between a Participant and the Employer and any amendments or modifications thereof, which agreement shall fix the amount of Deferred Compensation; specify the Participant's investment selection with respect to his Deferred Compensation; designate the Participant's Beneficiary or Beneficiaries and incorporate the terms, conditions, and provisions of this Plan by reference.

3.07 Eligible Retirement Plan: A plan described in Code section 402(c)(8)(B) to which an Eligible Rollover Distribution may be transferred pursuant to Code section 457(e)(16).

3.08 Eligible Rollover Distribution: A qualifying distribution to a Participant, or to a spousal Beneficiary of a deceased Participant, that is described in Code section 402(c)(4).

3.09 Employee: Any individual, whether appointed, elected or under contract, providing services for the Employer for which compensation is paid.

3.10 Employer: The entity identified in Article I, which entity is a State, political subdivision of a State, or an agency or instrumentality of a State or political subdivision of a State.

3.11 Includible Compensation: For a taxable year, the Participant's compensation, as defined in Code section 415(c)(3), for services performed for the Employer. The amount of Includible Compensation shall be determined without regard to any community property laws.

3.12 Maximum Limitation: The maximum amount that may be deferred under this Plan (other than rollover amounts described in Section 9.02) for the taxable year of a Participant. Such amount shall be either the Normal Limitation or Catch-Up Limitation, whichever is applicable.

(a) Normal Limitation: The maximum amount deferred shall not exceed the lesser of the applicable dollar amount (as described in Section 3.12(c) below) or 100% of the Participant's Includible Compensation, as adjusted by Section 3.12(d) below. Notwithstanding the preceding provisions of this paragraph, for calendar years prior to 2002, the maximum amount deferred shall not exceed such limit or limits in effect for the applicable year pursuant to section 457 of the Code.

(b) Catch-Up Limitation: For each one of the last three (3) taxable years of a Participant ending before the Participant's attainment of Normal Retirement Age, the maximum amount deferred for each such year shall be the lesser of:

(1) twice the applicable dollar amount (as described in Section 3.12(c) below); or

(2) the sum of the Normal Limitation, plus that portion of the Normal Limitation not used in each of the prior taxable years of the Participant commencing after 1978 in which (i) the Participant was eligible to participate in this Plan or another eligible plan of the Employer, and (ii) compensation deferred under this Plan (or such other plan) was subject to the deferral limitations set forth in this section.

A Participant may utilize the Catch-Up Limitation only if the Participant has not previously utilized it with respect to a different Normal Retirement Age under this Plan or any other plan.

For years prior to 2002, the limit under this paragraph (b) for any year shall not exceed $15,000.

(c) Applicable Dollar Amount. For contributions in 2002 and in subsequent years, the applicable dollar amount shall be the amount determined in accordance with the following table:

For taxable years beginning in calendar year:	The applicable dollar amount:
2002	$11,000
2003	$12,000
2004	$13,000
2005	$14,000
2006 or thereafter	$15,000

In the case of taxable years beginning after December 31, 2006, the applicable dollar amount shall be adjusted for cost-of-living increases in accordance with Code section 457(e)(15).

(d) Coordination with Other Plans. For contribution years prior to 2002, the amount excludible from a Participant’s gross income for any taxable year under this Plan or any other plan under section 457(b) of the Code shall not exceed $7,500 (as adjusted for cost-of-living increases in accordance with section 457(e)(15) of the Code) or such greater amount allowed under paragraph (b) of this section, less any amount excluded from gross income under sections 403(b), 402(e)(3), or 402(h)(1)(B) or (k) of the Code, or any amount with respect to which a deduction is allowable by reason of a contribution to an organization under section 501(c)(18) of the Code.

(e) Age-Based Catch-Up Contributions. In addition to any other limit set forth in this section, and subject to any limitations that may be imposed under present or future federal tax laws and rules, a Participant who has attained age 50 may contribute an additional amount in such year or a subsequent year, according to the following schedule:

Year of Contribution:	***Additional Catch-Up Amount:***
Prior to 2002	$ 0
2002	$1,000
2003	$2,000
2004	$3,000
2005	$4,000
2006 and later	$5,000

In the case of taxable years beginning after December 31, 2006, the additional catch-up amount shall be adjusted for cost-of-living increases in accordance with section 414(v)(2)(C) of the Code.

(f) Coordination of Catch-Up Contributions. A Participant may not utilize both the Catch-Up Limitation and the Age-Based Catch-Up Contribution in the same year. The Age-Based Catch-Up Contribution shall not apply for any taxable year for which a higher Catch-Up Limitation applies.

(g) Excess Deferrals. Any amount deferred in excess of the Maximum Limitation or Age-Based Catch-Up Contribution shall be distributed to the Participant, with allocable net income, as soon as administratively practicable after the Plan determines that the amount is an excess deferral. An excess deferral as a result of a failure to comply with the individual limitation under Treas. Reg. section 1.457-5 for a taxable year may be distributed to the Participant, with allocable net income, as soon as administratively practicable after the Plan determines that the amount is an excess deferral.

3.13 Normal Compensation: The amount of compensation that would be payable to a Participant by the Employer if no Deferred Compensation Agreement were in effect to defer compensation under this Plan.

3.14 Normal Retirement Age: The age that determines the period during which a Participant may utilize the Catch-Up Limitation of Section 3.12(b) hereunder. A Participant's Normal Retirement Age shall be age 70½, unless the Participant has elected an alternative Normal Retirement Age by written instrument delivered to the Employer prior to Severance from Employment.

Once a Participant has to any extent utilized the Catch-Up Limitation of Section 3.12(b), his Normal Retirement Age may not be changed.

A Participant's alternative Normal Retirement Age may not be earlier than the earliest date that the Participant shall become eligible to retire and receive unreduced retirement benefits under the Employer's basic retirement plan covering that Participant and may not be later than the calendar year in which the Participant attains age 70½.

For purposes of the Catch-Up Limitation, if the Participant will not be eligible to receive benefits under a basic retirement plan maintained by the Employer, the Participant's Normal Retirement Age may not be earlier than attainment of age 65 and may not be later than the calendar year in which the Participant attains age 70½; provided, however, that if the Participant is a qualified police officer or firefighter as defined under section 415(b)(2)(H)(ii)(I) of the Code, then the Employer may allow such qualified police officer or firefighter to designate a Normal Retirement Age that is between age 40 and age 70 1/2.

3.15 Participant: Any Employee who has enrolled in this Plan pursuant to the requirements of Article V or who has previously deferred compensation under this Plan and who has not received a distribution of his or her entire benefit under the Plan.

3.16 Plan Year: The 12-month period commencing each January 1 and ending on the following December 31.

3.17 Retirement: The first date upon which each of the following shall have occurred: Severance from Employment and attainment of age 65.

3.18 Severance from Employment: Termination of the Participant's employment relationship with the Employer. For years prior to 2002, references in this Plan to Severance from Employment shall mean severance of the Participant's employment with the Employer, within the meaning of Code section 402(e)(4)(D)(i)(III), rather than termination of the Participant's employment relationship with the Employer.

3.19 Service Provider. The Variable Annuity Life Insurance Company (VALIC), VALIC Retirement Services Company or such other entity as the Employer designates to perform administrative services under this Plan.

ARTICLE IV. ADMINISTRATION

4.01 Plan Administrator. This Plan shall be administered by the Employer or one or more persons designated by the Employer. The Plan Administrator, if other than the Employer, shall act as the agent of the Employer in all matters concerning the administration of this Plan. The Plan Administrator shall have full power to adopt, amend, and revoke such rules and regulations consistent with and as may be necessary to implement this Plan, to enter into contracts on behalf of the Employer under this Plan, and to make discretionary decisions affecting the rights or benefits of Participants under Section 7.07 of this Plan.

4.02 Employee with Administrative Responsibilities. Any Employee who is charged with administrative responsibilities hereunder may participate in the Plan under the same terms and conditions as apply to other Employees. However, he shall not have the power to participate in any discretionary action taken with respect to his participation under Section 7.07 of this Plan.

4.03 Administrative Services. The Employer may enter into an agreement with a Service Provider to provide nondiscretionary administrative services under this Plan for the convenience of the Employer, including, but not limited to, the enrollment of Employees as Participants, the maintenance of Accounts and other records, the making of periodic reports to Participants, and the disbursement of benefits to Participants.

ARTICLE V. PARTICIPATION IN THE PLAN

5.01 Participant. An Employee becomes a Participant when he has executed and entered into a Deferred Compensation Agreement with the Employer.

5.02 Enrollment in the Plan. An Employee may become a Participant as of the first day of any calendar month by entering into a Deferred Compensation Agreement with respect to compensation not yet earned. A new Employee may become a Participant on the first day of employment by entering into a Deferred Compensation Agreement on or before the first day of employment with respect to compensation not yet earned. The Deferred Compensation Agreement shall defer compensation not yet earned, and each Deferred Compensation Agreement must be made before the beginning of the month in which it is to become effective or, with respect to a new employee, on or before the first day of employment.

5.03 Minimum Deferral Amount. At the time of entering into or amending a Deferred Compensation Agreement hereunder, a Participant must agree to defer a minimum periodic amount as specified by the Plan Administrator.

5.04 Change in Amount of Deferred Compensation or Beneficiary. A Participant may not amend or modify an executed Deferred Compensation Agreement to change the amount of Deferred Compensation except with respect to compensation to be earned in the subsequent calendar month and provided that notice is given prior to the beginning of the month for which such change is to be effective. A Participant may change the Beneficiary designated in his Deferred Compensation Agreement at any time by giving written notice to the Plan Administrator.

5.05 Revocation of Deferred Compensation Agreement. A Participant may revoke his Deferred Compensation Agreement and thereafter be restored to his Normal Compensation in the subsequent calendar month, by giving notice to the Employer prior to the beginning of the month for which such revocation is to be effective.

5.06 New Deferred Compensation Agreement Upon Return to Service or After Revocation. A Participant who returns to active service with the Employer after a Severance from Employment, or who has revoked his Deferred Compensation Agreement under Section 5.05, may again become an active Participant by executing a new Deferred Compensation Agreement with the Employer prior to the beginning of the calendar month as to which it is to be effective.

5.07 Leave of Absence; Other Absences. Compensation may continue to be deferred under this Plan with respect to a Participant who is on an approved leave of absence from the Employer with compensation, and all of the rules of this Article shall apply with respect to making, amending or revoking any Deferred Compensation Agreement for such a Participant.

5.08 Deferrals after Severance from Employment, Including Sick, Vacation, and Back Pay Under an Eligible Plan. A Participant who has not had a severance from employment may elect to defer accumulated sick pay, accumulated vacation pay, and back pay under this Plan in accordance with the requirements of Code section 457(b). These amounts may be deferred for any calendar month only if an agreement providing for the deferral is entered into before the beginning of the month in which the amounts would otherwise be paid or made available and the Participant is an employee on the date the amounts would otherwise be paid or made available. Compensation that would otherwise be paid for a payroll period that begins before Severance from Employment is treated as an amount that would otherwise be paid or made available before an Employee has a Severance from Employment. In addition, deferrals may be made for former Employees with respect to compensation described in Treas. Reg. section 1.415(c)-2(e)(3)(ii) (relating to certain compensation paid within 2 1/2 months following severance from employment), compensation described in Treas. Reg. section 1.415(c)-2(g)(4) (relating to compensation paid to participants who are permanently and totally disabled), and compensation relating to qualified military service under Code section 414(u).

ARTICLE VI. INVESTMENT OF DEFERRED COMPENSATION

6.01 Annuity Contracts and Other Plan Investments. For the purposes of satisfying its obligation to provide benefits under this Plan, the Employer shall invest the amount of compensation deferred by each Participant in Annuity Contracts and other Plan investments as specified in the Participants' Deferred Compensation Agreements. Amounts deferred under this Plan must be transferred to a trust, custodial account or annuity contract described in Section 6.02 within a period that is not longer than is reasonable for the proper administration of the Participant Accounts. Responsibility for the selection of investment alternatives for Plan assets shall be retained by the Employer, and the Employer shall have the right to modify the selection of investment alternatives from time to time. However, Participants and Beneficiaries may allocate amounts held in their Accounts or otherwise credited for their benefit under the Plan among the investment alternatives selected by the Employer, and the Employer shall cause such amounts to be so allocated within a reasonable time after the receipt of Participant instructions, or may instruct the issuer, trustee, or custodian to accept such allocation instructions directly from Participants and Beneficiaries as representatives of the Employer.

6.02 Exclusive Benefit. Notwithstanding any provision of the Plan to the contrary, all amounts held under the Plan, including amounts deferred and earnings or other accumulations attributable thereto, shall be held for the exclusive benefit of Plan Participants and Beneficiaries (i) in annuity contracts, or (ii) in trust or in one or more custodial accounts pursuant to one or more separate written instruments. Any such annuity contract, trust, or custodial account must satisfy the requirements of section 457(g)(1) of the Code. The annuity contract, trust or custodial account must make it impossible, prior to the satisfaction of all liabilities with respect to Participants and their Beneficiaries, for any part of the assets and income of the annuity contract, trust or custodial account to be used for, or diverted to, purposes other than for the exclusive benefit of Participants and their Beneficiaries. For purposes of this section, the terms Participant and Beneficiary shall also include contingent beneficiaries and/or spouses, former spouses, or children of Participants for whose benefit amounts are being held under the Plan pursuant to the terms of a domestic relations order which has been recognized under the terms of the Plan. Any discretionary authority reserved to the Employer (or to any administrator or administrative committee) under the Plan or under any investment held under the Plan, to the extent the exercise thereof would otherwise be inconsistent with this section, shall be exercised for the exclusive benefit of Plan Participants and Beneficiaries. Any issuer of an annuity contract or trustee or custodian of other investments held under the Plan shall have no authority to pay any amounts from such Plan investments to any creditor of the Employer, and shall have no duty to inquire into the validity of any request by the Employer or by an administrator or administrative committee for distribution of amounts for the benefit of a Participant or a Beneficiary under the Plan.

6.03 Benefits Based on Participant’s Account Value. The benefits paid to a Participant or Beneficiary pursuant to Article VII of this Plan shall be based upon the value of the Participant's Account. In no event shall the Employer's liability to pay benefits exceed the value of the Participant's Account, and the Employer shall not be liable for losses arising from depreciation or other decline in the value of any investments acquired under this Plan.

6.04 Periodic Reports. Each Participant shall receive periodic reports, not less frequently than annually, showing the then-current value of his Account.

6.05 Employer-Directed Accounts. Notwithstanding any provision of the Plan to the contrary, the Employer shall direct the issuer, trustee or custodian with respect to the investment of any contributions that are forwarded to the issuer, trustee or custodian prior to the date on which the Participant or Beneficiary completes the necessary paperwork with the issuer, trustee or custodian (or takes such other action or actions as may be necessary) to direct the investment of such amounts. Such direction shall be communicated to the issuer, trustee or custodian by means of a separate written agreement between the Employer and issuer, trustee or custodian, which agreement shall include a default investment option and a default beneficiary designation. This direction shall be effective only until such time as the Participant or Beneficiary exercises his right to direct the investment of such amounts and to designate a Beneficiary in accordance with the terms of the Plan.

ARTICLE VII. BENEFITS

7.01 Distribution of Retirement Benefits. Except as otherwise provided in this Article, a Participant's Account shall become distributable upon a Participant's attainment of age 70½ or upon Severance from Employment. The distribution of a Participant's Account shall commence no later than April 1 of the calendar year following the year of the Participant's Retirement or attainment of age 70½, whichever is later. Distributions shall be made in accordance with one of the payment options described in Section 7.03.

7.02 Distribution Procedures. The Employer may from time to time establish procedures for Participant distribution elections, provided that such procedures are not inconsistent with the requirements of Section 7.01.

7.03 Payment Options. A Participant (or a Beneficiary as provided in Section 7.06) may elect to have the value of the Participant's Account distributed in accordance with one of the following payment options provided that such option is available under the investment and consistent with the limitations set forth in Section 7.04:

(a) life annuity;

(b) life annuity with 60, 120, or 180 monthly payments guaranteed;

(c) unit refund life annuity;

(d) joint and last survivor annuity (spouse only);

(e) lump sum;

(f) term certain annuity with 36, 48, 60, 72, 84, 96, 108, 120, 132, 144, 156, 168 or 180 monthly payments guaranteed;

(g) withdrawals for a specified number of years;

(h) withdrawals of a specified amount; or

(i) any other method of payment agreed upon between Participant and Employer and accepted by the investment provider or Service Provider.

If a Participant fails to elect a payment option, any required payments shall be made under a payment option designated by the Employer.

Notwithstanding the options above, any option that involves a life contingency (or a joint life contingency) shall only be available under an Annuity Contract offered or obtained under the terms of the Plan.

7.04 Required Minimum Distributions.

(a) No payment option may be selected by the Participant (or a Beneficiary) unless it satisfies the requirements of Code section 401(a)(9) and any additional Code limitations applicable to the Plan. The provisions of this section shall apply for purposes of determining required minimum distributions for calendar years beginning with the 2003 calendar year. The requirements of this section shall take precedence over any inconsistent provisions of the Plan. All distributions required under this section shall be determined and made in accordance with the regulations under section 401(a)(9) of the Code. Notwithstanding the other provisions of this section, distributions may be made under a designation made before January 1, 1984, in accordance with section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act (TEFRA) and the provisions of the plan that relate to section 242(b)(2) of TEFRA.

(b) The Participant's entire interest shall be distributed, or begin to be distributed, to the Participant no later than the Participant's required beginning date. If the Participant dies before distributions begin, the Participant's entire interest shall be distributed, or begin to be distributed, no later than as follows:

(1) If the Participant's surviving spouse is the Participant's sole designated Beneficiary, then unless the surviving spouse elects to apply the 5-year rule (pursuant to Subsection (f), below), distributions to the surviving spouse shall begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70-1/2, if later.

(2) If the Participant's surviving spouse is not the Participant's sole designated Beneficiary, then unless the Designated Beneficiary elects to apply the 5-year rule (pursuant to subsection (f)), below), distributions to the designated Beneficiary shall begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.

(3) If there is no designated Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest shall be distributed by December 31

of the calendar year containing the fifth anniversary of the Participant's death.

(4) If the Participant's surviving spouse is the Participant's sole designated Beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this subsection (b), other than paragraph (b)(1), shall apply as if the surviving spouse were the Participant.

For purposes of this subsection (b) and subsection (d), unless paragraph (b)(4) applies, distributions are considered to begin on the Participant's required beginning date. If paragraph (b)(4) applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under paragraph (b)(1). If distributions under an annuity purchased from an insurance company irrevocably commence to the Participant before the Participant's required beginning date (or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under paragraph (b)(1)), the date distributions are considered to begin is the date distributions actually commence.

Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the required beginning date, as of the first distribution calendar year distributions shall be made in accordance with subsections (c) and (d) of this section. If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder shall be made in accordance with the requirements of section 401(a)(9) of the Code.

(c) During the Participant's lifetime, the minimum amount that shall be distributed for each distribution calendar year is the lesser of:

(1) the quotient obtained by dividing the Participant's account balance by the distribution period in the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the regulations, using the Participant's age as of the Participant's birthday in the distribution calendar year; or

(2) if the Participant's sole designated Beneficiary for the distribution calendar year is the Participant's spouse, the quotient obtained by dividing the Participant's account balance by the number in the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9 of the regulations, using the Participant's

and spouse's attained ages as of the Participant's and spouse's birthdays in the distribution calendar year.

Required minimum distributions shall be determined under this subsection (c) beginning with the first distribution calendar year and up to and including the distribution calendar year that includes the Participant's date of death.

(d) (1) If the Participant dies on or after the date distributions begin and there is a designated Beneficiary, the minimum amount that shall be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the longer of the remaining life expectancy of the Participant or the remaining life expectancy of the Participant's designated Beneficiary, determined as follows:

(a) The Participant's remaining life expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(b) If the Participant's surviving spouse is the Participant's sole designated Beneficiary, the remaining life expectancy of the surviving spouse is calculated for each distribution calendar year after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For distribution calendar years after the year of the surviving spouse's death, the remaining life expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.

(c) If the Participant's surviving spouse is not the Participant's sole designated Beneficiary, the designated Beneficiary's remaining life expectancy is calculated using the age of the Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

(2) If the Participant dies on or after the date distributions begin and there is no designated Beneficiary as of September 30 of the year after the year of the Participant's death, the minimum amount that shall be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the

Participant's remaining life expectancy calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(3) Except as otherwise elected (pursuant to subsection (f), below), if the Participant dies before the date distributions begin and there is a designated Beneficiary, the minimum amount that shall be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the remaining life expectancy of the Participant's designated Beneficiary, determined as provided in paragraph (d)(1) and subsection (2).

(4) If the Participant dies before the date distributions begin and there is no designated Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest shall be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(5) If the Participant dies before the date distributions begin, the Participant's surviving spouse is the Participant's sole designated Beneficiary, and the surviving spouse dies before distributions are required to begin to the surviving spouse under paragraph (b)(1), this subsection (d) shall apply as if the surviving spouse were the Participant.

(e) Definitions.

(1) "Designated Beneficiary" means the individual who is designated as the Beneficiary under Section 6.02 of the plan and is the designated Beneficiary under section 401(a)(9) of the Code and Section 1.401(a)(9)-1, Q&A-4, of the regulations.

(2) "distribution calendar year" means a calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year that contains the Participant's required beginning date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin under Section (b). The required minimum distribution for the Participant's first distribution calendar year shall be made on or before the Participant's required beginning date. The required minimum distribution for other distribution calendar years, including the required minimum distribution for the distribution calendar year

in which the Participant's required beginning date occurs, shall be made on or before December 31 of that distribution calendar year.

(3) "life expectancy" means life expectancy as computed by use of the Single Life Table in Section 1.401(a)(9)-9 of the regulations.

(4) "Participant's account balance" means the account balance as of the last valuation date in the calendar year immediately preceding the distribution calendar year (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the account balance as of dates in the valuation calendar year after the valuation date and decreased by distributions made in the valuation calendar year after the valuation date. The account balance for the valuation calendar year includes any amounts rolled over or transferred to the plan either in the valuation calendar year or in the distribution calendar year if distributed or transferred in the valuation calendar year.

(5) "required beginning date" means April 1st of the calendar year following the later of:

(a) the calendar year in which the Participant attains age 70-1/2; or

(b) the calendar year in which the Participant retires.

(f) Participants or Beneficiaries may elect, on an individual basis, whether the 5-year rule or the life expectancy rule in subsections (b) and (d) applies to distributions after the death of a Participant who has a Designated Beneficiary. The election must be made no later than the earlier of September 30 of the calendar year in which distribution would be required to begin under subsection (b), or by September 30 of the calendar year which contains the fifth anniversary of the Participant's (or, if applicable, the surviving spouse's) death. If neither the Participant nor the Beneficiary makes an election under this paragraph, distributions shall be made in accordance with subsections (b) and (d).

7.05 Post-Retirement Death Benefits. Should the Participant die after he has begun to receive benefits under a payment option, the guaranteed or remaining payments, if any, under the payment option shall be payable to the Participant's Beneficiary commencing with the first payment due after the death of the Participant. Payment to the Participant's Beneficiary must comply with section 401(a)(9) of the Code, and with any additional Code limitations applicable to the Plan. If the Beneficiary does not continue to live for the remaining period of payments under the payment option, then the remaining benefits under the payment option shall be paid to the Beneficiary's beneficiary or, if none, the Beneficiary's estate. In no event shall the Employer be liable for any payments made in the name of the Participant or a Beneficiary before the Employer or its agent receives proof of the death of the Participant or Beneficiary.

7.06 Pre-Retirement Death Benefits. Should the Participant die before he has begun to receive benefits under Section 7.01, a death benefit equal to the value of the Participant's Account shall be payable to the Beneficiary. Such death benefit shall be paid in a lump sum unless the Beneficiary elects a different payment option. Payment to the Participant's Beneficiary must comply with section 401(a)(9) of the Code, and with any additional Code limitations applicable to the Plan. Should the Beneficiary die before the completion of payments under the payment option, the value of the remaining payments under the payment option shall be paid to the Beneficiary's beneficiary or, if none, the Beneficiary's estate.

7.07 Unforeseeable Emergency Withdrawals. In the event of an unforeseeable emergency, a Participant may apply to the Employer to receive that part of the value of his Account that is reasonably needed to satisfy the emergency need (including any amounts that may be necessary to pay any federal, state or local income taxes or penalties reasonably anticipated to result from the distribution). If such application for withdrawal is approved by the Employer, the Employer shall direct the issuer, trustee or custodian to pay the Participant such value as the Employer deems necessary to meet the emergency need.

The regulations under section 457(d)(1)(A)(iii) of the Code define an unforeseeable emergency as a severe financial hardship of the Participant or Beneficiary resulting from an illness or accident of the Participant or Beneficiary, the Participant's or Beneficiary's spouse, or the Participant's or Beneficiary's dependent (as defined in Code section 152, and, for taxable years beginning on or after January 1, 2005, without regard to Code section 152(b)(1), (b)(2), and (d)(1)(B)); loss of the Participant's or Beneficiary's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance, *e.g.*, as a result of a natural disaster); or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant or Beneficiary. For example, the imminent foreclosure of or eviction from the Participant's or Beneficiary's primary residence may constitute an unforeseeable emergency. In addition, the need to pay for medical expenses, including non-refundable deductibles, as well as for the cost of prescription drug medication, may constitute an unforeseeable emergency. Finally, the need to pay for the funeral expenses of a spouse or a dependent (as defined in Code section 152, and, for taxable years beginning on or after January 1, 2005, without regard to Code section 152(b)(1), (b)(2), and (d)(1)(B)) may also constitute an unforeseeable emergency. Except as otherwise specifically provided in this Section 7.07, neither the purchase of a home nor the payment of college tuition is an unforeseeable emergency.

A distribution on account of an unforeseeable emergency may not be made to the extent that such emergency is or may be relieved through reimbursement or compensation from insurance or otherwise, by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship, or by cessation of deferrals under the Plan.

7.08 Transitional Rule for Annuity Payment Option Elections. If this Plan document constitutes an amendment and restatement of the Plan as previously adopted by the Employer and if a Participant or Beneficiary has commenced receiving benefits under an annuity payment option, that annuity payment option shall remain in effect notwithstanding any other provision of this Plan.

7.09 Participant's Election to Receive In-Service Distribution. If the Employer so elects under Section 2.02, a Participant may elect to receive an in-service distribution of the total amount payable to him under the Plan if:

(a) such amount does not exceed the dollar amount under section 411(a)(11)(A) of the Code,

(b) no amount has been deferred under the Plan with respect to the Participant during the two-year period ending on the date of the distribution, and

(c) there has been no prior distribution under the Plan to the Participant under this Section 7.09 or under Section 7.10.

7.10 Distribution without Participant's Consent. If the Employer so elects under Section 2.03, the total amount payable to a Participant under the Plan may be distributed to the Participant without his consent if:

(a) such amount does not exceed the dollar amount under section 411(a)(11)(A) of the Code,

(b) no amount has been deferred under the Plan with respect to the Participant during the two-year period ending on the date of the distribution, and

(c) there has been no prior distribution under the Plan to the Participant under this Section 7.10 or under Section 7.09.

In the event of a mandatory distribution greater than $1,000 that is made in accordance with the provisions of this Section 7.10, if the Participant does not elect to have such distribution paid directly to an Eligible Retirement Plan specified by the Participant in a direct rollover (in accordance with the direct rollover provisions of the Plan) or to receive the distribution directly, then the Plan Administrator shall pay the distribution in a direct rollover to an individual retirement plan designated by the Plan Administrator.

ARTICLE VIII. NON-ASSIGNABILITY

8.01 In General. Except as provided in Section 8.02, the interests of each Participant or Beneficiary under the Plan are not subject to the claims of the Participant's or Beneficiary's creditors; and no Participant or Beneficiary shall have any right to commute, sell, assign, pledge, transfer or otherwise convey or encumber the right to receive any payments hereunder or any interest under the Plan, which payments and interests are expressly declared to be non-assignable and non-transferable.

8.02 Domestic Relations Orders.

(a) Allowance of Transfers: Notwithstanding Section 8.01, if a judgment, decree or order (including approval of a property settlement agreement) that relates to the provision of child support, alimony payments, or the marital property rights of a spouse or former spouse, child, or other dependent of a Participant is made pursuant to a State domestic relations law ("domestic relations order"), then the amount of the Participant's Account shall be paid in the manner and to the person or persons so directed in the domestic relations order. Such payment shall be made without regard to whether the Participant is eligible for a distribution of benefits under the Plan. The Plan Administrator shall establish reasonable procedures for determining the status of any such decree or order and for effectuating distribution pursuant to the domestic relations order. Where necessary to carry out the terms of such an order, a separate Account may be established with respect to the spouse, former spouse, or child who shall be entitled to make investment selections with respect thereto in the same manner as the Participant.

(b) Release from Liability to Participant: The Employer's liability to pay benefits to a Participant shall be reduced to the extent that amounts have been paid or set aside for payment to a spouse, former spouse, child, or other dependent pursuant to paragraph (a) of this section.

No such transfer shall be effectuated unless the Employer or Service Provider has been provided with satisfactory evidence that the Employer and the Service Provider are released from any further claim by the Participant with respect to such amounts. The Participant shall be deemed to have released the Employer and the Service Provider from any claim with respect to such amounts, in any case in which (i) the Employer or Service Provider has been served with legal process or otherwise joined in a proceeding relating to such transfer, (ii) the Participant has been notified of the pendency of such proceeding in the manner prescribed by the law of the jurisdiction in which the proceeding is pending by service of process in such action or by mail from the Employer or Service Provider to the Participant's last known mailing address, and (iii) the Participant fails to obtain an order of the court in the proceeding relieving the Employer or Service Provider from the obligation to comply with the judgment, decree, or order. The Participant shall also be deemed to have released the Employer or Service Provider if the Participant has consented to the transfer pursuant to the terms of a property settlement agreement and/or a final judgment, decree, or order as described in paragraph (a).

(c) <u>Participation in Legal Proceedings</u>: The Employer and the Service Provider shall not be obligated to defend against or seek to have set aside any judgment, decree, or order described in paragraph (a) or any legal order relating to the garnishment of a Participant's benefits, unless the full expense of such legal action is borne by the Participant. In the event that the Participant's action (or inaction) nonetheless causes the Employer or Service Provider to incur such expense, the amount of the expense may be charged against the Participant's Account and thereby reduce the Employer's obligation to pay benefits to the Participant. In the course of any proceeding relating to divorce, separation, or child support, the Employer and Service Provider shall be authorized to disclose information relating to the Participant's Account to the Participant's spouse, former spouse, or child (including the legal representatives of the spouse, former spouse, or child), or to a court.

ARTICLE IX. TRANSFERS AND ROLLOVERS

9.01 <u>Transfers</u>. This Plan shall accept and allow transfers, pursuant to section 457 of the Code, of amounts deferred by an individual under this Plan or another eligible deferred compensation plan meeting the requirements of section 457(g) of the Code, provided the conditions of this Section 9.01 are met.

(a) Directed by Individual Participant or Beneficiary. A transfer from this Plan to another eligible governmental deferred compensation plan or from another eligible governmental deferred compensation plan to this Plan is permitted only if the transferor plan provides for transfers, the receiving plan provides for the receipt of transfers, the Participant or Beneficiary whose amounts deferred are being transferred shall have an amount deferred immediately after the transfer at least equal to the amount deferred with respect to that Participant or Beneficiary immediately before the transfer, and in the case of a transfer for a Participant, the Participant whose amounts deferred are being transferred has had a severance from employment with the transferring employer and is performing services for the employer maintaining the transferee plan. Upon the transfer of assets from this Plan under this Section 9.01(a), the Plan's liability to pay benefits to the Participant or Beneficiary under this Plan shall be discharged to the extent of the amount so transferred for the Participant or Beneficiary.

Any such transferred amount shall not be treated as a deferral subject to the limitations of Section 3.12, except that, for purposes of applying the limit of Section 3.12, an amount deferred during any taxable year under the plan from which the transfer is accepted shall be treated as if it had been deferred under this Plan during such taxable year and compensation paid by the transferor employer shall be treated as if it had been paid by the Employer.

(b) Permissive Service Credit Transfers.

(1) Subject to any limitations imposed by an investment provider, if a Participant is also a participant in a tax-qualified defined benefit governmental plan (as defined in section 414(d) of the Code) that provides for the acceptance of plan-to-plan transfers with respect to the Participant, then the Participant may elect to have any portion of the Participant's Account transferred to the defined benefit governmental plan. A transfer under this Section 9.01(b) may be made before the Participant has had a Severance from Employment.

(2) A transfer may be made under Section 9.01(b) only if the transfer is either for the purchase of permissive service credit (as defined in section 415(n)(3)(A) of the Code) under the receiving defined benefit governmental plan or a repayment to which section 415 of the Code does not apply by reason of section 415(k)(3) of the Code.

9.02 Rollovers. A Participant may elect to roll an Eligible Rollover Distribution to an Eligible Retirement Plan. The Participant shall be provided with a description of available rollover rights and rules in advance of such a distribution. A distribution that is an Eligible Rollover Distribution and that is paid in a form other than a rollover shall be subject to mandatory withholding of 20%, or such other mandatory withholding rate as may be imposed under the Code from time to time. This Plan shall be permitted to accept a rollover distribution from an Eligible Retirement Plan (including a distribution from an IRA) to this Plan, subject to any administrative restrictions imposed by the Plan or by the investment provider. To the extent required under the Code, the Plan shall separately account for any eligible rollover distributions it receives. Any such rollover distribution to the Plan shall be subject to the same restrictions on distributions applicable to other amounts held under the Plan.

ARTICLE X. LOANS

If the Employer so elects under Section 2.04, loans shall be made available to all Participants on a reasonably equivalent basis, but only to the extent permitted under the Annuity Contract or other Plan investment and the provisions of this Article. No loan shall be made available under this Plan unless it satisfies all of the requirements of Code section 72(p) and any other applicable regulatory guidance, including the limitations on the total of a Participant's non-taxable loans from all plans of the Employer for treatment as a tax-free loan. The making of loans under this Plan shall be subject to written guidelines set forth in a separate document (or under the Annuity Contract), which guidelines shall govern the availability, terms and procedures for Participants to obtain loans under this Plan. The availability of loans under this Plan may be suspended, terminated or modified at any time.

ARTICLE XI. AMENDMENT OR TERMINATION OF PLAN

11.01 Amendment or Termination. The Employer may at any time amend this Plan or terminate this Plan and distribute the Participants' Accounts in conformity with the Code; provided, however, that such amendment or termination shall not impair the rights of Participants or their Beneficiaries with respect to any compensation deferred before the date of the amendment or termination of this Plan except as may be required to maintain the tax status of the Plan under the Code. In the event that the Plan is terminated, amounts deferred under the Plan (and all Plan assets) shall be distributed to all Plan Participants and Beneficiaries as soon as administratively practicable after the termination of the Plan and Participants shall thereafter receive their Normal Compensation.

11.02 Amendment and Restatement of Previously Adopted Plan. If this Plan document constitutes an amendment and restatement of the Plan as previously adopted by the Employer, the amendments contained herein shall be effective as of the Effective Date, and the terms of the preceding plan document shall remain in effect through such date.

ARTICLE XII. USERRA

An Employee whose employment is interrupted by qualified military service under Code section 414(u) or who is on a leave of absence for qualified military service under Code section 414(u) may defer additional Compensation upon resumption of employment with the Employer equal to the maximum amount of Compensation that could have been deferred during that period if the Employee's employment with the Employer had continued (at the same level of Compensation) without the interruption of leave, reduced by the amount of Compensation, if any, actually deferred during the period of the interruption or leave. This right applies for five years following the resumption of employment (or, if sooner, for a period equal to three times the period of the interruption or leave).

ARTICLE XIII. MISTAKEN CONTRIBUTIONS

If any contribution (or any portion of a contribution) is made to the Plan by a good faith mistake of fact, then within one year after the payment of the contribution, and upon receipt in good order of a proper request approved by the Plan Administrator, the amount of the mistaken contribution (adjusted for any income or loss in value, if any, allocable thereto) shall be returned directly to the Participant or, to the extent required or permitted by the Plan Administrator, to the Employer.

ARTICLE XIV. RELATIONSHIP TO OTHER PLANS

This Plan serves in addition to any other retirement, pension or benefit plan or system presently in existence or hereinafter established.

IN WITNESS WHEREOF, the Employer has caused this instrument to be executed by its duly authorized representative on this _______ day of _________________, 200______.

Employer

By:____

Name:____

Title:____

REFERENCE - APPLICABLE STATUTE, RULE, OR POLICY

K. Retirement Programs – All Employees

1. Classified Employees

   All classified and University of Idaho classified employees shall participate in the Public Employee Retirement System of Idaho (PERSI).

2. Optional Retirement Program *(reference Idaho Code 33-107A, 33-107B)*

   The Board is authorized to establish a retirement program under which contracts providing retirement and death benefits may be purchased for members of the faculty and nonclassified staff of the University of Idaho, Idaho State University, Boise State University, Lewis-Clark State College, Eastern Idaho Technical College, the College of Southern Idaho, North Idaho College and the Office of the State Board of Education. The Board provides for the administration of the Optional Retirement Program in accordance with the Idaho State Board of Education Optional Retirement Plan (hereinafter "the Plan"), a copy of which is on file at the Office of the State Board of Education and at the institutions mentioned above. The Plan may be amended from time to time in accordance with its terms and applicable regulations of the Internal Revenue Service.

   a. Designation Of Contract Providers - The Board shall designated companies from which contracts are to be purchased under the optional retirement program.

   b. Eligible Employees - Eligible employees are those active faculty and nonclassified employees initially hired or appointed on or after July 1, 1990. Vested members of PERSI may make a one time, irrevocable election to remain in PERSI if made within the time limited allowed in state law. Eligible employees shall participate in the Optional Retirement Program. "Eligible employees" shall exclude classified employees, employees whose employment is expected to be less than five (5) months, and employees whose employment is incidental to their status as students at the institution.

REFERENCE - APPLICABLE STATUTE, RULE, OR POLICY - continued

Idaho Statutes

TITLE 33
EDUCATION
CHAPTER 1
STATE BOARD OF EDUCATION

33-107A. BOARD MAY ESTABLISH AN OPTIONAL RETIREMENT PROGRAM.

(1) The state board of education may establish an optional retirement program under which contracts providing retirement and death benefits may be purchased for members of the teaching staff and officers of the university of Idaho, Idaho state university, Boise state university, Lewis Clark state college and the state board of education who are hired on or after July 1, 1993; provided, however, that no such employee shall be eligible to participate in an optional retirement program unless he would otherwise be eligible for membership in the public employee retirement system of Idaho. The benefits to be provided for or on behalf of participants in an optional retirement program shall be provided through annuity contracts or certificates, fixed or variable in nature, or a combination thereof, whose benefits are owned by the participants in the program.

(2) The state board of education is hereby authorized to provide for the administration of the optional retirement program and to perform or authorize the performance of such functions as may be necessary for such purposes. The board shall designate the company or companies from which contracts are to be purchased under the optional retirement program and shall approve the form and contents of such contracts. In making the designation and giving approval, the board shall consider:

(a) The nature and extent of the rights and benefits to be provided by such contracts for participants and their beneficiaries;
(b) The relation of such rights and benefits to the amount of contributions to be made;
(c) The suitability of such rights and benefits to the needs of the participants and the interests of the institutions in the recruitment and retention of staff members; and
(d) The ability of the designated company to provide such suitable rights and benefits under such contracts.

(3) Elections to participate in an optional retirement program shall be as follows:

(a) Eligible employees are:
(i) Those faculty and nonclassified staff initially appointed or hired between July 1, 1990 and June 30, 1993; and
(ii) Those teaching staff and officers initially appointed or hired on or after July 1, 1993.

All eligible employees, except those who are vested members of the public employee retirement system of Idaho, shall participate in the optional retirement program.

(b) Vested members of the public employee retirement system of Idaho may make a one (1) time irrevocable election to remain a member of that retirement system. The election shall be made in writing, within sixty (60) days of the date of initial hire or appointment or the effective date of this act, whichever occurs later. It shall be filed with the administrative officer of the employing institution.

(c) An election by an eligible employee of the optional retirement program shall be irrevocable and shall be accompanied by an appropriate application, where required, for issuance of a contract or contracts under the program.

(d) The accumulated contributions of employees who make the one (1) time irrevocable election or are required to participate in the optional retirement program may be transferred by the public employee retirement system of Idaho to such qualified plan, maintained under the optional retirement program, as designated in writing by the employee.

(4) (a) Each institution shall contribute on behalf of each participant in its optional retirement program the following:

(i) To the designated company or companies, an amount equal to seven and eighty-one hundredths percent (7.81%) of each participant's salary, reduced by any amount necessary, if any, to provide contributions to a total disability program provided either by the state or by a private insurance carrier licensed and authorized to provide such benefits or any combination thereof, but in no event less than five percent (5%) of each participant's salary; and

(ii) To the public employee retirement system, an amount equal to three and three one-hundredths percent (3.03%) of salaries of members who are participants in the optional retirement program. This amount shall be paid until July 1, 2015, and is in lieu of amortization payments and withdrawal contributions required pursuant to chapter 13, title 59, Idaho Code.

(b) Each participant shall contribute an amount equal to six and ninety-seven hundredths percent (6.97%) of the participant's salary. Employee contributions may be made by employer pick-up pursuant to section 59-1332, Idaho Code.

(c) Payment of contributions authorized or required under this subsection shall be made by the financial officer of the employing institution to the designated company or companies for the benefits of each participant.

(5) Any person participating in the optional retirement program shall be ineligible for membership in the public employee retirement system of Idaho so long as he remains continuously employed in any teaching staff position or as an officer with any of the institutions under the jurisdiction of the state board of education.

(6) A retirement, death or other benefit shall not be paid by the state of Idaho or the state board of education for services credited under the optional retirement program. Such benefits are payable to participants or their beneficiaries only by the designated company or companies in accordance with the terms of the contracts.

REFERENCE - APPLICABLE STATUTE, RULE, OR POLICY - continued

Idaho Statutes

TITLE 33
EDUCATION
CHAPTER 1
STATE BOARD OF EDUCATION

33-107B. BOARD MAY ESTABLISH AN OPTIONAL RETIREMENT PROGRAM FOR COMMUNITY COLLEGES AND POSTSECONDARY PROFESSIONAL-TECHNICAL EDUCATION INSTITUTIONS.

(1) The state board of education may establish an optional retirement program under which contracts providing retirement and death benefits may be purchased for members of the teaching staff and officers of community colleges and postsecondary professional-technical education institutions, including north Idaho college, college of southern Idaho and eastern Idaho technical college, hired on or after July 1, 1997; provided however, that no such employee shall be eligible to participate in an optional retirement program unless he would otherwise be eligible for membership in the public employee retirement system of Idaho. The benefits to be provided for or on behalf of participants in an optional retirement program shall be provided through annuity contracts or certificates, fixed or variable in nature, or a combination thereof, whose benefits are owned by the participants in the program.

(2) The state board of education is hereby authorized to provide for the administration of the optional retirement program and to perform or authorize the performance of such functions as may be necessary for such purposes. The board shall designate the company or companies from which contracts are to be purchased under the optional retirement program and shall approve the form and contents of such contracts. In making the designation and giving approval, the board shall consider:

(a) The nature and extent of the rights and benefits to be provided by such contracts for participants and their beneficiaries;
(b) The relation of such rights and benefits to the amount of contributions to be made;
(c) The suitability of such rights and benefits to the needs of the participants and the interests of the institutions in the recruitment and retention of staff members; and
(d) The ability of the designated company to provide such suitable rights and benefits under such contracts.

(3) Elections to participate in an optional retirement program shall be as follows:

(a) Eligible employees are the teaching staff and officers initially appointed or hired on or after the effective date of this chapter. All eligible employees, except those who are vested members of the public employee retirement system of Idaho, shall participate in the optional

retirement program.
(b) Eligible employees who are vested members of the public employee retirement system of Idaho may make a one (1) time irrevocable election to transfer to the optional retirement program. The election shall be made in writing and within sixty (60) days of the date of initial hire or appointment, or one hundred fifty (150) days after the effective date of this chapter, whichever occurs later. The election shall be filed with the administrative officer of the employing institution. The election shall be effective not later than the first day of the second pay period following the date of the election.
(c) Teaching staff and officers employed by the institution the day before the effective date of this chapter may make a one (1) time irrevocable election to participate in the optional retirement program. The election shall be made in writing and within one hundred fifty (150) days after the effective date of this chapter. The election shall be filed with the administrative officer of the employing institution. The election shall be effective not later than the first day of the second pay period following the date of the election.
(d) The accumulated contributions of employees who make the one (1) time irrevocable election or are required to participate in the optional retirement program may be transferred by the public employee retirement system of Idaho to such qualified plan, maintained under the optional retirement program, as designated in writing by the employee.
(e) An election by an eligible employee of the optional retirement program shall be irrevocable and shall be accompanied by an appropriate application, where required, for issuance of a contract or contracts under the program.

(4) (a) Each institution shall contribute on behalf of each participant in its optional retirement program the following:
(i) To the designated company or companies, an amount equal to seven and eighty-one hundredths percent (7.81%) of each participant's salary, reduced by any amount necessary, if any, to provide contributions to a total disability program provided either by the state or by a private insurance carrier licensed and authorized to provide such benefits, or any combination thereof, but in no event less than five percent (5%) of each participant's salary; and
(ii) To the public employee retirement system, an amount equal to three and eighty-three hundredths percent (3.83%) of salaries of members who are participants in the optional retirement program. This amount shall be paid until July 1, 2011 and is in lieu of amortization payments and withdrawal contributions required pursuant to chapter 13, title 59, Idaho Code.
(b) For the purposes of section 59-1322, Idaho Code, the term "projected salaries" shall include the sum of the annual salaries of all participants in the optional retirement program established pursuant to this section.

(c) Each participant shall contribute an amount equal to six and ninety-seven hundredths percent (6.97%). Employee contributions may be made by employer pick-up pursuant to section 59-1332, Idaho Code.

(5) Any person participating in the optional retirement program shall be ineligible for membership in the public employee retirement system of Idaho so long as he remains continuously employed in any teaching staff position or as an officer with any of the institutions under the jurisdiction of the state board of education.

(6) A retirement, death or other benefit shall not be paid by the state of Idaho or the state board of education for services credited under the optional retirement program. Such benefits are payable to participants or their beneficiaries only by the designated company or companies in accordance with the terms of the contracts.

REFERENCE - APPLICABLE STATUTE, RULE, OR POLICY - continued

|||| LEGISLATURE OF THE STATE OF IDAHO ||||
Fifty-seventh Legislature First Regular Session - 2003
IN THE SENATE
SENATE BILL NO. 1084
BY COMMERCE AND HUMAN RESOURCES COMMITTEE

AN ACT

RELATING TO DEFERRED COMPENSATION PROGRAMS; AMENDING SECTION 59-513, IDAHO CODE, TO AUTHORIZE THE STATE BOARD OF EDUCATION TO SET UP AND REGULATE DEFERRED COMPENSATION PROGRAMS FOR CERTAIN ELIGIBLE EMPLOYEES, TO PROVIDE RULEMAKING AUTHORITY AND TO PROVIDE CORRECT TERMINOLOGY.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 59-513, Idaho Code, be, and the same is hereby amended to read as follows:

59-513. DEFERRED COMPENSATION PROGRAMS FOR EMPLOYEES OF STATE OR POLITICAL SUBDIVISIONS. The state of Idaho, the state board of education for those employees eligible for participation in the optional retirement programs created in sections 33-107A and 33-107B, Idaho Code, and any county, city, or political subdivision of the state acting through its governing body, is hereby authorized to contract with an employee to defer all or a portion of that employee's income, and may subsequently with the consent of the employee, invest such deferred income in a funding medium for the purpose of funding a deferred compensation program for the employee.

The state board of examiners shall supervise and regulate the deferred compensation program for state employees, and may adopt rules to implement such a program; provided however, that the state board of education shall supervise and regulate any deferred compensation program it establishes and may adopt rules to implement such a program.

The governing body of any county, city, or political subdivision of the state, shall supervise and regulate the deferred compensation program for its employees.

In no event shall the amount of income an employee elects to defer exceed the total annual salary, or compensation under the existing salary schedule or classification plan applicable to such employee in such year. Any income deferred under such a plan shall continue to be included as regular compensation for the purpose of computing the retirement contributions and pension benefits earned by any employee, but any sum so deferred shall not be included in the computation of any income taxes withheld on behalf of any such employee.

Coverage of an employee under a deferred compensation plan under this section shall not render such employee ineligible for simultaneous membership and participation in the pension systems for public employees which are otherwise provided for.

For the purposes of this act section the state controller is authorized to make such deductions from salary for any employee of the state who has authorized such deductions in writing, and the state board of examiners may designate administrative agents for the state of Idaho to execute all necessary agreements pertaining to the deferred compensation program.

For the purposes of this act section, the term "employee" includes elected or appointed officials.

Amendment

|||| LEGISLATURE OF THE STATE OF IDAHO ||||
Fifty-seventh Legislature First Regular Session - 2003
Moved by Lake
Seconded by Schaefer
IN THE HOUSE OF REPRESENTATIVES
HOUSE AMENDMENT TO S.B. NO. 1084

AMENDMENT TO THE BILL

On page 2 of the printed bill, following line 1, insert:

"SECTION 2. This act shall be in full force and effect on and after January 1, 2006, or upon the termination or expiration of the existing restated and amended deferred compensation plan administration agreement implementing the provisions of section 59-513, Idaho Code, whichever occurs first. Provided however, that the State Board of Education may adopt rules to implement the provisions of this act on and after July 1, 2003, so long as such rules do not permit the implementation to occur prior to the effective date of this act.".

CORRECTION TO TITLE

On page 1, in line 5, following "TERMINOLOGY" insert: "; AND PROVIDING AN EFFECTIVE DATE".

Engrossed Bill (Original Bill with Amendment(s) Incorporated)

|||| LEGISLATURE OF THE STATE OF IDAHO ||||
Fifty-seventh Legislature First Regular Session - 2003
IN THE SENATE
SENATE BILL NO. 1084, As Amended in the House
BY COMMERCE AND HUMAN RESOURCES COMMITTEE

AN ACT

RELATING TO DEFERRED COMPENSATION PROGRAMS; AMENDING SECTION 59-513, IDAHO

CODE, TO AUTHORIZE THE STATE BOARD OF EDUCATION TO SET UP AND REGULATE DEFERRED COMPENSATION PROGRAMS FOR CERTAIN ELIGIBLE EMPLOYEES, TO PROVIDE RULEMAKING AUTHORITY AND TO PROVIDE CORRECT TERMINOLOGY; AND PROVIDING AN EFFECTIVE DATE.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 59-513, Idaho Code, be, and the same is hereby amended to read as follows:

59-513. DEFERRED COMPENSATION PROGRAMS FOR EMPLOYEES OF STATE OR POLITICAL SUBDIVISIONS. The state of Idaho, the state board of education for those employees eligible for participation in the optional retirement programs created in sections 33-107A and 33-107B, Idaho Code, and any county, city, or political subdivision of the state acting through its governing body, is hereby authorized to contract with an employee to defer all or a portion of that employee's income, and may subsequently with the consent of the employee, invest such deferred income in a funding medium for the purpose of funding a deferred compensation program for the employee.

The state board of examiners shall supervise and regulate the deferred compensation program for state employees, and may adopt rules to implement such a program; provided however, that the state board of education shall supervise and regulate any deferred compensation program it establishes and may adopt rules to implement such a program.

The governing body of any county, city, or political subdivision of the state, shall supervise and regulate the deferred compensation program for its employees.

In no event shall the amount of income an employee elects to defer exceed the total annual salary, or compensation under the existing salary schedule or classification plan applicable to such employee in such year. Any income deferred under such a plan shall continue to be included as regular compensation for the purpose of computing the retirement contributions and pension benefits earned by any employee, but any sum so deferred shall not be included in the computation of any income taxes withheld on behalf of any such employee.

Coverage of an employee under a deferred compensation plan under this section shall not render such employee ineligible for simultaneous membership and participation in the pension systems for public employees which are otherwise provided for.

For the purposes of this act section the state controller is authorized to make such deductions from salary for any employee of the state who has authorized such deductions in writing, and the state board of examiners may designate administrative agents for the state of Idaho to execute all necessary agreements pertaining to the deferred compensation program.

For the purposes of this act section, the term "employee" includes elected or appointed officials.

SECTION 2. This act shall be in full force and effect on and after January 1, 2006, or upon the termination or expiration of the existing restated and amended deferred compensation plan administration agreement implementing the provisions of section 59-513, Idaho Code, whichever occurs first. Provided however, that the State Board of Education may adopt rules to implement the provisions of this act on and after July 1, 2003, so long as such rules do not permit the implementation to occur prior to the effective date of this act.

Statement of Purpose / Fiscal Impact

STATEMENT OF PURPOSE
RS12816

Relating to employee benefits, this legislation authorizes the State Board of Education to create a deferred compensation plan for employees of Idaho Colleges and Universities. Changes to the federal tax laws enacted in 2001 permit employees to save additional amounts from their compensation for retirement by combining a 403(b) tax-deferred annuity plan with a 457(b) deferred compensation plan. Access to a 457 plan is therefore more beneficial than ever for higher education employees, who have largely utilized existing 403(b) savings vehicles. Higher education has its own defined contribution retirement plan for faculty and administrators and its own 403(b) voluntary savings plans. It is therefore consistent with existing practice for the institutions to offer their own 457 deferred compensation plan. Allowing higher education institutions the flexibility to choose providers for their own 457 deferred compensation plan will permit them to offer many of their employees the opportunity to consolidate their retirement savings with the provider of their choice. For example, a faculty member who participates in the Optional Retirement Program (ORP) and who makes voluntary contributions to a 403(b) offered by their chosen ORP provider could contribute to a 457 deferred compensation vehicle offered by the same provider. Employees would be afforded the opportunity to continue saving for retirement with a provider they know and trust. A higher education 457 deferred compensation plan would be offered in addition to the existing state 457 plan, not in lieu of the existing state plan. Many public higher education institutions around the country are implementing their own 457 deferred compensation plans.

FISCAL IMPACT

There is no fiscal impact to the general fund or to local government. The deferred compensation plan would be operated in conjunction with the State Board of Education Optional Retirement plan for University and College faculty and professional staff.

REFERENCE - APPLICABLE STATUTE, RULE, OR POLICY - continued

INTERNAL REVENUE CODE
*** CURRENT THROUGH P.L. 107-146, APPROVED 2/14/02 ***
SUBTITLE A. INCOME TAXES
CHAPTER 1. NORMAL TAXES AND SURTAXES
SUBCHAPTER E. ACCOUNTING PERIODS AND METHODS OF ACCOUNTING
PART II. METHODS OF ACCOUNTING
SUBPART B. TAXABLE YEAR FOR WHICH ITEMS OF GROSS INCOME INCLUDED
IRC Sec. 457 (2002)

§ 457. Deferred compensation plans of State and local governments and tax exempt organizations.

(a) Year of inclusion in gross income. (1) In general. Any amount of compensation deferred under an eligible deferred compensation plan, and any income attributable to the amounts so deferred, shall be includible in gross income only for the taxable year in which such compensation or other income--

(A) is paid to the participant or other beneficiary, in the case of a plan of an eligible employer described in subsection (e)(1)(A), and (B) is paid or otherwise made available to the participant or other beneficiary, in the case of a plan of an eligible employer described in subsection (e)(1)(B).

(2) Special rule for rollover amounts. To the extent provided in section 72(t)(9), section 72(t) shall apply to any amount includible in gross income under this subsection. (b) Eligible deferred compensation plan defined. For purposes of this section, the term "eligible deferred compensation plan" means a plan established and maintained by an eligible employer--

(1) in which only individuals who perform service for the employer may be participants,

(2) which provides that (except as provided in paragraph (3)) the maximum amount which may be deferred under the plan for the taxable year (other than rollover amounts) shall not exceed the lesser of--

(A) the applicable dollar amount, or

(B) 100 percent of the participant's includible compensation,

(3) which may provide that, for 1 or more of the participant's last 3 taxable years ending before he attains normal retirement age under the plan, the ceiling set forth in paragraph (2) shall be the lesser of--

(A) twice the dollar amount in effect under subsection (b)(2)(A), or

(B) the sum of--

(i) the plan ceiling established for purposes of paragraph (2) for the taxable year (determined without regard to this paragraph), plus

(ii) so much of the plan ceiling established for purposes of paragraph

(2) for taxable years before the taxable year as has not previously been used under paragraph (2) or this paragraph,

(4) which provides that compensation will be deferred for any calendar month only if an agreement providing for such deferral has been entered into before the beginning of such month,

(5) which meets the distribution requirements of subsection (d), and (6) except as provided in subsection (g), which provides that--
(A) all amounts of compensation deferred under the plan,
(B) all property and rights purchased with such amounts, and
(C) all income attributable to such amounts, property, or rights,
shall remain (until made available to the participant or other beneficiary) solely the property and rights of the employer (without being restricted to the provision of benefits under the plan), subject only to the claims of the employer's general creditors. A plan which is established and maintained by an employer which is described in subsection (e)(1)(A) and which is administered in a manner which is inconsistent with the requirements of any of the preceding paragraphs shall be treated as not meeting the requirements of such paragraph as of the 1st plan year beginning more than 180 days after the date of notification by the Secretary of the inconsistency unless the employer corrects the inconsistency before the 1st day of such plan year.
(c) Limitation. The maximum amount of the compensation of any one individual which may be deferred under subsection (a) during any taxable year shall not exceed the amount in effect under subsection (b)(2)(A) (as modified by any adjustment provided under subsection (b)(3)).
(d) Distribution requirements.
(1) In general. For purposes of subsection (b)(5), a plan meets the distribution requirements of this subsection if--
(A) under the plan amounts will not be made available to participants or beneficiaries earlier than--
(i) the calendar year in which the participant attains age 70 1/2 ,
(ii) when the participant has a severance from employment with the employer, or
(iii) when the participant is faced with an unforeseeable emergency (determined in the manner prescribed by the Secretary in regulations),
(B) the plan meets the minimum distribution requirements of paragraph (2), and
(C) in the case of a plan maintained by an employer described in subsection (e)(1)(A), the plan meets requirements similar to the requirements of section 401(a)(31). Any amount transferred in a direct trustee-to-trustee transfer in accordance with section 401(a)(31) shall not be includible in gross income for the taxable year of transfer.
(2) Minimum distribution requirements. A plan meets the minimum distribution requirements of this paragraph if such plan meets the requirements of section 401(a)(9).
(3) Special rule for government plan. An eligible deferred compensation plan of an employer described in subsection (e)(1)(A) shall not be treated as failing to meet the requirements of this subsection solely by reason of making a distribution described in subsection (e)(9)(A).
(e) Other definitions and special rules. For purposes of this section--
(1) Eligible employer. The term "eligible employer" means--
(A) a State, political subdivision of a State, and any agency or instrumentality of a State or political subdivision of a State, and
(B) any other organization (other than a governmental unit) exempt from tax under this subtitle.
(2) Performance of service. The performance of service includes performance of service as an independent contractor and the person (or governmental unit)

for whom such services are performed shall be treated as the employer. (3) Participant. The term "participant" means an individual who is eligible to defer compensation under the plan.
(4) Beneficiary. The term "beneficiary" means a beneficiary of the participant, his estate, or any other person whose interest in the plan is derived from the participant.
(5) Includible compensation. The term "includible compensation" means compensation for service performed for the employer which (taking into account the provisions of this section and other provisions of this chapter) is currently includible in gross income.
(6) Compensation taken into account at present value. Compensation shall be taken into account at its present value.
(7) Community property laws. The amount of includible compensation shall be determined without regard to any community property laws.
(8) Income attributable. Gains from the disposition of property shall be treated as income attributable to such property.
(9) Benefits of tax exempt organization plans not treated as made available by reason of certain elections, etc. In the case of an eligible deferred
compensation plan of an employer described in subsection (e)(1)(B)--
(A) Total amount payable is dollar limit or less. The total amount payable to a participant under the plan shall not be treated as made available merely because the participant may elect to receive such amount (or the plan may distribute such amount without the participant's consent) if--
(i) the portion of such amount which is not attributable to rollover contributions (as defined in section 411(a)(11)(D)) does not exceed the dollar limit under section 411(a)(11)(A), and
(ii) such amount may be distributed only if--
(I) no amount has been deferred under the plan with respect to such participant during the 2-year period ending on the date of the distribution, and (II) there has been no prior distribution under the plan to such participant to which this subparagraph applied. A plan shall not be treated as failing to meet the distribution requirements of subsection (d) by reason of a distribution to which this subparagraph applies.
(B) Election to defer commencement of distributions. The total amount payable to a participant under the plan shall not be treated as made available merely because the participant may elect to defer commencement of distributions under the plan if--
(i) such election is made after amounts may be available under the plan in accordance with subsection (d)(1)(A) and before commencement of such distributions, and
(ii) the participant may make only 1 such election.
(10) Transfers between plans. A participant shall not be required to include in gross income any portion of the entire amount payable to such participant solely by reason of the transfer of such portion from 1 eligible deferred compensation plan to another eligible deferred compensation plan.
(11) Certain plans excluded. (A) In general. The following plans shall be treated as not providing for
the deferral of compensation:
(i) Any bona fide vacation leave, sick leave, compensatory time, severance pay, disability pay, or death benefit plan. (ii) Any plan paying solely length of service awards

to bona fide volunteers (or their beneficiaries) on account of qualified services performed by such volunteers.

(B) Special rules applicable to length of service award plans.--

(i) Bona fide volunteer. An individual shall be treated as a bona fide volunteer for purposes of subparagraph (A)(ii) if the only compensation received by such individual for performing qualified services is in the form of--

(I) reimbursement for (or a reasonable allowance for) reasonable expenses incurred in the performance of such services, or

(II) reasonable benefits (including length of service awards), and nominal fees for such services, customarily paid by eligible employers in connection with the performance of such services by volunteers.

(ii) Limitation on accruals. A plan shall not be treated as described in subparagraph (A)(ii) if the aggregate amount of length of service awards accruing with respect to any year of service for any bona fide volunteer exceeds $ 3,000.

(C) Qualified services. For purposes of this paragraph, the term "qualified services" means fire fighting and prevention services, emergency medical services, and ambulance services.

(12) Exception for nonelective deferred compensation of nonemployees.

(A) In general. This section shall not apply to nonelective deferred compensation attributable to services not performed as an employee.

(B) Nonelective deferred compensation. For purposes of subparagraph (A), deferred compensation shall be treated as nonelective only if all individuals (other than those who have not satisfied any applicable initial service requirement) with the same relationship to the payor are covered under the same plan with no individual variations or options under the plan.

(13) Special rule for churches. The term "eligible employer" shall not include a church (as defined in section 3121(w)(3)(A)) or qualified churchcontrolled organization (as defined in section 3121(w)(3)(B)).

(14) Treatment of qualified governmental excess benefit arrangements. Subsections (b)(2) and (c)(1) shall not apply to any qualified governmental excess benefit arrangement (as defined in section 415(m)(3)), and benefits provided under such an arrangement shall not be taken into account in determining whether any other plan is an eligible deferred compensation plan.

(15) Applicable dollar amount.

(A) In general. The applicable dollar amount shall be the amount determined in accordance with the following table:

For taxable years the applicable dollar beginning in amount: calendar year:

2002 $ 11,000
2003 $ 12,000
2004 $ 13,000
2005 $ 14,000
2006 or thereafter $ 15,000.

(B) Cost-of-living adjustments. In the case of taxable years beginning after December 31, 2006, the Secretary shall adjust the $ 15,000 amount under subparagraph (A) at the same time and in the same manner as under section 415(d), except that the base period shall be the calendar quarter beginning July 1, 2005, and any increase under

this paragraph which is not a multiple of $ 500 shall be rounded to the next lowest multiple of $ 500.
(16) Rollover amounts.
(A) General rule. In the case of an eligible deferred compensation plan established and maintained by an employer described in subsection (e)(1)(A), if- -
(i) any portion of the balance to the credit of an employee in such
plan is paid to such employee in an eligible rollover distribution (within the meaning of section 402(c)(4)),
(ii) the employee transfers any portion of the property such employee receives in such distribution to an eligible retirement plan described in section 402(c)(8)(B), and
(iii) in the case of a distribution of property other than money, the amount so transferred consists of the property distributed, then such distribution (to the extent so transferred) shall not be includible in gross income for the taxable year in which paid.
(B) Certain rules made applicable. The rules of paragraphs (2) through (7) and (9) of section 402(c) and section 402(f) shall apply for purposes of subparagraph (A).
(C) Reporting. Rollovers under this paragraph shall be reported to the Secretary in the same manner as rollovers from qualified retirement plans (as defined in section 4974(c)).
(17) Trustee-to-trustee transfers to purchase permissive service credit. No amount shall be includible in gross income by reason of a direct trustee-totrustee transfer to a defined benefit governmental plan (as defined in section 414(d)) if such transfer is--
(A) for the purchase of permissive service credit (as defined in section 415(n)(3)(A)) under such plan, or
(B) a repayment to which section 415 does not apply by reason of subsection (k)(3) thereof.
(f) Tax treatment of participants where plan or arrangement of employer is not eligible.
(1) In general. In the case of a plan of an eligible employer providing for a deferral of compensation, if such plan is not an eligible deferred compensation plan, then--
(A) the compensation shall be included in the gross income of the participant or beneficiary for the 1st taxable year in which there is no substantial risk of forfeiture of the rights to such compensation, and
(B) the tax treatment of any amount made available under the plan to a participant orbeneficiary shall be determined under section 72 (relating to annuities, etc.).
(2) Exceptions. Paragraph (1) shall not apply to--
(A) a plan described in section 401(a) which includes a trust exempt from tax under section 501(a),
(B) an annuity plan or contract described in section 403,
(C) that portion of any plan which consists of a transfer of property described in section 83,
(D) that portion of any plan which consists of a trust to which section 402(b) applies, and
(E) a qualified governmental excess benefit arrangement described in section 415(m).
(3) Definitions. For purposes of this subsection
(A) Plan includes arrangements, etc. The term "plan" includes any agreement or arrangement.

(B) Substantial risk of forfeiture. The rights of a person to compensation are subject to a substantial risk of forfeiture if such person's rights to such compensation are conditioned upon the future performance of substantial services by any individual.
(g) Governmental plans must maintain set-asides for exclusive benefit of participants.
(1) In general. A plan maintained by an eligible employer described in subsection (e)(1)(A) shall not be treated as an eligible deferred compensation plan unless all assets and income of the plan described in subsection (b)(6) are held in trust for the exclusive benefit of participants and their beneficiaries.
(2) Taxability of trusts and participants. For purposes of this title--
(A) a trust described in paragraph (1) shall be treated as an organization exempt from taxation under section 501(a), and
(B) notwithstanding any other provision of this title, amounts in the trust shall be includible in the gross income of participants and beneficiaries only to the extent, and at the time, provided in this section.
(3) Custodial accounts and contracts. For purposes of this subsection, custodial accounts and contracts described in section 401(f) shall be treated as trusts under rules similar to the rules under section 401(f).

SUBJECT

Idaho Promise Scholarship – Category B Award

APPLICABLE STATUTE, RULE, OR POLICY

IDAPA 08.01.05.102.01
33-4305, 33-4307, and 33-4308, Idaho Code

BACKGROUND

The Idaho Promise Scholarship Category B award is for all Idaho students attending college for the first time and who have a high school grade point average of at least 3.0 or an ACT score of 20 or above. This scholarship is limited to two years and to students younger than 22 years of age. Students must maintain at least a 2.5 GPA while taking an average of 12 credits to remain eligible for the scholarship. State law requires the State Board of Education to annually set the amount of the award based on the legislative appropriation and the number of eligible students.

DISCUSSION

The Legislative appropriation for the Promise Category B scholarship for FY06 is $4,446,470. Idaho's colleges and universities have identified eligible Promise Category B recipients for the fall 2005 semester at a rate of $250/eligible student. Distribution of funds for fall 2005 students has occurred. Remaining funds available for distribution for the spring 2006 semester allow the Board to increase the spring 2006 award to $315. This will allow for maximum use of the state appropriation for this program, and will assist eligible Idaho students in paying for postsecondary education.

IMPACT

The Idaho Promise Scholarship Category B provides a merit-based scholarship to Idaho high school graduates in an attempt to motivate students to excel in high school and attend a higher education institution in Idaho. Estimated number of students participating in the program for FY06 is 7,992. By increasing the spring award, the estimated expenditure will be $4,415,480. The State appropriation for this program is $4,446,470, leaving a balance of approximately $30,000.

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends approval of the Promise Category B scholarship in the amount of $315 for the Spring semester, 2006. This would equal $565 for the 2005-2006 academic year. This will allow a small amount to remain in the FY 2006 appropriation.

BOARD ACTION

A motion to approve the amount of the Idaho Promise Scholarship, Category B, to be $315 for the Spring semester, 2006, for a total of $565 for the 2005-2006 academic year, per eligible student for those current recipients who maintain eligibility, and for qualified first-year entering students under the age of 22 in the Spring 2006.

Moved by___________ Seconded by___________ Carried Yes______ No______

Idaho State Board of Education
Promise B Scholarship Adjustment for Spring 2006

Actual Fall 2005 Award Amount	$250
Proposed Spring 2006 Award Amount	$315

Institution	Number of Students	Total Fall Award	% of Total $
Boise State University	1,611	$ 402,750	21.22%
Idaho State University	1,450	362,500	19.10%
University of Idaho	1,680	420,000	22.13%
Lewis-Clark State College	230	57,500	3.03%
College of Southern Idaho	615	153,750	8.10%
North Idaho College	600	150,000	7.90%
Albertson College of Idaho	200	50,000	2.63%
Eastern Idaho Technical College	66	16,500	0.87%
Northwest Nazarene University	139	34,750	1.83%
BYU-Idaho	1,001	250,250	13.18%
Total Fall 2005 Recipients:	7,592	$ 1,898,000	100.00%
BYU-Idaho Summer session	400	100,000	
Est. Spring Recipients, inc. BYU-I summer: (spring estimate same as fall + BYU-I)	7,992	$ 1,998,000	

FY 2006 Appropriation, Promise B	$ 4,446,700
Actual Fall 2005 Students	7,592
Total Fall 2005 Award @ $250	$ 1,898,000
Available for Spring 2006	$ 2,548,700
Estimated Spring 2006 Students	7,992
Proposed Spring 2006 Award	$ 315
Proposed Spring 2006 Total	$ 2,517,480
Amount Remaining	$ 31,220
% of Original Appropriation Remaining	0.7%

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REFERENCE - APPLICABLE STATUTE, RULE, OR POLICY

ADMINISTRATIVE RULES

IDAPA 08.01.05.102.01

102. MONETARY VALUE OF THE SCHOLARSHIP.

01. Monetary Value. The monetary value of each scholarship shall be set annually by the Board in accordance with Sections 33-4307(3) et seq., Idaho Code. (3-15-02)

02. Duration. The grant covers up to one (1) educational year or equivalent for attendance at an eligible postsecondary educational institution. . (3-15-02)

REFERENCE - APPLICABLE STATUTE, RULE, OR POLICY - continued

IDAHO STATUTES

TITLE 33
EDUCATION
CHAPTER 43
SCHOLARSHIPS

33-4305. PURPOSES. The purpose of this act is:

(1) To establish a state scholarship program for the most talented Idaho secondary school graduates or the equivalent, consisting of category A students with outstanding academic qualifications and category B students with a cumulative grade point average for grades nine (9) through twelve (12) of 3.0 or better or achieving an ACT score of 20 or better or who become eligible after the student's first semester or who meet any other criteria as may be established by the state board of education and the board of regents of the university of Idaho, who will enroll in undergraduate nonreligious academic and professional-technical programs in eligible postsecondary institutions in the state; and

(2) To designate the state board of education and the board of regents of the university of Idaho as the administrative agency for the state scholarship program.

33-4307. ELIGIBILITY -- MAXIMUM AMOUNTS -- CONDITIONS.
A grant may be awarded to an eligible student for matriculation at an eligible postsecondary educational institution in the state of Idaho if:

(1) The individual is accepted for enrollment as a full-time undergraduate or professional-technical student, as follows:

(a) In the case of an individual beginning his first year or freshman year of postsecondary education, he has satisfied the requirements for admission and has enrolled in an eligible postsecondary institution.

(b) In the case of an individual enrolled in an eligible postsecondary institution following the successful completion of the first term, he continues to meet the requirements of this act and has maintained such high standards of performance as may be required. Provided that high academic standards are maintained in accordance with requirements of this chapter, a student continues to be eligible when transferring from one (1) major program to another.

(c) In the case of an individual transferring from one (1) eligible postsecondary institution in Idaho to another eligible postsecondary institution in Idaho, he continues to meet the requirements of this act, is accepted and enrolled at the eligible postsecondary institution to which he is transferring, and has maintained such high standards of performance as may be required.

(2) The grant for category A students is as follows:
(a) The grant payment to an individual per educational year for attendance on a full-time basis is not in excess of an amount determined annually by the state board of education or in excess of the total educational costs as certified by an official of the eligible postsecondary institution to be attended by the individual receiving the grant, whichever is less.
(b) The total grant payments over a period of six (6) years to an individual may not exceed four (4) annual grants or the total educational costs for four (4) educational years completed as certified by an official of the eligible postsecondary institution or institutions attended by the individual receiving the grant, whichever is less.
(c) The individual receiving such a grant signs an affidavit stating that the grant will be used for educational costs only.
(d) The grant is awarded on the basis of extraordinary performance in standardized, unweighted competitive examination and high school record.
(e) The individual receiving the grant is not precluded from receiving other financial aid, awards, or scholarships, provided the total of the grant and such other financial aids, awards or scholarships does not exceed the total educational costs for attendance at an eligible postsecondary institution as certified by an official of the eligible postsecondary institution to be attended by the individual receiving the grant.
(f) Grant payments shall correspond to academic terms, semesters, quarters or equivalent time periods at an eligible postsecondary institution; in no instance may the entire amount of a grant for an educational year, as defined in section 33-4306(10), Idaho Code, be paid to or on behalf of such student in advance.
(g) The individual has complied with such rules as may be necessary for the administration of this act.
(3) The grant for category B students is as follows:
(a) The grant payment to an individual per educational year for attendance on a full-time basis is not in excess of an amount determined annually by the state board of education and the board of regents of the university of Idaho and not to exceed one thousand two hundred dollars ($1,200) per year including the required match.
(b) The total grant payments over a period of four (4) years to an individual may not exceed two (2) annual grants.
(c) The individual receiving such a grant signs an affidavit stating that the grant will be used for educational costs only.
(d) The grant is awarded on the basis of a high school record of a 3.0 grade point average or an ACT composite score of 20 or better and other criteria as may be established by the state board of education and the board of regents of the university of Idaho.
(e) The individual receiving the grant is not precluded from receiving

other financial aid, awards or scholarships except that category A student award recipients are not eligible for category B awards.

(f) Grant payments shall correspond to academic terms, semesters, quarters or equivalent time periods at an eligible postsecondary institution; in no instance may the entire amount of a grant for an educational year, as defined in section 33-4306(8), Idaho Code, be paid to or on behalf of such student in advance. The first grant payments pursuant to this section for category B students shall be made in the fall of 2001 or in the first fall academic term following an appropriation and when moneys are available to implement the category B scholarship program, whichever date is later.

(g) The individual has complied with such rules as may be necessary for the administration of this chapter.

(h) All eligible postsecondary institutions will report annually to the state board of education and the board of regents of the university of Idaho the number of students for each term receiving a grant award and the number of awards that were matched by the institution.

33-4308. MAXIMUM NUMBER OF GRANTS.

(1) The total number of grants to eligible category A students shall not exceed one hundred (100) per year, nor a cumulative total number of grants of four hundred (400) outstanding at any given time

.

(2) The total number of grants to category B students will be determined annually by the state board of education and the board of regents of the university of Idaho based on the number of eligible students, the individual award amount and the availability of funds.

INSTITUTION / AGENCY AGENDA
COLLEGE AND UNIVERSITIES OF THE STATE BOARD

SUBJECT

Feasibility of a statewide Student Health Insurance Plan for Idaho colleges and universities.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section III. P. 6.

BACKGROUND

At the October 2004, meeting of the State Board of Education, a representative of the Associated Students of Lewis-Clark State College requested the State Board of Education consider a statewide student health insurance plan for the four-year postsecondary institutions governed by the Board.

DISCUSSION

The State Board of Education implemented a policy which became effective in July 2003, mandating that full fee-paying students be covered by health insurance, and requiring institutions to provide the opportunity for students to purchase health insurance. Institutions are encouraged to work together to provide the most cost effective coverage possible.

Currently, each of the four-year institutions and Eastern Idaho Technical College (BSU, ISU, UI, LCSC, and EITC) contract separately for their student health insurance plans. Each institution has a different approach to their student health insurance plan, resulting from the different needs and demographics of the student populations served, the variety of health and wellness services offered both on-campus and off-campus, and the methods they use to deliver health and wellness services to students.

Private educational institutions in Idaho and the two public community colleges are not required to adhere to this policy.

The Idaho State Board of Education requested that staff work with Idaho institutions to determine whether a statewide consortium for purchasing student health insurance coverage for Idaho college students was feasible and if cost and/or benefit enhancements could be obtained. A Student Insurance Study Group (SISG) was convened, and included student leaders and administrative, financial, student affairs, and college health leaders from Boise State University, Idaho State University, the University of Idaho, and Lewis-Clark State College. Representatives from North Idaho College and Eastern Idaho Technical College joined the group as participants in the SISG. The SISG was also supported by external consultants.

INSTITUTION / AGENCY AGENDA
COLLEGE AND UNIVERSITIES OF THE STATE BOARD - continued

The final report of the Student Insurance Study Group is attached.

IMPACT

The SISG found that discussion of student health insurance programs is inextricably linked to the operation and/or funding of student health services, counseling centers, and health education and wellness programs on many of the campuses.

One of the challenges in developing a "one-size-fits-all" statewide Student Health Insurance Plan (SHIP) consortium is the variability of the scope and funding of on-campus primary care services, with which the SHIP plan coordinates supplemental coverage. Whether the campus health service refers all primary care to the community, provides and bills for those services, or provides them as part of their prepaid health fee (with minimal insurance billing) will have a significant impact on the SHIP claims expense. Smaller schools with more limited health services will likely see increases in both claims and premiums.

The State Board of Education's Policy (adopted in 2002) for requiring health insurance as a condition of enrollment for full-time students is an integral part of each campus' student health program and has significantly reduced indigent care expenditures in communities where student health insurance was not previously required. Concerns were expressed for the adequacy of existing insurance requirements, particularly for certain groups such as international students. From an overall perspective, there was a consensus among the SISG members that the current SBOE policy has been beneficial to the State and local providers; however, the group recognizes that this policy increased the workload and cost to the administrative infrastructure at the institutions. There has not been a consensus among student bodies that the SBOE policy is both appropriate and necessary.

The SISG could not confirm that having a larger group would result in lower costs and greater benefits for any of the programs, including the plan at LCSC. It is likely that a required consortium purchasing arrangement would significantly increase costs for students at the University of Idaho because of potential loss of their present managed care network, component self-funding arrangement, and direct contracting for claims administration. Eastern Idaho Technical College students could expect to see a significant jump in their student health insurance cost. It is estimated that required participation in a statewide plan would result in student insurance fees close to the current cost for tuition and fees at EITC. This could have dramatic negative effects on the students as well as the institution.

INSTITUTION / AGENCY AGENDA
COLLEGE AND UNIVERSITIES OF THE STATE BOARD - continued

STAFF COMMENTS AND RECOMMENDATIONS

Staff does not believe that a standardized student health insurance consortium purchasing arrangement should be implemented for all of the Idaho public higher education institutions directly overseen by the State Board of Education.

A request for information (RFI) process might be considered, under the auspices of the State Board of Education, to determine if a reinsurance arrangement relating to catastrophic coverage could be provided on a more cost-effective basis than individual school purchasing arrangements, as currently in place.

Staff recommends that continued collaboration occur between institutions in an effort to determine if activities such as joint purchasing arrangements and sharing of resources is feasible.

BOARD ACTION

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

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Student Health Insurance
Consortiums for Idaho Public Universities

Major Findings and Recommendations of the Student Insurance Study Group (SISG)

November 16, 2005

Student Health Insurance
Consortiums for Idaho Public Universities

Major Findings and Recommendations of the
Student Insurance Study Group (SISG)

November 16, 2005

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Additional Information – Exhibits

A. Student Health Insurance Consortiums Reviewed by SISG
B. ACHA Standards for Student Health Insurance/Benefit Programs
C. Student Insurance Study Group Participant List
D. List of links to student health and insurance information at Idaho colleges and universities.

Background

In May of 2005, Mr. Jeff Shinn, Chief Fiscal Officer, and Ms. Dana Kelly, Manager for Student Affairs Programs for the Idaho State Board of Education, convened a Student Insurance Study Group (SISG) to respond to an inquiry from the State Board of Education as to whether a statewide consortium for purchasing student health insurance coverage for Idaho college students was feasible and if cost and/or benefit enhancements could be obtained. The study group included student leaders and administrative, financial, student affairs, and college health leaders from Idaho State University, Boise State University, Lewis-Clark State College (LCSC), and the University of Idaho. Representatives from North Idaho College and Eastern Idaho Technical College joined the group as participants in the SISG. The SISG was also supported by external consultants (refer to concluding comments).

Throughout the summer, several telephone conference calls were convened and background information and documents were exchanged pertaining to the operation of student health program components at each campus:

- student health centers,
- counseling centers,
- health education and wellness programs, and
- student health insurance/benefit programs.

Student health insurance consortium were examined among public colleges and universities in Arizona, Oregon, California, Iowa, Montana, Minnesota, North Carolina, Pennsylvania, Massachusetts, and Texas (web site URLs are included in Exhibit A for these programs).

On Thursday, September 15, 2005, a meeting was convened at the State Board of Education's offices in Boise to summarize findings and produce the final points of agreement and recommendations contained in this document. Student and professional staff representatives from all of the institutions noted above were in attendance at this meeting.

Major Findings

1. **SBOE Policy Requiring Health Insurance**
   The State Board of Education's Policy (adopted in 2002) for requiring health insurance as a condition of enrollment for full-time students is an integral part of each campuses student health program and has significantly reduced indigent care expenditures in locations where health insurance previously was not required. Concerns were expressed for the adequacy of existing insurance requirements, particularly for certain groups such as international students. From an overall perspective, there was a consensus among the SISG members that the current SBOE policy has been beneficial to the State and local providers; however the group recognizes that this policy increased the workload and cost to the administrative infrastructure at the institutions. There has not been a consensus among student bodies that the SBOE policy is both appropriate and necessary.

2. **Scope of Inquiry**
   The SISG found that discussion of student health insurance programs is inextricably linked to the operation and/or funding of student health services, counseling centers, and health education and wellness programs on many of the campuses. Accordingly, several of the findings and recommendations relate to overall student health programs at each campus.

3. **National Picture for Student Insurance Consortium Purchasing Arrangements**
   Student health insurance consortium purchasing arrangements were reviewed at the Arizona University System, the Oregon State Colleges, the California State University System, the University of Kansas, the Minnesota State Colleges and Universities System, the Pennsylvania State University System, the University of Iowa, the University of Texas System, and the collective purchasing arrangement for the University of Montana and Montana State University systems (refer to Exhibit A for web site URLs for each system). The following findings are noteworthy regarding the review of these student insurance consortium purchasing arrangements:

   - When colleges or universities have institutional requirements for health insurance, consortium purchasing arrangements are rarely used. With the exception of the consortium purchasing arrangement for Montana, the consortiums reviewed in Exhibit A are operated at institutions that do not require health insurance as a condition of enrollment for US citizens.
   - In addition to the consortiums reviewed above, there are also purchasing arrangements in the states of North Carolina, South Carolina, Florida, and Wisconsin. Generally, it appears that large student health programs (i.e., programs that cover more than 1,000 students) can better obtain cost efficiencies from operational/administrative centralization rather than from the consolidation of their already large student enrollment risk pools.

   One of the challenges in developing a "one-size-fits-all" statewide Student Health Insurance Plan (SHIP) consortium is the variability of the scope and funding of on-campus primary care services, with which the SHIP plan coordinates supplemental coverage. Whether the campus health services refers all primary care to the community, provides and bills for those services, or provides them as part of their prepaid health fee (with minimal insurance billing) will have a significant impact on the SHIP claims expense. Smaller schools with more limited health services will likely see increases in both claims and premiums.

4. **Feasibility and Advisability for Idaho Insurance Consortium Purchasing**
   The SISG could not confirm that having a larger group would result in lower costs and greater benefits for any of the programs, including the plan at LCSC. It is likely that a required consortium purchasing arrangement would significantly increase costs for students at the University of Idaho because savings may be jeopardized because of potential loss of their present managed care network, component self-funding arrangement, and direct contracting for claims administration. Eastern Idaho Technical College students could expect to see a significant jump in their student health insurance cost. It is estimated that required participation in a statewide plan would result in student insurance fees close to the current cost for tuition and fees at EITC. This could have dramatic negative effects on the students as well as the institution.

   The SISG could envision arrangements whereby certain institutions work collaboratively to provide health insurance programs. For example, the University of Idaho or Boise State University could extend its contracting arrangements and capabilities to support programs at Lewis-Clark State College and North Idaho College.

Another opportunity for consortium purchasing may exist for providing catastrophic coverage for all of the institutions. A reinsurance program with a $20,000, $50,000, or $100,000 deductible (with a lifetime maximum benefit of $1,000,000 or more) may be advantageous when purchased for all of the institutions. This arrangement is feasible because the morbidity associated with catastrophic claims does not change appreciably between institutions because of geographic area or covered student/dependent demographics. The catastrophic reinsurance arrangement would also allow each institution to maintain maximum flexibility in regard to program mission, provider/vendor contracting, and funding methods. As the student health insurance programs advance into partial self-funding arrangements, there may also be joint purchasing opportunities for claims administration services, stop-loss coverage, consulting/actuarial services, medical evacuation/repatriation coverage, and other plan support functions.

Effective for 2005-06, the institutions are jointly participating in the National College Health Assessment survey sponsored by the American College Health Association. Future opportunities may exist for collective research efforts and/or joint health education and wellness programming.

5. Student Health Center Funding Arrangements

Different approaches are being taken in regard to health service funding among the institutions. In some environments, institutional and student leadership have advocated for using health fees to pre-pay services based on determinations relating to both need and fiscal efficiency. On other campuses, the health service participates as a participating provider with Blue Cross, Blue Shield, and other major insurers. The health fees are charged for health education and wellness services, mental health care services, and other benefits that do not replicate the personal health insurance for many students.

The SISG recognizes that a trend for high deductible plans and other changes among private health insurance programs means that the effective operation of college health programs may be difficult to predict and is likely to be unique among various campus environments.

6. Cost Effectiveness of Student Insurance Programs

The ability to provide highly effective student health insurance programs, relative to benefits and costs, often hinges on effective management strategies. Some of these strategies are noted as follows, but readers should be cautioned that one or more of these points can be highly dependent upon local environmental conditions:

- Direct contracting with health care providers to achieve the highest possible savings for fee schedules and reduce provider network access costs.
- Direct contracting for claims administration (i.e., unbundling the insurance company services) and providing certain services in-house (e.g., program marketing and program communication material development and distribution).
- Use of independent consultants rather than agents (compensated on a commission basis).
- Self-funding highly predictable components of the risk (e.g., on-campus health care services).

7. **ACHA Insurance Standards**
The American College Health Association's Standards for Student Health Insurance/Benefit Programs are included in this report in Exhibit B. The ACHA standards provide substantive guidance for plan management and scope of program coverage.

Recommendations

1. **Consortium Purchasing**
   - A student health insurance consortium purchasing arrangement should not be implemented for the entirety of the programs for all Idaho public colleges and universities.
   - A request for information (RFI) process should be initiated under the auspices of the State Board of Education to determine if a reinsurance arrangement can be implemented that would allow catastrophic coverage to be provided on a much more cost effective basis than individual school purchasing arrangements.
   - Continued collaboration should occur between institutions to conduct joint purchasing arrangements and sharing of resources.

2. **Expertise**
The institutions should make arrangements for access for expert consultant resources (some institutions may wish to share these resources as suggested under Recommendation 1). The institutions should also routinely review their programs with the State of Idaho's Division of Insurance. Request for proposal (RFP) processes should include a change of condition provision that assures the insurance carrier indemnify the risk and accept liability for compliance with all applicable state and federal laws, regardless of whether the plan mandate applies to the institution or the insurance carrier. Two important additional matters should be considered under this recommendation:

   - The institutions should work collaboratively and include the State of Idaho's Division of Insurance, legal counsel, and possibly consultants to assure legal compliance for student health insurance plans.
   - The institutions should consider ACHA standards when evaluating respective student health insurance programs.

3. **Insurance Requirement**
Insurance requirements should be reviewed and possibly refined to enhance, whenever possible, commonality between the programs. Major concerns exist at the national level for the viability of loose waiver enrollment. Some institutions may wish to consider the phased-in adoption of restrictive waiver enrollment systems for US citizens and/or strengthened enrollment systems for international students.

4. Health Center and Counseling Center Funding and Operating Arrangements

The scope of services and operating arrangements for health centers and counseling centers among the institutions should continue to be determined at the local level, with encouraged continued consultation with student leaders. Different approaches for program mission and funding methods should be expected based on local resources and unique needs for the student population. The institutions should work collaboratively whenever possible to provide coordinated services and share resources. As part of this strategic positioning, two key considerations for increasing cost efficiencies include:

- On campus health services can provide primary care services at lower cost than community providers (Blue Cross/Blue Shield of Minnesota conducted a study showing a 20-30% reduction in costs when utilizing the on-campus health services, SHIP carriers always direct student enrollees to the campus health services first to hold down costs).
- A pre-paid health fee is a more cost effective funding mechanism than a fee-for-service model (reduces administrative costs of billing, claims processing, and student account management; eliminates bad debt expense and write-offs, provides a stable funding base, and removes financial barriers to primary care service access for students).

Conclusion

The SISG appreciated the opportunity to evaluate consortium purchasing opportunities and consider similarities and difference among the student health programs at Idaho public colleges and universities. The exchange of information and better understanding of the regulatory environment will greatly assist each institution in moving forward with the most effective programs possible.

The SISG wish to acknowledge the contributions of the University of Idaho's consulting firm, Stephen L. Beckley & Associates (www.slba.com), in providing assistance throughout the study process. Jim Mitchell, Director of Swingle Student Health Service at Montana State University, also provided consultative assistance. Both Mr. Mitchell and Mr. Beckley actively participate in the American College health Association (ww.acha.org), and assisted in crafting the ACHA's standards for student health insurance. The SISG benefited greatly from the participation of two professional staff from the Idaho Department of Insurance: Joan Krosch, Health Care Policy/Program Specialist, and Donna Daniel, Policy Rates and Forms.

Student Insurance Consortiums

Arizona: Arizona Board of Regents
http://www.asu.edu/health/insurance.html

Oregon: Oregon State Colleges
<pending reply from Brian Corcorcan>

California: Associated Students—California State University System
https://www.csuhealthlink.com/ssi/default.aspx

Iowa – University of Iowa Program (centrally administered)
http://www.uni.edu/health/insurance.html

Kansas – Statewide Student Insurance Consortium
http://www.asu.edu/health/insurance.html

Minnesota – MNSCU – Minnesota State Colleges and Universities
http://www.studentinsurance.net/Public/ClientBrochures/2004_1769_1.pdf

North Carolina – Consortium Developing for 2006-07
http://www.studentinsurance.net/Public/ClientBrochures/2004_123_1.pdf

Pennsylvania – Universities of the Pennsylvania State System of Higher Education
http://www.clarion.edu/healthcenter/
(click on "Other Info" and pull-down link for "Insurance/Manage Care")

Massachusetts – State colleges no longer purchasing as a consortium.

Texas -- The University of Texas System –
http://www.studentinsurance.net/Public/ClientBrochures/2004_658_1.pdf

JULY 2000

ACHA Guidelines

Standards for Student Health Insurance/Benefits Programs

The American College Health Association has instituted these standards to guide colleges and universities in the establishment of an appropriate, credible student health insurance/benefits program.

Standard I.

As a condition of enrollment, the college or university requires students to provide evidence that they have health insurance coverage.

Standard II.

The college or university recognizes that students rely upon its student health insurance/benefit program for their primary source of health insurance protection.

An appropriate scope of coverage is provided, including, but not limited to: (a) appropriate coverage for preventive health services; (b) coverage for catastrophic illness or injury; (c) appropriate coverage for mental health care; (d) minimization of pre-existing condition exclusions/waiting periods; and (e) coverage for dependents of covered students including children, spouses, and domestic partners.

The program encourages utilization of campus health and counseling services, where doing so provides cost effective and high quality care for students.

Standard III.

The college or university acknowledges it has a fiduciary responsibility to manage student health insurance/benefits programs in the best interests of students covered by the programs.

Standard IV.

The student health insurance/benefits program is annually reviewed to assure it is in full compliance with all applicable federal and state statutes and regulations.

Standard V.

Student consumers and health service staff are involved with the selection, monitoring, and evaluation of the student health insurance/benefits program.

Standard VI.

The student health insurance/benefits program is reviewed annually to ensure the program: (a) meets the needs of covered individuals; (b) provides desired benefits at the least possible cost; and (c) returns as much of the premium or fund contributions as possible to covered individuals in the form of benefits.

Standard VII.

Commercial insurance carriers, agents, brokers, and all others providing services to the student health insurance/benefits program are required to provide a full description of estimated claims, reserve estimates, administrative expenses, and all other fees. The student health insurance/benefits program is audited periodically and the results are provided to appropriate university or college officials and student consumers. Each year, a summary financial report for the program is published and made available to student consumers and campus officials responsible for management of the student insurance/benefits program.

Standard VIII.

The selection of vendors for the student health insurance/benefits program adheres to institutional and/or applicable governmental requirements relative to competitive vendor selection processes.

Standard IX.

Agents, brokers, consultants, and program managers do not have relationships that could be construed to be a real or potential conflict of interest. Agreements with consultants or brokers are fully disclosed and clearly define the services to be performed and the compensation to be received.

Standard X.

The student health insurance/benefit program is available to all eligible students regardless of age; gender identity, including transgender; marital status; psychological/physical/learning disability; race/ethnicity; religious, spiritual or cultural identity; sex; sexual orientation; socioeconomic status; veteran status.

American College Health Association
P.O. Box 28937
Baltimore, MD 21240-8937
(410) 859-1500
(410) 859-1510 fax
www.acha.org

Name	Title	Institution
Ferd Schlapper	Director Health, Wellness and Counseling	Boise State University
Jo Ellen Dinucci	Asst VP of Finance and Admin	Boise State University
Doug Covey	Dean of Student Affairs	Idaho State University
Dr. Jean Bokelman	Medical Director	Idaho State University
Kim Robertson	Clinic Manager	Idaho State University
Crystal Ross	Student Health Insurance Rep.	Idaho State University
Matt Hobson	ASB President	Idaho State University
Dr. Hal Godwin	Director Student Benefits/Hlth/Wlns	University of Idaho
Luke Rosen	Student	University of Idaho
Laura Hubbard	Former Asst VP for Admin	University of Idaho
Mary Browne	Controller's Office	Lewis-Clark State College
Gloria Haegelin	Nurse	Lewis-Clark State College
Shana Slye-Delson	Office Specialist	Lewis-Clark State College
Laurie Racich	ASB President	Lewis-Clark State College
Ernie Williams	Director of Student Life	Lewis-Clark State College
Steve Albiston	Dean of Students	Eastern Idaho Technical College
Linda Michal	Health Services Director	North Idaho College
Dana Kelly	Student Affairs Program Manager	Office of the State Board of Education
Jeff Shinn	Chief Fiscal Officer	Office of the State Board of Education
Marilyn Davis	Chief Academic Officer	Office of the State Board of Education

Advisors / Consultants

Name	Title	Firm	Membership Information
Stephen Beckley	Consultant	Stephen L. Beckley & Associates	American College Health Association (ACHA)
Donna Daniel	Policy Rates and Forms Specialist	State of Idaho Department of Insurance	
Doreen Hodgkins	Consultant	Stephen L. Beckley & Associates	American College Health Association (ACHA)
Joan Krosch	Health Care Policy/Program Specialist	State of Idaho Department of Insurance	
Jim Mitchell	Director of Swingle Student Health Svc.	Montana State University	American College Health Association (ACHA)

Institution	Institution Links for Student Health Information
Boise State University	http://www.boisestate.edu/healthservices/insurance/index.asp
Idaho State University	https://www.academichealthplans.com/isu/ISU_Brochure_2005_2006.pdf
University of Idaho	www.health.uidaho.edu
Lewis-Clark State College	www.lcsc.edu/osl/Health.htm
North Idaho College	http://www.nic.edu/studentsupport/healthservices.htm
Eastern Idaho Technical College	http://www.eitc.edu/pdf/catalog/General%20Regulations.pdf

REFERENCE - APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: III. POSTSECONDARY AFFAIRS
Subsection P. Students July, 2003

16. Student Health Insurance (Effective July 1, 2003)

The Board's student health insurance policy is a minimum requirement. Each institution, at its discretion, may adopt policies and procedures more stringent than those provided herein.

a. Health Insurance Coverage Offered through the Institution
Each institution shall provide the opportunity for students to purchase health insurance. Institutions are encouraged to work together to provide the most cost effective coverage possible. Health insurance offered through the institution shall provide benefits in accordance with state and federal law.

b. Mandatory Student Health Insurance
Every full-fee paying student (as defined by each institution) attending classes in Idaho shall be covered by health insurance. Students shall purchase health insurance offered through the institution, or may instead, at the discretion of each institution, present evidence of health insurance coverage that is at least substantially equivalent to the health insurance coverage offered through the institution. Students without evidence of health insurance coverage shall be ineligible to enroll at the institution.

(1) Students presenting evidence of health insurance coverage not acquired through the institution shall provide at least the following information:
   (a) Name of health insurance carrier
   (b) Policy number
   (c) Location of an employer, insurance company or agent who can verify coverage

(2) Each institution shall monitor and enforce student compliance with this policy.

(3) Each institution shall develop procedures that provide for termination of a student's registration if he or she is found to be out of compliance with this policy while enrolled at the institution. Each institution, at its discretion, may provide a student found to be out of compliance the opportunity to come into compliance before that student's registration is terminated, and may provide that a student be allowed to re-enroll upon meeting the conditions set forth herein, and any others as may be set forth by the institution.

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INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY

SUBJECT

Authorization to refinance note payable to U.S. Bank originally secured to fund stadium improvements.

REFERENCE

June 2002 Board approved Refinancing of Stadium Improvement Loan

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.F.1.
33-3804(g), Idaho Code

BACKGROUND

In December of 1995, the expansion of Bronco Stadium, the football and track and field facility at Boise State University, was partially funded via a Stadium Improvement Loan with U.S. Bank in the principle amount of $5,000,000. The original debt was $5,000,000 priced at 5.14% with a ten-year term. Monthly payments were calculated using a 20-year maturity. The Note was unconditionally guaranteed by the Bronco Athletic Association.

The note was repriced in 2002 at 4.32% over the remaining term. Payments under the current arrangement are $32,212.21 per month. The note matures on December 1, 2005.

Boise State University requests the Board's approval to refinance approximately $3,381,000 in bank qualified tax-exempt debt through U.S. Bank.

DISCUSSION

The University has negotiated terms with U.S. Bank to refinance the outstanding balance of the stadium note debt at ______[1] over _____ [1]years with monthly payments of $________[1]. The payments are calculated using a ___[1]amortization period and leave an outstanding balance at maturity of ______[1].The source of payment for these funds is the athletic operating budget. The cost of the refinance is a document fee to U.S. Bank and is estimated to be no more than $1,500. There is no loan origination fee charged.

IMPACT

Under current market conditions the impact on the current monthly payment is and _______[1] of $_______[1].

[1] Exact amounts and information will be available at the meeting.

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY - continued

STAFF COMMENTS AND RECOMMENDATIONS

This agenda item arrived quite late, and staff will not have reviewed the request. Because the terms of refinancings are not known until the day of the Board meeting, it is unknown what savings, if any, will be realized by the refinancing.

BOARD ACTION

A Motion to approve the refinance of the stadium improvement loan between Boise State University and U.S. Bank at an interest rate of ____%[1], maturity date of _____[1] and monthly payment of $______[1].

Moved by __________Seconded by __________Carried Yes _____ No _____

[Note: Motion must be approved by a roll call vote, by a majority of the members of the Board.]

1 Exact amounts and information will be available at the meeting.

REFERENCE – APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: V. FINANCIAL AFFAIRS
Subsection: F. Bonds and Other Indebtedness April 2002

F. Bonds and Other Indebtedness

1. General Powers

The University of Idaho, Idaho State University, Lewis-Clark State College, and Boise State University may, by a majority vote of all the members of the Board, borrow money with or without the issuance of bonds pursuant to Chapter 38, Title 33, Idaho Code. The Board must act by formal resolution. Such indebtedness is not an obligation of the state of Idaho but is an obligation solely of the respective institutions and the respective board of trustees. Any indebtedness is to be used to acquire a project, facility, or other asset that may be required by or be convenient for the purposes of the institution. Student fees, rentals, charges for the use of the projected facility, or other revenue may be pledged or otherwise encumbered to pay the indebtedness. Refunding bonds also may be issued.

Eastern Idaho Technical College is not authorized to borrow money under Chapter 38, Title 33, Idaho Code.

REFERENCE – APPLICABLE STATUTE, RULE OR POLICY - continued

Idaho Statutes

TITLE 33
EDUCATION
CHAPTER 38
STATE INSTITUTIONS OF HIGHER EDUCATION BOND ACT

33-3804. POWERS AND DUTIES OF STATE INSTITUTIONS. Every institution shall have power in its proper name as aforesaid:

(g) To borrow money, with or without the issuance of bonds and to provide for the payment of the same and for the rights of the holders of such bonds and/or of any other instrument of such indebtedness, including the power to fix the maximum rate of interest to be paid thereon and to warrant and indemnify the validity and tax exempt character;