STATE BOARD OF EDUCATION MEETING

Idaho State University
Salmon River Room
Pocatello, Idaho

Wednesday, November 29, 2006, 6:00 p.m.
and
Thursday and Friday, November 30 - December 1, 2006 8:00 a.m.

EXECUTIVE SESSION (Closed to the Public) – ISU, Student Union Building, Clearwater Room

Pursuant to Idaho Code Section 67-2345(1), the State Board of Education will meet in executive session to discuss one or more of the following:

(a) to consider hiring a public officer, employee, staff member or individual agent. This paragraph does not apply to filling a vacancy in an elective office;
(b) to consider the evaluation, dismissal or disciplining of, or to hear complaints or charges brought against a public officer, employee, staff member or individual agent, or public school student
(c) to conduct deliberations concerning labor negotiations or to acquire an interest in real property which is not owned by a public agency;
(d) to consider records that are exempt by law from public inspection
(e) To consider preliminary negotiations involving matters of trade or commerce in which the governing body is in competition with governing bodies in other states or nations;
(f) to consider and advise its legal representatives in pending litigation or where there is a general public awareness of probable litigation.

EXECUTIVE SESSION ITEMS MAY BE DISCUSSED AND ACTED UPON, IF APPROPRIATE, IN OPEN SESSION.

Thursday and Friday, November 30 - December 1, 8:00 a.m.

BOARDWORK

1. Agenda Review / Approval
2. Minutes Review / Approval

OPEN FORUM

STATE BOARD OF EDUCATION
650 W. State Street • P. O. Box 83720 • Boise, ID 83720-0037
208/334-2270 • FAX: 208/334-2632
www.boardofed.idaho.gov

CONSENT AGENDA

BAHR – SECTION I - HR

1. Boise State University – New Positions and Changes to Positions
2. Idaho State University – New Positions
3. University of Idaho – New Positions
4. Lewis-Clark State College – New Positions

PPGAC

5. Alcohol Permits Issued by University Presidents

IRSA

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

PLANNING, POLICY & GOVERNMENTAL AFFAIRS

1. Presidents' Council Report
2. Idaho State University Progress Report
3. Idaho School for the Deaf and the Blind Progress Report
4. Idaho Museum of Natural History Progress Report
5. Idaho State Historical Society Board Appointments
    a. District 3
    b. District 6
6. Eastern Idaho Technical College Board Appointment
7. First Reading – Amendment to Board Policy III.V. Articulation and Associate Degree – Ricks College to BYU Idaho
8. First Reading – Amendment to Board Policy Bylaws J. – President's Council
9. First Reading – Amendment to Board Policy II.I. – Leave – All Employees

INSTRUCTION, RESEARCH & STUDENT AFFAIRS

Higher Education

1. Report on Commonalities and Differences Among Colleges and Schools within Idaho's Public Higher Education Institutions (Engineering Programs)
2. New Graduate Program: Master of Nursing and Master of Science in Nursing – Boise State University
3. Report on Governor's Nursing Task Force
4. Student Aid Task Force Recommendations

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5. High Need Teacher Loan Forgiveness Legislation
6. Science & Technology Advisory Council Update
7. Review of Community College Interim Committee Recommendations

K-12

8. Update on the Grangeville School District Split
9. Idaho's Assessment System approval under Title I of the Elementary and Secondary Education Act of 1965 (ESEA) as amended by the No Child Left Behind Act of 2001 (NCLB)

BUSINESS AFFAIRS & HUMAN RESOURCES

Section I – Human Resources

1. Office of the State Board of Education – New Position - Chief Post-Secondary Academic Officer
2. University of Idaho –Multi-Year Contracts - College of Law and School of Journalism and Mass Media
3. University of Idaho – New Positions - University Advancement

Section II – Finance

1. Boise State University – Facilities Financing Plan
2. Boise State University – Student Health, Wellness, Counseling, Nursing Building
3. Boise State University – Student Union Building Expansion
4. Idaho State University – CAES Facility/Idaho Falls
5. Idaho State University - 2006 General Revenue Bonds
6. University of Idaho – Amendments of Faculty/Staff Handbook
7. University of Idaho– Parking Lot Site Lease
8. University of Idaho– Contract for Vending Rights
9. University of Idaho – Pierce Property Re-conveyance
10. Lewis-Clark State College – Management Agreement for Residence Hall
11. Amendment of Board Policy – Policy Section III.T.4 - 1st Reading - Intercollegiate Athletics
12. Idaho Promise Scholarship – Increase Category B Award
13. College & University Audit Presentation – Moss Adams, LLP

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DEPARTMENT OF EDUCATION

A. Superintendent's Report
B. FT 2008 Public Schools Budget Request
C. Property Transfer: Fremont County SD #215 and Sugar-Salem SD #322
D. Appointment to the Idaho State Curricular Materials Selection Committee

OTHER / NEW BUSINESS

If auxiliary aids or services are needed for individuals with disabilities, or if you wish to speak during the Open Forum, please contact the Board office at 334-2270 no later than two days before the meeting. While the Board attempts to address items in the listed order, some items may be addressed by the Board prior to or after the order listed.

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1. Agenda Approval

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

2. Minutes Approval

   BOARD ACTION

   To approve the minutes from October 11-13, 2006 as submitted.
   To approve the minutes from November 1, 2006 as submitted.

3. Rolling Calendar

   BOARD ACTION

   To approve December 6-7, 2007 as the date and Idaho State University as the location for the December 2007 regularly scheduled Board meeting.

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

DRAFT MINUTES
STATE BOARD OF EDUCATION
October 11-12, 2006
Teleconference Meeting Originating From
Lewis-Clark State College
Williams Conference Center
Lewiston, Idaho

A regular meeting of the State Board of Education was held October 11-12, 2006 and originated from the Williams Conference Center at Lewis-Clark State College in Lewiston, Idaho. (Due to unforeseen problems associated with travel it was necessary to hold the Board meeting by teleconference.) Board President Laird Stone presided over the meeting from the Office of the State Board of Education in Boise, Idaho. Members present were:

Laird Stone, President (Boise)
Blake Hall (Idaho Falls)
Karen McGee (Boise)
Paul Agidius, Secretary (LCSC)
Rod Lewis (Boise)
Sue Thilo (LCSC)

Absent: Milford Terrell and Marilyn Howard

October 11, 2006

EXECUTIVE SESSION

The Board entered into Executive Session at 5:30 p.m. (PT) on October 11, 2006 by teleconference. Board members Stone, McGee and Lewis were at ISU, Board member Hall was in Idaho Falls, and Board members Agidius and Thilo were Lewiston. Board member Terrell and Dr. Howard were absent.

M/S (Lewis/McGee): To move into executive session at 5:30 p.m. (PT), pursuant to Idaho Code Section 67-2345(1), on October 11, 2006 via teleconference. *A roll call vote was taken; motion carried unanimously.*

M/S (McGee/Stone): To go out of Executive Session at 7:00 p.m. (PT). *Motion carried unanimously.*

In executive session, the Board (a) considered hiring a public officer, employee, staff member or individual agent; (b) considered the evaluation, dismissal or disciplining of, or complaints or charges brought against a public officer, employee, staff member of individual agent, or public school student; (c) conducted deliberations concerning labor negotiation or to acquire an

interest in real property which is not owned by a public agency; (d) considered records that are exempt from public inspection; (e) to consider preliminary negotiations involving matters of trade or commerce in which the governing body is in competition with governing bodies in other states or nations; and, (f) considered and advised its legal representatives in pending litigation or where there is a general public awareness of probable litigation.

October 12, 2006

OPEN SESSION

Open session was called to order by Board President Stone at 8:00 a.m. (PT) on October 12, 2006 via teleconference

OPEN FORUM

Doug Thompson, President of the Professional-Technical Education Foundation, Inc., gave an overview of Foundation's mission and activities. He indicated that the Foundation supports school and college programs throughout the state to stimulate, support and promote quality programs. The Foundation also supports the academic reforms sponsored by the Board, but also emphasized the importance of integrating those reforms with quality hands-on education.

Representative Donna Pence spoke to the Board about the Idaho School for the Deaf and the Blind recommendations to be discussed later in the agenda. She indicated that input had been gathered from stakeholders throughout the state prior to the finalization of the recommendations. She encouraged the Board to approve them.

Wes Maynard, Executive Director of the Idaho Council for the Dear and Hard of Hearing (CDHH) spoke to the Board about the Idaho School for the Deaf and the Blind recommendations. He urged the Board to consider input from the CDHH as well as the possible ramifications of the education plans the Board has for the deaf and hard of hearing students in Idaho.

Paula Achter, President of the Idaho Federation of the Blind, spoke to the Board about the education programs currently available for the blind and visually impaired students of Idaho. She discussed the need for more direct services for students.

BOARDWORK

1. Agenda Review

M/S (McGee/Lewis) to accept the agenda as submitted. *Motion carried unanimously.*

2. Minutes Approval

M/S (Hall/McGee): To approve the minutes from August 9-11, 2006 as submitted. *Motion carried unanimously.*

3. Rolling Calendar

M/S (Hall/ McGee): To approve October 11-12, 2007 as the date and Lewis-Clark State

College as the location for the October 2007 regularly scheduled Board meeting.

M/S (McGee/Agidius: To approve November 1, 2006 as the date and Boise, Idaho as the location for the November 2006 special Board meeting. *Motion carried 5-1 (Hall dissenting).*

Board member Hall noted that he had a conflict on November 1, 2006.

CONSENT AGENDA

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

Board member Agidius asked that the item on page 4 of Tab 1 (New Position: Special Assistant to the Vice President for Student Affairs) be moved to the Business Affairs and Human Resources agenda. Board member Hall asked to move Tab 5 (FY 2005 Capital Budget Request) from the Consent Agenda to the Business Affairs and Human Resources agenda as well.

1. BAHR - Section I -- Boise State University – New Positions & Changes to Positions

By unanimous consent, the Board approved the request by Boise State University for fifteen (15) new positions supported by appropriated, local and grant funds; changes to title, term, salary and FTE for four (4) positions, and delete two (2) positions.

2. BAHR – Section I – Idaho State University – New Positions & Changes to Positions

By unanimous consent, the Board approved the request by Idaho State University for seventeen (17) new positions (15.5 FTE) and to increase the FTE on two (2) positions (2.0 FTE) supported by state, local and grant funds.

3. BAHR – Section I – University of Idaho – New Positions

By unanimous consent, the Board approved the request by the University of Idaho to establish six (6) new positions supported by appropriated and non-appropriated funds.

4. BAHR – Section I – Lewis-Clark State College – New Positions

By unanimous consent, the Board approved the request by Lewis-Clark State College for ten (10) new positions, change to one (1) position and deletion of two (2) positions supported by appropriated, local and grant funds.

5. BAHR – Section II – FY 2008 Capital Budget Request

This item was moved to the Regular BAHR agenda for discussion.

6. BAHR – Section II – FY 2007 Sources and Uses of Funds

Information item.

7. BAHR – Section II – Amendment of Board Policy Section V.J.4.c. – Travel and Moving

Expenses – second reading

By unanimous consent, the Board approved for second reading the changes to Idaho State Board of Education Governing Policies and Procedures, Section V.J.4.c. – Travel and Moving Expenses.

8. PPGAC – Alcohol Permits Issued by University Presidents

Information item.

PLANNING, POLICY & GOVERNMENTAL AFFAIRS

1. Presidents' Council Report

President Tim White reported to the Board on behalf of the Presidents' Council. He indicated that during the last Presidents' Council meeting, they reviewed the draft policy clarifying the Presidents' Council function. It will come for first reading in December. He reported that the College of Engineering report was on the Instruction, Research and Student Affairs agenda for the Board's consideration. Dr. White noted that the Presidents had also discussed the Northwest Commission on Colleges and Universities related to accreditation and self-assessment.

2. Lewis-Clark State College Progress Report

President Dene Thomas reported to the Board. She introduced the new Vice President for Finance and Administration, Chet Hurst. She noted that he had been at LCSC for five years. She also introduced the new athletic director, Jerry Peconi. He is a graduate from LCSC.

Dr. Thomas provided the Board members with copies of her presentation. She discussed the institution's strategic planning process and highlighted the various activities, initiatives and programs that are in place that meet the role and mission of the institution and fall in with their strategic plan goals. She provided information related to enrollments, budget, facilities, faculty concerns, and future plans to address the institution's needs.

Board members McGee and Hall thanked Dr. Thomas and commended her for her positive leadership.

3. Agency Report – Idaho State Historical Society

Tony Edmundson, the Chair of the Historical Board, reported to the Board. He noted that the Historical Society will celebrate its centennial in 2007. He highlighted several events that are taking place to commemorate that event. He provided a historical overview of the agency and highlighted a number of history-related initiatives and programs that are in place to meet their mission of educating the people about Idaho's history. He concluded by thanking the Board for their support.

4. PTE Update on State Plan for Federal Funds – Carl D. Perkins Career and Technical Education Act of 2006

Mike Rush, State Administrator for the Division of Professional-Technical Education, reported to

the Board. He noted that the P.L.109-270, Carl D. Perkins Career and Technical Education Act of 2006 had been signed by President Bush on August 12, 2006, reauthorizing the federal legislation for Professional-Technical Education through FY 2013. He explained that the purpose of Perkins IV is to develop more fully the academic, and the career and technical skills of secondary and postsecondary education students who elect to enroll in career and technical education programs.

Dr. Rush noted that the Division of Professional-Technical Education, acting as the administrative agent for the Board for Professional-Technical Education, is developing the State Plan in accordance with provisions of the Act for the period of July 1, 2007 through June 30, 2013 and will apply for the federal funds. The Division will present the draft plan at the Board's February 2007 meeting and will request approval at the April 2007 meeting.

5. Second Reading – Amendment to Board Policy – Bylaws, H and J

M/S (Hall/Stone): To approve the second reading of the amendment to Board Bylaws H and J.

Substitute M/S (Lewis/Agidius): To postpone consideration of this item until a later meeting. *Motion passed unanimously.*

Karen Echeverria introduced this item. Board member Lewis asked for clarification of changes based on the discussion at the last meeting. He noted a concern that people on the Audit Committee may have ties to the institutions that were being audited. He pointed to page 7 of Tab 5, "Composition", and recommended that tests for independence -- for purposes of participating on the Audit Committee -- should be similar to language found in the national standards to ensure that the Board's bylaws accomplish the same level of scrutiny. Board President Stone agreed that the independent members should be required to go through a process that allows for meeting the requirement. He noted that the specific process and related questions should either be incorporated into the bylaws or referenced.

6. Approval of Pending Idaho Digital Learning Academy Rule

M/S (Thilo/Agidius): To approve the pending Rules Governing the Idaho Digital Learning Academy. *Motion carried unanimously.*

7. Approval of MPC Bowl Alcohol Waiver

M/S (Lewis/McGee): To approve the request by Boise State University to establish secure areas under the conditions set forth in this request before us for the purpose of allowing pre-game activities for the 2006 MPC Bowl game, subject to the following terms and conditions:

1) **Such activities to be held in full compliance with Board policies regarding alcohol usage. Additionally, that items 2-9 to be delineated as set forth as 1-8 in the proposal set forward before us.**
2) **A secured area surrounded by a fence to control access to and from the area.**
3) **A color-coded wrist band or pass admission system that would identify attendees and invited guests.**
4) **Companies involved in the tent village would be sent a letter outlining the tent village/State Board of Education alcohol policy. The letter will state the minimum**

drinking age in Idaho is 21 and that at no time should they allow any underage drinking and/or the serving of alcohol to visibly intoxicated patrons.

5) **Two entry points manned by security personnel.**
6) **Security personnel located throughout the controlled area will be monitoring the alcohol wristband policy and patron behavior.**
7) **Security personnel will not allow patrons to exit the area with alcoholic beverages.**
8) **MPC Bowl will be required to insure and indemnify the State of Idaho, the State Board of Education and Boise State University for a minimum of $5,000,000 and to make sure that the proper permits and licenses are obtained.**
9) **The area is for sponsors to entertain clients/guests for the fall 2006 MPC Bowl through 2008 MPC Bowl games, including the sales and service of alcohol.**
10) **It is brought back to the Board, after the conclusion of the 2006 game, for reconsideration for 2007.**
11) **MCP Bowl will file with the Board an annual report of the Corporate Tent Village activities within sixty (60) days of the Bowl Games.**
12) **That these activities be for the four-hour period prior to at kick-off and ending at one hour after the conclusion of the game.**
13) **No alcohol making or distributing companies may be allowed to sponsor the activities or the tents.**

NOTE: This motion was amended.

AMENDED M/S (Lewis/McGee): To approve the request by Boise State University to establish secure areas under the conditions set forth in this request before the Board for the purpose of allowing pre-game activities for the 2006, 2007 and 2008 MPC Bowl games, subject to the following terms and conditions:

1) **Such activities to be held in full compliance with Board policies regarding alcohol usage. Additionally, that items 2-9 to be delineated as set forth as 1-8 in the proposal set forward before us.**
2) **A secured area surrounded by a fence to control access to and from the area.**
3) **A color-coded wrist band or pass admission system that would identify attendees and invited guests.**
4) **Companies involved in the tent village would be sent a letter outlining the tent village/State Board of Education alcohol policy. The letter will state the minimum drinking age in Idaho is 21 and that at no time should they allow any underage drinking and/or the serving of alcohol to visibly intoxicated patrons.**
5) **Two entry points manned by security personnel.**
6) **Security personnel located throughout the controlled area will be monitoring the alcohol wristband policy and patron behavior.**
7) **Security personnel will not allow patrons to exit the area with alcoholic beverages.**
8) **MPC Bowl will be required to insure and indemnify the State of Idaho, the State Board of Education and Boise State University for a minimum of $5,000,000 and to make sure that the proper permits and licenses are obtained.**
9) **The area is for sponsors to entertain clients/guests for the fall 2006 MPC Bowl through 2008 MPC Bowl games, including the sales and service of alcohol.**
10) **It is brought back to the Board, after the conclusion of the 2008 game, for reconsideration for 2009. This would represent a multi-year commitment of three years, provided however that the Board shall at all times have the right at any time to revoke this agreement without cause and without liability.**

11) **MCP Bowl will file with the Board an annual report of the Corporate Tent Village activities within sixty (60) days of the Bowl Games.**
12) **That these activities be for the four-hour period prior to at kick-off and ending at one hour after the conclusion of the game.**
13) **No alcohol making or distributing companies may be allowed to sponsor the activities or the tents.**

Amended Motion carried unanimously.

Karen Echeverria reported that the request had several changes. She noted that the amount of liability insurance was changed from three to five million, that the MPC Bowl Board will file a report within 60 days of the event and that the request is for a period of three years.

MPC Bowl Executive Director, Gary Beck, and Director of the MPC Bowl, Jim Rigsby, reported to the Board. They noted that this is the fourth year for incorporating the tent village into the MPC Bowl Game activities. They pointed out the change in the impact statement.

Boise State University President, Bob Kustra, and Stacy Pearson, Vice President of Finance, explained that BSU worked closely with the MPC Bowl and is comfortable with the request. Dr. Kustra attested that controls that are in place.

Board member Hall noted that the request is for an extended plan. He expressed concern about the Board's ability to revoke the agreement should a problem arise and suggested that specific language providing for revocation would give the Board the ability to do so.

Board member Lewis noted that the reference as to compliance was missing as was the duration of four hours before kickoff and the prohibition of alcohol making or distributing companies being allowed to sponsor the activities or tents. Mr. Beck agreed that a cut off of one hour following the conclusion of the MPC Bowl game would be okay.

Board member Lewis made a motion to approve a one-year agreement. Following discussion he agreed to amend his motion to three years with clarifying language that makes it subject to revocation.

INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS

1. Idaho State Board of Education Report on Commonalities and Differences Among Colleges and Schools Within Idaho's Public Higher Education Institutions

By unanimous consent, the Board agreed to postpone this item until the December meeting in Pocatello.

Board member McGee introduced this item. Board member Hall asked that this item be postponed until the Board members could all be together.

2. Idaho State Board of Education Report on Dual Credit Activity Within Idaho's Postsecondary Institutions

The Board discussed the report provided to them on dual credit activity within Idaho's postsecondary institutions. It was suggested that a task force be convened to further study the implications and issues in more depth. Board President Stone asked that the Accelerated

Learning Subcommittee be reconvened and that Board member Hall be added to that group.

3. First Reading, Amendment to Idaho State Board of Education Governing Policies & Procedures, Section II.G.6.b.2., Acquisition of Tenure

M/S (Thilo/Stone): To approve the first reading of amendments to Idaho State Board of Education Governing Policies and Procedures, Section II.G.b.2., Acquisition of Tenure as presented. *Motion failed 1-5 (Thilo voted Aye).*

Doug Baker, University of Idaho reported that this request resulted from discussions that took place by the UI faculty counsel. He indicated they wanted to implement a compassionate extension of the tenure clock policy for childbirth, adoption and medical issues. There is no financial impact associated with this request.

Board President Stone referred to page 3 of Tab 3 and pointed to the sentence with the term "child rearing" in it. He asked for clarification of that term. Board member Hall suggested that the Board not approve the first reading and so that the policy could be rewritten in such a way that is clear.

4. The Deaf/Blind Education Workgroup Recommendations

M/S (Stone/McGee): To approve the recommendations of the Deaf/Blind Education Workgroup and direct staff to work with the deaf/hard-of-hearing education program administrator, and their respective transition committees to develop standards for deaf/hard-of-hearing and blind/visually-impaired education programs, and to develop a plan to transition the administration of education services and programs for deaf/hard-of-hearing and blind/visually-impaired students from the Idaho School for the Deaf and the Blind to the Idaho Commission for the Blind and Visually Impaired, the Idaho Council for the Deaf and Hard-of-Hearing, the State Department of Education and/or the Idaho State Board of Education with the oversight remaining with the State Board of Education. *Motion carried unanimously.*

Board member McGee updated the Board on the history of this effort. She explained that many hearings were held where interested stakeholders could give input and suggestions. Those stakeholders included the Idaho Council for the Deaf and Hard of Hearing, the Idaho Commission for the Blind and Visually Impaired, the Idaho School for the Deaf and the Blind, the State Department of Education and others. She emphasized that the goal of this effort is to make sure that all of Idaho's children have opportunities for an education. Randy Tilley of the Division of Financial Management noted that during the discussions it became clear it was necessary to have two FTE's to assist in the transition to the new service delivery models.

A letter from Dr. Howard, related to this item, was distributed to the Board. It will be included in the official record.

5. Update on the Just For The Kids (JFTK)

Board member Thilo presented this item. It is a follow up to a presentation made at the August Board meeting by Idaho School Board's Association President, Wanda Quinn. A handout was provided to the Board.

Board member Thilo explained that the ISBA asked the Board of Education and the State Department of Education to assess expenses related to preparing the data to be sent to JFTK beyond that which is required for No Child Left Behind and Annual Yearly Progress purposes. She noted that the ISBA proposed soliciting funds from foundations and businesses to cover those expenses as well expenses related to best practice studies.

6. Best Practice Idaho: Wallace High School Seniors in Transition Program

Board member Thilo introduced Wallace High School Counselor Robert Benfit, and Principal Gail Harding-Thomas to present information about the Wallace High School Seniors in Transition Program to the Board. They discussed how the program helps students understand and receive help to prepare for opportunities beyond high school. The program began at Wallace High School four years ago with a handful of parents who came in weekly to help junior and senior students. Volunteers help students search for scholarships, fill out federal financial aid forms, research internships, provide career counseling, and act as a listening ear for students. The group also sponsors senior night for parents and students as well as junior information sessions.

Board member Thilo commended the group. She noted that for the 2005-2006 school year, the group helped Wallace High School students secure $200,000 in scholarship dollars. In addition, two students were accepted into the military academies.

Board member McGee suggested that WHS contact the GEARUP Program Manager to share more information related to this program.

BUSINESS AFFAIRS AND HUMAN RESOURCES

Section I – Human Resources

1. Lewis-Clark State College – New Position – Vice President of Administrative Services

M/S (Agidius/Thilo): To approve the request by Lewis-Clark State College for one (1) position with a salary equal to/greater than 75% of the Chief Executive Officer base salary supported by appropriated funds – Vice President of Administrative Services. *Motion carried unanimously.*

Board member Agidius introduced this item. It was noted that the salary amount is the same as the previous Vice President of Administrative Services was receiving.

2. BSU – New Position – Special Assistant to the Vice President (moved from the Consent Agenda)

M/S (Agidius/McGee): To approve the request by BSU for the position of Special Assistant to the Vice President of Student Affairs at a salary of $75,000. *Motion carried unanimously.*

Stacy Pearson noted that the salary is in line with this position and that the method for filling the position complied with policy.

Section II – Finance

1. Boise State University – Interactive Learning Center Project

M/S (Agidius/Thilo): To approve the request by Boise State University to build out the fourth floor of the Interactive Learning Center for an amount not to exceed $1,000,000 funded from interest earnings on bond proceeds. *Motion carried 5-0 (Stone absent during the vote).*

Stacy Pearson presented this item.

2. Boise State University – Update of Stadium Suite Project

Stacy Pearson presented this information item to the Board. She noted that the debt capacity of the university is very limited so BSU has been working on ways to finance the Stadium Suite Project. Ms. Pearson indicated that Board staff and legal counsel will be included in the planning process and that written agreements will be drafted outlining specific responsibilities and requirements. She noted that BSU hopes to bring the construction approval and financing plan to the Board in December.

There was discussion about the BAA/BSU Foundation borrowing funds in the manner outlined by Ms. Pearson. Board member Hall asked about the liability issue. Board member Lewis requested that BSU provide the different risk scenarios at that time so that the Board can make an informed decision.

3. University of Idaho – CH2MHill Sublease Amendment

M/S (Agidius/Thilo): To approve the request by the University of Idaho to approve an amendment to the 2004 Sublease agreement with CH2MHill, in substantial conformance to the form submitted to the Board, and to authorize the Vice President for Finance and Administration of the University of Idaho to execute the amendment documents. *Motion carried 5-0 (Hall recused himself from the vote).*

Board member Hall recused himself from debate and voting as a lobbyist for CH2MHill.

Lloyd Mues, University of Idaho, introduced this item. Board member Lewis indicated that it was difficult from the materials provided to determine what the monthly or annual rental rates were. He asked for clarification from Board staff. Jeff Shinn of the Board office agreed to provide the details to the Board.

4. University of Idaho – Chilled Water Service Project

M/S (Agidius/Thilo): To approve the request by the University of Idaho to replace the water chiller in the Educational Building, at a cost not to exceed $700,000, using institutional funds and contingency reserves. *Motion carried unanimously.*

Lloyd Mues, UI, presented this item to the Board. He indicated that the intent of the university is to replace the original chiller and satisfy the cooling loads and demands of the Education Building by connecting the building to the university's central chilled water production and distribution system.

5. University of Idaho – Salmon Residential Facility Project

M/S (Agidius/Thilo): To approve the authorization to plan, design and construct a residential (dormitory) facility at the Nancy M. Cummings Research, Extension and Education Center in Salmon, Idaho, at a cost not to exceed $1,500,000. Funds for this project are from local, non-appropriated funds. *Motion carried unanimously.*

Lloyd Mues, UI, presented this item to the Board.

6. University of Idaho – Idaho Public Television Memorandum of Agreement

M/S (Agidius/Thilo): To approve the request by the University of Idaho to approve the Memorandum of Agreement between the University and the Idaho Public Television (Idaho PTV). *Motion carried unanimously.*

Lloyd Mues presented this item. Board member Lewis suggested it would be helpful to have a better understanding to know what IPTV's working relationship is with other universities. Executive Director Dwight Johnson suggested having IPTV Director, Peter Morrill speak at a future meeting to address those questions.

7. FY 2007 Budget Revisions

Jeff Shinn presented these budget revision items to the Board for their discussion and consideration.

1) **M/S (Agidius/Thilo): To approve an additional Line Item for Tech Help for FY 2008 in the amount of $128,800.** *Motion carried unanimously.*

2) **M/S (Agidius/Thilo): To approve an additional Line Item for Tech Help for FY 2008 in the amount of $89,200 General Funds, for Manufacturing Outreach.** *Motion carried unanimously.*

3) **M/S (Agidius/Thilo): To approve an additional Line Item for Tech Help for FY 2008 in the amount of $70,800, General Funds, for Lean Enterprise Certification.** *Motion carried unanimously.*

4) **M/S (Agidius/Thilo): To approve an additional Line Item for Tech Help for FY 2008 in the amount of $7,600, General Funds, for Salary Competitiveness.** *Motion carried 5-2 (Lewis and Hall dissenting).*

On this item, Board member Hall asked for clarification. Jeff Shinn noted that the request had not been completed at the time of the August meeting so it could not be included in the budget request at that time. Stacy Pearson explained that Tech Help resides at the university and that BSU had asked for additional information when they first submitted the item. That delayed them from meeting the original timeline.

5) **M/S (Agidius/Thilo): To approve the additional Line Item for the Idaho Council on Economic Education for FY 2008 in the amount of $20,800, General Funds, for a Program Coordinator.** *Motion carried unanimously.*

6) **M/S (Agidius/Thilo): To approve an additional Line Item for the Agricultural Research and Extension Service for FY 2008 in the amount of $10,000,000, General Funds, for a Research Dairy Facility. This motion does not constitute approval of the facility. This approval allows the proposed budget item to serve as a place holder for the purpose of receiving a specific general fund appropriation from the Legislature for the purpose of construction of the Facility, should the Legislature choose to do so. Expenditure of these funds, and any other University funds, and proceeding ahead with the Facility by the University, must proceed pursuant to Board Policy Section V, Subsection K. Construction of Facilities.** *Motion carried unanimously.*

7) **M/S (Agidius/Thilo): To approve an additional Line Item for the Office of the State Board of Education for FY 2008 in the amount of $90,000, Other Funds, for a Grant Writer.** *Motion carried unanimously.*

8) **M/S (Agidius/Thilo): To approve an additional Line Item for the Idaho State Historical Society for FY 2008 in the amount of $403,600, General Funds, for Capital Outlay and Operating Expenditures.** *Motion carried 5-1 (Hall dissenting).*

For clarification, Jeff Shinn explained that the $403,600 request is a new budget request item for FY 2008 as compared to FY 2007. It was originally requested in Replacement Capital Outlay as part of Maintenance of Current Operations (MCO). This item and the following request for $7,800 are program additions and not replacement. They are included in the budget revision as line item 12.06 and 12.07.

9) **M/S (Agidius/Thilo): To approve an additional Line Item for the Idaho State Historical Society for FY 2008 in the amount of $7,800, General Funds, for Capital Outlay.** *Motion carried unanimously.*

10) **M/S (Agidius/Thilo): To approve an additional Line Item for the establishment of a new Community College system for FY 2008 in the amount of ten million dollars, General Funds, for additional state support. This motion does not constitute approval of a new community college system. This approval allows the proposed budget item to serve as a place holder for the purpose of receiving a specific general fund appropriation from the Legislature for the purpose of establishing a new statewide community college system, should the Legislature choose to do so.** *Motion carried unanimously.*

For clarification, Board President Stone asked that the motion include the word "system" and Board member Lewis asked that the motion read "a new community college system."

Board President Stone indicated that the purpose of the motion is to have a place holder for the funds until a proposal is in place that defines what that system will look like. Board member Hall suggested using placeholder language similar to the UI Dairy Farm item.

11) **M/S (Agidius/Thilo): To urge the Idaho Legislature to include in the Public School appropriation a line item for enhanced high school graduation requirements for FY 2008 in the amount of $1,500,000, General Funds.** *Motion carried unanimously.*

12) **M/S (Agidius/Thilo): To approve an additional item for Student Financial Aid programs for FY 2008, in the amount of $10,000,000, General Funds, for additional needs and merit based scholarships. This approval allows the proposed budget item to serve as a place holder for the purpose of receiving additional General Funds appropriation for needs and merit based scholarships.** *Motion carried unanimously.*

8. FY 2006 Carryover Funds

M/S (Agidius/Stone): To approve the requests by Boise State University, Idaho State University, University of Idaho, Lewis-Clark State College, Idaho State University Dental Education Program, University of Idaho Agricultural Research and Extension Service, University of Idaho WWAMI Medical Education Program, and Division of Professional-Technical Education, to carry over authorized but unspent funds from FY 2006 to FY 2007. *Motion carried unanimously.*

Note: At this time, the Board took up discussion of Tab 5 of Consent Agenda

BAHR – Section II – FY 2008 Capital Budget Request

M/S (Hall/Lewis): The Board acknowledges receipt of the FY 2008 Major Capital Request Summary and the Board has decided not to take any action in regard to approval at this point. *Motion carried unanimously.*

Board member Hall discussed concerns about being asked to support the Capital Request items. He noted that by approving this item on the Consent Agenda it appeared the Board had approved the project requests. He suggested the Board should acknowledge the request but not approved or prioritized them.

Jeff Shinn explained that in August the Board had reviewed the Capital Request. In addition, a memo had been sent to the Division of Public Works notifying them that the Board had not prioritized the items.

9. Approval of Kenneth E Edmunds to the Audit Committee

M/S (Stone/McGee): To confirm the appt of Ken Edmunds as the independent member of the SBOE Audit Committee. *Motion carried unanimously.*

Board President Stone presented the resume and qualifications of Mr. Ken Edmunds for the Board's consideration. He noted that Mr. Edmunds had no financial, business, family, or other kinds of interest, relationships or involvement with any of the Idaho institutions.

DEPARTMENT OF EDUCATION

A. Superintendent's Report – Jana Jones

Dr. Jana Jones read Dr. Howard's report to the Board. As a point of information, Dr. Jones noted that Dr. Howard was receiving chemotherapy treatment and therefore was unable to attend the Board meeting. Report highlights included updates on the Department's receipt of

the Special Populations grant, the Primary Math Initiative, superintendents meetings, and the FY 2008 budget request.

CONSENT AGENDA – Department of Education

M/S (Thilo/Agidius): To approve items C, D, F, G, H, and I on a Consent Agenda. *Motion carried unanimously.*

C. Annual Report on Albion Elementary Hardship Petition – Tim Hill

Information item.

D. Report on Schools Requesting to Operate with Less Than Ten Students – Tim Hill

Information item.

F. Praxis II Assessment Requirements for Teacher Certification: #0069: Middle School Mathematics – Jana Jones

By unanimous consent, the Board agreed to approve the request from the Professional Standards Commission to require Praxis II #0069: Middle School Mathematics for the Basic Mathematics Endorsement with the qualifying score of 145.

G. Northwest Nazarene Teacher Preparation Program Review Report – Jana Jones

By unanimous consent, the Board agreed to accept the state team report as approved by the Professional Standards Commission, thus providing State Board of Education continuing program approval for the teacher preparation program at Northwest Nazarene University, Nampa, Idaho.

H. Lewis-Clark State College Teacher Preparation Program Review Report – Jana Jones

By unanimous consent the Board agreed to accept the state team report as approved by the Professional Standards Commission, thus providing State Board of Education continuing program approval for the teacher preparation program at Lewis-Clark State College, Lewiston, Idaho.

I. Adoption of Curricular Material for the Content Area of Research Based Reading – Jana Jones

By unanimous consent, the Board agreed to approve the request for adoption of Research Based Reading curricular materials and related instructional materials as recommended by the Curricular Materials Selection Committee.

B. Public Schools Budget Request for FY 2008 – Tim Hill

Tim Hill and Jana Jones summarized the Department's Public School Budget Request for the Board. They highlighted several items in the request, including, salaries, enrollment growth, professional development, technology, advanced placement and gifted education, school reform, the primary math initiative and discretionary funds.

Board President Stone inquired about the cost for the additional three days for teachers to take training. Dr. Jones clarified it can be used for professional development needs. The number indicates the amount it would take, but does not presume that every teacher will require the additional three days.

Board member Thilo asked about high school redesign and if districts will recognize that the funds are to be used for high school redesign. Dr. Jones indicated that the intent of the budget coalition was to give the districts flexibility while still meeting the requirements of high school redesign.

Board member McGee asked for time to study the budget details and to come back in December with questions and concerns. Dr. Jones agreed that would be possible.

Board member Lewis thanked the Department for their presentation. He expressed concern about some of the amounts that seem to have little accountability. He indicated that the additional information would be appreciated.

Dr. Jones asked that any questions and concerns from Board members come to her prior to the next meeting so that the Department can adequately address those issues. Board President Stone agreed that was appropriate and asked Board members to forward their questions and concerns to Dr. Jones.

E. Procedural Update Regarding Idaho Accreditation – Shannon Page

Shannon Page presented this item to the Board and highlighted the features of the planning tool. She referred to the materials provided to the Board for their review and consideration. She noted that during the 2005-2006 school year the SDE had developed and field-tested a web-based continuous improvement planning process for both districts and schools to meet the intent of the rule for accreditation.

Ms. Page discussed the quality indicators for district and school accreditation standards and highlighted the steps taken to integrate the Northwest Association of Accredited Schools accreditation standards into the Idaho system.

Dr. Jones reported that a large number of stakeholders and time were involved in developing this model. She noted that the point rating system, student achievement is rated higher than the other indicators.

Ms. Page reported that the partnership between the Department of Education and the NW Accreditation had been in place for a number of years. The standards for NW Accreditation and the Idaho Achievement Standards have been cross referenced.

Board member Lewis indicated his appreciation for the SDE report and all the efforts and coordination. He referred to the matrix and noted the differences between NCLB improvement requirements and Idaho Accreditation requirements. Dr. Jones noted that the Idaho requirements were taken from everything that exists in Idaho rule (State Board of Education and State Department of Education).

J. Approval of "Connections 2004: Statewide Plan for Technology in Idaho" – Corey Simpson

M/S (Stone/Agidius): To approve "Connections 2004: Statewide Plan for Technology in Idaho." *Motion carried unanimously.*

Dr. Jones introduced this item. Corey Simpson provided brief background. Board member Lewis asked for clarification about coordination efforts in developing the new plan. Mr. Simpson noted that SDE is working with BSU and ISU on the plan. Some leadership from the Board staff had been provided in the past by Nancy Szofran. Dwight Johnson indicated he had communicated with Mr. Simpson about the need to have continuing dialogue to accomplish the goal of having a plan that has a K-20 focus.

K. Current K-20 Tech Plan Update – Corey Simpson

Dr. Jones introduced this item. Corey Simpson discussed the various aspects of the components and recommendations for the updated plan. He reported that the Higher Ed Subcommittee and the K-12 Subcommittee as well as, ICTL and others have been involved in the discussion. He noted that the ICTL has technology people from all throughout the state.

Board member McGee emphasized the need for the SDE and the SBOE to work closely on this. Dr. Jones indicated that the Board and the SDE are both represented on the ICTL. Executive Director Johnson noted that he serves on the ICTL and that Christine Ivie serves on the K-12 subcommittee. In addition, the new academic officer for the Board will serve on the Higher Ed subcommittee.

Corey Simpson indicated that the plan is focused on software and hardware connections and not student data collection. Board member Lewis emphasized that the focus be on the K-20 group to make sure that the students are tracked all the way through the education system. Dr. Jones indicated that the SDE has been looking for an RFP to come out from the feds for a student information management system that will focus on K-20 and is truly a cooperative effort.

OTHER BUSINESS

M/S (McGee/Agidius): To adjourn the meeting at 4:17 p.m. (PT). *Motion carried unanimously.*

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

DRAFT MINUTES
STATE BOARD OF EDUCATION
November 1, 2006
SPECIAL Teleconference Meeting Originating From
Len B. Jordan Building, Basement Conference Room
Boise, Idaho

A special meeting of the State Board of Education was held November 1, 2006 and originated from the basement conference room of the Len B. Jordan Building in Boise, Idaho. Board President Laird Stone convened the meeting at 9:00 a.m. with a roll call. Members present were:

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

OPEN SESSION

BOARDWORK

1. Agenda Review

M/S (Hall/Agidius) To accept the agenda as submitted. *Motion carried unanimously.*

STATE BOARD OF EDUCATION

1. Approval of Pending Rule – Docket N. 08-0203-0605, Governing Thoroughness, High School Redesign

M/S (Hall/Agidius): To change the amended portion of Subsection 107.04.b.iv that reads "the last two semesters of high school" so that it reads "the last year of high school." *Roll call vote taken; motion carried unanimously.*

M/S (Thilo/McGee): To approve Docket N. 08-0203-0605, Governing Thoroughness, High School Graduation Requirements, as amended. *Roll call vote taken; motion carried 7-0 (Terrell abstained because of his late arrival).*

Board member Thilo introduced this item. She noted that the changes made in

Subsections107.03 and 107.04 were based on public input. Board member Hall raised a question about the senior project requirement and Dr. Howard indicated that some transition time would be needed for senior projects to be successfully integrated into the high school graduation requirements because it would take time for all the disciplines to be included. Board member Thilo pointed out that during forums throughout the state positive comments had been received from those who were already using senior projects. On the other hand, feedback from stakeholders who hadn't incorporated senior projects into their graduation requirements were interested in having some best practices identified that could be used as models.

During the discussion, Dr. Mike Rush of the Division of Professional-Technical Education raised a point related to the math requirement. The Board agreed there needed to be clarification to avoid any confusion for schools operating on a trimester basis. It was noted that the intent of the rule is that the student take math in the last year of high school. Board member Agidius made a motion to amend subsection 107.04.b.iv so that the intent is clearly stated.

2. Approval of Pending Rule – Docket No. 08-0203-0606, Rules Governing Thoroughness, English Language Development Standards, Limited English Proficiency Program Accountability Plan, ISAT, and IELA Cut Scores

M/S (Terrell/McGee): To approve Docket No. 08-0203-0606, Rules Governing Thoroughness, Incorporation by Reference, as presented. *Roll call vote taken; motion carried 7-0 (Agidius not present during vote).*

Karen Echeverria of the Board Office staff introduced this item and noted that no changes had been made since it was approved as a proposed rule.

3. Approval of Pending Rule – Docket No. 08-0401-0601, Idaho Digital Learning Academy

M/S (Terrell/Hall): To approve Docket No. 08-0401-0601, Rules Governing Idaho Digital Learning Academy, as presented. *Roll call vote taken; motion carried unanimously.*

Karen Echeverria noted that the only change to the rule is the address for the Idaho Digital Academy. She pointed out that the law requires that such information be included in the rule itself.

4. Approval of Pending Rule – Docket No. 47-0102-0601, Extended Employment Services

M/S (Thilo/Terrell): To approve Docket No. 47-0102-0601, Rules Governing Extended Employment Services, as presented. *Roll call vote was taken; motion carried unanimously.*

Karen Echeverria reported that the majority of comments received regarding this rule were positive. She pointed out that a comment was received on October 31, 2006 from Marilyn Sword. In reviewing the summary of the public hearing held on October 11, 2006 it was noted that the same issue had been raised at that time as well.

Lynn Fischer, Extended Employment Specialist from the Division of Vocational Rehabilitation, was invited forward to clarify the changes made in the rules. She provided background for the Board related to the changes. It was noted that the changes appear in the Board agenda materials. Board member Thilo thanked Ms. Fischer.

STATE DEPARTMENT OF EDUCATION

A. Revisions to Docket No 08-0203-0602, Rules Governing Thoroughness: K-12 Content Standards

M/S (Howard/Thilo): To approve the request of the State Department of Education to approve the Idaho Content Standards and the Idaho Alternative Achievement Standards as documented to be incorporated by reference into rule. *Roll call vote taken; motion carried unanimously.*

Dr. Howard introduced this item. Dr. Patty Toney from the Department of Education discussed the changes. She explained that the language related to the gifted and talented program had been deleted by mistake at the time of the first reading. That language was reinserted for the second reading.

B. Revisions to Docket No. 08-0202-0603, Rules Governing Uniformity: Educator Standards

M/S (Howard/Thilo): To approve the revised Idaho Standards for Initial Certification of Professional School Personnel: Administrators, Bilingual-ESL, Early Childhood/Early Childhood Special Education Blended, Health, and Physical Education as corrected. *Roll call vote taken; motion carried unanimously.*

Dr. Howard introduced this item and summarized the changes for the Board. She noted a need to make minor grammatical edits and clarified her motion to reflect that. Dr. Toney indicated that after the Professional Standards Commission looked at the English as Second Language standard it suggested changing the wording to read English as a New Language so it would more accurately depict the real picture. Board member Terrell asked for clarification. Dr. Toney and Dr. Howard explained that the term "English as a Second Language" had originally pertained to Hispanic students. Since there are now so many students coming to Idaho from all over the world and because a good portion of those students already speak more than one language, the term "English as a New Language" recognizes that fact.

C. Revisions to Docket No. 08-0202-0604, Rules Governing Uniformity: Educator Endorsements

M/S (Howard/Terrell): To approve the requests from the Professional Standards Commission for the amended rule for the certification requirements for administrators (district superintendents, building principals, and special education directors) and the revised endorsement requirements for teachers of bilingual-ESL, early childhood/early childhood special education blended, health, physical education and physical education-health. *Roll call vote taken; motion carried unanimously.*

Dr. Howard introduced this item. Dr. Toney indicated that when the rule was approved by the Board last year it had included an Option A for drama. Somehow when the final draft was sent to the 2006 Legislature for approval, that language was missing. It has been reinserted in this draft so that when it goes to the 2007 Legislature the rule it is complete.

Board member Lewis asked about the endorsements for Mathematics and the qualifications for teachers. Dr. Howard explained that two endorsements help balance the federal requirement with the state requirement. Dr. Toney noted that the math requirements were approved by the

Board previously. She further explained that the two math endorsements ensure that teachers are able to teach according to the standards and that the preparation for both certificates is highly rigorous.

D. Revisions to Docket No. 08-0202-0602, Rules Governing Uniformity: General Education Requirements

M/S (Howard/Thilo): To approve the request from the Professional Standards Commission for the amended rules for General Education Requirements, as defined in Attachment 1, for the following teaching Idaho certificates: Standard Elementary Certificate, Standard Secondary Certificate, Early Childhood/Early Childhood Special Education Blended Certificate and Exceptional Child Certificate. *Roll call vote taken; motion carried unanimously.*

Dr. Howard introduced this item. She noted that there were no changes between the proposed and pending rule.

E. Revisions to Docket No. 08-0203-0604, Rules Governing thoroughness: Definition of At-Risk Youth

M/S (Howard/Thilo): To approve a motion from the State Department of Education to approve the amended rule governing Alternative Secondary Programs to approve the amended rule governing Alternative Secondary Programs to include LEP students in the definition of "at-risk youth". *Roll call vote taken; motion carried unanimously.*

Dr. Howard introduced this item. It allows for Alternative Secondary Programs to include LEP students in the definition. Dr. Toney noted that no changes were made between the proposed and the pending rule.

F. Revisions to Docket No. 08-0202-0601, Rules Governing uniformity: School Bus Standards

M/S (Howard/Thilo): To approve a Notice of Pending Rulemaking for publication in the December 6, 2006, Administrative Bulletin (Docket No. 08-0202-0601), to incorporate by reference "Standards for the Idaho School Buses and Operations – November 1st, 2006,) and the Pupil Transportation Reimbursement/Non-reimbursement Matrix, as part of the rulemaking process. *Roll call vote taken; motion carried 7-1 (Terrell dissenting).*

Dr. Howard introduced this item. Ray Merical of the Department of Education staff discussed the rule. During the discussion Dr. Howard and Board member Thilo agreed to correct their motion so that the date would read November 1st.

Board member Lewis asked for clarification as to whether there are substantive changes being made. Mr. Merical explained that the rule is required to be updated every five years to align with national standards. The current changes adopt the national standards that changed took in 2005. Mr. Merical indicated that the only change between the proposed and pending rule had to do with clarification of color standards on the black paint used on the school bus.

Mr. Merical discussed the matrix and noted it serves as a guideline for the districts to help them determine what is and what is not a reimbursable expense. He explained that the updates to the matrix resulted from input received during a series of workshops held throughout the state

that included the districts' administrative staff and transportation personnel. In addition, the steering committee held lengthy discussions about what should be included in the matrix.

Board member Terrell discussed various concerns he had related to the cost of pupil transportation. He indicated his displeasure with those things in the rule that are not as well defined as he would like them to be. He noted he had not had time to fully review the rules.

Dr. Howard clarified that the SDE had, over the last six years, worked diligently to bring down the costs of pupil transportation. It was agreed by the districts and the transportation personnel that one way to make the system work better was to be very specific about what was and was not going to be covered in terms of pupil transportation in order to avoid confusion. Board member Terrell indicated that he would like to see caps on everything that is allowed.

During the discussion Karen Echeverria explained that if the rules are not approved by November 26 they cannot go forward to the 2007 Legislature for consideration or approval this year. Mr. Merical noted that the impact of not approving these rules at this time is that the pay issues coming out of the 2005 national standards would not be incorporated in Idaho's rules for another year.

Board member Lewis indicated that he was comfortable with the matrix and considered it to have fairly strong provisions. Board member Hall pointed out that if the concerns raised by Board member Terrell regarding clarity and costs do become an actual issue for the districts or the SDE, the Department of Education could come back next year to modify the rules.

G. Revisions to IDAPA 08-02.03, Rules Governing Thoroughness: Vacating of Physical Education Rules

M/S (Howard/McGee): To approve vacating the Physical Education Standards, Docket No. 08-0203-0505, from rulemaking. *Roll call vote taken; motion carried unanimously*.

Dr. Howard introduced this item. Karen Echeverria noted that the Board voted to not approve the PE standards at an earlier meeting. Therefore it is necessary to vacate that docket.

OTHER / NEW BUSINESS

M/S (Terrell/Thilo): To adjourn the special meeting of the Board at 10:30 a.m. *Roll call vote taken; motion carried unanimously.*

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TAB	DESCRIPTION	ACTION
1	**BAHR-SECTION I BOISE STATE UNIVERSITY** New Positions & Changes to Positions	Motion to approve
2	**BAHR-SECTION I IDAHO STATE UNIVERSITY** New Positions	Motion to approve
3	**BAHR-SECTION I UNIVERSITY OF IDAHO** New Positions	Motion to approve
4	**BAHR-SECTION I LEWIS-CLARK STATE COLLEGE** New Positions	Motion to approve
5	**PPGAC** – Alcohol Permits Issued by University Presidents	Information item
6	**IRSA –** Quarterly Report – Program Changes Approved by the Executive Director	Information item

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INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY

SUBJECT

Boise State University's request for new positions and changes in positions.

REFERENCE

APPLICABLE STATUTE, RULE, OR POLICY

State Board policy Section II. B. E.

BACKGROUND

Items submitted for review and approval according to Board Policy Section II. B.3.

DISCUSSION

Boise State University requests approval to:

- create 6 new positions
- change to 4 current position's FTE
- delete1 position

IMPACT

Once approved, the positions can be processed on the State Employee Information System.

STAFF COMMENTS AND RECOMMENDATIONS

Staff notes that one position, Financial Specialist, Senior, is related to the university's development campaign. Other new positions for this effort were approved in a previous Board meeting.

Staff recommends approval of all HR items as requested.

BOARD ACTION

A motion to approve the request by Boise State University for 6 new positions supported by appropriated and local funds; title, term, salary and FTE changes to 4 positions, and delete 1 position.

Moved by _____ Seconded by _____ Carried Yes____ No____

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY - continued

NEW POSITIONS

Position Title	University Shop Assistant
Type of Position	Classified
FTE	.75 FTE
Term of Appointment	9 months
Effective Date	12/3/2006
Salary Range	$15,338
Funding Source	Appropriated
Area/Department of Assignment	Art Department
Duties and Responsibilities	Monitor and provide support for photography dark room, color lab and digital lab; maintain, repair, and check equipment in/out.
Justification of Position	Converting temporary appointment to permanent status as growth in the photography lab program necessitates the support.

Position Title	Research Administrator
Type of Position	Professional
FTE	1.0 FTE
Term of Appointment	12 months
Effective Date	12/3/2006
Salary Range	$40,706
Funding Source	Appropriated
Area/Department of Assignment	Office of Research Administration
Duties and Responsibilities	Review and assist in the development of grant proposals.
Justification of Position	Converting temporary appointment to permanent status to meet demands due to growth of research at the University.

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY - continued

Position Title	Interim Instructor
Type of Position	Faculty
FTE	1.0 FTE
Term of Appointment	12 months
Effective Date	1/1/2007
Salary Range	$44,000
Funding Source	Local
Area/Department of Assignment	College of Applied Technology
Duties and Responsibilities	Provide instruction for Practical Nursing Courses.
Justification of Position	Additional instructional staff needed due to increased enrollment in Practical Nursing program.

Position Title	Manager, Media & Scheduling
Type of Position	Professional
FTE	1.0 FTE
Term of Appointment	12 months
Effective Date	12/3/2006
Salary Range	$34,507
Funding Source	Local
Area/Department of Assignment	Taco Bell Arena
Duties and Responsibilities	Schedule Arena events; handle event marketing planning, press releases, media placement, and insurance; draft contracts.
Justification of Position	Due to reorganization of administrative functions, converting a temporary appointment to permanent status and assigning new duties.

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY - continued

Position Title	Promotions Coordinator
Type of Position	Professional
FTE	1.0 FTE
Term of Appointment	12 months
Effective Date	12/3/2006
Salary Range	$34,507
Funding Source	Local
Area/Department of Assignment	Taco Bell Arena
Duties and Responsibilities	Coordinate graphics, website, and photographic services; coordinate electronic media; assist with event marketing, planning and promotions.
Justification of Position	Due to reorganization of administrative functions, converting a temporary appointment to permanent status and assigning new duties.

Position Title	Manager, Events Operations
Type of Position	Professional
FTE	.83 FTE
Term of Appointment	10 months
Effective Date	12/3/2006
Salary Range	$21,567
Funding Source	Local
Area/Department of Assignment	Morrison Center for the Performing Arts
Duties and Responsibilities	Plan, organize and control event operations; prepares event schedules; hires and supervises event and production staff; serve as liaison.
Justification of Position	Converting a temporary appointment to permanent status in order to better meet Center needs and provide consistency and continuity.

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY - continued

CHANGE IN POSITIONS

Position Title	Financial Specialist, Senior
Type of Position	Classified
FTE	Change from .75 to 1.0 FTE
Term of Appointment	12 months
Effective Date	12/3/2006
Salary Range	Total Salary $46,717
Funding Source	Appropriated
Area/Department of Assignment	Advancement
Duties and Responsibilities	Establish new accounts; manage daily cash investments; act as lead for annual audit process.
Justification of Position	Additional staff support required due to increased work load for comprehensive campaign.

Position Title	Office Specialist 2
Type of Position	Classified
FTE	Change from .5 to 1.0 FTE
Term of Appointment	12 months
Effective Date	12/3/2006
Salary Range	Total Salary $24,878
Funding Source	Appropriated
Area/Department of Assignment	Advancement
Duties and Responsibilities	Provide support for data input and reporting from the donor software system.
Justification of Position	Additional staff support required due to increased work load for comprehensive campaign.

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY - continued

Position Title	Youth Program Coordinator
Type of Position	Professional
FTE	Change from .83 to 1.0 E
Term of Appointment	12 months
Effective Date	12/3/2006
Salary Range	Total Salary $44,159
Funding Source	Local
Area/Department of Assignment	Morrison Center for the Performing Arts
Duties and Responsibilities	Develop, coordinate, and oversee administrative functions and productions for Youth Theatre Program series.
Justification of Position	Additional staff time required due to program growth.

Position Title	Manager, Marketing Communications/Events
Type of Position	Professional
FTE	Change from .75 to 1.0
Term of Appointment	12 months
Effective Date	12/3/2006
Salary Range	Total Salary $34,507
Funding Source	Local
Area/Department of Assignment	Taco Bell Arena
Duties and Responsibilities	Manage signage and sponsorship fulfillment and tracking, sponsor communications, marketing functions, and group sales.
Justification of Position	Additional workload due to reorganization of administrative functions.

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY - continued

DELETE POSITIONS

Position Title	Booking/Scheduling Coordinator
Type of Position	Professional
FTE	.38
Term of Appointment	9 months
Effective Date	12/3/2006
Salary Range	Previous Salary $13,853
Funding Source	Local
Area/Department of Assignment	Taco Bell Arena
Duties and Responsibilities	Coordinate booking and scheduling of events at Taco Bell Arena.
Justification of Position	Position deleted due to reorganization of administrative functions.

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REFERENCE – APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: II. HUMAN RESOURCES POLICIES AND PROCEDURES
Subsection: B. Appointment Authority and Procedures August 2002

B. Appointment Authority and Procedures

1. Nothing herein may be construed to be in limitation of the powers of the Board as defined by Sections 33-3006, 33-3104, 33-2806, and 33-4005, Idaho Code, or as otherwise defined in the Idaho Constitution or Code.

2. Delegation of Authority
The Board delegates all authority for personnel management not specifically retained to the executive director and the chief executive officers consistent with the personnel policies and procedures adopted by the Board. In fulfilling this responsibility, the executive director and chief executive officers, or their designees, may exercise their authority consistent with these policies and procedures. Provided, however, that the Board retains the authority for taking final action on any matter so identified anywhere in these policies and procedures.

3. Specifically Reserved Board Authority
(Note: This is not an exclusive or exhaustive list and other reservations of Board authority may be found in other areas of these policies and procedures.) Board approval is required for the following:

a. Position Authorizations
(1) Any permanent new position, regardless of funding source, requires Board approval. Agenda Item Format: Requests for new position authorizations must include the following information:

(a) position title;
(b) type of position;
(c) FTE
(d) Term of appointment;
(e) Effective date;
(f) approximate salary range;
(g) funding source;
(h) area or department of assignment;
(i) a description of the duties and responsibilities of the position; and
(j) a complete justification for the position

(2) Any permanent position being deleted. The affected position should be identified by type, title, salary, area or department of assignment, and funding source.

b. The initial appointment of all employees to any type of position at a salary that is equal to or higher than 75% of the chief executive officer's annual salary.

c. The employment agreement of any head coach or athletic director (at the institutions only) longer than one year, and all amendments thereto.

d. The criteria established by the institutions for initial appointment to faculty rank and for promotion in rank, as well as any additional faculty ranks and criteria as may be established by an institution other than those provided for in these policies (see subsection G.) Any exceptions to the approved criteria also require Board approval.

e. The procedures established for periodic performance review of tenured faculty members. (see subsection G.)

INSTITUTION/AGENCY AGENDA
IDAHO STATE UNIVERSITY

SUBJECT

A request by Idaho State University for approval of new positions.

BACKGROUND

Items submitted for review and approval according to Board Policy Section II. B.3.

DISCUSSION

Idaho State University is requesting approval for:

- one (1) new faculty position (1.0 FTE) supported by state funds;
- one (1) new professional staff position (1.0 FTE) supported by local funds.

IMPACT

Once approved, the positions can be processed on the State Employee Information System.

STAFF AND COMMENTS AND RECOMMENDATIONS

Staff recommends approval as requested.

BOARD ACTION

A motion to approve the request by Idaho State University for two (2) new positions (2.0 FTE).

Moved by _____ Seconded by _____ Carried Yes_____ No_____

INSTITUTION/AGENCY AGENDA
IDAHO STATE UNIVERSITY-continued

NEW POSITIONS

Position Title	Practical Nursing Faculty
Type of Position	Faculty
FTE	1.0
Term of Appointment	11 month
Effective Date	December 4, 2006
Salary Range	$45,500.00
Funding Source	State Funds
Area/Department of Assignment	College of Technology, Health Occupations
Duties and Responsibilities	Teaching, advising, and evaluating practical nursing students.
Justification of Position	Additional faculty support for the evening nursing program as well as the Outreach Practical Nursing Program.

Position Title	IT and Clinic Quality Specialist
Type of Position	Non-Classified
FTE	1.0
Term of Appointment	12 month
Effective Date	December 4, 2006
Salary Range	$36,000 - $40,000
Funding Source	Local Funds
Area/Department of Assignment	Family Medicine
Duties and Responsibilities	Assist the IT director; provide support for the new Electronic Medical Record (EMR) system; provide intern and new provider training; support in EMR/IT education conferences; assist in creating EMR curriculum; track and maintain residency EMR competency files; develop EMR policies and procedures; act as IT liaison with clinical research center; and specific IT assistance with the Centricity Billing Module.
Justification of Position	Additional support to assist with the new EMR system to satisfy documentation requirements for residency accreditation. The duties of this position have been previously performed by a temporary, part-time employee.

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO

SUBJECT

A request by the University of Idaho for the approval of eleven new positions.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Polices & Procedures Sections II.B.3 and IIG.1.b

DISCUSSION

The University of Idaho is requesting approval for:

- eleven (11) new positions funded by appropriated and non-appropriated funds.

IMPACT

Once approved, the changes can be processed on the State Employee Information System.

STAFF COMMENTS AND RECOMMENDATIONS

Of the new positions being requested, several relate to new faculty to be hired for the 2007-2008 academic year.

Staff has reviewed this request for conformance with Board policy and recommends approval.

BOARD ACTION

A motion to approve the request by the University of Idaho to establish eleven new positions.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO - continued

NEW POSITIONS

Position Title	Associate or Full Professor
Type of Position	Faculty (tenure track)
FTE	1.0 (1560 hours/year)
Term of Appointment	9 months
Effective Date	August 1, 2007
Salary Range	$88,004.80
Funding Source	Appropriated funds
Area/Department of Assignment	Electrical and Computer Engineering
Duties	Responsible for teaching and research
Justification	New position

Position Title	Associate or Full Professor
Type of Position	Faculty (tenure track)
FTE	1.0 (1560 hours/year)
Term of Appointment	9 months
Effective Date	August 1, 2007
Salary Range	$75,004.80
Funding Source	Appropriated funds
Area/Department of Assignment	Civil Engineering
Duties	Responsible for teaching and research
Justification	New position

Position Title	Assistant Professor
Type of Position	Faculty (tenure track)
FTE	1.0 (1560 hours/year)
Term of Appointment	9 months
Effective Date	August 1, 2007
Salary Range	$65,000.00
Funding Source	Appropriated funds
Area/Department of Assignment	Materials Science and Engineering
Duties	Responsible for teaching and research
Justification	New position

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO - continued

Position Title	Assistant Professor
Type of Position	Faculty (tenure track)
FTE	1.0 (1560 hours/year)
Term of Appointment	9 months
Effective Date	August 1, 2007
Salary Range	$56,014.40 – 63,502.40
Funding Source	Appropriated funds
Area/Department of Assignment	Microbiology, Molecular Biology and Biochemistry (MMBB)
Duties	Responsible for teaching and research
Justification	New position

Position Title	Assistant Professor
Type of Position	Faculty (tenure track)
FTE	1.0 (1560 hours/year)
Term of Appointment	9 months
Effective Date	August 1, 2007
Salary Range	$55,016.00
Funding Source	Appropriated funds
Area/Department of Assignment	Biological Sciences
Duties	Responsible for teaching to satisfy commitment to COBRE Grant and IBEST Initiative
Justification	New position

Position Title	Assistant/Associate Professor
Type of Position	Faculty (tenure track)
FTE	1.0 (1560 hours/year)
Term of Appointment	9 months
Effective Date	August 1, 2007
Salary Range	$55,016.00 – 65,000.00
Funding Source	Non-appropriated funds
Area/Department of Assignment	Mathematics
Duties	Responsible for teaching and research
Justification	New position

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO - continued

Position Title	Assistant/Associate Professor
Type of Position	Faculty (tenure track)
FTE	1.0 (1560 hours/year)
Term of Appointment	9 months
Effective Date	August 1, 2007
Salary Range	$44,012.40 – 52,499.20
Funding Source	Appropriated and non-appropriated funds
Area/Department of Assignment	Curriculum and Instruction (Education)
Duties	Responsible for Math Education at the Coeur d'Alene Residential Instruction Center
Justification	New position

Position Title	Assistant/Associate Professor
Type of Position	Faculty (tenure track)
FTE	1.0 (1560 hours/year)
Term of Appointment	9 months
Effective Date	August 1, 2007
Salary Range	$44,012.80 – 49,004.80
Funding Source	Appropriated and non-appropriated funds
Area/Department of Assignment	Curriculum and Instruction (Education)
Duties	Responsible for fulfilling generalist role at the Coeur d'Alene Residential Instruction Center
Justification	New position

Position Title	Administrative Assistant I
Type of Position	Classified
FTE	1.0 (2080 hours/year)
Term of Appointment	12 month
Effective Date	January 1, 2007
Salary Range	$21,507.20 - $26,000.00
Funding Source	Appropriated funds
Area/Department of Assignment	Alumni Office
Duties	Responsible for providing clerical support
Justification	New position

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO - continued

Position Title	Computer Support Associate
Type of Position	Classified
FTE	1.0 (2080 hours/year)
Term of Appointment	12 months
Effective Date	December 1, 2006
Salary Range	$40,019.20 – 45,011.20
Funding Source	Non-appropriated funds
Area/Department of Assignment	Auxiliary Services
Duties	Responsible for general support on the R25 project
Justification	New position

Position Title	Programmer Analyst
Type of Position	Classified
FTE	1.0 (2080 hours/year)
Term of Appointment	12 months
Effective Date	December 1, 2006
Salary Range	$40,019.20 – 45,011.20
Funding Source	Non-appropriated funds
Area/Department of Assignment	Auxiliary Services
Duties	Responsible for technical support on the R25 project
Justification	New position

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INSTITUTION / AGENCY AGENDA
LEWIS-CLARK STATE COLLEGE

SUBJECT

A request by Lewis-Clark State College for approval of three new positions.

APPLICABLE STATUTE, RULE, OR POLICY

Office of the State Board of Education Policy Section II.B.3

BACKGROUND

Items submitted for review and approval according to Board Policy listed above.

DISCUSSION

Lewis-Clark State College is requesting approval for:

- three (3) new positions funded by appropriated and grant funds.

IMPACT

Once approved, the positions can be processed on the State Employee Information System.

STAFF COMMENTS AND RECOMMENDATIONS

Two positions are funded from grants; one position will be supported by with appropriated funds.

BOARD ACTION

A motion to approve the request by Lewis-Clark State College for three (3) new positions funded by appropriated and grants funds.

Moved _____ Seconded _____ Carried Yes ____ No ____

NEW POSITIONS

Position Title	Study Abroad Coordinator
Type of Position	Exempt
FTE	.25
Term of Appointment	12 months
Effective Date	12/1/2006
Salary Range	$7,360.00
Funding Source	Appropriated Funds
Area/Department of Assignment	International Programs
Duties and Responsibilities	Create and provide opportunities and programs for students to study abroad and to establish policies and procedures to build collaboration among all divisions.
Justification of Position	To increase the number of students participating in the international programs.

Position Title	Trio Training Director
Type of Position	Exempt
FTE	.5
Term of Appointment	12 months
Effective Date	12/1/2006
Salary Range	$35,000
Funding Source	Grant Funds
Area/Department of Assignment	Community Programs
Duties and Responsibilities	Organize, coordinate, and direct activities in order to accomplish grant objectives.
Justification of Position	Manage Trio Training grant

Position Title	Trio Training Assistant Director
Type of Position	Exempt
FTE	1.0
Term of Appointment	12 months
Effective Date	12/1/2006
Salary Range	$45,000
Funding Source	Grant Funds
Area/Department of Assignment	Community Programs
Duties and Responsibilities	Organize, coordinate, and direct activities in order to accomplish grant objectives.
Justification of Position	Provide assistance with the Trio Training grant.

SUBJECT

Alcohol Permits Approved by University Presidents

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, I.J.2.b.

BACKGROUND

In June of 2004, the State Board of Education adopted a new policy governing the use of alcohol on campus. The chief executive officer of each institution may waive the prohibition against possession or consumption of alcoholic beverages only as permitted by and in compliance with this policy. Immediately upon issuance of an Alcohol Beverage Permit, a complete copy of the application and the permit shall be delivered to the Office of the State Board of Education, and Board staff shall disclose the issuance of the permit to the Board no later than the next Board meeting.

DISCUSSION

The last update presented to the Board was at the June 2006 Board meeting. Since that meeting, Board staff has received 11 permits from Boise State University, 10 permits from Idaho State University, and 1 permit from Lewis-Clark State College.

Board staff has prepared a brief listing of the permits issued for use from August 2006 through December 2006. The list is attached for the Board's review.

IMPACT

N/A

ATTACHMENTS

BSU permits	Page 3
ISU permits	Page 4
LCSC permit	Page 5

STAFF COMMENTS AND RECOMMENDATIONS

State Board staff offers no comments or recommendations.

BOARD ACTION

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

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APPROVED ALCOHOL SERVICE AT BOISE STATE UNIVERSITY

September 2006 – January 2007

EVENT	LOCATION	DATE (S)
Fall Conference (Roman Catholic Diocese of Boise)	SUB – Jordan Ballroom	09/29/2006
All There Is Is Love – Speaker Presentation	Morrison Center Main Hall	10/01/2006
Philharmonic "You Asked for It" – Performance	Morrison Center Main Hall	10/14/2006
Ballet – "Carmina Burana" – Performance	Morrison Center Main Hall	10/21/2006
Tomorrow's Workforce October Quarterly Featuring Mr. Fred Lee	Caven-Williams Sports Complex	10/23/2006
BSU Foundation Past Presidents' Dinner	University Advancement	10/24/2006
Opera ID – "The Barber of Seville" – Performance	Morrison Center Main Hall	11/04/2006
Awardees/Honoree Reception	Allen Noble Hall of Fame	11/07/2006
Association of Intermountain Housing Officers	SUB Jordan Ballroom	11/07/2006
Eagle Performing Arts Center Fundraiser	BSU Spec Center	12/15/2006
George Strait - Concert	Taco Bell Arena	01/26/2007

APPROVED ALCOHOL SERVICE AT IDAHO STATE UNIVERSITY

August 2006 – November 2006

EVENT	LOCATION	DATE (S)
Jim Hansen for Idaho Fundraiser/Concert	Performing Arts Center Jensen Hall	10/19/2006
Dinner	Performing Arts Center	10/20/2006
Idaho Falls Opera Theatre theatrical performance	Bennion Student Union Building	10/20/2006 - 10/21/2006
Festival of Trees	Performing Arts Center	11/28/2006
Holiday Tea	Performing Arts Center	12/02/2006
NAIFA Awards and Christmas Banquet	Performing Arts Center Rotunda	12/13/2006
Wedding Reception	Performing Arts Center Rotunda	12/16/2007
Wedding Reception	Performing Arts Center Rotunda	01/06/2007
School of Nursing Reunion	Performing Arts Center	04/07/2006
School of Nursing Retirement Party	Performing Arts Center Rotunda	04/27/2007

APPROVED ALCOHOL SERVICE AT
Lewis-Clark State College

December 2006

EVENT	LOCATION	DATE (S)
Winter Revels Holiday Party	Student Union Building	12/08/2006

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REFERENCE: APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: I. GENERAL GOVERNING POLICIES AND PROCEDURES
J. Use of Institutional Facilities and Services June 2004

2. Possession, Consumption, and Sale of Alcohol Beverages at Institutional Facilities

   b. Each institution shall maintain a policy providing for an institutional Alcohol Beverage Permit process. For purposes of this policy, the term "alcoholic beverage" shall include any beverage containing alcoholic liquor as defined in Idaho Code Section 23-105. Waiver of the prohibition against possession or consumption of alcoholic beverages shall be evidenced by issuance of a written Alcohol Beverage Permit issued by the CEO of the institution which may be issued only in response to a completed written application therefore. Staff of the State Board of Education shall prepare and make available to the institutions the form for an Alcohol Beverage Permit and the form for an Application for Alcohol Beverage Permit which are consistent with this Policy. Immediately upon issuance of an Alcohol Beverage Permit, a complete copy of the application and the permit shall be delivered to the Office of the State Board of Education, and Board staff shall disclose the issuance of the permit to the Board no later than the next Board meeting. An Alcohol Beverage Permit may only be issued to allow the sale or consumption of alcoholic beverages on public use areas of the campus grounds provided that all of the following minimum conditions shall be met. An institution may develop and apply additional, more restrictive, requirements for the issuance of an Alcohol Beverage Permit.

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SUBJECT

Quarterly Report: Program Changes Approved by Executive Director

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section III.G.4.b.(2), Program Approval and Discontinuance

BACKGROUND

In accordance with Board policy, "Changes, additions, expansions, and consolidations to existing instructional programs, majors, minors, options, emphases or instructional units with a financial impact of less than $250,000 require executive director approval prior to implementation.

DISCUSSION

In accordance with Board policy, "All modifications approved by the executive director shall be reported quarterly to the Board." The Board office is providing a report of program changes, additions, etc. from Idaho's public colleges and universities that were approved by the executive director.

IMPACT

NA

STAFF COMMENTS AND RECOMMENDATIONS

Board staff offers no comments or recommendations.

BOARD ACTION

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

Academic Programs

Approved by Executive Director
August 2006 – October 2006

Boise State University
Establish a Center for Business & Economic Research
Discontinue Master of Arts in Education, Curriculum and Instruction, Option: Secondary Certification

University of Idaho
Certificate of Completion in Professional Writing

Professional - Technical Education Programs

Approved by Executive Director

Program Change	Institution
New 10-credit Postsecondary Technical Certificate – Professional Truck Driver Training	**EITC**
New Postsecondary Certificate option: Instrumentation and System Automation Assistant	**ISU**
Addition of a Postsecondary Technical Certificate – Machine Technology	**NIC**
Addition of an Advanced Technical Certificate to Drafting & Design Technology	**NIC**

REFERENCE: APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: III. POSTSECONDARY AFFAIRS
G. Program Approval and Discontinuance October 2005

4. Program Approval Policy

   b. Existing instructional programs, majors, minors, options, emphases and instructional units.

      (2) Changes, additions, expansions, and consolidations to existing instructional programs, majors, minors, options, emphases or instructional units with a financial impact of less than $250,000 require executive director approval prior to implementation. The executive director may refer any of the requests to the Board or a subcommittee of the Board for review and action. All modifications approved by the executive director shall be reported quarterly to the Board. Non-substantive name or title changes need not be submitted for approval.

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TAB	DESCRIPTION	ACTION
1	PRESIDENT'S COUNCIL REPORT	Information Item
2	IDAHO STATE UNIVERSITY PROGRESS REPORT	Information Item
3	IDAHO SCHOOL FOR THE DEAF AND THE BLIND PROGRESS REPORT	Information Item
4	IDAHO MUSEUM OF NATURAL HISTORY PROGRESS REPORT	Information Item
5a	IDAHO STATE HISTORICAL SOCIETY BOARD APPOINTMENT – DISTRICT 3	Motion to Approve
5b	IDAHO STATE HISTORICAL SOCIETY BOARD APPOINTMENTS – DISTRICT 6	Motion to Approve
6	EASTERN IDAHO TECHNICAL COLLEGE BOARD APPOINTMENT	Motion to Approve
7	FIRST READING – AMENDMETN TO BOARD POLICY III.V	Motion to Approve
8	FIRST READING – AMENDMENT TO BOARD POLICY BYLAWS J.	Motion to Approve
9	FIRST READING – AMENDMENT TO BOARD POLICYII.I.	Motion to Approve

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SUBJECT

Presidents' Council Report.

APPLICABLE STATUTE, RULE, OR POLICY

N/A

BACKGROUND

Monthly report given by the President of the Presidents' Council.

STAFF COMMENTS AND RECOMMENDATIONS

N/A

BOARD ACTION

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

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SUBJECT

Idaho State University Progress Report

APPLICABLE STATUTE, RULE, OR POLICY

N/A

BACKGROUND

Periodically, the institutions of higher education in the State of Idaho are requested to provide a progress report to the members of the State Board of Education. It has been about one year since Idaho State University has supplied an overview of its status and accomplishments.

DISCUSSION

Art Vailas, President of Idaho State University, will be in attendance at the meeting and present a summary of the accomplishments and future goals of the institution.

IMPACT

President Vailas' presentation will provide the State Board members and others with current status information about Idaho State University.

STAFF COMMENTS AND RECOMMENDATIONS

No staff comments or recommendations are needed at this time.

BOARD ACTION

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

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SUBJECT

Idaho School for the Deaf and the Blind Progress Report

APPLICABLE STATUTE, RULE, OR POLICY

N/A

BACKGROUND

In an effort to allow the agencies under the authority of the State Board of Education an opportunity to present to the State Board of Education on a more regular basis, one of the agencies will be making a presentation before the Board at each meeting. This report will be a progress report and an opportunity for the agency to supply an overview of its status and accomplishments.

DISCUSSION

Harvey Lyter, from the Idaho School for the Deaf and the Blind (ISDB), will be in attendance at the meeting and present a summary of the accomplishments and future goals of ISDB.

IMPACT

Mr. Lyter's presentation will provide the State Board members and others with current status information about the Idaho School for the Deaf and the Blind.

ATTACHMENTS

Attachment 1 – Annual Agency Presentation

STAFF COMMENTS AND RECOMMENDATIONS

No staff comments or recommendations are needed at this time.

BOARD ACTION

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

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Idaho School for the Deaf and the Blind

Annual Agency Presentation

to the

State Board Of Education

November 30 - December 1, 2006

Mr. Harv Lyter, Interim Superintendent
Mr. Jeff Woods, Director of Financial Services

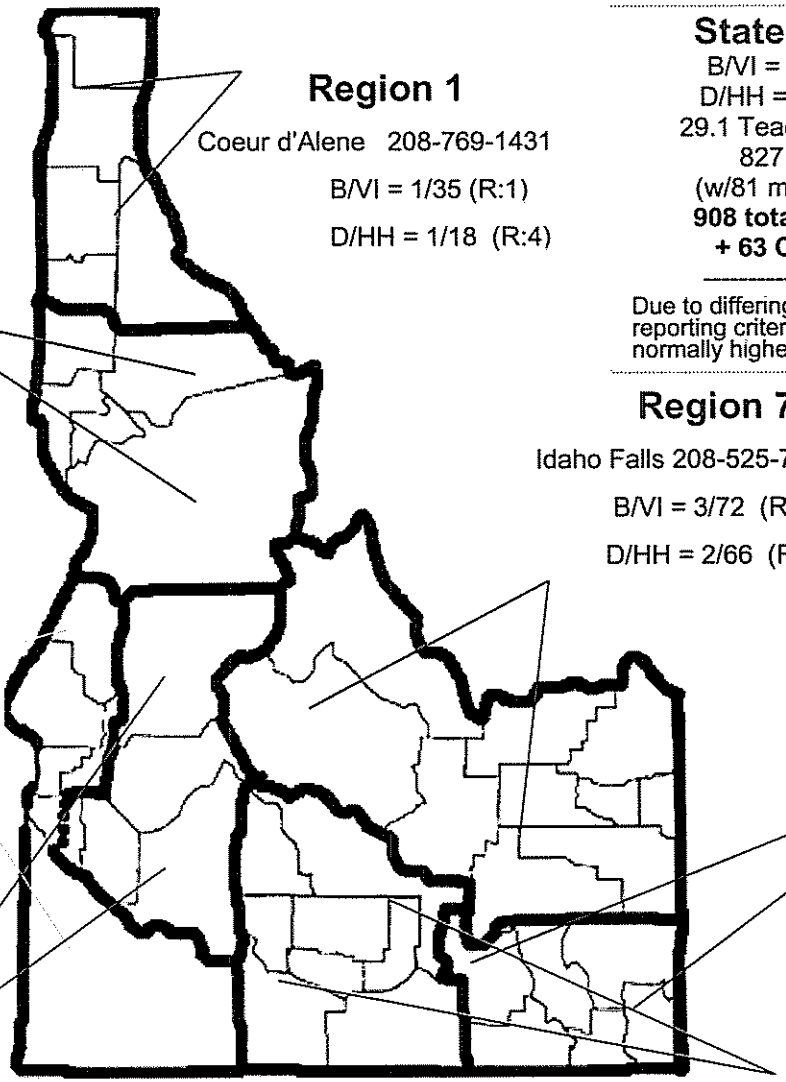
Presentation Overview

- Current state-wide Demographics
- Why we do What we do
- Response to 2006 JFAC Guidance & SBOE Recommendations
- Campus & Outreach Program Changes
- Realignment of Campus & Outreach Budget Elements
- Accomplished Teacher Pay Equity In-House
- Strategic Plan Issues & Impacts (thru Summer 2008)
- Closing Remarks & Questions & Answers

ISDB OUTREACH PROGRAM

Regional Information - a/o (Revised) October 31, 2006

Example of Data: 1/30 = 1 (FTE) Consultant-Teacher / 30 Students Served, (R:4) = 4 students under Review for program entry]



Region 1

Coeur d'Alene 208-769-1431

B/VI = 1/35 (R:1)

D/HH = 1/18 (R:4)

Region 2

Lewiston B/VI 208-746-2625

D/HH 208-746-2626

B/VI = 1/6 (R:2)

D/HH = 1/32 (R:0)

Region 3

Middleton 208-585-9475

B/VI = 2.5/74 (R:12)

D/HH = 2.2/83 (R:11)

Region 4

Boise 208-334-2079

B/VI = 2.5/47 (R:5)

D/HH = 4 / 200 (R:24)

D/HH Preschool / K-1 = 2.6/25 (R:0)

Region 5

Gooding 208-934-4457

B/VI = 2.3/51 (R:0)

D/HH = 2/77 (R:8)

Region 6

Pocatello 208-236-6057

B/VI = 1/18 (R:1)

D/HH = 1/23 (R:2)

Region 7

Idaho Falls 208-525-7298

B/VI = 3/72 (R:6)

D/HH = 2/66 (R:5)

State-Wide Totals

B/VI = 13.3 / 303 (R:27)

D/HH = 15.8 / 524 (R:54)

29.1 Teacher/Consultants for 827 student-clients

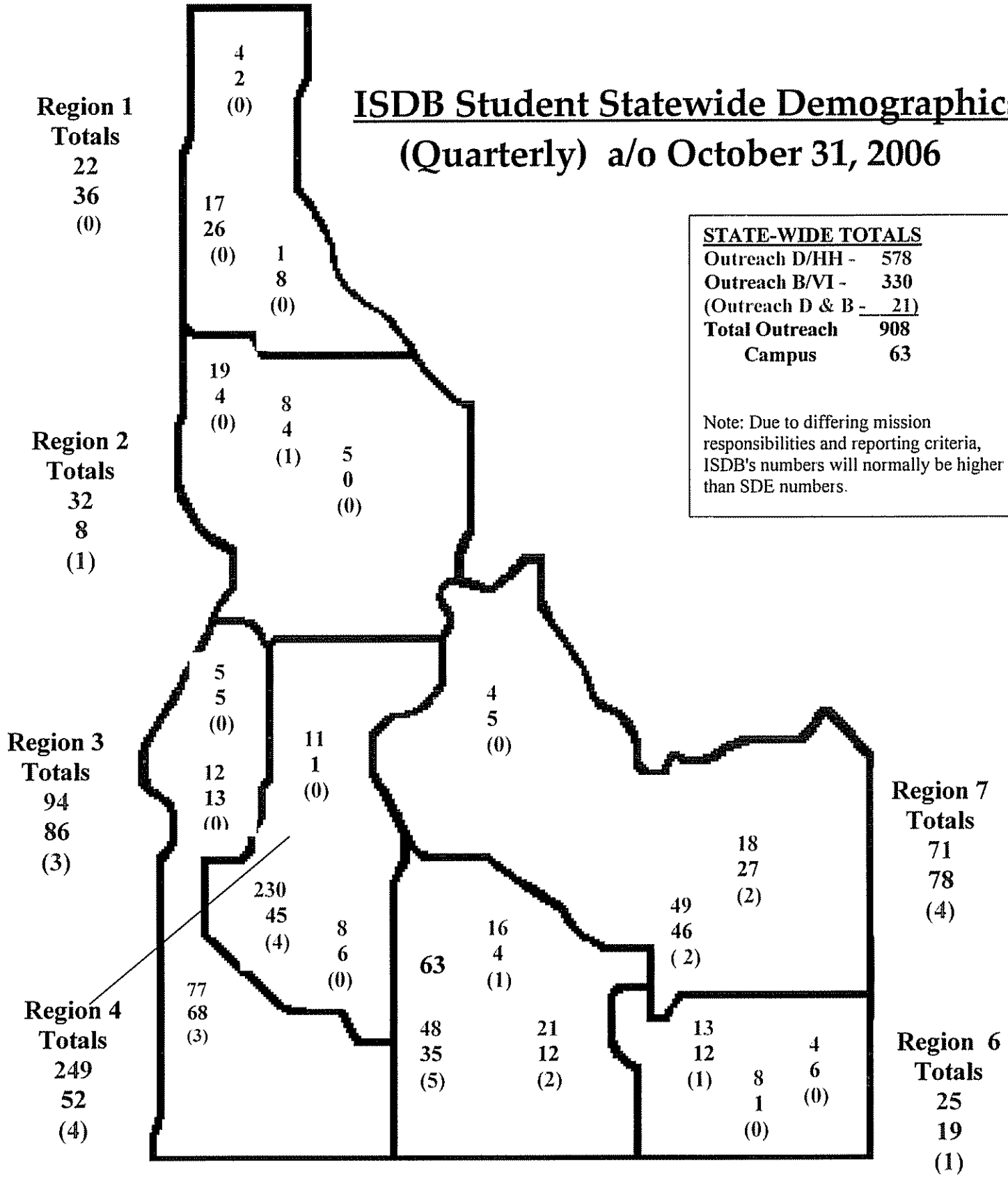
(w/81 more under Review)

908 total current case files

+ 63 Campus students

Due to differing mission responsibilities & reporting criteria, ISDB's numbers are normally higher than SDE's numbers.

ISDB Student Statewide Demographics
(Quarterly) a/o October 31, 2006



STATE-WIDE TOTALS	
Outreach D/HH -	578
Outreach B/VI -	330
(Outreach D & B -	21)
Total Outreach	908
Campus	63

Note: Due to differing mission responsibilities and reporting criteria, ISDB's numbers will normally be higher than SDE numbers.

Why ISDB does what we do ...

- Federal & State Law (IDEIA 2004, FAPE, ADA, idc § 33-3400s, & Interagency Agreements)

  -- Attached Handout; OPE Report summary- 9 recommendations, Oct 2005
- Offers cost-effective services most LEAs can't afford, if IEPs were fully implemented
- Curriculum; Modeled on National Agenda for D/HH & B/VI

  -- Attached Handout; Summaries & ISDB Implementation Report, Dec 2006
- Any new Service Delivery Model will have to fully meet all legal requirements, or state must accept significant liability-risk.

Complied with 2006 JFAC Guidance

- **3 FTEs transferred to Outreach this year** (5.19-C only = 3.0-OR)
  -- 7 positions transferred to Outreach over last three years
  -- another 2 positions under review for transfer
- **Closed 2 cottages**
  -- smoothly handled layoff of 7 personnel; already hired 2 back
  -- making "best use" of extra space for training programs
  & temporary accommodations
- **Spent bulk of personnel savings on Teacher Salaries**
  -- have a plan to catch up to Pay "policy" this year, but will have to furlough some FTEs to do it

2006-2007 CAMPUS Program

- Reduced 6 to 4 cottages, 48 students bed capacity - 32 students

  -- single gender accommodations; M & F, by Disability

  -- "extra" cottages used for instructional programs, visitor-rental spaces, etc
- Will have 3 USU student teachers 2nd semester
- 110+ Gooding District kindergarteners on Campus this year
- Full service Library provides "school" support
- Swimming pool will close due to boiler-heater breakdown

  -- will lose Gooding Recreation District rental income
- Should expand Independent Living Program from 2-3 weeks to full semester or even full senior year
- SBOE policy needed on long distance transportation of students; need to resolve responsibility & funding disputes with LEAs
- CSI program expansion plans

2006-2007 Outreach Program Changes

- Added 3.0 FTEs (Funding for 5.19 FTE transferred from Campus)
- Developed/Implemented use of Caseload vs. Workload Formula
- Moved Meridian office to Boise; Caldwell office to Middleton (adjusted center of client service areas)
- ISDB Media Center serves all Outreach offices & LEAs with Braille textbooks, loaner assistive technology equipment, etc
- ISDB appointed state-wide NIMAS / NIMAC support agency
  -- National Instructional Materials Accessibility **Standards** & **Center**.
  -- Media Center will distribute materials to LEAs via current system
- Expand Education Interpreter Training to $30K via increased SDE partnership (combined 05-06 SDE $$ this year)
- Took annual Parent Workshops Program out to regions this year

Educational Interpreter Act
-- anticipated future impacts

- Standards were long overdue and welcomed by professional Deaf educators
- Other states relate significant increase in Campus placement requests once LEAs feel the impacts
- Shortfalls become clear; Cost of keeping now marginally served students in LEAs rises sharply
- ISDB already has LEA inquiries; Highlights need for full-time Ed Interpreter Training Coordinator

Realign Campus & Outreach Budget Elements

- ISDB, DFM, LSO, & OSBE working to re-balance budget elements for more accurate reporting

  -- Most administrator salaries and some "support service" functions (i.e., Media Center, Vehicle maintenance, IT support, etc) should be split between both elements for more accurate reporting

  -- Significant Miss-Matches (mostly due to location, not function)

  1) Region 5 Outreach office still counted against Campus
  2) Ed Interpreter Training Coordinator still counted on Campus

- Future Service Delivery Model(s) may significantly change this balance once again

Strategic Planning Issues

(From now through summer 2008)

- Complete all recommendations for restructuring within our scope of authority (OPE, SBOE, JFAC '05 & '06)
- Operations-Funding-Personnel; shift for anticipated future Service Delivery Model changes

-- Must upgrade Ed Interpreter Training Coordinator to Full-Time FTE

-- Must continue expanding Outreach program to meet demand

-- Must explore opportunities for Treasure Valley residential program

-- Must formalize Treasure Valley Auditory-Oral program to create state-wide model

-- MUST maintain current services until new model is in place; Failure to do so creates significant liability risk for Idaho

CLOSING REMARKS

- Great Challenges & Great Opportunities lie ahead next over the next 2-3 years
- *Dedicated, Professional, Resourceful Staff; Agency is Up to Reorganization Challenge!*
- Doing the best we can Today under very challenging circumstances

Questions, Please !

SUMMARY of Nine (9) Recommendations from the October 2005 Report

By the Office of Performance Evaluations (JLOC - ID Legislature)

(parentheses = agency/body recommendation was "assigned" to for action.)

Chapter 2 (of the OPE report)

2.1: (*Legislature*) To ensure ISDB is operating according to legislative intent, and to provide accountability for ISDB services and functions, the Legislature should clarify the following areas of ISDB's authorizing statutes:

- Responsibilities
- Populations to serve and eligibility requirements
- Service models
- Compliance with federal requirements

2.2: (*ISDB*) To further clarify ISDB's responsibilities for providing education to sensory-impaired students, ISDB and cooperating agencies should revise their interagency agreements according to federal law and any changes in state statute.

2.3: (*SBOE*) To help ensure all students with sensory impairments in Idaho are provided a free and appropriate public education, the State Board of Education should ensure that school districts follow statutory requirements to annually report the number of sensory-impaired students in their districts to ISDB.

Chapter 3

3.1: (*ISDB*) To assist policymakers in making future decisions about the operation of the Gooding campus, ISDB should develop the following processes: Establish an ongoing process for tracking campus enrollment Use enrollment trend data and other available information to regularly project future enrollment Report enrollment trends and projections to the State Board of Education and the Legislature on an annual basis

3.2: (*Legislature - SBOE - ISDB, jointly*) To improve economic efficiency, ISDB should work with the State Board of Education to develop a plan that identifies opportunities to address rising costs per student and share the results of these efforts with the Legislature. For example, a plan should address appropriate staffing levels for administration, instruction, maintenance, support, student-teacher ratios, number of cottages in operation, and use of the facilities for other purposes.

Chapter 4

4.1: (*ISDB - Outreach*) To improve ISDB staff's ability to educate parents on communication options for their children, ISDB should take steps to ensure its staff understand the various options and can effectively communicate this information to parents.

4.2: (*ISDB & Meridian SD*) To avoid potential legal and financial disputes, ISDB should formalize its arrangement of providing instructors to teach classes within the Meridian School District in an interagency agreement pursuant to Idaho Code § 67-2332.

4.3: (*ISDB*) To better understand resource demands, ISDB should separately measure caseload and workload and report this information to legislative committees.

Chapter 5

5.1: (*SBOE & ISDB, jointly*) To clarify ISDB's intent to provide auditory-oral training to students with cochlear implants and to address parent dissatisfaction, the Idaho State Board of Education should develop policies and procedures for the school that address program vision and administration, teacher qualifications and training, and curriculum development. Input from parents and ISDB staff should be sought during policy development.

Implementing the National Agendas for Education of Blind/Visually-Impaired and Deaf/Hard-of-Hearing Students in Idaho

An ISDB Progress Report

December 2006

<table>
<tr><th colspan="2">National Agenda Goals</th></tr>
<tr><th>Blind/Visually Impaired</th><th>Deaf/Hard-of-Hearing</th></tr>
<tr><td>Goal 1. Students and their families will be referred to an appropriate education program within 30 days of identification of a suspected visual impairment.</td><td>Goal 1. Early Identification and Intervention The development of communication, language, social, and cognitive skills at the earliest possible age is fundamental to subsequent educational growth.</td></tr>
<tr><td colspan="2">◦ ISDB collaborates with Idaho Sound Beginnings, Health & Welfare and Public Health Dept. in early identification
◦ Idaho conducts universal newborn screening for hearing loss
◦ ISDB Outreach collaborate with hospitals for vision screening
• Idaho's early identification and referral system has ranked highly in comparison with other states for many years</td></tr>
<tr><td>Goal 2. Policies and procedures will be implemented to ensure the right of all parents to full participation and equal partnership in the education process.</td><td>Goal 3. Collaborative Partnerships Partnerships which will influence education policies and practices to promote quality education for students.</td></tr>
<tr><td>Goal 9. Transition services will address developmental and educational needs (birth through high school) to assist students and their families, in setting goals and implementing strategies through the life continuum commensurate with the student's aptitudes, interests and abilities.</td><td></td></tr>
<tr><td colspan="2">◦ All ISDB programs are in full compliance with IDEA Part B (school age) and Part C (early intervention and parent education)
◦ ISDB ensures that parents and related stakeholders are partners in planning and implementing the child's education plan
◦ ISDB actively collaborates with public schools, SDE, H & W, CDHH, ICBVI, private providers, Head Start, A.G. Bell Association, Hands & Voices, medical community, university partners, among others.
◦ Early and Secondary Transition programs are developed and in place to meet needs of students at all functioning levels.
• ISDB uniquely provides post-secondary transition services for graduates, above and beyond the requirements of IDEA.</td></tr>
</table>

Goal 3. Universities, with a minimum of one full-time faculty member in the area of visual impairment, will prepare a sufficient number of educators of students with visual impairments to meet personnel needs throughout the country.	**Goal 7. Professional Standards and Personnel Preparation New collaborations and initiatives among practitioners and training programs must address the serious shortage of qualified teachers and administrators.**
• **Idaho SDE has a current agreement with Portland State University for training of Teachers of the Visually-Impaired.** • **Idaho State University has a Master's level program for training certified teachers to gain deaf/hard-of-hearing certification.** • **ISDB employs a part-time Educational Interpreter Coordinator who coordinates efforts by ISDB/CDHH/ISU/SDE to increase the availability of qualified educational interpreters statewide.** • **ISDB provides annual training for para-pros from districts who work with BVI students.**	
Goal 4. Service providers will determine caseloads based on the needs of students and will require ongoing professional development for all teachers and orientation and mobility instructors.	
• **ISDB determines appropriate staffing for BVI and DHH Outreach positions based on a caseload/ workload formula.**	
Goal 5. Local education programs will ensure that all students have access to a full array of placement options.	**Goal 5. Placement, Programs, and Services The continuum of placement options must be made available to all students with the recognition that natural and least restrictive environments are intricately tied to communication and language.**

• **ISDB supports the full continuum of placement options with campus and Outreach support and has for the past 30 years**
• **Responsive to regional needs**
  ○ **Auditory-oral program in Treasure Valley**
  ○ **Regional pre-schools**
  ○ **O & M Specialist for Outreach**
  ○ **Sign language classes in regions**
  ○ **Outreach staffing increased as budgeting allows to meet growing needs**	

Goal 6. Assessment of students will be conducted, in collaboration with parents, by personnel having expertise in the education of students with visual impairments.	**Goal 4. Accountability, High Stakes Testing, and Standards-Based Environments: Instruction for students must be data-driven and must focus on multiple measures of student performance.**

<table>
<tr><td colspan="2">

ISDB is in compliance with NCLB and state-mandated assessments
ISDB uses multiple measures to assess student performance and needs conducted by trained personnel.

</td></tr>
<tr><td>Goal 7. Access to developmental and educational services will include an assurance that instructional materials are available to students in the appropriate media and at the same time as their sighted peers.</td><td></td></tr>
<tr><td colspan="2">

ISDB manages and distributes instructional and assistive equipment and materials for students and schools to meet this goal.

Media Center supplies instructional materials to BVI students in the appropriate learning media statewide. ISDB is the currently identified NIMAC for the state.
ISDB is the Captioned Media distribution center.
ISDB loans assistive technology to districts for BVI and DHH students.

ISDB provides training to schools and students in the use of assistive technology.

</td></tr>
<tr><td>Goal 8. Educational and developmental goals, including instruction, will reflect the assessed needs of each student in all areas of academic and disability-specific core curricula.</td><td>Goal 2. Language and Communication Access All children deserve a quality communication-driven program that provides education together with a critical mass of communication, age, and cognitive peers, as well as language proficient teachers and staff who communicate directly in the child's language.</td></tr>
<tr><td colspan="2">

ISDB serves the full array of students at all ages and performance levels (multi-handicapped to regular education).
ISDB instructs students in expanded core curricula and disability-specific skills.
ISDB staff has knowledge of the continuum of language/communication needs from auditory/oral to American Sign Language (ASL).

</td></tr>
<tr><td>Goal 10. To improve student learning, service providers will engage in on-going local, state, and national professional development.</td><td>Goal 8.Research Federal and state dollars should be spent on effective, research-based programs and practices.</td></tr>
<tr><td colspan="2">

ISDB uses research-based practices to develop and implement programs and services

Accesses training from educational and disability-specific experts for staff and parents
Provides professional development based on current educational research
Conducts annual curriculum development with staff
Hosts Family Weekend/Workshops annually

</td></tr>
</table>

National Agenda

For Moving Forward on Achieving Educational Equality for Deaf and Hard of Hearing Students

The National Agenda proposes the following goals for re-making the educational delivery system for deaf and hard of hearing children and thereby freeing them to learn:

Goal 1- Early Identification and Intervention
The development of communication, language, social, and cognitive skill at the earliest possible age is fundamental to subsequent educational growth for deaf and hard of hearing students.

Goal 2 - Language and Communication Access
All children who are deaf and hard of hearing deserve a quality, communication-driven program that provides education together with a critical mass of communication, age, and cognitive peers, as well as language-proficient teachers and staff who communicate directly in the child's language.

Goal 3 - Collaborative Partnerships
Partnerships which will influence education policies and practices to quality education for students who are deaf and hard of hearing must be explored.

Goal 4 - Accountability, High Stakes Testing, and Standards-Based Environments
Instruction for students who are deaf and hard of hearing must be data driven and must focus on multiple measures of student performance.

Goal 5 - Placement, Programs, and Services
The continuum of placement options must be made available to all students who are deaf and hard of hearing, with the recognition that natural and least restrictive environments are intricately tied to communication and language.

Goal 6 – Technology
Accommodations, assistive and adaptive technologies, and emerging technologies must be maximized to improve learning for students who are deaf and hard of hearing.

Goal 7 – Professional Standards and Personnel Preparation
New collaborations and initiatives among practitioners and training programs must address the serious shortage of qualified teachers and administrators.

Goal 8 - Research
Federal and state dollars should be spent on effective, research-based programs and practices

The National Agenda for Moving Forward on Achieving Educational Equality for Deaf and Hard of Hearing Students brings forward a set of priorities stated as goals that are designed to bring about significant improvement in quality in nature of educational services and programs for deaf and hard of hearing students. It is brought forward as an "agenda" or a list of things to be done in order to close the achievement gap that exists for our students. It is our belief that having an "agenda" would keep us focused on our priorities. Key to all the recommendations is the belief that communication access is a fundamental human right and that every deaf and hard of hearing child must have full access to all educational services.

The National Agenda is a unique document because it represents a collaboration of parents, professionals and consumers working as equal partners to achieve a common vision. No single individual, school, or organization created the National Agenda. The National Agenda Advisory Group received thousand of comments and suggestions during the period of public input and each had a voice in the development of the National Agenda.

The National Agenda is organized around eight (8) goals – each with a goal area, a goal statement, background information about the goal and a series of objectives to achieve the goal. For each objective there is a rational for its selection. Its time to move the National Agenda off the printed page and into the hands of local schools, agencies, special schools and organizations to begin to make changes that will effect the individual children and their families in this country. With enthusiastic leadership and collaborative efforts at the federal, state and local level, many of these goals can be translated into action plans and ultimately public policy and accepted practice in education of deaf students.

We hope that those of you who have become discontent with the "status quo" will use the National Agenda to finally and fundamentally improve educational programming for students who are deaf and hard of hearing.

For more information about *The National Agenda,* please contact the Steering Committee members:

Ms. Claire Bugen, Superintendent
Texas School for the Deaf
1102 South Congress
Austin, Texas 78704
(512) 462-5353 (v/tty)
fax (512) 462-5313
www.tsd.state.tx.us

Dr. Jay Innes, Director,
Gallaudet Leadership Institute
GUKCC 3329,
800 Florida Avenue, NW
Washington, DC 20002
202.448.7028 (tty/v)
202.651.6229 (fax)

Mr. Dennis Russell, Superintendent
New Jersey School for the Deaf
PO 535, Trenton, New Jersey 08625-0535
(609) 530-3100 voice (609) 530-6620 TTY
(609) 530-5791 FAX

Mr. Lawrence Siegel, Exec. Director
National Deaf Education Project
info@ndepnow.org

National Agenda

for the Education of Children and Youths with Visual Impairments, Including Those with Multiple Disabilities

The National Agenda for the Education of Children and Youths with Visual Impairments, Including Those with Multiple Disabilities sets forth in clear and concise terms a vision and plan of action for the future of the education of children who are blind or visually impaired, as well as those who are visually impaired and have other disabilities. *The National Agenda* is comprised of the following ten goals:

Goal 1 – Students and their families will be referred to an appropriate education program within 30 days of identification of a suspected visual impairment. Teachers of students with visual impairments will provide appropriate quality services.

Goal 2 – Policies and procedures will be implemented to ensure the right of all parents to full participation and equal partnership in the education process.

Goal 3 – Universities with a minimum of one full-time faculty member in the area of visual impairments will prepare a sufficient number of teachers and O&M specialists for students with visual impairments to meet personnel needs throughout the country.

Goal 4 – Caseloads will be determined based on the assessed needs of students.

Goal 5 – Local education programs will ensure that all students have access to a full array of service delivery options.

Goal 6 – All assessments and evaluations of students will be conducted by and /or in partnership with personnel having expertise in the education of student with visual impairments and their parents.

Goal 7 – Access to developmental and educational services will include an assurance that instructional materials are available to students in the appropriate media and at the same time as their sighted peers.

Goal 8 – All educational goals and instruction will address the academic and expanded core curricula based on the assessed needs of each student with visual impairments.

Goal 9 – Transition services will address developmental and educational needs (birth through high school) to assist students and their families, in setting goals and implementing strategies through the life continuum commensurate with the student's aptitudes, interests, and abilities.

Goal 10 – To improve student learning, service providers will engage in on-going local, state, and national professional development.

The National Agenda is a grassroots effort by professionals and parents to ensure that children with visual impairments, including those with multiple disabilities, are not left behind or overlooked in today's fast-paced and generic service delivery model. Whether they are living at home and attending local community schools or any other place and eligible to receive vision-specific services, *The National Agenda* provides guidelines to their caretakers and educational personnel about what appropriate services for a child who is blind or visually impaired should entail. The structure of the organization consists of two parent co-chairs and two professional co-chairs; a steering committee made up of parents, professionals, and adults with visual impairments; and national goal leaders for each of the ten goals. All but a handful of states have state coordinators, often both parents and professionals, who provide local leadership and communicate with the national leadership about the status of goal implementation within their states. In addition, *The National Agenda* has been replicated in other parts of the world: England, Wales, New Zealand, and Australia.

For more information about *The National Agenda*, please feel free to contact any of the Co-Chairs:

Dr. Kathleen Huebner, Associate Dean
Department of Graduate Studies
Pennsylvania College of Optometry
Elkins Park Campus
8360 Old York Road
Elkins Park, PA 19027
215/780-1361 FAX: 215/780-1357
Email: kathyh@pco.edu

Ms. Brunhilde Merk-Adam
29260 Franklin Rd #403
Southfield, MI 48034
248/356-8615
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Ms. Donna Stryker
15554 Space Murals Lane
Las Cruces, NM 88011
505/373-2596 FAX: 505/524-8080
Email: ForeverD@zianet.com

Dr. Karen Wolffe
2109 Rabb Glen Street
Austin, TX 78704
512/707-0525 FAX: 512/707-8227
Email: wolffe@afb.net

Please check the National Agenda Web site frequently for new information and materials that have been developed by the National Agenda Steering Committee and state affiliates. The Internet address is: www.tsbvi.edu/agenda/

Thank you for your interest in and support of the *National Agenda for the Education of Children and Youths with Visual Impairments, Including Those with Multiple Disabilities.*

INSTITUTION / AGENCY AGENDA
IDAHO MUSEUM OF NATURAL HISTORY

SUBJECT
A general overview of the Idaho Museum of Natural History.

APPLICABLE STATUTE, RULE, OR POLICY
Idaho State Board of Education Governing Policies & Procedures, Section 1.A.1.
Section 33-3012, Idaho Code

BACKGROUND
In May 1977, the Idaho State Board of Education adopted a resolution requesting that Governor John Evans designate the Idaho State University Museum as the Idaho Museum of Natural History (IMNH); he signed this proclamation on July 1, 1977. In 1986, the Idaho State Legislature confirmed the governor's proclamation by enacting legislation that formally designated the Museum as the official state museum of natural history (Idaho Statute 33-3012).

IMNH now exists as a Special Program of Public Service (with separate line-item funding) of the Idaho State Board of Education, with Idaho State University providing additional support, advocacy and supervision.

DISCUSSION
It is the mission of the Idaho Museum of Natural History to actively nurture an understanding of and delight in Idaho's natural and cultural heritage. As the official state museum of natural history, it acquires, preserves, studies, interprets and displays natural and cultural objects for Idaho residents, visitors and the world's community of students and scholars. The Museum also supports and encourages Idaho's other natural history museums through mentoring and training in sound musicological practices.

IMPACT
IMNH is well recognized by its constituents and colleagues for outstanding research, collections, and interpretation of Idaho's natural and cultural treasures. We consistently draw diverse and increasing patronage from scholars, educational institutions, and the public-at-large.

IMNH pursues programs in collections enhancement and research to support its mission.

Interpretive programs are based on audience input, academic research and professional standards, and are scholarly, meaningful, accessible and engaging.

Other Idaho natural history museums benefit from IMNH resources and services. Research, collections, and interpretation have an ample and appropriate facility in accordance with all accepted standards of curation, care and delivery.

INSTITUTION / AGENCY AGENDA
IDAHO MUSEUM OF NATURAL HISTORY - continued

Partners—educators, businesses, state and federal agencies, and other community service organizations and individuals—are actively engaged in fulfilling the IMNH mission through contributions of funding, time, expertise and advocacy.

ATTACHMENTS

Attachment 1 – Handout of PowerPoint Slides

STAFF COMMENTS AND RECOMMENDATIONS

No staff comments or recommendations are needed at this time.

BOARD ACTION

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

REFERENCE - APPLICABLE STATUTE, RULE, OR POLICY

State Board of Education Policies and Procedures

Section I Governing Policies and Procedures

A. Policy Making Authority

1. Definition

The Governing Policies provide broad basic principles that generally form the foundation for Board procedures. The State Board of Education and the Board of Regents of the University of Idaho (hereinafter referred to as the Board) intends each organization under its governance to follow the policies and procedures outlined herein. As used throughout these policies and procedures, unless otherwise specified, "institutions" refers to Boise State University, Idaho State University, Lewis-Clark State College, University of Idaho and Eastern Idaho Technical College. "Agencies" refers to the State Department of Education, Idaho Educational Public Broadcasting, the Idaho Division of Professional-Technical Education, the Idaho Division of Vocational Rehabilitation, and the Office of the State Board of Education. "School" refers to the Idaho School for the Deaf and the Blind.

Idaho State Statute

TITLE 33
EDUCATION
CHAPTER 30
IDAHO STATE UNIVERSITY

33-3012. STATE MUSEUM OF NATURAL HISTORY. (1) Recognizing the importance of our natural heritage to the citizens of the state of Idaho, and the need for a state museum of natural history which would preserve and interpret natural history objects and which would provide educational services about our natural heritage for both residents and visitors through its own facilities and by supporting and encouraging local and municipal natural history museums throughout the state of Idaho, there is hereby created and established at Idaho State University a state museum of natural history to be known as the Idaho museum of natural history, where tangible objects and documents reflecting our natural heritage may be collected, preserved, studied, interpreted, and displayed for educational and cultural purposes.

(2) The Idaho museum of natural history may receive gifts, contributions, and donations of all kinds for the purpose of support and maintenance of the museum, and may receive tangible objects and specimens for the development of collections, educational programs and exhibits.

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Idaho Museum of Natural History

Where Giant Prehistoric Bison Still Roam…

Founded in 1934

- Established by a group of professors in an effort to collect, preserve and display the region's natural and cultural heritage.

Designated as "Idaho Museum of Natural History" in 1977

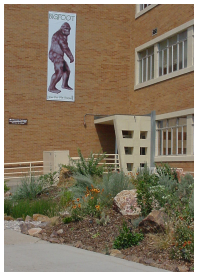
- Name officially changed by resolution adopted by State Board of Education and signed by Governor John Evans.

Designated as Idaho's official museum of natural history in 1986

- Idaho State Legislature enacted legislation that formally designated the IMNH as the state's official museum of natural history.

2009 Marks Museum's 75th Anniversary

- Initial planning is already underway for special events and activities to celebrate the IMNH's 75th year of existence.



The Three Faces of the IMNH

- Public Programs
- Collections
- Research

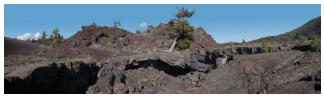
PUBLIC PROGRAMS

- Exhibits
- Lectures and Presentations
- Field Trips
- Children's Activities

EXHIBITS

- The IMNH strives to offer at least two new exhibits each year.
- Recent exhibits have included "The Flows: Photography and Poetry of the Great Rift" and "Bigfoot: How Do We Know?"
- Future exhibit topics include "The Gem State: Rocks and Minerals of Idaho" and "Idaho's Snakes."

EXHIBITS



These photos, along with others by Tim Frazier and Dr. Roger Boe, graced the recent exhibit, "The Flows: Photography and Poetry of the Great Rift."

EXHIBITS

"Bigfoot: How Do We Know?" uses this intriguing phenomenon to delve into the different aspects of knowing that make up our perceptions of the world.

LECTURES & PRESENTATIONS

CHILDREN'S ACTIVITIES

- School Visits
- Children's Classes
- Science Trek
- Science-in-Depth
- Forays into the Field

RESOURCES FOR TEACHERS

- Education Resources Center
- Discovery Boxes

COLLECTIONS

- The IMNH holds more than 500,000 artifacts in areas including anthropology, paleontology, archaeology, botany and ethnographic materials.

COLLECTIONS

- The IMNH is the official state repository and we hold items for state and federal agencies including the Bureau of Land Management and the Bureau of Reclamation.

RESEARCH

- Research is a vital component to the IMNH mix. Both in the field and in the lab, scientists are examining Museum collections hoping to unlock mysteries of the past.

SPECIAL PROJECTS

- The IMNH has been fortunate to be awarded a number of grants to fund special projects.
- Recent projects include the following slides:

IN STEP WITH LEWIS & CLARK

- Earlier this year, the Idaho Governor's Lewis & Clark Trail Committee granted the IMNH nearly $30,000 to produce a radio series that looks at the Lewis & Clark journey from a natural history perspective.

IDAHO NATURAL HISTORY GARDEN

- Last spring, the IMNH received $5,000 from the Ifft Foundation Fund to create a native plant garden.

IMNH ON THE ROAD

- Just recently, the IMNH was awarded a grant for nearly $33,000 from the Institute of Museum and Library Services to create a comprehensive, proactive traveling exhibits program.

INSTITUTE of Museum and Library SERVICES

HOW YOU CAN GET INVOLVED!

- Volunteer
- Become a Member
- Take a Class

HOW YOU CAN SUPPORT US!

- Visit us and learn what we are about
- Sponsor one of our programs or exhibits
- Make a general donation
- Use our resources
- Tell a friend about us

LOOK FOR US IN THE NEWS!

- Information on the IMNH's activities and exhibits regularly appear in print as well as on television and radio.

QUESTIONS?

- If you'd like to know even more about the Idaho Museum of Natural History and our activities, please feel free to give call us at 208-282-3168, stop by our offices or visit our website at http://imnh.isu.edu. We send out an e-newsletter twice a month to update people on upcoming events. We'd be happy to add you to that list.
- Thank You!!

INSTITUTION/AGENCY AGENDA
IDAHO STATE HISTORICAL SOCIETY

SUBJECT
District 3 appointment to the Idaho State Historical Society Board of Trustees.

APPLICABLE STATUTE, RULE, OR POLICY
Idaho State Board of Education Governing Policies & Procedures, Section IV.G.1.b.(2)

BACKGROUND
The State Board of Education is responsible for appointment to the Idaho State Historical Society Board of Trustees.

DISCUSSION
A vacancy on the Board of Trustees of the Idaho State Historical Society will occur on January 1, 2007, when Tony Edmondson (Weiser) completes his second, six-year term.

The Idaho State Historical Society issued a news release to all media in District 3, which encompasses Adams, Canyon, Gem, Owyhee, Payette, and Washington counties. In addition, a notice was mailed to all historical societies and museums in the district.

The search produced one interested individual: Fred Walters, Cambridge. A nominating committee comprised of ISHS Trustees Tom Blanchard, Judy Meyer, and Jesse Walters reviewed the applications and an interview was conducted.

At its October 20, 2006, quarterly meeting, the Idaho State Historical Society Board of Trustees reviewed the findings of the nominating committee. Subsequently, and despite there being only one candidate, the ISHS Board of Trustees unanimously recommended that due to his outstanding qualifications Fred Walters of Cambridge (vita attached) be appointed to fill the District 3 vacancy.

IMPACT
N/A

ATTACHMENTS
Attachment 1 – Fred Walters Vita

STAFF COMMENTS AND RECOMMENDATIONS
Staff recommends approval of the appointment of Fred Walters to the Idaho State Historical Society Board for a term starting January 1, 2007 to December 31, 2013.

INSTITUTION/AGENCY AGENDA
IDAHO STATE HISTORICAL SOCIETY - continued

BOARD ACTION

To approve the appointment of Fred Walters to the Idaho State Historical Society Board for a term starting January 1, 2007 to December 21, 2013.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

REFERENCE – APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: IV. ORGANIZATION SPECIFIC POLICIES AND PROCEDURES
Subsection: G. Idaho State Historical Society April 2002

G. Idaho State Historical Society

The Idaho State Historical Society (ISHS) is responsible for collecting, preserving, and displaying artifacts and information illustrative of Idaho history, culture, and society. Through its educational programs for children and adults, it promotes and encourages interest in the history of Idaho. The society maintains the State Archives, the State Museum, state-owned historic sites, the Oral History Center, the State Historical Library, and the State Genealogical Library. The State Historical Society also maintains the Office of the State Archaeologist.

1. State Historical Society Board

   a. The State Historical Society Board of Trustees shall be appointed by the State Board of Education as provided for in Idaho Code §67-4124.

   b. Board Appointment Procedures:

      (1) Incumbent Reappointment
      In the event that the incumbent candidate has served only one term and is interested in reappointment, the Board of Trustees shall forward a recommendation to the Board, along with a letter of interest and statement of qualifications for the incumbent. The State Board of Education may choose to reappoint the incumbent without soliciting other candidates, thus completing the appointment procedures. If there is no incumbent seeking reappointment, or if the Board chooses not to reappoint an incumbent, the procedures are as outlined in item (2).

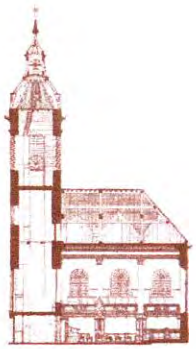
      (2) Open Appointment

         (a) The State Historical Society Board of Trustees, on behalf of the State Board of Education, will advertise the vacancy in the Society's publications, and through other regional and local historical societies. Such advertisement will solicit interested persons to apply for the vacant position on the ISHS Board of Trustees.

         (b) Each applicant must provide a written statement expressing his or her interest in becoming a trustee of the ISHS. Each applicant must also

provide evidence of his or her qualifications for the position, relative to the requirements of § 67-4124, Idaho Code. Lastly, each applicant must identify his or her primary residence.

(c) The ISHS Board of Trustees will review all applications for the vacant trustee position and conduct interviews as deemed necessary. The purpose of the review of applications is to eliminate from further consideration all but the most qualified applicants.



FREDERICK L. WALTERS
Historical Architect • Architectural Conservator
2752 Burton Lane, P.O. Box 437, Cambridge, Idaho 83610

Office: 208-257-4228 Email: flwarch@ctcweb.net

Tuesday, September 5, 2006

Steve Guerber
Executive Director
Idaho State Historical Society
2205 Old Penitentiary Road
Boise, Idaho 83712

Re: Board of Trustees application

Dear Mr. Guerber:

I am writing to apply for the Idaho State Historical Society Trustee for District 3 that will open on January 1, 2007. Enclosed please find the requested résumé and reference list.

For most of the past 35 years I have been professionally involved with the history of Idaho. In September of 1972, I started work for the Idaho State Historical Society constructing interpretive displays and assisting the curators in object conservation. When the State Historic Sites program was begun in 1975, I was appointed its first administrator with an office at the Old Penitentiary site. I remained in that position until 1978, leaving formal employment with the Society to pursue a post-graduate degree in the Conservation of Historic Structures in York, England. Returning to Idaho in 1979, I worked as an architectural conservation consultant for the State Historic Preservation Office until 1986. Following several years on the east coast working in architectural conservation, my family returned to the West in 1993, settling in Oregon. In 1994, the Idaho Heritage Trust retained my services to provide architectural technical assistance for their grant program. This position has required extensive travel throughout Idaho, averaging 40 building assessments a year and over 400 grants projects.

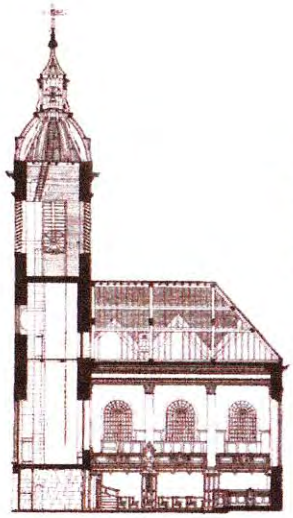
In 1993, I received my license to practice architecture and initiated my private practice in historical architecture. My wife and I relocated to Cambridge, Idaho, in December 2005, where I continue to practice in both the public and the private field.

The majority of my professional career has involved the history of Idaho as revealed through its built environment. From this perspective, I believe I can contribute to the vital work of the Idaho State Historical Society in preserving Idaho history. Thank you.

Sincerely,

Frederick L. Walters

Frederick L. Walters



FREDERICK L. WALTERS
Historical Architect • Architectural Conservator
2752 Burton Lane, P.O. Box 437
Cambridge, Idaho 83610

Education:
University of New Mexico
BA: English Literature - cum laude 1970
Institute of Advanced Architectural Studies, University of York, York, England. Post-Graduate Diploma: Conservation of Historic Buildings 1979.

Registration Status:

• Registered Architect •
Oregon No. 3585 • Idaho No. AR-2299
Nevada No. 4717 • Washington No. 8831
NCARB Certificate No. 47442

Affiliations:
American Society of Civil Engineers:
Standards Committee on Condition Assessment of Existing Buildings:
1984 - 2000
1) Member • Subcommittee on Structural Condition Assessment of Existing Buildings.
2) Member • Subcommittee on Standard Guidelines for Seismic Rehabilitation of Existing Buildings.
3) Member • Subcommittee for Condition Assessment of the Building Envelope.

Presentations:
Papers have been presented to:
National Park Service • Presentation at Ebey's Landing National Historical Reserve • 2005
AIA • CSI Products Conference '01
Oregon History Conference '00
Univ. of Oregon Historic Preservation Field School. '99 to present

Teaching:

Adjunct Assistant Professor
University of Oregon • School of Architecture and Allied Arts
Preservation Technology:
Historic Masonry • 1996-2004
Condition Assessment of Historic Buildings • 1998-2004

Awards:
The Maryland Historical Trust
Honored for Architectural Conservation work on Patapsco Female Institute Ruins Stabilization Project, November 1996

Distinguished Preservationist Award
Idaho Historic Preservation Council 1998

References:
Listing available on request.

Experience:

Research & Investigations:

Historical Research, Condition Assessment, and Evaluation studies have been conducted for more that 240 buildings in the past 24 years, encompassing 18th, 19th, and 20th century structures, contemporary high rise to historic buildings, spanning from vernacular through classical.

Ebey's Landing National
Historical Reserve
Historic Structures Report for Ferry House (1859), Jacob Ebey (1860), Jacob Ebey Blockhouse, Rockwell House, Reuble Barn, Whidbey Island, Washington, National Park Service 2000-present

San Juan Island National Historical Reserve, San Juan Island, WA
Historic Structure Reports for 2 structures at American Camp and 4 structures at English Camp, National Park Service 2002-present

Vista House, Columbia River Highway,
State of Oregon, built 1917; National Historic Landmark; Building Material Conservation Report, 1995-1998

Historic Rustic Style Buildings of Silver Falls State Park,
State of Oregon Four Buildings Constructed by the Civilian Conservation Corps (CCC) - 1935-1940; Conservation Study for Building Envelope Rehabilitation
1998-1999.

Mount Rainier National Park
Historic Structures Reports for four (4) National Historic Landmarks;
Longmire Community Building 1998
Administration Building 1999
Paradise Inn 2000
Sunrise Stockade 2001
National Park Service, 1998-2003

Construction Projects:

Consultation/employment with Architectural & Engineering firms has included experience with Design & Construction Services; these services include preliminary and working drawings, specifications, bidding documents & project administration.

Silver City School Building, Silver City, Idaho, Historic Assessment and Construction Documents for restoration of 1892 structure, including structure, exterior envelope, brick chimney, windows, doors, and ADA access; prepared for Historic Silver City Foundation, Inc, 2004-2006

Reuble Barn Stabilization, Ebey's Land National Historical Reserve, Coupeville, Washington; Assessment and Construction Documents for historic barn; prepared for National Park Service, 2004-2005

Mt. Constitution Tower, Orcas Island, WA Assessment, Evaluation, & Design Development documents for 1938 observation tower; Washington State Parks, prepared for CH2M Hill Engineers, 2002-2004.

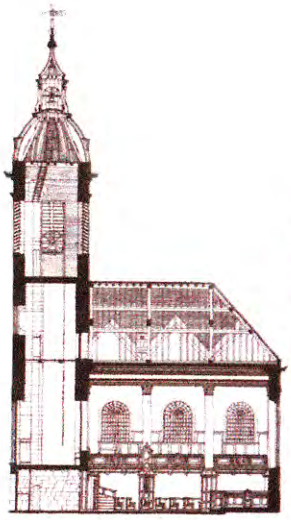
Pocatello High School,
Pocatello, Idaho; constructed 1934; terra cotta and masonry rehabilitation; details and specifications, prepared for Myers-Anderson Architects, 1998.

Vista House, Columbia River Highway
Develop Conservation Documents for Historic Steel Windows Restoration; Balcony Deck; Stone Veneer; Tile Dome; prepared for Oregon Parks and Recreation Department, 1997-2003

Coeur d'Alene Mission of Sacred Heart
National Historic Landmark, Cataldo, Idaho, built 1848-1853; Develop Conservation Documents for Wood Columns and Facade, 1997-2003

Ada County Courthouse, Boise, Idaho,
8 story mid-rise, stone clad concrete frame, built 1927; stone cladding repair & roof replacement, parapet wall repair; prepared for CH2M Hill, 1994-1995.

South Falls Lodge Conservation and Rehabilitation Project, Silver Creek Falls State Park, Silverton Oregon; construction documents for exterior envelope conservation, prepared for Oregon Parks and Recreation Department, 1998-1999.



FREDERICK L. WALTERS
Historical Architect • Architectural Conservator
2752 Burton Lane, P.O. Box 437, Cambridge, Idaho 83610

References

Professional and personal reference may be requested by directly contacting the following firms, organizations, and individuals

Professional References:

The Idaho Heritage Trust
P.O. Box 830
Weiser, Idaho 83672
(208) 549-1788
Gaetha Pace
Executive Director

National Park Service
Columbia Cascades Sys Support Ofc
909 First Avenue
Seattle, WA 98104-1060
(206) 220-4000

Stephanie Toothman
Regional Preservation Administrator
Hank Florence
Historical Architect
Gretchen Luxenberg
Historian

University of Oregon
School of Architecture and Allied Arts
Eugene, Oregon 97403-5249
(541) 346-2993

Donald L. Peting, Director Emeritus
Historic Preservation Program

Oregon Department
of Parks & Recreation
725 Summer St. E,,Suite C
Salem, Oregon 97301-1271
(503) 986-0707

Matt Reynolds
Engineering Division

Washington State Parks
& Recreation Commission
7150 Cleanwater Lane
P.O. Box 42650
Olympia, Washington 98504-2650

Gerry Tays
Planning Division
360-902-8693

Personal Reference:

University of Idaho: Boise
GAR Building, State Street
Boise, Idaho 83702
(208) 344-2999

Martin L. Peterson
Assistant to the President

INSTITUTION/AGENCY AGENDA
IDAHO STATE HISTORICAL SOCIETY

SUBJECT
District 6 appointment to the Idaho State Historical Society Board of Trustees.

APPLICABLE STATUTE, RULE, OR POLICY
Idaho State Board of Education Governing Policies & Procedures, Section IV.G.1.b.(2)

BACKGROUND
The State Board of Education is responsible for appointment to the Idaho State Historical Society Board of Trustees.

DISCUSSION
A vacancy on the Board of Trustees of the Idaho State Historical Society will occur on January 1, 2007, when the term currently held by Paul Link (Pocatello) expires.

The Idaho State Historical Society issued a news release to all media in District 6, which encompasses Bannock, Bear Lake, Caribou, Franklin, Oneida, and Power counties. In addition, a notice was mailed to all historical societies and museums in the district.

The search produced two interested individuals: Paul Link, Pocatello (seeking a second term); and Bert Marley, McCammon. A nominating committee comprised of ISHS Trustees Tom Blanchard, Judy Meyer, and Jesse Walters reviewed the applications and interviews were conducted with both.

At its October 20, 2006, quarterly meeting, the Idaho State Historical Society Board of Trustees reviewed the findings of the nominating committee. Below is the Idaho State Historical Society's Board of Trustees recommendation for the District 6 Trustee appointment to our Board. As has been the practice in past years, the candidates are ranked in order of preference:

IMPACT
N/A

ATTACHMENTS
Attachment 1 – Bert Marley's Vita
Attachment 2 – Paul Link's Vita

STAFF COMMENTS AND RECOMMENDATIONS
Staff recommends approval of the appointment of Bert Marley to the Idaho State Historical Society Board for a term starting January 1, 2007 to December 31, 2013.

INSTITUTION/AGENCY AGENDA
IDAHO STATE HISTORICAL SOCIETY - continued

BOARD ACTION

To approve the appointment of Bert Marley to the Idaho State Historical Society Board for a term starting January 1, 2007 to December 21, 2013.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

REFERENCE – APPLICABLE STATUTE, RULE, OR POLICY

G. Idaho State Historical Society

The Idaho State Historical Society (ISHS) is responsible for collecting, preserving, and displaying artifacts and information illustrative of Idaho history, culture, and society. Through its educational programs for children and adults, it promotes and encourages interest in the history of Idaho. The society maintains the State Archives, the State Museum, state-owned historic sites, the Oral History Center, the State Historical Library, and the State Genealogical Library. The State Historical Society also maintains the Office of the State Archaeologist.

1. State Historical Society Board

   a. The State Historical Society Board of Trustees shall be appointed by the State Board of Education as provided for in Idaho Code §67-4124.

   b. Board Appointment Procedures:

      (1) Incumbent Reappointment
      In the event that the incumbent candidate has served only one term and is interested in reappointment, the Board of Trustees shall forward a recommendation to the Board, along with a letter of interest and statement of qualifications for the incumbent. The State Board of Education may choose to reappoint the incumbent without soliciting other candidates, thus completing the appointment procedures. If there is no incumbent seeking reappointment, or if the Board chooses not to reappoint an incumbent, the procedures are as outlined in item (2).

      (2) Open Appointment

         (a) The State Historical Society Board of Trustees, on behalf of the State Board of Education, will advertise the vacancy in the Society's publications, and through other regional and local historical societies. Such advertisement will solicit interested persons to apply for the vacant position on the ISHS Board of Trustees.

         (b) Each applicant must provide a written statement expressing his or her interest in becoming a trustee of the ISHS. Each applicant must also provide evidence of his or her qualifications for the position, relative to the requirements of § 67-4124, Idaho Code. Lastly, each applicant must identify his or her primary residence.

(c) The ISHS Board of Trustees will review all applications for the vacant trustee position and conduct interviews as deemed necessary. The purpose of the review of applications is to eliminate from further consideration all but the most qualified applicants.

Paul Karl Link
Department of Geosciences, Idaho State University, Pocatello, ID 83209
(208) 282-3365, Fax 208-282-4414
E-Mail linkpaul@isu.edu
Idaho Registered Professional Geologist #522

Professional Preparation

Yale University, Geology	B.S.	1976
University of Adelaide, South Australia,	B.Sc. Hons.	1977
University of California, Santa Barbara,	Ph.D.	1982

Appointments

2002-2003; 2006 Visiting Researcher, Australian National Univ., Research School of Earth Sci., Canberra

1991 Visiting Researcher, Cambridge University, Department of Earth Sciences, Cambridge, England

1980-present: Instructor, Assistant Professor, Associate Professor, Professor, Department Chair (1985-1993; 1994-1995), Summer Field Camp Director (2002-) Department of Geosciences, Idaho State University, Pocatello

1981-1995: Geologist: U.S. Geological Survey, Branch of Central Mineral Resources, Denver, Colorado and Branch of Western Mineral Resources, Spokane, Washington

Five Publications--Most closely related to the proposed project

Beranek, L.P., Fanning, C.M., and Link, P.K., 2006, Miocene to Holocene landscape evolution of the western Snake River Plain region, Idaho: Using the SHRIMP detrital zircon provenance record to track eastward migration of the Yellowstonne hotspot: Geological Society of America Bulletin, v. 118, p. 1027-1050.

Fanning, C.M., and Link, 2004, U-Pb SHRIMP ages of Neoproterozoic (Sturtian) glaciogenic Pocatello Formation, southeastern Idaho: Geology, v. 32, no. 10, p. 881-884.

Geslin, J.K., Link, P.K., and Fanning, C.M., 1999, High-precision provenance determination using detrital-zircon ages and petrography of Quaternary sands on the eastern Snake River Plain, Idaho: Geology, v. 27, no. 4, p. 295-298.

Link, P.K., McDonald., H.G., Fanning, C.M., and Godfrey, A.E., 2002, Detrital zircon evidence for Pleistocene drainage reversal at Hagerman Fossil Beds National Monument, central Snake River Plain, Idaho: in Bonnichsen, Bill, C.M. White, C.M., and McCurry, Michael, eds., Tectonic and Magmatic Evolution of the Snake River Plain Volcanic Province: Idaho Geological Survey Bulletin 30, p. 105-119.

Link, P.K., Fanning, C.M., and Beranek, L.P., 2005, Reliability and longitudinal change of detrital-zircon age spectra in the Snake River system, Idaho and Wyoming: An example of reproducing the bumpy barcode: Sedimentary Geology, v. 182, p. 101-142.

Link, P.K., Fanning, C.M., Lund, K.I., and Aleinikoff, J.N., submitted, Detrital zircons, correlation and provenance of Mesoproterozoic Belt Supergroup and correlative strata of east-central Idaho and southwest Montana: in Link, P.K., and Lewis, R.S., eds., SEPM Special Publication, Proterozoic geology of western North America and Siberia

5 other significant publications

Janecke, S.U., Carney, S., Evans, J., Perkins, M., Link, P.K., Oaks, R.Q., Jr., and Nash, B., 2004, Late Miocene-Pliocene detachment faulting and superimposed Plio-Pleistocene Basin and Range extension inferred from dismembered rift basins filled with the Salt Lake Formation, S.E. Idaho: in Raynolds, R.G., and Flores, R.M., eds., Cenozoic Systems of the Rocky Mountain Region, Rocky Mountain Section, SEPM, p. 369-406.

Link, P.K., and Stanford, L.R., 1999, Geologic compilation map of the Pocatello 30 by 60 minute quadrangle, Idaho: Idaho Geological Survey Technical Report 99-02, scale 1:100,000.

Long, S.P., Link, P.K., Janecke, S.U., Perkins, M.E., and Fanning, C.M., 2006, Multiple phases of Tertiary extension and synextensional deposition of Miocene-Pliocene Salt Lake Formation in an evolving supradetachment basin, Malad Range, southeast Idaho: U.S.A., Rocky Mountain Geology, v. 41, no. 1., p. 1-27.

Lorentz, N.J., Corsetti, F.A., Link, P.K., 2004. Seafloor precipitates and C-isotope stratigraphy from the Neoproterozoic Scout Mountain Member of the Pocatello Formation, southeast Idaho: implications for Neoproterozoic Earth System behavior. Precambrian Research,. V. 130: p. 57-70.

Piper, D.Z., and Link, P.K., 2002, An upwelling model for the Phosphoria sea: A Permian, ocean-margin sea in the northwest United States: AAPG Bulletin, v. 86, no. 7, p. 1217-1235.

Synergistic Activities

1. Director of Idaho State University Geoscience Summer Field Camp, 2002-present.
2. Lead editor on Special Issue of Sedimentary Geology (with Mark Fanning and Brian Mahoney). v. 182. 2005, dealing with Isotopic Determination of Sediment Provenance.
3. Lead Principal Investigator at Idaho State University on 1997, 3-year Department of Energy Grant entitled Remediation Technologies and Hydrogeology on the Idaho National Engineering and Environmental Laboratory (INEEL), Eastern Snake River Plain, Idaho. This involved supervising about $1.5 million dollars in research funds, routed through the Idaho Water Resources Research Institute (IWRRI), and coordinating between 6 faculty, 3 post-docs, and 7 graduate students and staff. Lead editor on summary volume stemming from this project (Link, P.K., and Mink, L.L., editors, Geology, Hydrogeology and Environmental Remediation, Idaho National Engineering and Environmental Laboratory, Eastern Snake River Plain, Idaho: Geological Society of America Special Paper 353, 2002)
4. Digital Atlas of Idaho, http://imnh.isu.edu/digitalatlas/ NSF Geoscience Ed grant ($150k) awarded June 04, to prepare Digital Geology of Idaho web course and compile state digital geologic map. Grant built upon Idaho Board of Education Technology Incentive Grant, 1998 and 1999; Principle Investigator on 4-year multi-institutional grant (total of $700k) to prepare CD and website containing information on natural history and geography of Idaho, aimed at K-12 teachers and Introductory-level college geology labs.
5. Regular participant in USGS EdMap program which involves obtaining one-year grant support for M.S. students mapping 7 1/2 minute geologic quadrangles in southeastern Idaho. I and students have received 8 EdMap grants (about $10k each) over the last 8 years (1997-2005) and each has resulted in an M.S. thesis and a geological quadrangle map.

Collaborators

C. Mark Fanning, Australian National University
Susanne Janecke, Utah State University
Reed Lewis, Idaho Geological Survey
H. Gregory McDonald, U.S. NPS
David W. Rodgers, Idaho State University
Don Winston, University of Montana
Eric Roberts, Univ. of Witwatersrand
Adolph Yonkee, Weber State Univ.
Scott Hughes, Idaho State University
Mel Kuntz, U.S. Geological Survey
J. Brian Mahoney, Univ.Wisc., Eau Claire
L.L. Mink, U.S. Dept. of Energy
Loudon Stanford, Idaho Geological Survey
Carol Dehler, Utah State Univ.
Shuhab Khan, Univ. of Houston
Frank Corsetti, Univ. Southern Cal.

Graduate Advisor

John Crowell, Univ. California Santa Barbara

Graduate and Postdoctoral Advisees

Postdoctoral Scholars (Total 3)

Jeff Geslin--ExxonMobil Upstream Research Co., 1998-1999; Gary Gianinny--Fort Lewis State College, CO., 1998-1999; Erick Bestland--Flinders University of South Australia, 1999-2000

M.S. thesis advisor (Idaho State University, total of 65 M.S. advisees since 1980)

1998—Savona Anderson, Mark Kiessling, James Riesterer; 1999—Linda .E. Mark, Jen. Borgert; 2000—Tracy .J. Crane; 2001—John Blakley, James Blair, Richard Allison, Mary Kauffman, Brian. Hough; 2002—Tim Gunderson, Arron Pope, Duane DeVecchio, Steph Carney (Utah State University); 2003-- Diane Wheeler, Val Sheedy, Julia McHugh; 2004, Sean Long, Terrence Osier; Dan Narsavage, 2005—Luke Beranek, Laura DeGrey, Chris Meehan; 2006—Will Oakley, Rodger Rapp

DISTRICT 29
BANNOCK COUNTY

HOME ADDRESS
8806 S. OLD HIGHWAY 91
McCAMMON, IDAHO 83250
HOME (208) 254-3586
FAX (208) 254-3898

OFFICE ADDRESS
STATE CAPITOL
P.O. BOX 83720
BOISE, IDAHO 83720-0081
(208) 332-1408
FAX (208) 334-2116

Idaho State Senate

SENATOR BERT C. MARLEY

Idaho State Historical Society Board of Trustees
1109 Main, Ste 250
Boise, ID 83702

To Whom it May Concern:

I am writing in regards to the open position on the Idaho State Historical Society Board of Trustees. I have supported the work of the Society for many years and have a deep and abiding interest in the study and preservation of our state heritage. My father, a history professor at ISU and past board member of the Society, bestowed me with a great love and appreciation for this work.

Over the past nine years, including seven years of the Joint Fiance and Appropriations Committee, I have worked and fought for increased and adequate funding for the Society. As a legislator, I have developed strong working relationships with key legislative leaders. In my recent bid for State Superintendent of Public Instruction, I enjoyed the endorsement of the full leadership of both the House and Senate Minority Caucus. In addition, individuals like JFAC Chairman Senator Dean Cameron and Representative Scott Bedke have publicly praised my effectiveness and hard work. It is evident that our mutual respect transcends political lines.

I believe my background, experience, and relationships, could greatly benefit and assist in the work of the Society. I look forward to once again employing my knowledge and skills on behalf of Idaho and the Historical Society.

Please contact me to further discuss your needs and my capabilities. Thank you for your consideration.

Sincerely,

Bert Marley

BERT C. MARLEY

8806 S. Old Hwy 91 • McCammon, ID • 83250
208-254-3586 • bcmarley@hotmail.com

EDUCATION

Master of Science, Utah State University, graduated 1995
Bachelor of Arts, Idaho State University, graduated 1973
Certificate of Crop and Soil Technology, Idaho State University Vocational Technical School, 1977

RELEVANT WORK EXPERIENCE

Secondary Educator
Marsh Valley Middle School and High School, 1984-present
- Served as chair of the Foreign Language and Social Studies Departments
- Developed and coordinated German American Partnership Program exchange starting in 1986

Farmer
McCammon, Idaho, 1990-present
- Own and operate family farm and cow/calf operation

Self-Employed
Weed and Pest Control business, 1983-1987
- Managed and operated three weed and pest control trucks as a small business owner
- Oversaw budgeting, expenditures, marketing and advertising of business
- Hired and trained two to three employees per season
- Ensured compliance with governmental regulations

Sales and Research Representative
Dupont Agrichemical, 1979-1983
- Oversaw sales for Utah and southeast Idaho
- Collaborated with university personnel to further environmentally-friendly agrichemical research
- Worked with managers and field agents from various area fertilizer and chemical dealers
- Created and conducted several training and informational sessions per week in season for growers

Weed Control Supervisor
Bannock County, 1974-1979
- Developed and implemented county-wide noxious weed control program
- Supervised and trained spray crews
- Oversaw budgeting and equipment buys for department
- Served as president of the Idaho Weed Control Superintendents Association
- Appointed to Governor Evans' Blue Ribbon Committee on weed control

GOVERNMENT SERVICE

Idaho Senate, 2001-present
- Committees include: Local Government and Taxation, Judiciary and Rules, Transportation and the Joint Finance and Appropriations, Education, Joint Legislative Oversight Committee
- Vice-chair of the Idaho Technology in Learning Committee addressing technology in K-12 and higher education
- Served as Caucus Chair from 2001-2002

Candidate for **State Superintendent of Public Instruction,** 2006

Idaho House of Representatives, 1998-2001
- Committees included: State Affairs, Transportation, Education, Commerce and Human Resources, Joint Finance and Appropriations
- Served on the Information Technology Resource Management Council which assisted in state agency Y2K compliance and helped create the Access Idaho Web site
- Served on Public Employee Retirement advisory committee recommending improvements in state employee retirement benefits.

PROFESSIONAL ACHIEVEMENTS and AWARDS

- President of Marsh Valley Education Association, 1986-1987, 1987-1988 and 2003-2004
- Vice President of Marsh Valley Education Association, 1985-1986
- Served as a chief negotiator determining procedural agreements for Marsh Valley Education Association
- Member of the Idaho Education Association Board of Directors, 2002-2005
- Member of Phi Delta Kappa Honor Society
- Idaho Education Association Friend of Education award, 2004
- Outstanding Lay Leader Award from the Mountain Plains Adult Education Association
- Idaho Foreign Language Teacher of the Year, 2000
- Division A2 Cross Country Coach of the Year, 1995
- Statesman of the Year Award, Idaho State University Pi Sigma Alpha, 2004

COMMUNITY ACTIVITIES

- Past member of the Region Six Substance Abuse Authority
- Twenty-plus years as a Boy Scouts of America leader
- Active in church, having served in several leadership positions, many involving supervisory and training roles
- McCammon Ditch Company Board of Directors

INSTITUTION/AGENCY AGENDA
EASTERN IDAHO TECHNICAL COLLEGE

SUBJECT
There is a vacancy on the EITC Advisory Council.

APPLICABLE STATUTE, RULE, OR POLICY
Section 33-2212, Idaho Code
Idaho State Board of Education Governing Polices & Procedures IV.I.

BACKGROUND
Consistent with Idaho Code 33-2212, the State Board for Vocational Education may appoint an Eastern Idaho Technical College (EITC) Advisory Council consisting of not less than twelve (12) nor more than fifteen (15) persons. State Board of Education policy states that the EITC Advisory Council consists of the State Division of Professional-Technical Education Administrator and the EITC President as ex-officio members, and other members appointed by the State Board for Vocational Education, each to a term of three years. A council member is eligible for reappointment to consecutive terms.

DISCUSSION
One (1) person is presented by the current EITC Advisory Council to the State Board of Education in order to fill a vacancy created January 1, 2006. The EITC Advisory Council requests the State Board of Education appoint the recommended person, bringing the EITC Advisory Council membership to 15. The nominee is Renee R. Magee.

Her term will begin immediately upon State Board of Education ratification and continue through 2009.

The vacancy was advertised in three (3) newspapers during the week of March 2, 2006. We received no applicants for the vacant position. The candidates were chosen by review and vote of the current membership.

IMPACT
This will bring the EITC Advisory Council membership to a total of 15.

ATTACHMENT
Attachment 1 – Renee R. Magee's Vita – Page 7

STAFF COMMENTS AND RECOMMENDATIONS
Staff recommends approval of the appointment of Renee R. Magee to the Eastern Idaho Technical College Advisory Council for a term beginning immediately and ending December 1, 2009.

INSTITUTION/AGENCY AGENDA
EASTERN IDAHO TECHNICAL COLLEGE - continued

BOARD ACTION

A motion to approve the appointment of Renee R. Magee to the Eastern Idaho Technical College Advisory Council for a term beginning immediately and ending December 31, 2009.

Moved by _____ Seconded by ____ Carried Yes_____ No_____

Idaho State Statute

TITLE 33
EDUCATION
CHAPTER 22
VOCATIONAL EDUCATION -- FEDERAL AID

33-2212. CREATION OF ADVISORY COUNCIL -- MEMBERS -- COMPENSATION.
The state board for professional-technical education may appoint an advisory council consisting of not less than twelve (12) nor more than fifteen (15) persons to offer counsel and advice in the organization, establishment and conduct of the Eastern Idaho Technical College. Members of the council will serve without salary but shall be compensated as provided by section 59-509(b), Idaho Code. Members of said council shall be appointed from as nearly as is practicable the vocational area to be served by the Eastern Idaho Technical College as determined by the state board for professional-technical education.

REFERENCE – APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: IV. Organization Specific Polices and Procedures
Subsection: I. Eastern Idaho Technical College October 2003

I. Eastern Idaho Technical College

EITC is responsible for fostering and promoting Professional-Technical Education services in Region VI in Idaho under Idaho Code.

1. EITC Advisory Council

a. The EITC Advisory Council shall be appointed by the Board as provided for in Idaho Code §33-2212.

b. The EITC Advisory Council consists of the State Division of Professional-Technical Education Administrator and the EITC president as ex-officio members, and other members appointed by the Board, each to a term of three (3) years. An appointment to the EITC Advisory Council cannot be made until the nomination process has concluded.

c. Advisory Council Procedures:

(1) Incumbent Reappointment.

In the event that the incumbent candidate is interested in reappointment, the Advisory Council shall forward a recommendation to the Board, along with a letter of interest and statement of qualifications for the incumbent. The Board may choose to reappoint the incumbent without soliciting other candidates, thus completing the appointment procedures. If there is no incumbent seeking reappointment, or if the Board chooses not to reappoint an incumbent, the procedures are as outlined in item (2).

(2) From the public through advertisement in regional newspapers.

2. Open Appointment

a. The EITC Advisory Council, on behalf of the Board, will advertise the vacancy in regional newspapers. Such advertisement will solicit interested persons to apply for the vacant position on the EITC Advisory Council.

b. Each applicant must provide a written statement expressing his or her interest in becoming a member of the EITC Advisory Council. Each

applicant must also provide evidence of his or her qualifications for the position and each applicant must identify his or her primary residence.

c. The EITC Advisory Council will review all applications for the vacant position and conduct interviews as deemed necessary. The purpose of the review of applications is to eliminate from further consideration all but the most qualified applicants.

d. The EITC Advisory Council will forward only the most highly qualified applicants, in order of preference, through the EITC President to the State Board of Education for consideration. The Board may provide for interviews of the applicants, or may make the appointment based on the recommendation of the EITC Advisory Council.

e. The EITC Advisory Council shall solicit such nominations beginning with the acceptance of any resignation or as soon as a vacancy shall occur for any other reason, and shall appoint a replacement within ninety (90) days of the beginning of solicitation for nominations.

3. Policies and Procedures

a. The EITC Advisory Council will operate under the Professional-Technical Administrators Handbook for Advisory Committees.

b. The EITC Advisory Council will submit an annual report to the Board through the EITC president. The report will include recommendations for consideration by the Board.

October 20, 2006

Bill Robertson, President
Eastern Idaho Technical College
1600 South 25th East
Idaho Falls, Idaho 83404

RE: Position on Advisory Council

Dear Mr. Roberston:

I am very interested in serving on the Advisory Council for Eastern Idaho Technical College. As a community planner, I believe a "good city" offers a variety of opportunities for its residents, including libraries, parks, culture and recreation, and, most importantly, education.

EITC, through its job training as well as continuing education for new and existing businesses, boosts the ability of Idaho Falls and the surrounding region to attract new employers. Therefore, the college plays a major and unique role in the economic development of the region and its quality of life. To be able to assist the college serve its mission and assure its expansion in the future is an interesting and exciting challenge and opportunity.

Thank you for consideration. I can be reached at 208 525-8845 at home and 208 612-8268 during the day.

Sincerely,

Renee R. Magee
150 North Morningside Drive
Idaho Falls, Idaho 83402

RESUME

Renee R. Magee, AICP
360 West 15th Street
Idaho Falls Idaho 83402
(208) 529-1276 (b), 525-8845 (h)

EDUCATION

Juris Doctor, College of Law
University of Wyoming

Master of City and Regional Planning
Ohio State University

Bachelor of Arts in English
Kent State University

WORK EXPERIENCE

1997- PresentPlanning Director, Division of Planning and Building, City of Idaho Falls, Idaho (pop. 55,000): **Assistant Director, 1989-1997** (See below for 1991-1992)
Supervise department responsible for community planning, zoning administration, and building codes enforcement. Assist Mayor and Council in implementing city policies. Interpret comprehensive plan, zoning, and subdivision ordinances and prepare revisions as necessary. Provide staff support, including staff presentations, to Planning Commission, Redevelopment Agency, and Historic Preservation Commission. Prepare National Register nominations. Administer state and federal grants as necessary, including CLG grants for historic preservation. Provide city staff support for business improvement district. In 1994, completed revision of City's comprehensive plan in which citizen participation program involved 1,900 citizens. Involved approximately 800 residents in 1999-2000 revision, prepared 2000 revision of plan, and involved approximately 800 citizens in 2005 evaluation of plan. Assistant Planning Director from 1989 to 1997.

1991-92 (Leave from City of Idaho Falls) Assistant Professor, Department of Urban and Regional Planning, Eastern Washington University, Cheney, Washington
Taught graduate and undergraduate level classes in statistical analysis, land use planning, policy analysis, and data collection.

1987-88 Director, Economic and Community Development, Cambridge, Ohio
Developed and administered grant applications for state and federal monies. Managed budget, supervised four employees, and developed department policy. Initiated and coordinated industrial retention and expansion program and labor/management committee. As Executive Vice-President for Cambridge-Guernsey Community Improvement Corporation, administered revolving loan fund for start-up and expanding businesses. Directed housing rehabilitation program, Small Business Enterprise Center, and industrial site development and marketing.

1985-87 Historic Preservation Planner, Natrona County Planning Office, Mills, Wyoming
Surveyed historic and prehistoric sites in Natrona County, conducted oral histories, developed public information program on historic site inventory, developed historic preservation resolution, and wrote National Register nominations. Prepared and administered National Park Service grants. Organized and conducted neighborhood meetings on county-wide rezonings.

1983-85 Attorney in private practice, Thermopolis, Wyoming
Town attorney for Thermopolis (4,000 pop.) and Shoshoni (800 pop.). As town attorney, advised councils, commissions, and boards; prepared ordinances and municipal contracts. Deputy for Hot Springs County Attorney's office for child support actions. Remainder of practice primarily in domestic relations and bankruptcy.

1980-83 Administrator, Town of Thermopolis, Wyoming
Prepared and administered municipal budget, personnel policies, and applications for funding from Wyoming Farm Loan Board, Water Development Commission, and U. S. Department of Housing and Urban Development. Supervised four municipal departments. Introduced accounting system based on GAAP and GAAFR. Instrumental in organizing downtown revitalization program based on Main Street concept. $2 million budget; 40 employees.

1977-80 Legal Intern, Wyoming Attorney General's Office, Cheyenne. Also Graduate Assistant, Women's Center, University of Wyoming, Laramie, Wyoming.
Researched and wrote Attorney General's opinions on Wyoming subdivision law, land use planning law, and municipal annexation. Drafted and argued briefs on criminal law before Wyoming Supreme Court.

1976-77 Planner, Hot Springs County, Regional Planning Office at Thermopolis, Wyoming
Completed land use plans for Hot Springs County, Thermopolis, and Kirby. Wrote grant applications for federal and state grants. Provided administrative assistance to towns. Met with governing bodies, prepared local ordinances, researched management issues and budget preparation, and coordinated local planning with state and federal agencies. Administered local subdivision and zoning ordinances.

1975-76 Community Planning Specialist, Wyoming Office of Land Use Administration, Cheyenne, Wyoming
Managed state monies granted to local governments for land use planning. Provided technical assistance to local governments. Prepared public education and information for Wyoming residents on land use planning.

1973-75 Assistant Planner, Huntingdon County Planning Commission, Huntingdon, Pennsylvania
Completed background research for land use element, including land capability studies, for area impacted by U.S. Army Corps flood control and recreation project. Assisted local governments in administering flood plain regulations, subdivision regulations, and state and federal grants. Researched housing conditions and developed housing plans and programs. Evaluated state and local highway proposals in terms of desired land use, critical natural areas, and community goals. Coordinated proposals of state and federal agencies with local plans.

1969-73 Systems Analyst, Computer Center, Kent State University, Kent, Ohio; Computer Programmer (part-time), Ohio State University. Columbus, Ohio
Programmed in COBOL and FORTRAN for University staff and departments.

MEMBERSHIPS

Idaho State Bar (inactive status)
Wyoming State Bar (inactive status)
American Institute of Certified Planners
American Planning Association
National Trust for Historic Preservation
Idaho Historic Sites Review Board, Idaho State Historic Preservation Office
Idaho Planning Association (President, 1997-98)

PRESENTATIONS

"Tax Increment Financing: The Idaho Falls Experience," Wenatchee, Washington, May, 2003, Washington Planning Association

"Comprehensive Plans and Urban Forestry," Boise, Idaho. June, 2002; Idaho Falls, 2005.

Panel on planning department procedures, Idaho Association of Cities, Pocatello, June, 2002.

Panel on comprehensive planning, Idaho Association of Cities, Nampa, June, 2001.

"Idaho Land Use Planning Act," September, 1998. Idaho Planning Association, Blackfoot, Idaho, and Pocatello, Idaho.

"Local Subdivision Ordinances," September, 1997. Idaho Planning Association

"Land Use Law Overview," Land Use Law Workshop, September, 1995. Idaho Planning Association.

"Citizen Participation." Comprehensive Planning Workshop, "They Came From California..." August, 1994. Western Planning Conference, Cody, Wyoming.

"Historic Preservation, Community Character, and Citizen Participation," October 14, 1993. Washington Planning Association.

"Legal Aspects of Development Impact Fees," October, 1992. Idaho Planning Association, Nampa, Idaho.

SUBJECT

First Reading of Amendment to Board Policy III.V. Articulation and Associate Degree

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section I.A.4 & 5. – Page 6

BACKGROUND

In 2000, Ricks College changed its name to Brigham Young University Idaho (BYU Idaho)

DISCUSSION

The Board will need to amend Board Policy that references the Ricks College in order for Board policy to be accurate.

IMPACT

If the Board does not approve the first reading of the amendment to Board Policy III.V. - Articulation and Associate Degree Policy, the policy will be inaccurate.

If the Board approves the first reading of the amendment to Board Policy III.V. - Articulation and Associate Degree Policy, the policy will be brought back to the Board for a second reading in February and the policy will be accurate.

ATTACHMENTS

Board Policy III.V. – Articulation and Associate Degree Policy Page 2

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends approval of the first reading of the amendment to Board Policy III.V. - Articulation and Associate Degree Policy

BOARD ACTION

A motion to approve the first reading of the amendment to Board Policy III.V. - Articulation and Associate Degree Policy.

Moved _____ Seconded _____ Carried Yes _____ No _____

REFERENCE – APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: III. POSTSECONDARY AFFAIRS
SUBSECTION: V. Articulation and Associate Degree Policy ~~April 2002~~ April 2007

V. Articulation and Associate Degree Policy

It is the State Board of Education's intent that this policy will assist students as they transfer between institutions of higher education in the process of completing their educational agendas. In addition, the Board believes that this policy will provide the public institutions of higher education with the guidelines necessary to carry out their mission and service function to students so that they can successfully transfer between institutions without penalty.

1. Statewide Articulation

   a. Associate of Arts and Associate of Science Degrees

      To facilitate the transfer of students, Boise State University, Idaho State University, Lewis-Clark State College, the University of Idaho, the College of Southern Idaho, North Idaho College, ~~Ricks College~~ Brigham Young University Idaho (BYU Idaho), and Treasure Valley Community College, shall individually and jointly honor the terms of this statewide articulation policy.

      Students who complete requirements for the Associate of Arts or Associate of Science degree at an accredited institution in Idaho and Treasure Valley Community College will be considered as satisfying the lower division general education core requirements and shall be granted junior standing upon transfer to a four-year public institution in Idaho and will not be required to complete any additional lower division general education core courses subject to the conditions listed below.

      Transfer students from any in-state or out-of-state academic accredited institution who have completed the equivalent of the State Board of Education's general education core for the Associate Degree will not be required to complete additional lower division general education core courses. However, these students must obtain certification of such completion. Certification of successful completion of the lower division general education core for students who have not completed the Associate of Science or Associate of Arts degree is the responsibility of the transferring institution.

      This transfer policy will provide for the fulfillment of all general education, lower division core requirements only. It is not intended to meet specific course requirements of unique or professional programs (e.g., engineering, pharmacy, business, etc.). Students who plan to transfer to unique or professional programs

should consult with their advisors and make early contact with a program representative from the institution to which they intend to transfer.

Transfer students who have not completed the Associate of Arts or Associate of Science or the general education core courses will not come under the provision of this articulation policy.

A maximum of seventy (70) lower division credit hours or one-half of the total credits required for a student's intended baccalaureate degree, whichever is greater, will normally be accepted for transfer from accredited community or junior colleges.

b. Associate of Applied Science Degrees

Students who complete all or a portion of the State Board of Education's general education coursework for the Associate of Applied Science degree at one of the public postsecondary institutions in Idaho may fully transfer those completed general education core courses into an academic program. However, professional-technical transfer students who have not completed any courses under the general education core will not be covered under the provisions of this articulation policy.

2. Transfer Associate Degree

The lower division general education core requirement must fit within the following credit and course requirements and must have a minimum of thirty-six (36) credit hours.

	Required Courses	Minimum Credits
a. Communications Coursework in this area enhances students' ability to communicate clearly, correctly, logically, and persuasively in spoken English. Disciplines: Speech, Rhetoric, and Debate	1	2
b. English Composition In meeting this goal, students must be able to express themselves in clear, logical, and grammatically correct written English. Up to six (6) credits may be exempt by ACT, SAT, CLEP or other institution accepted testing procedure. *3 or 6 credit hours depending upon initial placement results.	1	3 to 6*
c. Behavioral and Social Science Coursework in this area provides instruction in: (1) the history and culture of civilization; (2) the ways political and/or economic organizations, structures and institutions function and influence thought and behavior; and (3) the scientific method as it applies to social science research. Disciplines: Anthropology, Economics, Geography, History, Political Science, Psychology and Sociology. Note: Courses must be distributed over two (2) different disciplines.	2	6

d. Humanities, Fine Arts, and Foreign Language Coursework in this area provides instruction in: (1) the creative process; (2) history and aesthetic principles of the fine arts; (3) philosophy and the arts as media for exploring the human condition and examining values; and (4) communication skills in a foreign language. Disciplines: Art, Philosophy, Literature, Music, Drama/Theater, and Foreign Languages.	2	6
e. Natural Science Coursework in this area: (1) provides an understanding of how the biological and physical sciences explain the natural world and (2) introduces the basic concepts and terminology of the natural sciences. Disciplines: Biology, Chemistry, Physical Geography, Geology, and Physics. Note: Courses may be distributed over two (2) different disciplines and must have at least one (1) accompanying laboratory experience.	2	7

	Required Courses	Minimum Credits
f. Mathematics Coursework in this area is intended to develop logical reasoning processes; skills in the use of space, numbers, symbols, and formulas; and the ability to apply mathematical skills to solve problems. Disciplines: College Algebra, Calculus, Finite Mathematics, and Statistics.	1	3

3. Associate of Applied Science Degree.

This professional-technical degree requires a minimum of 16 credit hours of general education coursework selected from each institution's general education core and is comparable to the general education core of the Associate of Arts (A.A.) and Associate of Science (A.S.) degrees. The courses completed from the general education core of the A.A.S. will be fully transferable to the A.A., A.S., and baccalaureate degrees.

	Required Courses	Minimum Credits
a. English/Communication In meeting this goal, students must be able to express themselves in clear, logical, and grammatically correct written English. Disciplines: English 101 required, English 102 or Communication 101; An Applied English or Technical Writing course may be used if found to be comparable to ENGL 102.	2	6
b. Mathematics/Computation Coursework in this area is intended to develop logical reasoning processes; skills in the use of space, numbers, symbols, and formulas; and the ability to apply mathematical skills to solve problems. Disciplines: College Algebra, Calculus, Finite Mathematics and Mathematical Statistics. An Applied Mathematics course may be used if found to be comparable to a traditional mathematics course.	1	3
c. Social Science/Human Relations/ Interpersonal Communications Coursework in this area provides the student with the skills needed for understanding individuals in the work place; appreciation of cultures of civilization; environmental awareness; economic factors; and the functioning of thought and behavior. Disciplines: Art, Anthropology, Communications, Economics, Geography, History, Literature, Music, Political Science, Psychology, Sociology and Theater Arts. An applied human relations course may be used if found to be comparable to a social science /humanities course.	1	3

d. Natural Science Coursework in this area: (1) provides an understanding of how the biological and physical sciences explain the natural world and (2) introduces the basic concepts and terminology of the natural sciences. Disciplines: Biology, Botany, Genetics, Chemistry, Physics, Geology, Astronomy, Biotechnology, Bacteriology and other related science-based courses. An applied science course may be used if found to be comparable to a science course.	0	0

REFERENCE - APPLICABLE STATUTE, RULE, OR POLICY

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.

SUBJECT

First Reading of Amendment to Board Bylaws – Section J – President's Council

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Sections I.A.4. & 5. See TAB 7 Page 6

BACKGROUND

The Board's Bylaws Section J – President's Council has not been amended since October 2004. The President's Council is making these recommended amendments to the Bylaws to make them more consistent with the current practices of the President's Council.

DISCUSSION

Since April 2004, the President's Council has made many changes in the operation of their committee. The following proposed amendments are intended to bring the Board's Bylaws into compliance with the current practices of the President's Council.

IMPACT

If the Board does not approve the first reading of the amendment to Board Bylaws – Section J – President's Council, the policy will not be consistent with current practice.

If the Board approves the first reading of the amendment to Board Bylaws – Section J – President's Council, the policy will be brought back to the Board for a second reading in February and the policy will be consistent with current practice.

ATTACHMENTS

Board Bylaws – Section J – President's Council - Page 2

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends approval of the first reading of the amendment to Board Bylaws – Section J – President's Council.

BOARD ACTION

A motion to approve the first reading of the amendment to Board Bylaws – Section J – President's Council.

Moved _____ Seconded _____ Carried Yes _____ No _____

REFERENCE – APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: BYLAWS ~~October 2004~~ April 2007

J. Presidents' Council

1. Purpose

   The Presidents' Council convenes to discuss and make recommendations, as necessary, on Board agenda items ~~scheduled prior to each Board meeting~~ and develops policy suggestions for Board consideration. The Presidents' Council may also choose or be directed with specific tasks by the Board and/or to meet with ~~the Agency Head's Council~~ others for exchanges of information or to discuss projects of benefit to the entire system. The Presidents' Council reports to the Board writ large through the Planning, Policy and Governmental Affairs Committee of the Board.

2. Composition

   The Presidents' Council is composed of the presidents of the University of Idaho, Idaho State University, Boise State University, Lewis-Clark State College, Eastern Idaho Technical College; and the presidents of North Idaho College and the College of Southern Idaho~~; each of whom has one (1) vote~~. One (1) of these ~~voting~~ members shall serve as chair of the Council, with a new chair ~~elected~~ selected each academic year such that the chair will rotate among the respective members. The administrator of the Division of Professional-Technical Education and the Board's Executive Director shall be ~~non-voting~~ ex-officio members of the Council.

3. Duties of the Chair

   The chair:

   a. presides at all Presidents' Council meetings with full power to discuss ~~and vote on~~ all matters before the Council;
   b. establishes the Presidents' Council agenda in consultation with the ~~executive director~~ membership; and
   c. maintains open communications with the Board on agenda matters through the Planning, Policy and Governmental Affairs Committee.

4. The executive director will communicate openly and in a timely manner with the Presidents' Council ~~for discussion and recommendation on agenda items~~.

SUBJECT

First Reading of Amendment to Board Policy II.I. – Leaves – All Employees

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Sections I.A.4. & 5. – See TAB 7 Page 6

BACKGROUND

Current Board policy requires any legislator who is an employee of an institution to be placed on leave without compensation during the legislative session. Last legislative session there was at least one legislator who was employed as a faculty member at an institution. This legislator works on grants for the Veteran's Administration and conducted research that once started cannot be halted. This legislator continued his work during the session on nights and weekend. Research indicates there is no law or rule that would prevent a legislator from continuing employment during the legislative session.

DISCUSSION

The current Board policy does not allow any legislator to continue working during the legislative session. The current proposed amendment would allow a legislator to continue working as a faculty member during the legislative session. The proposed amendment would also require that the faculty member be paid for only those hours actually worked. Staff finds no law or rule that would contradict this allowance. Furthermore, the State Controller has no objections.

IMPACT

If the Board does not approve the first reading of the amendment to Board Policy II.I. – Leaves – All Employees, employees would need to be placed on leave without pay during the legislative session.

If the Board approves the first reading of the amendment to Board Policy II.I. – Leaves – All Employees, employees would be compensated for those hours worked.

ATTACHMENTS

Board Policy II.I – Leaves – All Employees Page 3

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends approval of the first reading of the amendment to Board Policy II.I. – Leaves – All Employees.

BOARD ACTION

A motion to approve the first reading of the amendment to Board Policy II.I. – Leaves – All Employees.

Moved _____ Seconded_____ Carried Yes _____ No _____

First Reading

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: II. HUMAN RESOURCES POLICIES AND PROCEDURES
Subsection: I. Leaves – All Employees ~~April 2002~~ **April 2007**

I. Leaves – All Employees

1. Annual Leave

   For all categories of employees, annual leave shall be as set forth in the respective subsection outlining policies for that category of employee (i.e., classified, non-classified, faculty, etc.)

2. Sick Leave

   a. All employees accrue sick leave as provided for in Chapter 53, Title 67, Idaho Code, and rules of the Idaho Division of Human Resources. Sick leave shall be used in accordance with state law and internal institution, agency or school policies.

   b. At the employee's option, annual leave may be used in lieu of sick leave.

3. Disability, Workers' Compensation, and Family Medical Leave

   Disability, Workers' Compensation, and Family Medical leave shall be in accordance with applicable state and federal law.

4. Holidays

   A holiday is a day of exemption from work granted to employees and for which they are compensated as if they had actually worked.

   a. The following holidays are recognized by statute and the Board:

      January 1 (New Year's Day)
      Third Monday in January (Martin Luther King, Jr. Day/Human Rights Day)
      Third Monday in February (Presidents' Day)
      Last Monday in May (Memorial Day or Decoration Day)
      July 4 (Independence Day)
      First Monday in September (Labor Day)
      Second Monday in October (Columbus Day)
      November 11 (Veterans Day)
      Fourth Thursday in November (Thanksgiving)
      December 25 (Christmas)

b. In addition, any day may be designated by the President of the United States or the Governor of Idaho for a public fast, Thanksgiving, or holiday.

c. In the event that a holiday occurs on a Saturday, the preceding Friday is recognized as a holiday. If a holiday falls on a Sunday, the following Monday is recognized as a holiday.

d. If a chief executive officer desires to designate a holiday that is different from those specified above, the Chief Executive Officer must notify the Executive Director.

5. Other Leave

All other types of leave for classified employees shall be in accordance with Chapter 53, Title 67, Idaho Code, and the rules of the State Division of Human Resources. Other types of leave for University of Idaho classified employees shall be in accordance with the policies of the University of Idaho.

All other types of leave for non-classified employees, including faculty employees, shall be in accordance with the internal policies of each institution, agency or school and with the following:

a. Leave for Court Required Service

(1) An employee who is summoned for jury duty or subpoenaed as a witness before a court of competent jurisdiction or as a witness in a proceeding before any federal or state administrative agency will be granted leave with pay and any jury or witness fees may be retained by the employee.

(2) An employee must request annual leave or leave without compensation for:

(a) appearing as a party in a non-job-related proceeding involving the employee;

(b) appearing as an expert witness when the employee is compensated for such appearance; or

(c) appearing as a plaintiff or complainant, or as counsel for a plaintiff or complainant, in a proceeding in which the Board or any of its institutions, agencies or school is a defendant or respondent.

b. Military Leave

Leave for the purpose of military service shall be in accordance with applicable state and federal law.

c. Leave Without Pay

(1) Any employee may apply for leave without pay. Leave without pay is granted at the discretion of the Chief Executive Officer. The initial grant of leave without pay may be for a period of up to one (1) calendar year. Extensions of such leave for one (1) year at a time may be granted by the Chief Executive Officer not to exceed a total of three (3) successive calendar years.

(2) It is the Board's intent that the state salary not be duplicated to an employee serving in the Legislature. Therefore, an employee of an institution, agency or school who is elected or appointed to the Idaho State Legislature must be placed on leave without compensation for hours not worked during such time as the Legislature is in session. Any such employee must complete a time sheet every pay period during the session and may only be compensated for actual hours worked for the institution, agency or school. All hours short of forty (40) per week must be leave without compensation.

(3) Benefits While on Leave Without Pay. An employee who has received approval from the chief executive officer for leave without pay may continue to contribute toward and receive the benefits of any state or institutional insurance and retirement programs, if the laws, rules, regulations, policies, and procedures governing the administration of such insurance and retirement programs permit.

d. At the discretion of the Chief Executive Officer, an employee may be granted administrative leave with pay when the agency, school or institution will benefit as a result of such leave.

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From: Judith M. Humphreys
Sent: Tuesday, November 07, 2006 10:24 AM
To: Karen Echeverria
Subject: FW: Board Policy II I. 5.c.2

Attachments: Board policy on leave.doc

This agenda information as you requested -----Original Message-----
From: Karen Echeverria
Sent: Thursday, October 26, 2006 1:02 PM
To: Judith M. Humphreys
Subject: FW: Board Policy II I. 5.c.2

-----Original Message-----
From: Stacy Pearson [mailto:SPEARSON@boisestate.edu]
Sent: Thursday, October 26, 2006 12:56 PM
To: Dwight Johnson; Karen Echeverria
Subject: RE: Board Policy II I. 5.c.2

Karen,

Let me know if the attached works.

Thanks, Stacy

Stacy Pearson
Vice President
Finance and Administration
Boise State University
1910 University Dr.
Boise, ID 83725
(208) 426-1200
(208) 426-2377 FAX

>>> "Karen Echeverria" <Karen.Echeverria@osbe.idaho.gov> 10/26/2006 12:36 PM >>>
Stacy - Could you send this as a word document? Unfortunately, all the formatting does not transfer in the email and we just have clean text. Thanks, karen

Karen L. Echeverria
Deputy Director
State Board of Education
650 West State Street
PO Box 83720
Boise, ID 83720-0037
(208)332-1567 phone
(208) 334-2632 fax

-----Original Message-----
From: Stacy Pearson [mailto:SPEARSON@boisestate.edu]
Sent: Thursday, October 26, 2006 12:08 PM
To: Dwight Johnson; Karen Echeverria
Subject: Board Policy II I. 5.c.2

Dwight and Karen,

Last session, we became aware of an issue that impacts one of our employees that also serves in the Legislature. Representative Cliff Bayer has a faculty appointment at Boise State. Rep. Bayer works on grants for the VA through Boise State. His work focuses on research in infection diseases, DNA, and cloning - experiments which once started can't be halted or discontinued or completed by others. Therefore, during the session, he works in the evenings and on weekends on his current research and projects. Similar situations may have occurred at the other institutions, but we are not certain of the details.

While Rep. Bayer did not request that we look into this policy, we think that it might be useful for the Board to consider a change in SBOE Policy II I.5.c.2 "Leave for Serving as a Member of the Idaho Legislature." We have proposed potential wording as follows (additions are underlined and highlighted in red):

II I. 5.c.2: Leave for Serving as member of the Idaho Legislature

It is the Board's intent that the state salary not be duplicated to an employee serving in the Legislature. Therefore, an employee of an institution, agency or school who is elected or appointed to the Idaho State Legislature must be placed on leave without compensation for hours not worked during such time as the Legislature is in session. Any such employee must complete a time sheet every pay period during the session and may only be compensated for actual hours worked for the institution, agency or school. All hours short of 40 per week must be leave without compensation.

We did check with the State Controller's Office (Brandon Woolf who also asked Dept. AG Dave High) and they indicated that they do not have a problem with double payments (the state double pays many employees such as state employees who teach for Boise State as adjuncts etc.). If the above policy is adopted, then Rep Bayer could be paid for his work performed (outside of his legislative duties) at the VA through Boise State.

Please know that we are just trying to point out a situation that we became aware of and that does not seem to be disallowed by State statute, but rather by Board policy for agencies that report to the Board. Thus, if he were working for a state agency, not under the Board's jurisdiction, my understanding is that his being paid for his work performed would not be a problem.

I don't know that it is Boise State's role to suggest this revision, but if you think that it is an item that should be addressed, we would support such an action. Please let me know if you want additional information or have questions.

Thanks,
Stacy

Stacy Pearson
Vice President
Finance and Administration
Boise State University
1910 University Dr.
Boise, ID 83725
(208) 426-1200
(208) 426-2377 FAX

TAB	DESCRIPTION	ACTION
1	IDAHO STATE BOARD OF EDUCATION REPORT ON COMMONALITIES AND DIFFERENCES AMONG COLLEGES AND SCHOOLS WITHIN IDAHO'S PUBLIC HIGHER EDUCATION INSTITUTIONS	Information Item
2	NEW GRADUATE PROGRAM – MASTER OF NURSING AND MASTER OF SCIENCE IN NURSING – BOISE STATE UNIVERSITY	Motion to Approve
3	REPORT ON GOVERNOR'S NURSING TASKFORCE	Information Item
4	STUDENT AID TASKFORCE RECOMMENDATIONS	Information Item
5	HIGH NEED TEACHER LOAN FORGIVENESS LEGISLATION	Information Item
6	SCIENCE AND TECHNOLOGY ADVISORY COUNCIL (STAC) LEGISLATIVE STIMULUS PACKAGE	Information Item
7	REVIEW OF COMMUNITY COLLEGE INTERIM COMMITTEE RECOMMENDATIONS	Information Item
8	UPDATE ON THE GRANGEVILLE SCHOOL DISTRICT SPLIT	Information Item
9	IDAHO'S ASSESSMENT SYSTEM APPROVAL UNDER TITLE I OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965 (ESEA) AS AMENDED BY THE NO CHILD LEFT BEHIND ACT OF 2001 (NCLB)	Information Item

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SUBJECT

Idaho State Board of Education Report on Commonalities and Differences among Colleges and Schools within Idaho's Public Higher Education Institutions

REFERENCE

December 1, 2005	The Board directed the Presidents to review respective Colleges and programs and provide a series of reports to assist them in understanding the commonalities and differences among disciplinary colleges and schools within the public institutions of the state.

APPLICABLE STATUTE, RULE, OR POLICY

N/A

BACKGROUND

The State Board of Education oversees higher education academic delivery and approves all new postsecondary programs from Idaho's public institutions. As per Board Policy III.Z.(1), the purpose of the policy is "to ensure that Idaho postsecondary institutions meet the educational and workforce needs of the state through academic planning, alignment of programs and courses, collaboration and coordination. It is the intent of the State Board of Education (the "Board") to optimize the delivery of academic programs while allowing institutions to grow and develop consistent with an appropriate alignment of strengths and sharing of resources."

DISCUSSION

At the December 2005 meeting, the Board requested that the Presidents examine the various colleges and programs at their respective institutions and provide a report on how programs are different and similar and if there are commonalities, why those programs or colleges are necessary within the state.

The Council on Academic Affairs and Programs (CAAP) committee, in concert with Board staff, discussed and developed a template for institutions to complete to ensure the Board receives like information. In addition to the template, a timeline was created and other disciplines were identified that will be reported to the Board over the next year. The template and timeline were shared with the Presidents' Council before a final template was agreed upon. A final template and timeline was shared with the Board in June and was provided to the institutions for completion. It was agreed that the first series of these reports would be on engineering programs in the state to be reported at the Board's October meeting. Attached is a report for Boise State University, Idaho State University, and University of Idaho.

IMPACT

Board staff provided the following analysis of enrollment for the engineering programs offered by Boise State University, Idaho State University, and the University of Idaho.

Idaho's Public Higher Education Institutions

Engineering Programs

Enrollment

	BSU	% of Total	ISU	% of Total	UI	% of Total	Total Engineering Enrollment	% Change	Total Institution Enrollment	% Change
2005	1,425	34.7%	589	14.3%	2,095	51.0%	4,109		42,733	
2006	1,490	37.0%	565	14.0%	1,969	48.9%	4,024	-2.1%	42,852	0.3%
2007	1,609	41.0%	542	13.8%	1,771	45.2%	3,922	-2.5%	41,156	-4.0%

ATTACHMENTS

Attachment 1 – Boise State University BSU – Page 1
Attachment 2 – Idaho State University ISU – Page 1
Attachment 3 – University of Idaho UI – Page 1

STAFF COMMENTS AND RECOMMENDATIONS

Staff has no comments and recommendations.

BOARD ACTION

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

Idaho State Board of Education Report
on
Commonalities and Differences among Colleges and Schools
within
Idaho's Public Higher Education Institutions

BACKGROUND

At the December 2005 Idaho State Board of Education meeting, the college and university presidents were asked to prepare a series of reports to assist the board in understanding the commonalities and differences among disciplinary colleges and schools within the public institutions of the state.

SCOPE OF WORK

The following reports will be provided at the regularly scheduled Board meetings.

School/College	Board Meeting
Engineering	October 2006
Education	February 2007
Business	June 2007
Health Sciences (selected areas TBA)	October 2007

PROCESS

The institutions will prepare a report based on the following template. Reports from the institutions will be reviewed and an executive summary will be prepared for Board review.

Date: August 31, 2006

Institution: Boise State University

School/College/or program(s) within the disciplinary area to be reviewed:

College of Engineering
- Department of Civil Engineering
- Department of Computer Science
- Department of Construction Management
- Department of Electrical and Computer Engineering
- Department of Instructional and Performance Technology
- Department of Materials Science and Engineering
- Department of Mechanical and Biomedical Engineering

I. Brief History of College/School (limit to 250 words):

The history of the College of Engineering at Boise State University is inexorably linked to the transformation of southwest Idaho into a vibrant technology center. Engineering in Boise was initially a pre-engineering program at Boise Junior College in the 1950s. In

1988, the University of Idaho established an off-campus center in Boise in cooperation with Boise State University to provide expanded undergraduate engineering offerings. By 1995, approximately 50 engineering students had graduated with the majority of their courses taken in Boise, and more than 100 students were enrolled in the program. With the growth of Micron Technology and other high-tech companies, demand increased in southwest Idaho for engineers and for graduate engineering education for area professionals. With approval from the Idaho State Board of Education, Boise State University began offering four-year undergraduate engineering programs in 1996, and the College of Engineering was formed in 1997.

Building the College of Engineering was literally a community effort with Micron Technology leading a $6 million challenge that was met with contributions from the Laura Moore Cunningham Foundation, Harry W. Morrison Foundation, Idaho Power, Intermountain Gas, Extended Systems, ECCO, Nelson Construction, Gannett, and other companies and individuals. Additionally, Hewlett Packard awarded $1.6 million for computer equipment. Micron and area supporters have continued major gifts to grow the college.

Programmatically, the college has been built by strategically adding programs with unique contributions to Idaho technology endeavors, and by recruiting first-rate faculty who can advance Boise State's transition to a Metropolitan Research University of Distinction.

II. Degrees Offered by School/College or Program(s) within Disciplinary Area under Review:

Degree name	Level	Specializations within the discipline (to reflect a national perspective) †	Specializations offered within the degree at the institution††
Biomedical Engineering Undergraduate minor	Minor	Devices and prosthetics Biomaterials Instrumentation Imaging Biomechanics Tissue engineering Bioinformatics	Biomaterials Biomechanics Imaging Bioinformatics
Civil Engineering Undergraduate minor	Minor	Same as below	Same as below
Civil Engineering Bachelor of Science	BS	Architectural Environmental Geotechnical Hydrological Materials Structural Surveying Transportation Water resources (and other specialties)	Environmental Geotechnical Structural Transportation

Civil Engineering Master of Engineering	MEngr	Environmental Geotechnical Hydrological Materials Structural Transportation Water resources	Geo-environmental Structural Transportation
Civil Engineering Master of Science	MS	Environmental Geotechnical Hydrological Materials Structural Transportation Water resources	Geo-environmental Structural Transportation
Computer Engineering Master of Engineering	MEngr	Coding, cryptography and information protection Communications and wireless networks Compilers and operating systems Computational science Networks Mobile computing Distributed systems System architecture Parallel processing Computer vision Robotics ICs, VLSI design, testing, CAD Signal, image and speech processing (and many more specialties)	Bioinformatics Parallel computing Reconfigurable computing Hardware/software codesign Asynchronous systems Embedded & microprocessor-based systems Wireless systems
Computer Engineering Master of Science	MS	Same as above	Same as above
Computer Science Undergraduate minor	Minor	Software engineering Algorithms	Software engineering Algorithms
Computer Science Bachelor of Science	BS	Artificial intelligence (many subareas) Software engineering (many subareas) Parallel computing Programming languages Cryptography Security (many subareas) Embedded systems Operating systems Theoretical computer science Computer graphics Database systems Networks Algorithms Bioinformatics	Parallel computing Embedded systems Computer graphics Artificial intelligence Security (networks) Algorithms Cryptography

Computer Science Master of Science	MS	Same as above	Same as above specializations, and also Bioinformatics
Construction Management Undergraduate minor	Minor	Same as below	Same as below
Construction Management Bachelor of Science	BS	Commercial Residential	Overall program encompasses all aspects and types of construction
Electrical Engineering Bachelor of Science	BS	Biomedical imaging Bioengineering Acoustics Communications and wireless networks Devices and processing Integrated circuit design Signals and systems Computer engineering Power engineering Systems and control Electromagnetics Optics and lasers Nanotechnology and quantum devices Remote sensing Semiconductor materials and devices Signal, image and speech processing (and many more specialties)	Computer engineering Integrated circuit design Power engineering Devices and processing Signals and systems Semiconductor materials and devices
Electrical Engineering Master of Engineering	MEngr	Same as above	Devices and processing Integrated circuit design Computer engineering Power engineering Communications and wireless networks Optics and lasers Nanotechnology and quantum devices Systems and control Semiconductor materials and devices
Electrical Engineering Master of Science	MS	Same as above	Same as above
Electrical and Computer Engineering Doctor of Philosophy	PhD	Same as above	Circuits and devices Signals and systems Computer engineering
Instructional and Performance Technology Master of Science	MS	Needs assessment Instructional design Job aids/EPSS Job specification	Needs assessment Instructional design Job aids/EPSS Evaluation

		Human factors/ergonomics Evaluation Mentoring/coaching Performance appraisal Incentive systems Communication systems Change management Performance consulting	Change management Performance consulting
Materials Science and Engineering Undergraduate minor	Minor	Same as below	Same as below
Materials Science and Engineering Bachelor of Science	BS	Metals Ceramics Biomaterials Electronic materials Nuclear materials Composites Polymers Materials characterization	Metals Ceramics Biomaterials Electronic materials Nuclear materials Materials characterization
Materials Science and Engineering Master of Engineering	MEngr	Interdisciplinary Microelectronics Mechanical engineering Chemistry Manufacturing Semiconductor process engineering Physics Environmental engineering Biomaterials Nuclear materials	Interdisciplinary Microelectronics Mechanical engineering Chemistry Manufacturing Semiconductor process engineering Physics Environmental engineering Biomaterials Nuclear materials
Materials Science and Engineering Master of Science	MS	Interdisciplinary (same as above)	Area of specialization depends on area of graduate research
Mechanical Engineering Bachelor of Science	BS	Energy systems Design methodology Mechatronics Solid mechanics Control systems Aeronautics Biomechanics	Energy systems Design methodology Mechatronics Solid mechanics Biomechanics
Mechanical Engineering Master of Engineering	MEngr	Same as above	Same as above
Mechanical Engineering Master of Science	MS	Same as above	Same as above
† high technology disciplines change rapidly †† specializations change, especially at the graduate level, along with faculty expertise			

III. Enrollment and Graduates – Last three years beginning with the current year (Current year is defined as the year the report is presented to the Board)

	Enrollment‡✧			Number of Graduates		
	Current Year 06-07	Previous Year 05-06	Previous Year 04-05	Current Year 06-07	Previous Year 05-06	Previous Year 04-05
Degree						
Civil Engineering – Minor	2	5	1		1	
Civil Engineering – BSCE	182	153	140		13	10
Civil Engineering – MEngr	5	5	1		5	6
Civil Engineering – MS	8	6				
Civil Engineering – MSE†	1	7	19			1
Computer Engineering – MEngr	3	2			1	
Computer Engineering – MS	8	8	2*		2	2
Computer Engineering – MSE†	3	7	15		3	3
Computer Science – Minor	31	25	17		6	
Computer Science – BS	237	240	235		16	22
Computer Science – MS	14	21	17		5	5
Construction Management – Minor	5	6	7		1	
Construction Management – BS	216	175	145		26	26
Electrical Engineering – BSEE	248	256	275		33	42
Electrical Engineering – MEngr	12	6	3*		2	1
Electrical Engineering – MS	22	19	5*			4
Electrical Engineering – MSE†	7	16	41		2	6
Electrical & Computer Engineering – PhD	5					
Engineering – Undeclared	102	95	78			
Instructional & Performance Technology – MS	145	149	169		40	43
Materials Science & Engineering – Minor	5	4	5			
Materials Science & Engineering – BSMSE	51	26	3		2	
Materials Science & Engr – MEngr	4	4	1*			1
Materials Science & Engr – MS	15	13	15		1	
Mechanical Engr – BSME	260	231	203		27	22
Mechanical Engr – MEngr		2	3*		2	2
Mechanical Engineering – MS	14		6			1
Mechanical Engineering – MSE†	4	9	19		1	1
Total	1609	1490	1411		189	198

‡ fall numbers unless otherwise indicated; ✧ enrollment numbers do not include interdisciplinary master's degree programs such as biomedical engineering; * denotes enrollments in spring 2005 – no fall enrollees; † denotes program being phased out

IV. Notable Accomplishments (limit to 5 items no greater than 300 words total):

- In less than ten years Boise State University faculty and staff, along with community and corporate partners, have built a nationally-renowned engineering college that provides students with access to 24 high quality degree options and provides Idaho businesses with excellent professionals.

- US News & World Report ranks the College 12th among the nation's best public, comprehensive engineering schools.

- The College has established a culture of success among students of all backgrounds, as evidenced by a consistent pass rates on the FE exam of nearly 90%, an average above 90th percentile routinely for computer science students on the Educational Testing Services Major Field Test, and national and regional honors and recognitions in academic and design competitions earned by students of all disciplines.

- Research labs and centers, representing a wide range of technologies, partnerships and funding agencies, demonstrate the College's breadth and emerging reputation as a contributor to the grand challenges of energy, human welfare, environment and information management. Some examples:
    - The College is a partner, along with Stanford, Harvard and other research universities, in two FAA Centers of Excellence. Research on emissions and cabin air quality benefit both Idaho travelers and people all around the world.
    - The Center for Environmental Sensing is a multi-disciplinary program, primarily funded by the EPA, developing Ion Mobility Spectrometer devices to monitor for compounds such as chemical warfare agents, explosives, and narcotics.
    - The Center for Orthopaedic and Biomechanics Research, a collaborative effort between engineering and kinesiology (College of Education) along with local clinicians, is conducting nationally recognized research on sports injuries among young athletes.
- The dynamic academic culture and vibrant entrepreneurial region has enabled Boise State University to recruit strong faculty leaders, such as Dean Cheryl Schrader, who received a 2005 Presidential Award for Excellence in Science, Mathematics and Engineering Mentoring.

V. Demonstrated Demand for Degree/Program (limit to 5 items no greater than 300 words total):

- The College of Engineering at Boise State University was created in direct response to growing demand for engineering professionals in southwest Idaho, to support the area's burgeoning technology enterprises such as Micron Technology, Hewlett Packard, Idaho Power and a host of start-up companies.

- Between fall 1997 – the official start of the College of Engineering – and fall 2006, enrollment in the college increased 145% from 656 to 1609 students.

- Boise State began offering three bachelor's level engineering programs (civil, mechanical and electrical) in 1996, a year before the official formation of the college. In response to requests from industry for engineers with specific training, such as semiconductor materials processing, and for engineers with advanced degrees, the College of Engineering at Boise State now offers 24 degrees, including 5 minors, 6 bachelor's degrees, 12 master's degrees and 1 Ph.D.

- Employment demand for graduates of Boise State's engineering programs is very high and most graduates are placed in Idaho. Additionally, demand is high for graduates of the bachelor's level program in construction management and master's level program in instructional and performance technology (IPT), both programs that are unique within the state. Construction management graduates typically receive multiple job offers, and IPT graduates serve in strategic positions within a number of Treasure Valley organizations and corporations and beyond. Even demand by industry for student interns exceeds supply of available students in many engineering disciplines.

- Boise State University is meeting the increasing demand for education among Idaho's fastest growing ethnic group – Hispanics. The percentage of Hispanic undergraduate students in engineering and computer science in fall 2005 was 6.1%, exceeding that of the university. The Hispanic population in Idaho, largely centered in communities within 20 to 100 miles of Boise, comprises 8.9% of the Idaho population; and 46% of Idaho's Hispanics are 19 years old or younger, creating a sizeable population for potential college education. Our Society of Hispanic Engineers student organization was recently named National Small Chapter of the Year.

VI. Unique Contribution to Idaho Residents—value added to the community and the state (limit to 5 items no greater than 300 words total):

- For many of our students, Boise State represents their only access to an engineering education. Many of our students live off-campus and work in the local community. The difference in lifetime earning, quality of life, and professional contributions between an engineer and non-college graduate is significant. This impacts the region and the state of Idaho on many levels, including tax revenue. Additionally, our graduate programs offer educational opportunities for practicing professionals to specialize and stay abreast of technological changes, and for businesses to retain these valuable employees. Since the Treasure Valley is second only to Silicon Valley in the percentage of electrical engineers and information scientists this is a substantial contribution.

- A strong emphasis on undergraduate research is one unique facet of the College. Undergraduate students are given the opportunity to conduct research more typical of graduate students at other universities. This educational advantage has enhanced our graduates' marketability substantially.

- Southwest Idaho has benefited from the infusion of $23.5 million in community support for programs and facilities and more than $27 million in research funding to the College since 1997 (funding total in federal pass-throughs such as NSF EPSCoR

and NIH INBRE includes only BSU College of Engineering portion). This funding has advanced the state of knowledge in specific technologies, including biomechanics, environmental sensors, wind energy, microelectronics, electronic packaging, biomaterials, novel memory materials, and parallel computing. Much of the research includes partnerships with other scientists, businesses, or educational institutions.

- Encouraging interest in technology careers is beneficial for young people's educational success and for the economic prosperity of Idaho. The College sponsors numerous programs that bring more than five thousand K-12 students to campus annually, including the Jason Project, e-Girls, Family Engineering Day, Idaho Engineering Science Camp, and Future City. College students participate in numerous service projects that benefit the community, working with the Idaho Botanical Gardens, Ducks Unlimited, Bogus Basin, ZooBoise, and the Discovery Center of Idaho.

- As the largest producer of graduates and largest generator of external funding per faculty, the College of Engineering at Boise State University is the most efficient and effective engineering college in the state.

VII. Areas of Commonalities with Degrees/Programs at other Idaho Colleges and Universities with Rationale as to Why (limit to 250 words).

Both University of Idaho and Idaho State University offer programs in civil engineering, computer science, electrical engineering and mechanical engineering. University of Idaho also offers computer engineering and materials science and engineering.

Because undergraduate engineering and computer science programs must satisfy rigorous accreditation criteria, similar foundational content exists among these programs. That said, each engineering field is not a "one size fits all" endeavor, but is comprised of a multitude of specialties and subspecialties, even at the undergraduate level. For example, Boise State's MSE and ECE departments share a strong focus on semiconductor processing to meet the needs of area employers. Specialties become even more distinct at the master's level, where students benefit from faculty expertise in particular areas. For example, the Boise State program and the UI civil engineering master's program complement one another. In Boise the UI program focuses on surface water, and does not have expertise in subsurface areas. Boise State has faculty who specialize in the subsurface, but not in surface water. Similarly Idaho State has an emphasis in nuclear engineering, while Boise State's materials science and engineering department contributes to nuclear research in the niche area of nuclear materials.

Perhaps the most compelling reason to have multiple engineering programs in Idaho is geographic. Regional universities 1) provide expanded access to engineering education to as many students who have the desire and aptitude to pursue these crucial majors, 2) provide continuing education for industry professionals so they can sharpen and advance their knowledge, 3) stimulate partnerships with area industry and government agencies, and 4) help market the region to new businesses. Boise State's engineering programs attract students who would not otherwise pursue postgraduate studies, even if such programs were offered at other Idaho institutions.

VIII. Relationship/Collaborations with Other Degrees/Programs within the Institution and How the Courses in the Program are used for other Degrees (limit to 250 words)

Engineering classes and collaborations are woven throughout the fabric of university curricula, programs and research at Boise State. College of Engineering faculty and students are involved in collaborative endeavors with counterparts from EVERY one of Boise State's eight other colleges – Applied Technology, Arts and Sciences, Business and Economics, Education, Graduate Studies, Health Sciences, Honors, and Social Sciences and Public Affairs. Some examples include:

- A class on entrepreneurship offered by the department of mechanical and biomedical engineering, the College of Business and the Honors College.
- Three undergraduate core classes for all majors, provided by the College of Engineering – The Ethical Dimensions of Technology, Energy for Society and Engineering for Humanity.
- Idaho's only certificate program in community and regional planning – a partnership that includes the construction management department as well as the College of Social Sciences and Public Affairs.
- A Public Health Disaster Preparedness Planning class offered by the department of civil engineering in conjunction with the health science and geophysics graduate programs.
- An Engineering for Educators class that involves education majors in the Introduction to Engineering class.
- The Center for Biomechanics and Orthopaedics Research – co-directed by a biomedical engineering faculty member and a kinesiology faculty member.
- The NIH-funded INBRE (Idea Network for Biomedical Research Excellence) that involves efforts in at least seven engineering and science departments.
- The Center for Environmental Sensing – an interdisciplinary team involving civil engineering, electrical and computer engineering, materials science and engineering, chemistry and biology departments.
- The New Product Development Laboratory, that in partnership with TechHelp has assisted over 100 Idaho companies.

IX. Summary of Findings from the most Recent Accreditation Report Including Commendations, Recommendations (also include date of last accreditation and when the next accreditation is due).

Accreditation Status of Undergraduate Programs in the College of Engineering at Boise State University				
Department	**Program**	**Date of Most Recent Accreditation**	**Findings**	**Next Accreditation Due**
Civil Engineering	Civil Engineering	2005	ABET accredited: Typical of civil engineering programs across the country, more emphasis needed on certain issues such as procurement of work; concern about low faculty salaries	2011
Computer Science	Computer Science	2003	ABET accredited: Improvement in assessment needed; financial mechanism needed for regular replacement of lab equipment; concern about low faculty salaries	2007
Construction Management	Construction Management	2004	ACCE accredited: Recognized dynamic leadership by advisory board and dean; weakness in comprehensive and integrated outcomes assessment plan and in faculty	2007

			salary equity	
Electrical and Computer Engineering	Electrical Engineering	2005	ABET accredited: Noted for high quality and dedicated faculty; commended for meeting needs of both traditional and nontraditional students; recommendations made to improve some assessment of outcomes, recruiting and alumni data collection; concern about low faculty salaries	2011
Materials Science and Engineering	Materials Science and Engineering	N/A	*Note: MSE graduated its first students in May 2006*	2007 (first accreditation visit scheduled in October 2006)
Mechanical and Biomedical Engineering	Mechanical Engineering	2005	ABET accredited: Strong mechanical engineering program; benefited from strong leadership and a good student body; recommended more funding for graduate assistants; concern about low faculty salaries	2011

X. Contribution of the Degree/Program to Economic Development in the Region, State, or the Governor's Science and Technology Initiative (limit 250 words):

"Education is the key to economic independence," as reported in "The Future is Now!" publication produced in 2005 by the Idaho State Board of Education. The report pointed out Idaho's low per capita college graduation rate (46th in the nation) and the connection to inadequate workforce preparedness. Correspondingly, the first two strategies of the Governor's Science and Technology Advisory Council are to:

- Build, attract and retain a highly skilled technical workforce.
- Invest in creating R&D excellence and promoting industry-university collaboration.

Located in Idaho's entrepreneurial and population center, the College of Engineering at Boise State University is positioned strategically and physically to contribute extensively to the advisory council's goals and to the educational and economic growth of Idaho. The Boise Metropolitan Area continues to experience exceptional growth in technology based enterprises, earning recent Top 10 national rankings for overall patents, high-tech output, business and career climate, livability, and engineers per capita.

Beyond mere location, Boise State engineering specializations are well positioned to help translate Idaho's four identified core competencies (Imaging, Power/Energy, Agriculture/Biosciences, and New Materials/Nanotechnology) into technology platforms and market niches. Numerous projects throughout the college support the core competencies – soil mechanics and transport of materials through the subsurface (Ag/Biosciences), wind energy research and a variety of mechanical engineering projects (Power/Energy), biomaterials characterization, shape memory alloys (New Materials/Nanotechnology), and optically scanned image degradation modeling (Imaging), just to name a few.

A 2004 economic impact report demonstrated that research projects and job creation at Boise State spur the creation of other jobs in the Ada/Canyon area, in addition to indirectly increasing spending on goods and services in the state. Simply put, the programs in the College keep Idaho students in Idaho.

XI. Describe how the Various Degrees/Programs or Specializations within the School/College were Built or will be Built on Existing Programs, if Applicable (limit to 250 words):

The civil, mechanical, and electrical engineering programs were built based on the pre-engineering programs that existed at Boise State prior to 1996. The construction management and instructional and performance technology program were existing programs that were incorporated into the new College of Engineering in 1997.

All additional programs have been created in response to demand from local industry, or based on research specializations, or in collaboration with other departments at Boise State University. Some examples:

- The materials science and engineering department, with significant support from Micron Technology, was created and added four programs in three years (a minor, a bachelor's degree and two master's) in response to demand in the memory device industry. The

new materials science and engineering department now has more than $5 million in funded research (including DARPA, NASA and NIH funding) and also leads the engineering disciplines in the percentage of women graduate students, with 40% women.

- Based on interest from area professionals along with collaboration by Boise State's geosciences, chemistry and biology departments, the civil engineering department will add a geo-environmental focused Ph.D. program.
- The biomedical engineering minor and plans for the biomedical engineering master's degree emerged in the past few years and reflects the unique focus and competency of mechanical engineering and materials science faculty members, along with significant interest from students and research-focused clinicians in the local medical community.

XII. Future Plans and Timelines with Rationale as to Why (limit to 250 words):

As a metropolitan research university of distinction, Boise State is poised to continue its role of equipping Idaho's citizenry as technologically adept participants and leaders. To realize this vision, Boise State will continue to advance the expertise and depth of its programs by adding PhD and master's degrees. Like the recent ECE PhD added at Boise State, the new programs will carve out specializations that contribute to the needs of southwest Idaho and the state. In creating these programs, Boise State is once again responding to strong demand by area business leaders, potential students and working professionals.

The Southwest Region Eight-Year Plan for Educational Program development proposes the following plans for new program implementation at the College of Engineering at Boise State University. All programs will be located in the Treasure Valley, unless otherwise specified.

2007-08: Biomedical Engineering, M.S.
Instructional and Performance Technology, Ph.D. (online)
Materials Science and Engineering, Ph.D.
2008-09: Mechanical Engineering, Ph.D.
Construction Management, M.S.
2009-10: Civil Engineering, Ph.D.
2010-11: Computer Science, Ph.D.

Additionally, Boise State will continue to add expertise that aligns with the region's economic interests, advances the state of knowledge in key fields, and stimulates private enterprise. For example, the Boise State Center for Materials Characterization, recently approved by the Idaho State Board of Education (8/2006), provides the organization and infrastructure to make various materials characterization tools available as a user facility for faculty and regional companies. With funding from recent NSF awards, the center will feature an analytical transmission electron microscope (TEM) and a multifunctional X-ray diffraction system, two pieces of equipment that represent extremely valuable resources for local industry.

XIII. Fiscal Year Revenues - Current year is defined as the year the report is presented to the Board

Revenue Received, Various Fiscal Years						
		Past Fiscal Year		Current Fiscal Year‡		Next Fiscal Year
Annual General Account/State Appropriation		6,751,300		6,197,300		
Endowment Funds (BSU Foundation)						
Revenue from Endowment Funds		89,200		Not Avail†		
Total Balance at Fiscal Year End		2,426,900		Not Avail†		
Student Fees		16,800		700		
Federal Appropriation		0		0		
Federal Grants & Contracts		2,754,600		849,100		
State Grants & Contracts		99,800		105,800		
Private Gifts, Grants & Contracts		1,485,700		440,400		
Sales & Serv of Educ Activities		0		0		
Sales & Serv of Aux Enterprises		0		0		
Other (please identify)						
Indirect Costs		413,700		Not Avail*		
Total, All Fund Sources		14,038,000		7,593,300		
Notes:						
This report displays revenue received during the fiscal year, not expenditures made.						
Round to nearest $100.00.						

‡ revenues received through August 31, 2006

† BSU Foundation does not have this information available at this time

* indirect cost revenue on current FY grant expenditures not yet booked by BSU Accounting Office

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Idaho State Board of Education Report
on
Commonalities and Differences among Colleges and Schools
within
Idaho's Public Higher Education Institutions

BACKGROUND

At the December 2005 Idaho State Board of Education meeting, the college and university presidents were asked to prepare a series of reports to assist the board in understanding the commonalities and differences among disciplinary colleges and schools within the public institutions of the state.

SCOPE OF WORK

The following reports will be provided at the regularly scheduled Board meetings.

School/College	Board Meeting
Engineering	October 2006
Education	February 2007
Business	June 2007
Health Sciences (selected areas TBA)	October 2007

PROCESS

The institutions will prepare a report based on the following template. Reports from the institutions will be reviewed and an executive summary will be prepared for Board review.

Date: 11 September 2006

Institution: Idaho State University

School/College/or program (s) within the disciplinary area to be reviewed:

College of Engineering

I. Brief History of College/School:

Idaho State University (ISU) has been serving the citizens of the State since 1901; in fact, two of the first four graduates in 1902 were Civil Engineers. In 1965, the BS in General Engineering and MS in Nuclear Science and Engineering were offered to meet the needs of the employees of the then National Reactor Testing Station (NRTS) and now designated the Idaho National Laboratory (INL). In 1985, the BS program was first accredited by the Accreditation Board for Engineering and Technology (ABET) and was continuously accredited until it was discontinued in 2005, after being superseded by separate BS degree programs. The College of Engineering was established in 1986, and during the next few years, MS programs in Measurement and Control Engineering and Environmental Engineering were developed, followed by the PhD program in Nuclear Science and Engineering and the establishment of the Measurement and Control Engineering Research Center.

In 1996, the Idaho State Board of Education (ISBOE) approved BS programs in Civil, Electrical, and Mechanical Engineering for ISU. A broad-based doctoral (PhD) program in Engineering and Applied Science was initiated in 1998 in collaboration with the ISU departments of Physics, Geosciences, and Mathematics. The BS programs in Civil, Electrical and Mechanical Engineering were first ABET accredited in 1999. Also in 1999, the Computer Science (CS) program was moved from the College of Business and the department of Mathematics in the College of Arts and Sciences to the College of Engineering. A BS program in Nuclear Engineering was started in 2004. After an initial ABET visit during the Fall of 2005, the BS program in Computer Science was accredited. From a modest beginning over a century ago, the Engineering program at ISU has grown to meet the evolving needs of southeastern Idaho, offering five BS and five MS programs and one PhD program. The new ISU President Arthur Vailas and new Engineering Dean Richard Jacobsen began work at ISU on July 1, 2006; shortly thereafter, the University administration emphasized that engineering programs would respond to a variety of current and emerging demands within the state and region, including ISU's high priority in nuclear science and engineering in partnership with the Idaho National Laboratory.

II. Degrees offered by school/college or program(s) within disciplinary area under review:

Degree name	Level	Specializations within the discipline (to reflect a national perspective)	Specializations offered within the degree at the institution
Undergraduate (Bachelor) Degrees			
BS in Civil Engineering	Bachelors	Civil Engineering	Civil Engineering
BS in Computer Science	Bachelors	Computer Science	Computer Science
BS in Electrical Engineering	Bachelors	Electrical Engineering	Electrical Engineering
BS in Mechanical Engineering	Bachelors	Mechanical Engineering	Mechanical Engineering
BS in Nuclear Engineering	Bachelors	Nuclear Engineering	Nuclear Engineering
Post Baccalaureate Certificate Program			
Certificate in Applied Nuclear Energy	Certificate	Applied Nuclear Energy	Applied Nuclear Energy
Graduate (MS and PhD) Degrees			
MS in Civil Engineering	Masters	Civil Engineering	Civil Engineering
MS in Environmental Engineering	Masters	Environmental Engineering	Environmental Engineering
MS in Measurement & Control Engineering	Masters	Measurement & Control Engineering	Measurement & Control Engineering
MS in Mechanical Engineering	Masters	Mechanical Engineering	Mechanical Engineering
MS in Nuclear Science & Engineering	Masters	Nuclear Science & Engineering	Nuclear Science & Engineering
PhD in Engineering & Applied Science	Doctoral	Engineering and Applied Science	All Engineering Disciplines; Physics; Mathematics and Geosciences (Subsurface sciences)

III. Enrollment and Graduates – Last three years beginning with the current year and the 2 previous years

	Enrollment			Number of Graduates		
Degree	Current Year 2005-06	Previous Year 2004-05	Previous Year 2003-04	Current Year 2005-06	Previous Year 2004-05	Previous Year 2003-04
Undergraduate (Bachelor) Degrees						
BS in Civil Engineering	53*	16	21	7	6	8
BS in Computer Science	83*	78	93	7	9	7
BS in Electrical Engineering	51*	25	25	9	4	9
BS in Mechanical Engineering	79*	35	48	23	11	18
BS in Nuclear Engineering	13*	NA**	NA**	NA**	NA**	NA**
Undecided Engineering	171*	319*	303	NA	NA	NA
Totals	450	473	490	46	30	42
Post-Baccalaureate Certificate Program						
Certificate in Applied Nuclear Energy	3	4	7	2	4	2
Graduate (MS and PhD) Degrees						
MS in Civil Engineering	7	1	NA	1	NA	NA
MS in Environmental Engineering	14	11	12	5	5	4
MS in Measurement & Control Engineering	17	18	17	7	4	3
MS in Mechanical Engineering	5	10	8	4	1	2
MS in Nuclear Science & Engineering	12	11	17	2	2	0
PhD in Engineering & Applied Science	34	37	38	3	1	3
Totals	89	88	92	22	13	12

* Between 2004-05 and 2005-06, the method of accounting for undeclared disciplinary students was changed; many students previously designated “undecided” declared their majors. The total number of students has remained largely consistent from year to year.

** New program established in 2004.

The recent decrease in enrollment is attributed to a) drop in college enrollment due to strong economic conditions—a national trend, b) the opening of 4-year engineering programs at BYI-Idaho in Rexburg, and c) the stricter immigration rules after the 9/11/2001 incident, which affect graduate students from outside the USA.

IV. Notable Accomplishments.

The ISU College of Engineering has a long history of accomplishment in educating engineering students, establishing research efforts, and collaborating with regional industries, all aimed at serving the ever-developing needs of southeastern Idaho, the larger state, and emerging regional, national, and global needs. The College's most notable accomplishments include the following:

1) Establishment in 1965 of the Nuclear Engineering program in cooperation with the University of Idaho in support of the mission of what is now called the Idaho National Laboratory, Idaho Falls. ISU's College of Engineering is the only Idaho institution offering together BS and MS programs and doctoral studies in Nuclear Science and Engineering.

2) Establishment in 1967 of the only non-federally owned nuclear reactor in the State of Idaho. The college has maintained the Nuclear Regulatory Commission (NRC) license to date, and the reactor supports current education and research.

3) Development and expansion of the Engineering program from one BS program to 5 BS, 5 MS, 1 Post-Baccalaureate Certificate, and 1 PhD program. Program accreditation through ABET has been maintained since 1985. This evolving program development includes the establishment in 2004 of a "2+2 Nuclear Engineering Scholarship Program," with Boise State University and the University of Idaho to cater to the needs of the new mission in nuclear science and engineering at the Idaho National Laboratory.

4) Establishment in 1993 of an interdisciplinary Measurement and Control Engineering Research Center (MCERC), in 2003, the Institute of Nuclear Science and Engineering (INSE) and cooperation in the establishment of the INL Center for Advanced Energy Studies (CAES). The establishment of these centers has either followed from or has enabled increased research funding from INL, the National Science Foundation, the Department of Defense, the Department of Energy, EPSCoR, etc.

5) Two Memoranda of Understanding (MoUs) were signed by Christine King, President and CEO of AMI Semiconductor Inc. (AMI-S), Pocatello and Dr. Richard Bowen, former President of Idaho State University, on 22 July 2002 to cover the period up to 2004 and on 4 March 2004 to cover the period up to 2006 to "develop a closer working relationship through educational and workplace cooperation" involving College of Engineering and other colleges on the campus. The various items for this effort include: internships, part-time employment, research, equipment donations, class participation, cooperative programs, resource cooperation, advisory board representation, etc. Discussions to continue the memoranda for another two-year period are underway.

V. Demonstrated demand for degree/program.

ISU Engineering programs have enjoyed consistent demand over time, especially after the introduction of discipline-specific degree programs in Civil, Electrical, Mechanical, Nuclear Engineering, and Computer Science. The demand for the College's degree programs is also demonstrated by the following:

1) Demand for employees who are graduates from accredited engineering programs in all engineering disciplines reflects local and regional needs as articulated by the College's Engineering Advisory Council (EAC), comprised of practicing professional engineers from throughout the region. Engineering programs in all disciplines remain consistently subscribed to by healthy numbers of students.

2) Demand for graduate (MS & PhD) programs in Engineering at ISU is increasing consistently. The ISU Office of Graduate Studies has fielded approximately 60 inquiries for information on engineering graduate programs in the last six months, and the Associate Dean for Graduate Studies in the College of Engineering as well as the College's faculty, have together fielded over 100 inquiries during a similar period.

3) College of Engineering maintains connections with local, regional, national, and global industries represented by AMI-Semiconductor, Micron, Premier Technologies, Camas Industries, Portneuf Medical Center, the City of Pocatello, and connections with the Idaho National Laboratory, as well as connections with local/regional consulting firms. In sum, these connections underscore the fundamental vitality of the demand for the College's programs.

4) Computer Science is a crucial element in any contemporary engineering school. The CS degree program offered at ISU provides students with opportunities to not only specialize in CS, but to build their foundation for pursuing advanced studies in other science and engineering areas. Further, the University of Idaho has requested that ISU assume responsibility for the undergraduate Computer Science (CS) program in Idaho Falls during the current (2006-07) academic year. Pending action by the University of Idaho and SBOE approval, this will be another opportunity for ISU to serve the Idaho Falls area and will increase ISU CS enrollments significantly.

5) Placement of the College of Engineering's graduates at both the undergraduate and graduate level are consistently high. While comprehensive data is currently unavailable, the College estimates that 80-85% of its graduates remain in Idaho upon graduation.

VI. Unique Contribution to Idaho Residents—value added to the community and the state.

Southeastern Idaho has the second largest regional population base in the state with over 150,000 people. The ISU College of Engineering serves large numbers of nontraditional students with its programs. These are often students who are born, raised and have families and jobs in the local area and who would have a difficult time relocating to pursue an engineering degree elsewhere and in particular to other universities in Idaho like Boise State University (about 250 miles away) and University of Idaho (about 550 miles away). In addition, the federal Department of Energy has designated the Idaho National Laboratory the lead national laboratory for nuclear energy studies; the unique programmatic offerings of ISU's College of Engineering bring these national needs together with those of students, industry, and government in our region. Unique and specific contributions of the College to Idaho residents include the following:

1) Providing unique educational and employment opportunities in **Nuclear Science and Engineering** (NSE). ISU's College of Engineering is the only institution in the state of Idaho offering BS, MS, and PhD programs in Nuclear Science and Engineering.

2) Providing unique graduate educational and employment opportunities in the area of **Measurement and Control Engineering (MCE) and Environmental Engineering (ENVE)**. The Measurement and Control Engineering Research Center (MCERC) is one of the four initial, state-recognized research centers started in 1993 and has collaborated with the Idaho National Laboratory on a wide range of research projects. The center has a new renovated home at the Engineering Research Complex. Further, the MCERC was awarded a federal grant of $842,000 by the Department of Defense to conduct advanced research on Intelligent Prosthetic Hand to help those who lost limbs either in combat or non-combat operations.

3) Providing a full range of undergraduate and graduate **educational** opportunities in Engineering and Computer Science for the residents of southeastern Idaho.

4) Meeting the **employment** needs for engineers and scientists in southeastern Idaho and the state, as evidenced by the placement of the College's graduates at the Idaho National Laboratory, AMI-Semiconductor and Simplot in Pocatello, Power Engineers in Hailey, Idaho Power, Micron in Boise, and the Idaho Dept. of Environmental Quality (DEQ), among others.

5) A strong Emphasis in Stimulating Interest in **Science and Engineering among area High School and Grade School Students**: College of Engineering faculty and students have played a unique role in helping obtain federal funding ($1.8M for 3 years, through the NSF-funded GK-12 Project) and running programs for students in K-12 classes throughout southeastern Idaho. Notable accomplishments: Area high school successes in the For Inspiration and Recognition of Science and Technology (FIRST) Robotics competition; stimulation of grade school students' interest in Science, Technology, Engineering and Mathematics (STEM) through Lego League participation, and sponsorship of the School District 25 Gifted and Talented Program and the national MathCounts competition. Tau Beta Pi members have also served as math/science tutors to area middle schools. Faculty are also involved in the ISU American Indian Task Force, to promote and retain American Indian students in higher education. Finally, the College has a long tradition of inviting area high school and grade school students to various facilities such as laboratories, class rooms, etc. within the College of Engineering to stimulate interest in science, engineering and technology.

VII. Areas of commonalities with degrees/programs at other Idaho colleges and universities with rationale as to why.

While ISU's College of Engineering programs focus on serving unique national and regional needs, the College's programs share core commonalities with the other colleges in the state, at the undergraduate and Masters levels focused on the foundational disciplines in Engineering. ISU's College of Engineering currently offers the following degrees in common with both the University of Idaho and Boise State University:

- Bachelor of Science degree programs in Civil Engineering, Computer Science, Electrical Engineering, and Mechanical Engineering.

- Master of Science degree programs in Civil Engineering, Environmental Engineering, and Mechanical Engineering.

All ISU engineering programs share a common engineering core as the foundation for building more specialized knowledge in the specific disciplines of Civil, Electrical, Mechanical, and Nuclear Engineering. The College's graduates have a broad-based engineering education well suited for the project management and other engineering jobs that are commonly found in this region of the state including those at the Idaho National Laboratory. This common foundation serves the needs of the unique undergraduate and graduate degrees in nuclear science and engineering and in Measurement and Control Engineering and the PhD program in Engineering and Applied Science offered at ISU, as well as the needs of the specialized and unique research centers affiliated with ISU's College of Engineering. These research centers include the interdisciplinary Measurement and Control Engineering Research Center (MCERC), and the Institute of Nuclear Science and Engineering, started in 2004. Following the award of the INL management contract to Battelle Engergy Alliance in February 2005, the Center for Advanced Energy Studies (CAES) was established to foster research and education collaboration in nuclear science and engineering and energy among the INL and the three Idaho universities and the Idaho National Laboratory.

The common programs at the Idaho universities located in three distinct locations provide opportunities for faculty and student to work together in research on problems of state-wide importance.

VIII. Relationship/collaborations with other degrees/programs within the institution and how the courses in the program are used for other degrees.

The College of Engineering programs are professional programs and do not typically offer courses that serve curricular needs in other colleges/programs, as is often the case in other disciplines such as mathematics, physics, chemistry, whose programs offer the courses taken by all lower-division engineering students. However, the College of Engineering has a longstanding tradition of collaboration with other science, technology, engineering, and mathematics (STEM) programs across campus. Notable examples of such collaborations include the following:

1) At the BS Level — the Computer Science (CS) program offers CS 181, Computer Science and Programming to support CS needs in other programs across campus and actively collaborates with the Mathematics Department in the College of Arts and Sciences and the Computer Information Systems Department in the College of Business on course development and review. The Civil Engineering (CE) program also offers a range of applicable courses to the Geosciences Department, as determined by their programmatic needs.

2) At the MS level — The Physics and Chemistry departments in the College of Arts and Sciences and the Department of Pharmaceutical Sciences in the College of Pharmacy collaborate with the College of Engineering to offer the Measurement and Control Engineering MS program. The College also collaborates with the Biology, Chemistry, and Geosciences departments in offering the Environmental Engineering MS program, and the Nuclear Science and Engineering MS program includes collaborative efforts with the Health Physics program in the Physics Department in the College of Arts and Sciences.

3) At the PhD level — The PhD degree program in Engineering and Applied Science is offered in the College of Engineering with collaboration from the departments of Physics, Geosciences, and Mathematics in the College of Arts and Sciences. Further, the College also shares joint supervision, committee assignments, etc. for PhD students in the Department of Pharmaceutical Sciences in the College of Pharmacy, Dept. of Biological Sciences in the College of Arts and Sciences, and the Institute of Rural Health in the College of Health Professions.

4) At the Research level — The research centers associated with the College of Engineering, such as the Measurement and Control Engineering Research Center (MCERC), the Institute of Nuclear Science and Engineering (INSE), and the Center for Motion Analysis and Biomechanics collaborate with the Idaho Accelerator Center, the Physics Department, the College of Technology, the ISU Biomedical Research Institute (IBRI), the Institute of Rural Health, the Biology Department, and the Department of Pharmaceutical Sciences in the College of Pharmacy.

5) The nuclear reactor and subcritical assembly facilities housed in the College of Engineering have been used to support educational and research programs in Pharmacy, Biological Sciences, Geosciences, Physics, and Health Physics.

IX. Summary of findings from the most recent accreditation report including commendations, recommendations. Also include date of last accreditation and when the next accreditation is due.

The BS program in General Engineering was first accredited in 1985 by the Accreditation Board for Engineering and Technology (ABET) and was continuously accredited until 2005, when the program was superseded by the three programs in Civil, Electrical, and Mechanical engineering. The three programs in Civil, Electrical and Mechanical Engineering were accredited initially by ABET in 1999, and the Computer Science program was recently accredited for the first time for graduates in 2004 and later. The Nuclear Engineering program will have its initial accreditation review in 2007.

The College's programs in Civil, Electrical, and Mechanical engineering are accredited by ABET through 30 September, 2008. The last ABET accreditation visit was during October 2005. Specific details of the visit remain confidential, according to ABET accreditation policy (see ABET Appendix Item). Continued accreditation of the engineering programs beyond 2008 is expected.

X. Contribution of the degree/program to economic development in the region, state, or the Governor's Science and Technology Initiative.

The College of Engineering contributes consistently and significantly to economic development throughout southeastern Idaho and the larger region. Specific contributions include the following:

1) The active collaborations between the College of Engineering with the Idaho National Laboratory (INL) in terms of research contracts ($4,836,921 from 1992-present) resulted in enhancing the economic impacts of INL both locally and regionally, as shown by the following selected examples:

    a) Advanced Welding Control Technology — USDOE/INEL — $615,000
    b) Laser Separation of Isotopes for Nuclear Medicine — INEL Consortium — $330,000
    c) Water Hammer Issue for Emergency Core Cooling — USDOE — $288,547
    d) Advanced Fuel Cycle Research and Training — USDOE — $988,000

2) The College's collaborations with local, regional, and global companies such as AMI-Semiconductor enhance the economic impacts these companies have throughout the state and region, at both the individual and governmental levels. The opportunities for these employees to collaborate with the College of Engineering as adjunct faculty drives the integration of new knowledge with industrial practices throughout the region. The potential also exists for significant technology transfer through patent and licensing of ISU-developed technologies.

3) The College's educational and research programs supply a steady stream of engineers to meet the research and application needs of INL, Simplot, Idaho Power, Micron, Power Engineers, L&K, Walker Engineering, and a range of other companies throughout the region. The College's educational and research programs also supply engineers to meet the needs of governmental agencies throughout the region, such as the Idaho Department of Environmental Quality.

4) The College has worked to generate and sustain interest in Science, Technology, Engineering, and Math (STEM) fields in secondary schools throughout the region, as shown particularly through the College's highly successful efforts under the National Science Foundation-funded GK-12 Fellowship Program in which the College and its faculty are instrumental. College programs under this program have proven successful both in generating supporting funds

from community and industry sources and in increasing numbers of area students participating in the programs. College faculty are also involved with the National Science Foundation scholarship program to promote engineering, computer science, and mathematics for students throughout southeastern Idaho.

5) One of the College's adjunct faculty members served on the initial Governor's Science and Technology Initiative committee.

XI. Describe how the various degrees/programs or specializations within the school/college were built or will be built on existing programs, if applicable.

1) ISU College of Engineering has grown in a very unique way from one BS program in General Engineering to 5 BS, 5 MS, 1 post-Baccalaureate Certificate, and 1 PhD program. Based on the interest of the students and demand by regional industries, BS and MS programs have been introduced. Some of the programs (BS, MS, PhD) and activities (MCERC) are unique to the ISU College of Engineering.

2) The College plans to start a BS program in Computer Engineering and MS programs in Computer Science and Electrical Engineering which are based on the strengths of existing programs and faculty in Electrical Engineering and Computer Science.

3) The College plans to start an MS program in Biomedical Engineering based on
   a. ISU's mission in health/medical professions,
   b. the expertise already available within the MCERC, and
   c. existing collaborations between the Department of Pharmaceutical Sciences in the College of Pharmacy, the Biological Sciences, and Chemistry departments, and the Institute of Rural Health.

XII. Future plans and timelines with rationale as to why:

In addition to the items mentioned previously in item XI, the following are the additional programs as shown in the College Eight-Year Plan.

2006-07

1) MS Emphasis in Nuclear Applications for Medicine: The development of advanced diagnostic tools and disease treatment modalities is a prime field, with great demand. ISU, with both its health mission and its nuclear science and engineering mission, has an opportunity to better serve the state and nation by formalizing its past efforts and creating a masters degree emphasis that would include both the Nuclear Engineering graduate program and the Measurement and Control Engineering MS program.

2) Completion of the second phase (already in the budget for this year) of the renovation of the facility for the Measurement and Control Engineering Research Center (MCERC).

2007-08

3) **MS in Biomedical Engineering**: During the recent years, the faculty at the College of Engineering have been involved in teaching and research in biomedical related fields such as nuclear medicine, imaging, myoelectric signals, intelligent prosthetics, etc. and is now in a position to plan to offer an MS in Biomedical Engineering.

4) **MS in Computer Science:** The BS in Computer Science is now accredited by ABET. The program now has four faculty with training and background in the field. A sound MS program

built upon the normal faculty responsibilities for research activity would feed further development of the BS program. The College proposes to establish such an MS program as soon as funds are available to provide for the one additional faculty that would be needed. Students with advanced degrees in Computer Science and related fields are more likely than BS graduates to be accepted for employment at the INL, given its R&D mission.

5) **BS & MS in Computer Engineering:** There is cyclic demand from students and industry for a degree in Computer Engineering, nominally equivalent to the demand for either Electrical Engineering or Computer Science. ISU currently has both of the latter degrees. Computer Engineering degrees will include elements of the existing Computer Science and Electrical Engineering programs.

6) Proposal for the third phase of the renovation of the facility for the Measurement and Control Engineering Research Center (MCERC).

2008-09

7) **BS in Manufacturing Engineering Technology** jointly with the College of Technology: This program is in the current Eight-Year Plan. It is proposed that this potential program be examined to determine the feasibility of implementation in the 2008-2009 budget year.

2009-2010

8) **MS Emphasis in Nano-technology:** This is an emerging field in engineering with potential applications in a variety of fields. Several of the College's faculty are engaged in current research activities in this field.

XIII. Fiscal Year Revenues - Current year is defined as the year the report is presented to the Board

Revenue Received, Various Fiscal Years						
		Past Fiscal Year($)		Current Fiscal Year($)		Next Fiscal Year($)
		2004-05		2005-06		2006-07
Annual General Account/State Appropriation		2,399,000		2,616,100		2,994,100
Revenue from Endowment Funds						
Student Fees		1,700		3,800		---
Federal Appropriation		---		---		---
Federal Grants & Contracts		1,194,200		1,295,000		---
State Grants & Contracts		51,400		34,600		---
Private Gifts, Grants & Contracts*		182,900		379,000		---
Sales & Serv of Educ Activities		---		---		---
Sales & Serv of Aux Enterprises		---		---		---
Other (please identify)**				130,000		150,000
Indirect Costs		24,700		23,400		---
Total, All Fund Sources		3,853,900		4,482,000		3,144,100
Notes:						
This report displays revenue received during the fiscal year, not expenditures made.						
Round to nearest $100.00.						

* Includes donations and private grants and contracts
** State-funded renovations for Measurement and Control Engineering Research Center (MCERC)

ABET Appendix Item

ABET Accreditation Policies Information (from current ABET accreditation manual)

19 2006-2007 Accreditation Policy and Procedure Manual

II.L.5. Information on a program published for students, prospective students, and the general public should provide sufficient definition of the program to show that it meets the appropriate ABET accreditation criteria. For example, if some fraction of the total elective courses must be taken in one curricular area in order for the criteria to be met, this requirement should be published, even though adequate counseling of students by faculty members may be shown to achieve the same objective.

II.L.6. College catalogs and similar publications must clearly indicate the programs accredited by the Commissions of ABET as separate and distinct from any other programs or kinds of accreditation. No implication should be made in any listing that all programs are accredited because of an institution's regional or institutional accreditation. Accredited programs should be specifically identified as "accredited by the _____ Accreditation Commission of ABET, 111 Market Place, Suite 1050, Baltimore, MD 21202-4012 - telephone: (410) 347-7700."

II.L.7. If an institution offers a non-accredited program at the same level in the same field as a program that is accredited by a Commission of ABET, the institution must indicate in the descriptions of its programs that are made available to the public that the non-accredited program is not accredited by a Commission of ABET.

II.L.8. Caution and discretion must be exercised by institutions in all publications and references to avoid ambiguity or confusion among engineering, engineering technology, computing, and applied science specialties. Where confusion exists, the institution must take positive steps in its publications and other media to help the public distinguish between engineering, technology, computing, and applied science programs.

II.L.9. If accreditation is withdrawn or discontinued, the institution may no longer refer to the program as being accredited.

II.L.10. ABET will publish a list of accredited programs only. Information as to whether a program or institution not on the accredited list had been under consideration by one of the Commissions will not be made available except to the appropriate officials of the institution in question.

II.L.11. The institution must make a public correction if misleading or incorrect information is released regarding the items addressed in Section II.L.

SBOE Assignment – Commonalities & Differences among Colleges & Schools

Date: **9 September 2006**

Institution: **University of Idaho**

College: **Engineering**

I. Brief History of the College of Engineering at UI

The UI College of Engineering (COE) has its origins in the Morrill Act of 1862, which provided for the organization of land-grant colleges in every state. In January 1889, a Territorial Act was passed creating the University of Idaho. The first faculty member, John E. Ostrander, was professor of Civil Engineering and Mechanic Arts. The first student was a Civil Engineering student. Of the four members of the first graduating class, two were civil engineers. The engineering program was based in the College of Applied Science until 1907 when Idaho's College of Engineering was established. In 1911 official action by the Regents created the COE as it is known today. Programs recognized by the Board of Regents in 1911 were civil engineering, electrical engineering, and mining engineering. Mining engineering together with metallurgy and geology were re-organized as a School of Mines in 1917 but returned to the College of Engineering in 2002.

Although civil engineering was the first engineering program at the University of Idaho, other departments were established soon afterwards, electrical engineering and mechanical engineering in 1901, chemical engineering in 1907 and agricultural engineering in 1910. An engineering graduate program was created in Idaho Falls to serve the Idaho National Laboratory in 1954 and UI Boise Engineering in 1988. Engineering Outreach (EO), a graduate engineering program available to off-campus students, was established in 1973 to meet the needs of Idaho industry by providing technical courses at a distance using a variety of technological delivery systems.

II. Degrees Offered by College of Engineering (UI)

Degree Name	Level	Specializations within the discipline (to reflect a national perspective)	Specializations offered within the degree at the institution
Biological & Agricultural Engineering	BS, ME, MS, PhD	Agricultural Engineering, Biological Engineering	Agricultural Engineering, BioSystems Engineering
Civil Engineering	BS, ME, MS, PhD	Civil Engineering,	Civil Engineering
Chemical Engineering	BS, ME, MS, PhD	Chemical Engineering	Chemical Engineering
Computer Engineering	BS, ME, MS	Computer Engineering, Software Engineering	Computer Engineering
Computer Science	BS, MS, PhD	Computer Science, Software, Computing, Information Systems	Computer Science
Electrical Engineering	BS, ME, MS, PhD	Electrical Engineering, Electronic Engineering	Electrical Engineering
Engineering Management	ME	Engineering Management	Engineering Management
Environmental Engineering	ME, MS	Environmental Engineering, Sanitary Engineering	Environmental Engineering
Geological Engineering	MS	Geological Engineering	Geological Engineering
Mechanical Engineering	BS, ME, MS, PhD	Mechanical Engineering	Mechanical Engineering
Materials Science & Engineering	BS, MS, PhD	Material Engineering, Metallurgical, Engineering, Polymer Engineering	Material Science and Engineering
Metallurgical Engineering	BS, MS, PhD	Material Engineering, Metallurgical, Engineering,	Metallurgical Engineering
Mining Engineering	MS, PhD	Mining Engineering	Mining Engineering
Nuclear Engineering	ME, PhD	Nuclear Engineering, Radiological Engineering	
Systems Engineering	ME	Systems Engineering	Systems Engineering

III. Enrollment and Graduates (UI)

Degrees	Enrollments[1]			Number of Graduates		
	2006-2007	2005-2006	2004-2005	2006-2007	2005-2006	2004-2005
Bachelor of Science						
Biol & Ag Engr	68	62	73	N/A	12	14
Chemical Engr	119	120	122	N/A	14	13
Civil Engr	241	224	201	N/A	29	13
Computer Engr	93	114	148	N/A	11	22
Computer Science	215	261	306	N/A	38	38
Electrical Engr	184	223	240	N/A	59	36
Geological Engr	1	2	2	N/A	0	0
Mechanical Engr	364	386	402	N/A	67	62
Materials Sci & Engr	83	79	51	N/A	5	3
Metallurgical Engr	29	51	54	N/A	9	5
Mining Engr	0	1	5	N/A	0	0
Undeclared	15	15	11	N/A	0	0
Total B.S.	**1412**	**1538**	**1615**	N/A	**244**	**206**
Master of Science						
Biol & Agric Engr	5	8	8	N/A	2	1
Chemical Engr	3	5	11	N/A	1	8
Civil Engr	27	28	33	N/A	9	3
Computer Engr	6	8	9	N/A	2	1
Computer Science	15	26	42	N/A	14	19
Electrical Engr	56	57	76	N/A	14	11
Environmental Engr	1	1	1	N/A	1	0
Mechanical Engr	33	34	36	N/A	14	12
Materials Sci & Engr	12	15	11	N/A	4	3
Metallurgical Engr	0	0	3	N/A	0	1
Mining Engr	0	0	1	N/A	1	1
Geological Engr	6	10	10	N/A	1	3
Nuclear Engr	0	0	0	N/A	0	0
Total MS	**164**	**192**	**241**	N/A	**63**	**63**
Master of Engineering						
Biol & Ag Engr	3	3	2	N/A	0	0
Chemical Engr	2	3	4	N/A	1	1
Civil Engr	28	32	33	N/A	14	8
Computer Engr	3	3	5	N/A	2	2
Electrical Engr	33	40	35	N/A	23	16
Mechanical Engr	18	23	21	N/A	5	9
Geological Engr	0	0	0	N/A	0	0
Nuclear Engr	1	0	0	N/A	0	0
Engineering Mgmt	26	27	28	N/A	3	4
Environmental Engr	0	0	2	N/A	0	0
Systems Engr	0	1	1	N/A	3	0
Total M Engineering	**114**	**132**	**131**	N/A	**51**	**40**

Enrollment and graduates table continued on page 5.

III. Enrollment and Graduates (UI) *(continued)*

Degrees	Enrollments[1]			Number of Graduates		
	2006-2007	2005-2006	2004-2005	2006-2007	2005-2006	2004-2005
Ph.D.						
Biol & Ag Engr	7	9	6	N/A	1	0
Chemical Engr	2	2	4	N/A	2	0
Civil Engr	11	13	15	N/A	2	2
Computer Science	25	32	33	N/A	2	3
Electrical Engr	21	31	28	N/A	2	2
Mechanical Engr	5	9	10	N/A	2	2
Materials Sci & Engr	7	9	9	N/A	0	3
Mining Engr – Metallurgy	1	2	3	N/A	1	0
Nuclear Engr	2	0	0		0	0
Total Ph.D.	**81**	**107**	**108**	N/A	**12**	**12**
Total[1]	**1771**	**1969**	**2095**	N/A	**370**	**321**

Total[2]	**1532**	**1655**	**1785**	**N/A**	**N/A**	**N/A**

[1] Tenth-day, fall semester, primary and secondary undergraduate majors, MS, M Engr, and Ph.D.

[2] Total adjusted to represent only primary undergraduate majors, MS, M Engr, and Ph.D.

Enrollment and Graduates through Engineering Outreach (UI)

Degrees	Enrollments[1]			Number of Graduates[2]		
	2006-2007	2005-2006	2004-2005	2006-2007	2005-2006	2004-2005
Master of Science						
Biol & Agric Engr	0	1	1	N/A	1	0
Chemical Engr	0	0	1	N/A	0	0
Civil Engr	2	1	0	N/A	1	0
Computer Engr	1	0	0	N/A	0	0
Computer Science	3	4	11	N/A	0	2
Electrical Engr	18	12	20	N/A	3	2
Environmental Engr	0	0	0	N/A	0	0
Mechanical Engr	6	4	4	N/A	1	0
Materials Sci & Engr	0	0	0	N/A	0	1
Metallurgical Engr	0	0	2	N/A	0	0
Mining Engr	0	0	0	N/A	1	0
Geological Engr	5	9	8	N/A	1	2
Nuclear Engr	0	0	0	N/A	0	0
Total MS	**35**	**31**	**47**	N/A	**8**	**7**
Master of Engineering						
Biol & Ag Engr	2	2	1	N/A	0	0
Chemical Engr	0	0	0	N/A	0	0
Civil Engr	19	21	25	N/A	11	2
Computer Engr	3	2	3	N/A	0	0
Electrical Engr	27	29	28	N/A	12	7
Degrees	**Enrollments[1]**			**Number of Graduates[2]**		
	2006-2007	**2005-2006**	**2004-2005**	**2006-2007**	**2005-2006**	**2004-2005**

Mechanical Engr	16	17	15	N/A	2	7
Geological Engr	0	0	0	N/A	0	0
Nuclear Engr	0	0	0	N/A	0	0
Engineering Mgmt	19	21	17	N/A	3	4
Environmental Engr	0	0	0	N/A	0	0
Systems Engr	0	0	0	N/A	0	0
Total M Engineering	**86**	**92**	**89**	N/A	**28**	**20**

Ph.D.						
Biol & Ag Engr	0	0	1	N/A	0	0
Chemical Engr	0	0	0	N/A	0	0
Civil Engr	0	1	0	N/A	0	0
Computer Science	4	6	9	N/A	2	1
Electrical Engr	7	12	10	N/A	1	1
Mechanical Engr	2	3	1	N/A	0	2
Materials Sci & Engr	0	1	0	N/A	0	0
Mining Engr – Metallurgy	0	0	0	N/A	1	0
Nuclear Engr	0	0	0		0	0
Total Ph.D.	**13**	**23**	**21**	N/A	**4**	**4**
Total	**134**	**146**	**157**	N/A	**40**	**31**

[1] Tenth-day, fall semester, primary undergraduate majors, MS, M Engr, and PhD
[2] Graduates who took at least one course through the Engineering Outreach Program

IV. Notable Accomplishments (UI)

A student, Chelan Pedrow, has designed a dynamic prosthesis to replace the leg of a child and that would adapt as the child grows. She works with a Physicians for Peace team and has visited Iraq and China to learn about designing and building prostheses.

An engineering professor is the lead researcher in a university strategic initiative focusing on waters of the west. The project will create an interdisciplinary water resources program composed of three distinct, but overlapping, tracks: Engineering and Science; Science and Management; and Law, Policy and Management. Both the research and education will be rooted in an experimental, case study based approach that will allow the program to meet the specific needs of those in Idaho, across the nation, and worldwide.

National Institute of Advanced Transportation Technologies (NIATT) is well established and continues to compete for funds at the national level. The U.S. Department of Transportation's (DOT's) Research and Innovative Technology Administration (RITA) recently selected UI as one of ten Tier I University Transportation Centers. NIATT engages student involvement on both the undergraduate and graduate levels in areas related to clean vehicle technology, traffic operations and control, and transportation infrastructure.

The Ecohydraulics Research Center (ERC), located in the UI Water Center Building, was established to foster collaborative interdisciplinary education and research efforts at the interface between hydraulic engineering, hydrology, and ecology. The research center has gained national and international prominence and continues to attract students and visiting researchers from all over the world.

The Center for Advanced Microelectronics Biomolecular Research (CAMBR) has developed three microprocessors for NASA test satellites for controlling and running the satellites and has successfully completed their mission in June 2006. NASA Jet Propulsion Laboratory recently appointed Professor Touraj Assefi to its Technology Advisory Board.

V. Demonstrated Demand for Degree (UI) – By Program

The **Biological & Agriculture Engineering** undergraduate enrollment has averaged 56.2 since 2001, with a high of 63 and a low of 47. During this period, we had 49 students receive B.S. degrees in engineering and 39% of these students have been women, one of the highest proportions in the College of Engineering. For 2005-06, in addition to 51 undergraduates, BAE served 19 graduate students.

BAE offers an excellent source of engineering education and knowledge in the fields of agriculture and biological sciences, and is widely recognized as such by the public and its peers due to the success of the graduates and extension clientele, and the significance and usefulness of the research. BAE students frequently take advantage of internships opportunities. They have worked hard with companies such as Potlatch Corp., Walt Disney World, and Scafco, but they also have worked in research laboratories at other universities such as Luea University of Technology in Sweden, NASA-Glenn Research Center, and the University of Washington Medical Center.

Exit interviews with graduating seniors show that over half of the B.S. graduates go on to graduate school. This includes institutions such as the University of Idaho, Cornell University, Iowa State University, Oregon State University, Michigan State University, University of California-Davis, and Arizona State University. Those students who choose to enter engineering practice are aggressively recruited by companies and government agencies both within Idaho and across the country.

Employers of BAE graduates include the US Dept. of Environmental Quality, Scafco Corporation, Idaho Dept. of Water Resources, William Bolthouse Farms, Southern Nuclear Operating Company, National Safe Skies Alliance, State of Idaho, Advanced Welding Co., Coeur d'Alene Tribe, Kress Land & Cattle Co., US Military, Idaho National Laboratory, AMI Semiconductor, Bechtel BBWI, GK Machine, Sanyo Corporation, Terracon, Agilent Technologies, and Fer-Tech to name a few.

Most students have employment by graduation and nearly all students are employed in a **chemical engineering** discipline within a month of graduation. The largest employer of chemical engineering graduates over the past ten years has been Micron Technology. Thirteen of 15 graduates from December 2005 and May 2006 completed the departmental senior exit interview showing that the average starting salary in private industry was $58,400 compared to the national average of $55,900 for 2006 entry-level positions.

Significant financial support has been received from Idaho National Laboratory contractors, Micron Technology, Potlatch Corporation, and petroleum industries. Major employers of graduates include the microelectronics industries (especially Micron, Intel, and AMD), pulp and paper industries (especially Potlatch and Boise Paper), chemical industries (especially Dow), petrochemical & fuel industries (especially Chevron and BP), environmental industries, and governmental contractors and laboratories especially the Idaho National Laboratory and Batelle.

These areas include pulp and paper research, colloids and surface science, nanotechnology, environmental biotechnology, microfluidics, process and product design, biodiesel, and fluid separations.

Since 2000 both enrollments and BS degrees granted have decreased slightly. Measures of total undergraduate enrollments show a 14-19% drop over this six year period. BS degrees granted have decreased from 20 in 2000 to an average of 15 in the years 2004-2006. However, the 2006-07 junior class totals 25. As usual, enrollment and degrees awarded closely follows the national trends where similar decreases have been recorded recently.

The University of Idaho is recognized as a regional leader in **civil engineering** education, offering high quality programs at the undergraduate and graduate levels including studies in transportation, water resources, structural, geotechnical, and environmental engineering. The department has made a strategic decision to focus resources towards Transportation and Water Resources (including ecohydraulics), areas where the department can excel at the national and international level. Industry support is provided by the Civil Engineering Advisory Board, consisting of 6-8 practicing civil engineers. These members are very active and have helped the department establish a summer internship program that "connects" the students with potential employers looking to hire UI undergraduates.

In 2006, CE graduates took positions with consultants in the Pacific Northwest, Idaho and Washington Departments of Transportation, and contractors. There will always be a need to maintain and renew our infrastructure and this will require a steady supply of civil engineering graduates. Additional spurts in economic activity, as with Idaho's Garvee bond, has already resulted in a greater demand for civil engineering graduates. The department also helps place students into summer civil engineering internships and academic year internships on research projects funded through NIATT, CER and other sponsors.

Our civil engineering students are also active in student chapters of professional organizations, such as ASCE and ITE. Participation in these activities allows them to attend regional and national competitions (concrete canoe and the steel bridge, for example), meet other students, and visit civil engineering design offices and construction sites.

Enrollments have consistently ranged between 180 and 200 undergraduate students, with about 25 BSCE graduates per year. The graduate enrollments are also good, with about 66 students (11 PhDs, 27 MS, and 6 MEngr) on campus and about 22 students pursuing MEngr degrees through Engineering Outreach.

All of the undergraduate students who have earned degrees in **computer science** in the last several years have received employment in the field or have continued with graduate studies. Approximately 20% of the students continue for graduate studies either at the University of Idaho or other universities. Employment of CS students has been verified through several sources, including graduating senior exit interviews, contacts from companies who have employed the students, contacts with the Engineering Expo, the university's recruiting office, and other sources, such as data provided to departments from the Association for Computing Department Heads and the professional society, the Association of Computing Machinery (ACM).

Students have found employment with companies such as Microsoft, Intel, Hewlett-Packard, Micron, and a number of smaller companies in the region. A few students have explored their own start-up companies. Through connections and obligations associated with the Scholarship for Service program, several students have gone to employment with the federal government. Several students have found employment at the Idaho National Laboratory (INL).

Some CS students have been employed to work on traditional computer science applications such as data base designs and applied computing systems. Because of the department's research efforts associated with CSDS, IBEST, and system reliability, many students have found employment in areas of system and network security, which is becoming a major area for employment, nationally.

It must be noted that an important contribution to the department comes from the industrial advisory board, a group of professionals in the field who voluntarily give their time, representing themselves and their companies, to consult with the department on matters of curriculum and employment of the students. Through this group, the department has made a number of contacts through which several students have found employment.

Approximately 20% of ECE graduates pursue graduate education up completion of their BS degrees, either at the UI or at other top schools around the country. Based on exit interview responses and informal discussions, the remaining ECE graduates are finding employment, with many receiving multiple job offers. In recent semesters graduating students have found employment with Micron, Idaho Power, Avista, Power Engineers, Schweitzer Engineering Laboratories (SEL), Cypress Semiconductor, Hewlett-Packard, Advanced Input Systems, Agilent, Idaho National Laboratories, NASA, and the US military services, among others. Many of these employers also hire students as summer interns. Employers also visit campus for career fairs and give presentations to student groups such as the IEEE student branch.

The department had 260 undergraduate majors (69 in computer engineering and 191 in electrical engineering) and 132 graduate students (11 in computer engineering and 121 in electrical engineering) in FY 2005.

The department has received significant industrial support for instructional and research lab equipment from SEL, Micron, Avista, and Idaho Power. In most cases, these are equipment or software donations, but some are financial donations that were used to create endowments to support laboratory operations. There are also some continuing sponsored scholarships as well.

ECE students are also in demand while in school for their technical abilities. In addition to summer interns, local industries such as Cypress Semiconductor and SEL employ interns during the school year. Many research projects support undergraduates as well as graduate students. The sponsorship of interdisciplinary (with ME and BAE) capstone senior design projects is another area where students in the programs are in demand.

The department advisory board includes representatives from Micron, Idaho Power, Hewlett-Packard, Cypress, Intel and Power Engineers. The advisory board meets twice each year as part of the department's ongoing educational program outcome assessment and strategic planning activities.

All of the graduates from the **Materials Science & Engineering** programs are either finding good paying jobs or are joining graduate programs at UI or at other top schools. Companies, national labs, and government organizations that express interest in, or hire, our graduates include Novelis (Alcan), US Posco, Wah Chang, Precision Castparts Corp., Calloway, Ruger Casting, Wagstaff Engineering, Honeywell, AMI, Simplot, Hewlett-Packard, Idaho National Laboratory, Pacific Northwest National Laboratory, Norco Steel, Boeing, Micron, GM, Ford, Daimler-Chrysler, Vanalco, Timet, RIT (PMI), Allegheny-Technologies, Dept. of Energy (BOM), NRL, USAF, NASC, Homeland Security, General Dynamics, Lockheed-Martin, Northrop-Grumman, Sweitzer Engineering, and KTech. MSE students have interned at Micron, Wagstaff Engineering, Honeywell, US Posco, INL PNNL, and Homeland Security.

Research emphasis areas in materials science include improved lead batteries, nuclear recycling, magnetic memory materials, light-weight automotive components, and cold spray forming of titanium component. NRL, AF, DOE, IPP (non-proliferation program, Battelle PNNL, INL, and NSF have contributed financial support towards these research areas.

The departmental industrial advisory board has actively supported the MSE program both in formal meetings and in with support for equipment.

Senior exit surveys in **Mechanical Engineering** indicate that the job market is excellent with most students either going to work or moving on to graduate school. The chair consistently receives calls and emails from companies and past alumni who are seeking ME graduates at both the BS and MS levels.

Senior exit surveys conducted in the spring semester (prior to graduation) are used to assess the demand for the ME graduates at the BS level. Between 2002 and 2004, ME had 105 students respond to the survey. Prior to graduation 32 had accepted employment opportunities,

30 were accepted for graduate school, 5 were returning to the military, 33 were for employment, and 5 had "other plans". In 2004 salaries for BSME graduates ranged from $40-50K. Because the survey is conducted prior to graduation, the department does not always have precise information on final employment status. However, from alumni surveys, it appears that essentially all ME graduates find employment within a few months after graduation. MSME graduate students have many employment opportunities. This last year, MSME graduates received offers ranging from $65-75K upon graduation. Companies that hire these graduates are varied with no single industry dominating the market. Companies that hired ME graduates include Micron, Intel, Boeing, Wagstaff Engineering, Advanced Input Devices, Argonne National Lab, Pacific Northwest Lab, Schewietzer Engineering, Ford, General Motors, Bombardier, Artic Cat, CAT, Manning Applied Technology, Isothermal Research Systems, Idaho Power, Potlatch, US Army Corp of Engineers, Puget Sound Naval Shipyard, and Quest Aviation, to name a few.

Students are also encouraged to find summer (or semester) internships prior to graduation. More than 75 companies have provided internships to students over the past six years. Many of these companies are listed as employers in the previous paragraph.

Nuclear power is experiencing a world-wide renascence. Global warming and dependence on foreign fossil fuels are the major drivers. Utility companies in the U.S. have indicated interest to build over 12 new nuclear plants within the decade. The nuclear workforce is aging. Almost half of the nuclear workforce will be eligible to retire within the next 5 years. The demand for nuclear scientists and engineers currently exceeds the supply; unemployment in the nuclear industry is near zero.

Engineering Outreach provides distance education to students needing graduate degrees or professional continuing education, both within the state of Idaho and throughout the nation. Most of these students are working professionals who are place-bound, unable to leave their jobs or move their families to attend courses at a traditional university campus.

During the fall 2006 semester, EO courses generated 361 enrollments as of the 10th day of classes. Of these, 102 enrollments (28%) were from Idaho students, 246 enrollments (68%) were from United States students outside of the State of Idaho, and 13 enrollments (4%) were from international students.

These students are employed by a variety of companies, government agencies, and military organizations. Within Idaho, these include: AMI Semiconductor, Micron, Hewlett-Packard, and Bechtel at the Idaho National Laboratory. Other employers nationwide include: The Boeing Company, General Electric, General Motors, Hutchinson Technology, Indian Health Services, IBM, Lucent, Microsoft, Northrop Grumman, Schweitzer Engineering Laboratories, and all branches of the U.S. military.

VI. Unique Contributions to Idaho Residents

UI has the only programs in biological and agricultural engineering in the state of Idaho. The department and its graduates directly address the state's needs for solutions to agricultural problems with irrigation, water quality, animal waste management and odor, and machinery for cultivation and harvesting.

Several businesses have been founded based on chemical engineering research in the areas of pulp and paper, for example Pacific Simulation in Moscow and consulting companies, hazardous waste management, for example HazAnswers in Idaho Falls and Terra Graphics in Moscow, and environmental biotechnology, for example Innovative BioSystems in Moscow. Programs and courses within chemical engineering have been developed to meet specific state needs. For example, a program in Hazardous Waste Management was developed in response to the hazardous waste management issues at the Idaho National Laboratory. Courses in integrated circuit fabrication and statistical process analysis were developed to support the

microelectronics industry, especially Micron Technology, and to provide graduates trained in microelectronics fabrication.

Civil Engineering projects include highways, transportation, clean and waste water facilities and networks, structures, environmental engineering, and many other items which benefit the residents of the state of Idaho. Within the state of Idaho, UI graduates continue to significantly influence the work performed by Idaho Transportation Department and the Idaho Department of Water Resources and the many municipal city districts. CE graduates are employed by many state agencies, including ITD, IDWR, DEQ and federal agencies such as BLM, EPA, USDA.

The Battelle Energy Alliance (BAE) has been contracted by DOE to operate and grow the Idaho National Laboratory (INL) from 2005-2015. The graduate-level science and engineering education (and research) opportunities provided by the UI under contract to the INL are also made available to Idaho residents.

The Engineering Outreach program is unique among Idaho's engineering schools' programs around the nation. It is the first program of its kind in the U.S. to offer all courses in a DVD/Web support format. DVD delivery allows complete viewing of course content on a computer without the bandwidth limitations imposed by many Web-based courses.

VII. Areas of Commonalities with Degrees/Programs at Other Idaho Colleges and Universities with Rational As to Why

There is very little commonality between the program and programs at other schools in the state. There are no other programs in **biological and agricultural engineering** in the state. The UI program is unique in its combination of the life sciences with engineering.

There are no other **Chemical Engineering** degrees or programs at other Idaho colleges or universities.

Both Boise State University and Idaho State University offer a BS and MS degrees in **civil engineering.** The UI Civil Engineering department uniquely offers a PhD in civil engineering, MS degree in geological engineering and a MEngr degree in engineering management. This part of a comprehensive offering of engineering degrees provides an ideal environment for students interested in cross-disciplinary opportunities.

Both Boise State University and Idaho State University offer BS degrees in **computer science.** Additionally, BSU offers the MS degree in computer science. Only the University of Idaho offers the PhD degree in computer science. The three undergraduate programs are similar but justified by the need to supply computer science courses throughout the universities and the need for computer science graduates.

BSU and ISU both offer ABET accredited BS **Electrical Engineering** degree programs. Each of the three BSEE programs has somewhat different areas of emphasis. The BSU program emphasizes semiconductor devices and analog electronics. The ISU program has limited depth in any one area. The UI BSEE program provides emphasis areas of power engineering, communications, and analog electronics. While analog electronics is a common area with BSU and to some extent with ISU, there is significant demand for engineers in this specialty area. The UI program has more depth in electromagnetics than BSU or ISU.

The UI BS **Computer Engineering** program is the only ABET accredited computer engineering degree program in the state. BYU-Idaho offers a BSCompE degree program and appears to be in the process of applying for ABET accreditation. The BYU-Idaho program concentrates on the software side of computer engineering. The UI program is much stronger in the hardware

portion of computer engineering and requires more depth and breadth in software, as well as a significantly larger number of technical electives.

BSU offers Masters degrees in **electrical engineering** and in **computer engineering**, and recently added a Ph.D. degree. The differences in emphasis areas described under BS degree programs also apply to the graduate programs. According to a 2004 IEEE Power Engineering Society survey, the UI ECE department offers more power courses through distance education than any university in the country. The ECE department offers Certificates in Power Systems Protection and Relaying, Communication Systems, Electric Machines and Drives, and Analog Integrated Circuit Design.

The only commonality is with the **Materials Science & Engineering** program recently established at BSU due to the close proximity of Micron.

Both BSU and ISU offer **Mechanical Engineering** programs all of which were sanctioned by the SBOE. The rationale is based on a national need for mechanical engineering graduates and has been verified by the increased enrollments in all programs. Collaborative research is conducted among UI, BSU and ISU by selected faculty members in areas including pedagogy, combustion, and manufacturing assistance. UI and ISU work closely in disseminating graduate coursework for students at INL and the Southeast Idaho region, especially in courses related to nuclear engineering.

ISU likewise offers similar graduate degrees in **Nuclear Science & Engineering**. ISU focus strengths are in undergraduate and graduate physics (reactor physics, nuclear accelerators and health physics). The UI's focus is in engineering (nuclear engineering, chemical engineering and materials science & engineering). Together, UI and ISU are able to provide comprehensive undergraduate and graduate programs in the nuclear science and engineering area.

VIII. Relationship/Collaboration with other UI Degrees/Programs & How the Courses in the Program are used for Other Degrees

Bio and Ag Engineering faculty are active with several interdisciplinary programs in the university. Tom Hess, a professor of BAE, is the director of the Environmental Engineering program. Jan Boll is leading a recently funded university initiative that will coordinate water-related activities across the state. The upper-division classes are taken by many students pursuing degrees in other disciplines, such as environmental science, hydrology, geology, MMBB, soil & land resources, natural resources, forest resources, geography, biology, and chemistry.

A limited number of **chemical engineering** courses are used in other degree programs outside of engineering. Environmental science students take chemical engineering courses in environmental technology. Chemistry students take chemical engineering classes as applied chemical technology classes. Research collaborations have been established between chemical engineering and chemistry, physics, microbiology, forest products, business, and with several departments in the agricultural sciences.

The Landscape and Architecture degree program relies on the department offering "Elementary Surveying" (CE 218) every fall semester to about 20 students. Many of the **civil engineering** courses are offered at the upper-division level. As these require rigorous engineering (Engr), math and science prerequisites, very few of these classes are taken by non-engineering, undergraduate majors.

Computer science courses are a part of the University of Idaho core curriculum and are taken by students throughout the university. Over the past year, 21 introductory CS courses have been offered to non-CS majors. Bioinformatics is an emerging discipline that unites computational and biological sciences to translate biological data into new knowledge. Core bioinformatics and evolutionary studies membership includes faculty and students from biological, mathematical and computer science. The Initiative for Bioinformatics and Evolutionary Studies is the umbrella organization that coordinates the Bioinformatics and Computational Biology (BCB) graduate degree program with an interdisciplinary group of faculty and students.

The **Electrical & Computer Engineering** department has been involved in establishing research and instructional partnerships and cross-listed coursework with other UI and WSU departments and institutes including: Mechanical Engineering, Computer Science, Materials Science and Engineering, Neuroscience, NIATT, MRCI, CAMBR, and ERI.

The ECE department joined forces with the departments of Biological Sciences, Computer Science, Psychology, and Chemistry in 2001 to begin a collaborative research and teaching effort focused around the central theme of Neuroscience. One result was the graduate program in Neuroscience at the University of Idaho, an interdisciplinary program administered from the College of Graduate Studies

ECE graduate course offerings that also serve the neuroscience include Adaptive Signal Processing, Biological Signal Processing, Information Theory, and Electroacoustic Sensors and Systems, Fuzzy Logic Systems, and Neural Networks.

The ECE Department in cooperation with the MRCI has been a funded Site for the National Science Foundation's Research Experience for Undergraduates Program. This program involves faculty and graduate students from ECE, CS, biological sciences, chemistry, and psychology who mentor 10 undergraduate students who come to the UI from across the United States to conduct summer projects in computational neuroscience and technology research.

The ECE department has joined with the ME and BAE departments in an interdisciplinary capstone senior design program. Several design teams from the capstone program also participated with students from business and economics in the Vandal Innovation and Enterprise Works program.

Collaboration with personnel from other UI degrees/programs exists both in course work and research projects of **Materials Science & Engineering**. Both undergraduates and graduate students from different disciplines including physics, chemistry, mechanical engineering, chemical engineering, electrical engineering and civil engineering take MSE classes. Cooperative recent work is on-going with faculty from physics, chemistry, chemical engineering, and electrical engineering especially in nanostructures research and magnetic/electronic materials.

Essentially none of the **Mechanical Engineering** or ENGR courses are used by other non-engineering degree programs. The reason is that ME courses generally require advanced calculus or differential equations as prerequisites. However, the ENGR courses are used by all the engineering majors in the COE as the basis of the degrees. A number of classes in the areas of controls and materials are cross listed with the ECE and MSE departments. Courses are also cross listed with Washington State University.

The UI **Nuclear Engineering** Program relies heavily on coursework from the UI departments of Chemical Engineering, Mechanical Engineering and Materials Science & Engineering.

IX. Accreditation Status of Engineering Programs (UI)

All of the undergraduate programs in the College of Engineering at the University of Idaho, except Materials Science & Engineering, are accredited by the Accreditation Board for Engineering and Technology (ABET). Materials Science and Engineering (MSE) is a recent addition to the suite of programs in the college and has produced only a few graduates to date. Accreditation of this program may be sought at the next ABET General Review if additional faculty resources indicate a probable success.

While ABET encourages programs to promote the fact that they are ABET accredited, they nevertheless have a stringent confidentially policy. Appendix A to this report contains ABET's policy on public release of accreditation information. Additionally, information that can and cannot be included in program promotional materials is included. In summary, specific comments, either laudatory or critical, are to be kept confidential, as are the specific accreditation actions, the time period covered by the accreditation, and any correspondence between ABET and the institution regarding accreditation reviews.

The following table presents all of the information that is permitted to be made public under ABET policy. Additional information can be provided if needed, and if confidentially consistent with ABET policy can be guaranteed.

Program	Current Accreditation Expires	Next Review
Agricultural Engineering	September 2008	Fall 2007
BioSystems Engineering	September 2008	Fall 2007
Chemical Engineering	September 2008	Fall 2007
Civil Engineering	September 2008	Fall 2007
Computer Engineering	September 2008	Fall 2007
Computer Science	September 2007	Fall 2006
Electrical Engineering	September 2008	Fall 2007
Mechanical Engineering	September 2008	Fall 2007
Metallurgical Engineering	September 2008	Fall 2007
Materials Science & Engineering	Has never been accredited.	Fall 2007

X. Contribution of the Degree/Program to Economic Development in the Region, State, or the Governor's Science and Technology Initiative

Agriculture currently provides about 25% of the economic activity in the state of Idaho. This industry has unique requirements for engineers with expertise in the life sciences as well as the traditional skills of engineering design and analysis. The department of **Biological & Ag Engineering** provides graduates to meet the needs of the agricultural industry.

Several Idaho companies have been founded by **chemical engineering** faculty and graduates including Pacific Simulation, a Moscow company specializing in simulation and control systems for the pulp and paper industries; Terra Graphics, an environmental engineering company successful in managing several remediation projects at hazardous waste sites including the Silver Valley of northern Idaho; and HazAnswers, an environmental engineering company in Idaho Falls. The Chemical Engineering Department has provided continuous faculty presence in Idaho Falls for over 30 years in support of the Idaho National Laboratory.

Although not unique to just Idaho, the State's infrastructure consisting of transportation, utilities and water resources rely heavily on the contribution of **civil engineers**. The private and public sector also requires civil engineers to design, maintain and construct buildings, factories and other facilities essential for the economic and sustainable development of Idaho. The department graduates about 25-35 civil engineers every year, and a majority of them choose to live and work in Idaho.

A major area of **computer science** application is computer security, survivability, and reliability. The computer science research supports entrepreneurial growth by enabling a lower cost to market for high assurance computing systems and has resulted in patents and patent applications for improved computer security, survivability, and reliability. Computer science research has identified problems in the control infrastructure of power and energy and in transportation systems when these systems are subjected to malicious acts. Intrusion detection has been improved by establishing normal software system behavior and departures from normal behavior.

Electrical and computer engineering graduates are in high demand with the majority of graduates finding employment in the state and region with companies such as HP, Agilent, Micron, Idaho Power, Power Engineers, Boeing, Cypress, Advanced Input Systems, and Schweitzer Engineering Laboratories. Over the past year, several Engineering Outreach graduate students from outside the region have applied for jobs with Idaho Power, Power Engineers, and Schweitzer Engineering Labs, bringing new engineers into the area. Research projects include advances in microwave ferrite technology, controls for miniature autonomous submarines, security and survivability of transportation systems, the application of plug and play technologies to the design of traffic controller systems, and the development of power circuits for systems-on-a-chip.

The Governor's Science and Technology Initiative covers "increased funding for research activities related to Idaho's science and technology core competences of *nanosciences and materials*. Both these latter two subjects are emphasized in the **Materials Science & Engineering** program. The MSE program provides the technology behind the materials that make communication, transportation, recreation, structures, and environment functions safe, productive, and efficient.

Mechanical Engineering graduates command some of the highest wages of college graduates. The UI ME program consistently places ME graduates in Micron, Simplot, Idaho Power, INL, Boeing, and a variety of small high-tech firms around the state and in the region. The ME Department performs active research that is funded by federal or industrial dollars; a large percent of which is paid in wages for graduate students or faculty. ME work in clean vehicle research promotes a sustainable Idaho. ME graduates are also involved with the VIEW program that is intended to promote entrepreneurial activity and technology transfer. This involvement is linked to our capstone design program that solicits industrial sponsored projects. The result are projects that are designed, tested, and built. Many of these sponsors are Idaho companies that use the design project to assist them in their business. Many of the students also connect with employment opportunities through this program.

Nuclear science and engineering has been recommended by the Governor's Science & Technology advisory committee as an important area for the state. Nuclear education, through ISU, UI and BSU is a state-wide program under development.

The **Engineering Outreach** program offers complete graduate degrees programs to those employed by Idaho business and industry. By offering these high quality academic experiences at a distance, those seeking professional development opportunities can meet their educational needs while remaining engaged with local employers. This "on the job" educational option fuels Idaho's economic development engine and meets a critical statewide need. In addition, the EO program offers specialized certificate programs designed to meet the needs of Idaho business and industry (see section II. for certificate of completion programs).

XI. Describe how the various degrees/programs or specializations within the school/college were built or will be built on existing programs, if applicable. (limit to 250 words)

The mission of the College of Engineering is accomplished through our commitment to excellent undergraduate and graduate engineering education, research, scholarship, public service, outreach, and professional development. This mission is achieved through the Moscow campus, as the foundation of our university, and its strong off-campus connections throughout the state. This includes our Coeur d'Alene/Post Falls campus with its compelling growth, the strategic hub of our Boise campus, our Idaho Falls campus with its close relation to Idaho National Laboratory, our Twin Falls campus, and other statewide instructional, outreach, research centers and institutes, and stations throughout Idaho.

Our college of engineering goals are enhancing and developing programs of excellence in education, research, and service to the state, the nation, and the world; increasing the size and the quality of our student body; enhancing diversity among our faculty, students, and staff; increasing financial responsibility of the college and increasing public financial support provided by state and other funding sources; increasing private gift support from our alumni and friends; providing opportunities for co-op, interns, training, and employment of our graduates in a competitive market; ensuring success of our students on all levels and professional studies in key potential technical areas; producing graduates able to pursue life-long learning and continued professional development, capable of undertaking leadership roles in their profession, in their communities, and in the global society; and increasing research funding from government agencies and a wide variety of industries to promote both our undergraduate and graduate programs.

XII. Future Plans and Timelines with Rationale as to Why

Biological & Agricultural Engineering departmental goals include increasing student enrollment, expanding the program to better address students' needs in the biotechnology and biomedical fields. The department hopes to have 50% more student enrollment in three years. BAE is looking to have new courses in biotechnology and biomedical engineering within two years.

Additional graduate assistant positions in **Chemical Engineering** will be established through a current fund raising campaign. New faculty hired over the next five years will have graduate student support funded by these funds. An additional chemical engineering faculty member with a specialization in separation processes applicable to nuclear engineering will be hired during 2007 to complement the Idaho Falls faculty. Maintain and strengthen a high-caliber undergraduate program in chemical engineering. Renovate facilities over a five-year period to improve HVAC system, improve classroom, replace outdated analytical equipment, and establish modern research laboratories. Develop evolving, interdisciplinary design projects with sponsors from the major industrial chemical engineering constituencies. This will improve the already strong design experiences for chemical engineering students

The **Civil Engineering** Department plans to maintain a rigorous, and successful, undergraduate civil engineering program by continuing to graduate civil engineers of the highest caliber from an ABET accredited program. In the next three years, the department intends to implement new classes which will provide students with better computational skills and introduce them to management techniques. Such skills are likely to be in great demand in the future. With the current size of the department, the objective is to graduate 30-35 students every year. For

graduate studies, the department intends to expand the on-campus enrollment by at least 50 percent in the next five years. This will be accomplished by an added emphasis on recruitment at the national and international levels. Financial support from externally funded research expenditures will help sustain this objective. The department has opted to strategically focus its resources in two areas: (1) Ecohydraulics – with the Center of Ecohydraulics Research (CER), at the Water Center in Boise, and (2) Transportation – with the National Institute of Advanced Transportation Technologies (NIATT), on the Moscow campus. These two areas of research are broad enough, and should allow most faculty to contribute effectively. With national prominence and success, the department expects these two areas will attract considerable funding, excellent graduate students, post-docs and eminent visiting faculty.

The national trend in **computer science** is changing, as entering students are beginning to see the great career opportunities and personal satisfaction afforded by study in this field. It is the goal of the department to posture itself to take advantage of these times.
It is the department's goal to be excellent few disciplines, to be competitive at the national/international level in these select things. CS is working on making personal and professional connections with faculty at all the universities in the region who work in computer science and with specific emphasis on those who have similar research interests for several reasons. They include professional relationships with colleagues, increasing state and regional opportunities for the department work and for the graduates, and for the purposes of recruiting new, high quality graduate students. It is the goal that CS graduate students will be placed in top positions in the state and region, including research and teaching positions at other universities. The issue of place-bound students is a recent phenomenon to the university environment. We find students who are working and have families but now need the opportunities provided by a graduate education and degree. The department currently has one permanent faculty member in Idaho Falls who works as a regular faculty member in the department providing and making connections for graduate education, MS and PhD levels in that region of the state. CS expects to expand into the Coeur d'Alene region in the same way in the next few years, and will need a full-time faculty member there. In both cases, a challenge is to improve the quality of delivery of courses among the remote campuses, and to ensure that the offered courses meet the needs of the students as they progress through their programs. The department is working closely with the Department of Electrical and Computer Engineering to develop and expand graduate opportunities in jointly related research, especially in the field of Computer Engineering. CS is working with other departments within the College of Engineering and across the campus to develop evolving, interdisciplinary design projects for the required capstone design experience. Besides the engineering disciplines, the department is working on ways to include business elements and legal elements in our capstone design projects and some other coursework. CS is also working with sponsors from the major industrial computer science constituencies. This will improve the already strong design experiences for computer science students.

Maintain and strengthen the high quality undergraduate programs in **electrical engineering** and in **computer engineering**. Build on existing strength in power systems and reinvigorate analog electronics offerings. Expand computer engineering program to include hardware-software co-design experiences. Strengthen interdisciplinary capstone design experience with ME and BAE with increased involvement from other engineering programs and with the College of Business. Increase on-campus graduate enrollment of domestic students. Expand graduate course offerings in computer engineering. Increase number of full time doctoral students. Add new research area in electronic packaging. Increase research activities with industry within the state and region. Work with small businesses pursuing SBIR and STTR funding. Improve and expand laboratory space. Increase research opportunities for undergraduates.

The emphasis of the **Materials Science & Engineering** department will be focused on materials science and engineering, i.e. to encompass metals, ceramics, polymers and

electronic/magnetic materials. As such two new hires are planned, one a ceramist/nuclear engineer, the other a polymerist. It is intended that both these hires will occur in the academic year (2006/2007). The department will continue to increase its undergraduate student enrollment; with a goal of reaching 200 undergraduates by 2010. In the research arena, MSE will continue to emphasize work on electronic/magnetic devices with the goal of transitioning from earmarked money to competitive funding. The department will also build up its activities in the nuclear arena working closely with INL and CAES. Emphasis here will be on advanced (elevated temperature) materials and recycling of "once used" fuel. Work will also continue on low cost titanium components, using a powder metallurgy approach, for aerospace and industrial applications. This will include near net shape processing such as metal injection molding.

Mechanical Engineering will continue to offer a fundamentally sound undergraduate ME degree through its labs, engineering science courses, ME design sequence, and ME capstone program. The department will become leaders in entrepreneurship as engineers developing products that make the world a better place through the VIEW program. The department will continue to perform and develop research capability in areas including MEMS, controls, vehicle safety, clean burning combustion (engines), material testing and evaluation, advanced modeling, design pedagogy, and sustainable energy.

During the next three years (2006-2009) the Idaho universities are developing the research and education expertise in **nuclear science and engineering** to provide the INL and the planned Center for Advanced Energy Studies (CAES--new research facility to open in 2008 in Idaho Falls) and residents within the state with new opportunities that are in demand around the nation and the world.

Engineering Outreach is currently experimenting with various high resolution/low bandwidth Web-casting formats that will allow students to download complete DVD-quality courses to their computers over the Internet. Within the next few years, EO will beta-test this equipment and plans to eventually provide all courses in a synchronous format to students nationwide.

XIII. Fiscal Year Revenues - Current year is defined as the year the report is presented to the Board

Engineering Programs *

Revenue Received, Various Fiscal Years			
	Past Fiscal Year	Current Fiscal Year	Next Fiscal Year
Annual General Account/State Appropriation	8,937,500	9,751,500	9,765,600
Revenue from Endowment Funds	57,700	57,900	57,900
Student Fees	173,000	173,400	173,400
Federal Appropriation	150,000	150,000	150,000
Federal Grants & Contracts	9,049,700	9,223,800	9,223,800
State Grants & Contracts	1,072,700	1,075,100	1,075,100
Private Grants & Contracts	1,859,700	1,858,400	1,858,400
Private Gifts	448,200	439,300	434,300
Sales & Serv of Educ Activities			
Sales & Serv of Aux Enterprises			
Other (please identify)			
Indirect Costs	222,800	208,000	207,500
Total, All Fund Sources	22,042,100	23,000,900	23,014,500

Notes:

This report displays revenue received during the fiscal year, not expenditures made.
Round to nearest $100.00.

*** Includes the following:**

Biological & Agricultural Engineering
Chemical Engineering
Civil Engineering
Computer Engineering
Electrical Engineering
Materials Science & Engineering / IMAP
Mechanical Engineering
UI Boise Engineering
Center for Ecohydraulics

Boise State University
Idaho State University
University of Idaho
Colleges of Engineering

Presentation to
Idaho State Board of Education

November 30, 2006

Growth of Idaho's Tech Industry

- Added 1,000 net jobs in 2004, for a total of 35,000
- Venture capital investments more than tripled in 2005
- 69% of Idaho's exports are tech related
- High-tech exports increased from $1.6 billion in 2004 to $2.3 billion in 2005
- R&D expenditures of $1.2 billion in 2003
- The tech industry pays over $2 billion every year in payroll in Idaho

AeA Cyberstates 2006 report

Growth of Idaho's Tech Industry

- Forbes – Among major metropolitan areas, Boise is the fourth best place in the U.S. for business and careers, and the second best place in the western states
- The Forbes list for smaller metropolitan areas included Pocatello (23rd), Coeur d'Alene (33rd) and Idaho Falls (35th)
- Idaho Falls was singled out as a top location for top dollar jobs as programmers, systems engineers, and other high-skilled occupations

Forbes Magazine

Governor's Science & Technology Advisory Council

- Members include presidents of the state's biggest universities; executives from Micron, Qwest, Hewlett Packard; and the director of the Idaho National Laboratory in Idaho Falls
- Developing proposal for a $50 million science and technology initiative to stimulate growth of science and technology businesses
- Businesses of interest include biomedical engineering and computer chip design

Spokesman Review, Wednesday, August 9, 2006

The Situation – Engineering Education

- Four Idaho universities offering under-graduate engineering:
  - BSU
  - BYU-I
  - ISU
  - UI
- Need for continued collaboration among Idaho's state universities

Commonalities Among Idaho's Three State Colleges of Engineering

- Undergraduate degrees in Civil Engineering, Computer Science, Electrical Engineering, Mechanical Engineering
- Quality control in these programs is assured by ABET accreditation.

Differences Among Idaho's Three State Colleges of Engineering – Unique Programs

- BSU –
  - Construction Management – BS
  - Instructional & Performance Technology – MS
  - Electrical & Computer Engineering – PhD
- ISU –
  - Nuclear Engineering – BS
  - Measurement & Control Engineering – MS
  - Engineering & Applied Science – PhD
- UI –
  - Biological & Agricultural Engineering – BS, ME, MS, PhD
  - Chemical Engineering – BS, ME, MS, PhD
  - Civil Engineering – PhD
  - Computer Engineering – BS
  - Computer Science – PhD
  - Engineering Management – ME
  - Geological Engineering – MS
  - Materials Science & Engineering – PhD
  - Mechanical Engineering – PhD
  - Metallurgical Engineering – BS, MS, PhD
  - Systems Engineering – ME

B.S. Engineering Degree Programs Offered at Idaho's State Universities

(unique degree programs shown in blue)

	UI	BSU	ISU
Biological & Agricultural Engineering	X		
Civil Engineering	X	X	X
Chemical Engineering	X		
Computer Engineering	X		
Computer Science	X	X	X
Construction Mgmt		X	
Electrical Engineering	X	X	X
Materials Science & Engineering	X	X	
Mechanical Engineering	X	X	X
Metallurgical Engineering	X		
Nuclear Engineering			X

MS/ME Degree Programs Offered at Idaho's State Universities

(unique degree programs shown in blue)

	UI	BSU	ISU
Biological & Agricultural Engineering	X		
Civil Engineering	X	X	X
Chemical Engineering	X		
Computer Engineering	X	X	
Computer Science	X	X	
Electrical Engineering	X	X	
Engineering Management	X		
Environmental Engineering	X		X
Geological Engineering	X		
Instructional & Performance Tech		X	
Materials Science & Engineering	X	X	
Measurement & Control Engineering			X
Metallurgical Engineering	X		
Mechanical Engineering	X	X	X
Nuclear Engineering	X		X
Systems Engineering	X		

PhD Degrees Offered at Idaho's State Universities

	UI	BSU	ISU
Biological and Agricultural Engineering	X		
Chemical Engineering	X		
Civil Engineering	X		
Computer Science	X		
Electrical and Computer Engineering		X	
Electrical Engineering	X		
Mechanical Engineering	X		
Materials Science & Engineering	X		
Metallurgical Engineering	X		
Nuclear Engineering	X		
Engineering and Applied Science			X
Nuclear Engineering Option			X
Subsurface Science Option			X

Budgets

in millions, rounded

	UI	BSU	ISU
State	8.9	6.8	2.6
Research	12.6	4.3	1.7

Enrollments
(2004-2007)

	UI	BSU	ISU	US*
2004-2005				
UG	1,615	1,079	470	409,778
GRAD	480	316	98	143,915
2005-2006				
UG	1,538	1,176	456	397,437
GRAD	431	274	100	139,370
2006-2007				
UG	1,412	1,296	454	n/a
GRAD	359	270	85	n/a

*US figures from ASEE.ORG

Selected Engineering Constituencies

- Idaho National Laboratory
  - Center for Advanced Energy Studies (CAES)
- American Microsystems, Inc.
- Idaho Power
- Micron Technologies, Inc.
- J U B Engineering
- QWEST
- Power Engineers
- Premier Technologies
- Pacific Simulation
- Terra Graphics
- Stiletto Tool
- Boeing
- Crowley Davis Research
- Chevron
- Idaho Department of Water Resources
- US Department of Environmental Quality
- Agilent Technologies
- Intel
- AMD
- Boise Paper
- Dow
- Microsoft
- Hewlett-Packard
- Schweitzer Engineering
- Wagstaff Engineering
- Washington Group International
- Itron
- TenXsys

- The INL Center for Advanced Energy Studies (CAES) is utilizing the Idaho universities to build a mutually beneficial entity
- The Colleges of Engineering from BSU, ISU, and UI are bringing unique expertise to bear on national energy problems
  - BSU – strong materials science and alternate energy research
  - ISU – strong expertise in nuclear and alternative energies and physics
  - UI – strong research in science and engineering supporting the nuclear mission and alternative energies
- These collaborations will build capabilities at each institution and will assist in solving energy problems for the nation
- CAES and the INL will continue to need strong engineering support in the state

Harold S. Blackman, Ph.D.
CAES Interim Director

COE UI Unique Programs, Research Centers & Key Facilities

- Center for Advanced Microelectronics and Biomolecular Research (CAMBR)
- Center for Applied Thermodynamic Studies (CATS)
- Center for Ecohydraulics Research (CER)
- Center for Secure and Dependable Systems (CSDS)
- Initiative for Bioinformatics & Evolutionary Studies (IBEST)
- Institute for Materials and Advanced Processes (IMAP)
- Microelectronics Research and Communications Institute (MRCI)
- NASA Idaho Space Grant Consortium (NASA ISGC)
- National Institute for Advanced Transportation Technology (NIATT)
- Bioinformatics and Computational Biology
- Environmental Science
- Neurosciences
- Water Resources

BSU - Unique Programs, Research Centers & Key Facilities

- Center for Environmental Sensing
  - EPA/NSF/FAA funded initiative
- Center for Materials Characterization – NSF MRI/Industry funding
  - Transmission Electron Microscope
  - X-Ray Diffractometer
  - Atomic Force Microscopes (2)
- Center for Orthopaedic and Biomechanics Research
  - Strong collaboration with Biomolecular Research Center, Intermountain Orthopaedics, biology, chemistry, local surgeons and health care providers
- FAA Air Transportation Centers of Excellence
  - Consortium member in ACER and PARTNER (18 Academic and 40+ Industrial partners)
- Boise State University Key Facilities
  - New Product Development Laboratory – EDA/Industry funding
  - Beowulf Computer Cluster Laboratory – NSF/Industry funding
  - Idaho Microfabrication Laboratory – DoD and Private funding
  - Advanced Materials for Extreme Environments Laboratory – DoE/DoD/Industry
  - 3-Dimensional Electronic Interconnect and Packaging Laboratory – DoD funding
  - Biomaterials Research Laboratory – NIH funding
  - Wind Energy Research Laboratory – EPA funding

ISU – Unique Programs, Research Centers & Key Facilities

- Nuclear Engineering BS (NE), MS (NS&E), PhD (Engr & Applied Science) Degree Programs (expanding)
  - Institute of Nuclear Science and Engineering
  - Nuclear Reactor Laboratory, including an AGN-201 reactor and a subcritical assembly
  - Idaho Accelerator Center
- Measurements and Control Engineering M.S. Degree Program
  - Measurement & Control Engineering Research Center (MCERC)
- Biomedical Engineering (interdisciplinary initiative)
  - Three research centers joint with Health Sciences, Biological Sciences, Pharmacy, Physics, Chemistry
    - ISU Biomedical Research Institute (IBRI) – joint with Pharmacy
    - Center for Motion Analysis and Biomechanics (CMAB) – joint with Biological Sciences
    - Measurement and Control Engineering Research Center– prosthetic arm

Regional Impact

- Many engineering students are employees of regional companies
- Idaho engineering programs provide opportunities for continuing engineering education, including access to graduate programs
- Enrollment in engineering degree programs positions practicing professionals for career advancement and contributes to the technological advancement of their employing companies
- Idaho engineering stimulates economic development in partnership with area industry and government agencies

Ideas. Innovations. Idaho.

Idaho's new license plate – We're serious about growing high-tech industry in our state

SUBJECT

New Graduate Program – Master of Nursing and Master of Science in Nursing – Boise State University

APPLICABLE STATUTE, RULE, OR POLICY

- Idaho State Board of Education Governing Policies and Procedures, Section III.G.4 and 5, Program Approval and Discontinuance
- Sections 33-107 (7), 33-4001. Idaho Code.

BACKGROUND

In accordance with Board policy III.G.4.(a) (1), Board approval is required prior to implementation of any new academic program, instructional unit, minor, option, or emphasis with a financial impact of $250,000 or more per year. In accordance with Board Policy III.G.4, (a) (2), the Executive Director is authorized to approve, prior to implementation, any new academic program, instructional unit, minor, option, or emphasis with a financial impact of less than $250,000 per year.

DISCUSSION

Boise State University is proposing two new graduate degrees: a Master of Science in Nursing, which will require a thesis and will target students who plan to proceed toward a doctoral degree and a Master of Nursing, which will require the completion of a project that will enhance skills and knowledge relevant to a career path. Both degrees will utilize the same faculty and share most of their coursework. The proposed program builds upon BSU's undergraduate baccalaureate nursing program which has existed since 1975.

In September 2006, the Provosts from Idaho State University and Boise State University signed a Memorandum of Agreement, which included that BSU and ISU will together establish a framework for graduate nursing education through the state with a shared core graduate curriculum; ISU agreed to support the creation of BSU's master's degree program focusing on population health (public health); and the Nursing Departments of ISU and BSU will work to reduce duplication in programs.

The Northwest Commission on Colleges and Universities regionally accredits BSU and is currently accredited at all degree levels (A, B, M, D). The specialized accreditation body for the proposed programs is the National League for Nursing Accreditation Commission (NLNAC). The NLNAC reaccredited the Nursing Department's Associate and Baccalaureate degree programs in 2002. The proposed program will be submitted for specialty accreditation by NLNAC before the graduation of the first cohort of students. Subsequent evaluations will occur on an eight year cycle.

In spring 2005, 2,800 alumni of BSU's AS and BS nursing programs were surveyed to determine level of interest in a master's degree program in nursing. The survey returned 522 responses. Thirty-seven percent indicated interest in pursuing a master's degree in nursing and the same percentage indicated an extreme likelihood of applying within the next five years. Sixty-four respondents

indicated they were extremely likely to somewhat likely to attend a masters program at BSU within five years.

Staff support will be provided by reallocating 0.25 FTE from the seven existing staff members. Existing equipment is sufficient to support the proposed program. To further strengthen the program, funds for two graduate assistantships will be requested from internal reallocation in the near future.

The undergraduate program currently utilizes a distributed method of instruction that includes on-line, hybrid on-line and on-campus, and cable TV delivery modes. Because most prospective students for the proposed master's program will be employed off-campus, the Department plans to continue to utilize distributed methods of instruction for all of its students. BSU will work with ISU to develop core courses for graduate nursing education, those core courses will be offered on-line.

The proposed program will be the only graduate nursing program with an emphasis on population nursing, which has its foundation in public health nursing focusing on health promotion and disease prevention. ISU already offers master's level programs in nursing that differ in focus.

Idaho State University has five specialty options in Master of Science in Nursing program: Family Nurse Practitioner, Clincial Nurse Specialist, Clinical Nurse Leader, Nursing Education and Nursing Leadership. The emphasis for the proposed BSU Master of Science in Nursing and Master of Nrusing degrees is on population health with a strong reinforcement of public health nursing.

Other nursing programs in Idaho (College of Southern Idaho, North Idaho College, Lewis-Clark State College, Eastern Idaho Technical College, and BYU-Idaho) do not offer graduate level nursing education. The University of Idaho currently does not have a nursing program. Northwest Nazarene University located in Nampa, ID has an undergraduate nursing program but does not have a graduate nursing program. Albertson College of Idaho does not have a nursing program.

The proposed nursing program is an effort by BSU to offer masters consistent with state needs and that are specifically designed to serve a diverse population through graduate programs in the areas of health profession. The program fulfills a number of goals and strategies in BSU's strategic plan, *Charting the Course*. Specifically, the new programs respond to the educational needs of the region, integrate research and teaching, and offer flexible course delivery options.

The state of Idaho currently faces a nursing shortage. This is evidenced most recently by the actions of Idaho Governor James Risch to form a statewide taskforce to examine the nursing shortage and make recommendations as to what needs to occur in higher education to help avert this crisis. Policy makers in the U.S. and in Idaho are realizing the major roadblock to producing more nurses is a lack of faculty with post-baccalaureate degrees. The Masters-prepared nurses who graduate from BSU's program will be able to teach in academic

settings. Although the primary focus of the proposed graduate program is to produce Masters-prepared nurses to work in clinical settings, graduates of BSU's program will have credentials required by the Idaho State Board of Nursing to teach in college-level nursing programs. Additionally, from the pool of Masters-prepared nurses will come the cohort of nurses who will pursue a Ph.D. in Nursing, the degree needed to teach a full range of undergraduate and graduate coursework at Idaho's universities.

Fiscal Impact

Estimated Fiscal Impact	FY 08	FY 09	FY 10	Total
A. Expenditures				
1. Personnel	$208,852	$308,490	$401,796	**$919,138**
2. Operating	$8,000	$10,000	$15,000	**$33,000**
3. Capital Outlay	$2,000			
4. Facilities				
TOTAL:	**$218,852**	**$318,490**	**$416,796**	**954,138**
B. Source of Funds				
1. Appropriated Reallocation – MCO	$190,172	$288,950	$386,370	**$865,492**
2. Appropriated – New – MCO				
3. Federal funds				
4. Other grants				
5. Fees	$5,000	$5,150	$5,304	**$15,454**
6. Other: Endowment	$23,680	$24,390	$25,122	**$73,192**
TOTAL:	**$218,852**	**$318,490**	**$416,796**	**$954,138**
C. Nature of Funds				
1. Recurring *	$218,852	$318,490	$419,796	**$954,138**
2. Non-recurring **				
TOTAL:	**$218,852**	**$318,490**	**$419,796**	**$954,138**

IMPACT

If Board approved, the institution will implement this program and it will be subject to future monitoring for program compliance.

STAFF COMMENTS AND RECOMMENDATIONS

BSU's request to offer a Master of Nursing and Master of Science in Nursing is consistent with their Eight-Year Plan for Delivery of Academic Programs in the Southwest Region. Board staff and CAAP recommend approval as presented.

BOARD ACTION

A motion to approve Boise State University's request to offer a Master of Nursing and Master of Science in Nursing.

Moved by_____ Seconded by_____ Carried Yes_____ No_____

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REFERENCE: APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: III. POSTSECONDARY AFFAIRS
G. Program Approval and Discontinuance April 2005

4. Program Approval Policy

Program approval will take into consideration statewide and institutional objectives.

a. New instructional programs, instructional units, majors, minors, options, and emphases require approval prior to implementation;

(1) Board Approval – Board approval prior to implementation is required for any new:

(a) academic professional-technical program, new major, minor, option, emphasis, or instructional unit with a financial impact* of $250,000 or more per year;
(b) graduate program leading to a master's, specialist, or doctoral degree.

(2) Executive Director Approval – Executive Director approval prior to implementation is required for any new academic or professional-technical program, major, minor, option, emphasis or instructional unit with a financial impact of less than $250,000 per year.

b. Existing instructional programs, majors, minors, options, emphases and instructional units.

(1) Changes, additions, expansions, and consolidations to existing instructional programs, majors, minors, options, emphases, or instructional units with a financial impact of $250,000 or more per year require Board approval prior to implementation.

(2) Changes, additions, expansions, and consolidations to existing instructional programs, majors, minors, options, emphases or instructional units with a financial impact of less than $250,000 require executive director approval prior to implementation. The executive director may refer any of the requests to the Board or a subcommittee of the Board for review and action. All modifications approved by the executive director shall be reported quarterly to the Board. Non-substantive name or title changes need not be submitted for approval.

c. Routine Changes

Non-substantive changes, credits, descriptions of individual courses, or other routine catalog changes do not require notification or approval. Institutions must provide prior notification of a name or title change for programs, degrees, departments, divisions, colleges, or centers via a letter to the Office of the State Board of Education.

5. Approval Procedures

a. Board Approval Procedures

(1) Subsequent to institutional review and consistent with institutional policies, all requests requiring Board approval will be submitted by the institution as a notice of intent in a manner prescribed by the Chief Academic Officer of the Board.

(2) The Chief Academic Officer shall forward the request to the CAAP for its review and recommendation. Professional-technical requests will be forwarded to the Idaho Division of Professional-Technical Education for review and recommendation prior to CAAP review and action. If the CAAP recommends approval, the proposal shall be forwarded to the Board for action. Requests that require new state appropriations will be included in the annual budget request of the institution and the State Board of Education.

(3) CAAP may, at its discretion, request a full proposal for any request requiring a notice of intent. A request for a new graduate program requires a full proposal. Full proposals should be forwarded to CAAP members at least two (2) weeks prior to the next CAAP meeting for initial review prior to being forwarded to the Board for approval.

(4) As a part of the full proposal process, all doctoral program request(s) will require an external peer review. The external peer-review panel will consist of at least two (2) members and will be selected by the Board's Chief Academic Officer and the requesting institution's Chief Academic Officer. The review will consist of a paper and on-site review followed by the issuance of a report and recommendations by the peer-review panel. Considerable weight on the approval process will be placed upon the peer reviewer's report and recommendations.

b. Office of the State Board of Education Approval Procedures

(1) All requests requiring approval by the Executive Director will be submitted by the institution as a notice of intent in a manner prescribed by the Chief Academic Officer of the Board. At the discretion of the Chief Academic Officer, the request may be forwarded to the CAAP for review and recommendation. Professional-technical requests will be forwarded to the

Division of Professional-Technical Education for review and recommendation prior to CAAP review and action.

(2) If the CAAP recommends approval of the request(s), the notice of intent will be submitted to the Executive Director for consideration and action. The Executive Director shall act on any request within thirty (30) days of receipt of the Chief Academic Officer's or CAAP's recommendation.

(3) If the Executive Director denies the request he or she shall provide specific reasons in writing. The institution has thirty (30) days in which to address the issue(s) for denial of the request. The Executive Director has ten (10) working days after the receipt of the institution's response to re-consider the denial. If the Executive Director decides to deny the request after re-consideration, the institution may send its request and the documents related to the denial to the president of the Board for final reconsideration.

(4) Distance Learning Delivery and Residence Centers

All academic programs delivered to sites outside of the service area defined by the institution's role and mission statement shall be submitted to the Executive Director using a notice of intent.

REFERENCE: APPLICABLE STATUTE, RULE, OR POLICY

TITLE 33
EDUCATION
CHAPTER 1
STATE BOARD OF EDUCATION

33-107. GENERAL POWERS AND DUTIES OF THE STATE BOARD. The state board shall have power to:

(7) prescribe the courses and programs of study to be offered at the public institutions of higher education, after consultation with the presidents of the affected institutions;

TITLE 33
EDUCATION
CHAPTER 40
BOISE STATE UNIVERSITY

33-4001. BOISE STATE UNIVERSITY ESTABLISHED -- STANDARDS -- PROFESSIONAL-TECHNICAL PROGRAMS. The college now known as Boise state college and previously operated and conducted by Boise community college district in Ada County, Idaho, known as Boise college, shall be established in the city of Boise, Idaho, as an institution of higher education of the state of Idaho, for the purpose of giving instruction in college courses in sciences, arts and literature, professional, technical and other courses of higher education, such courses being those that are usually included in colleges and universities leading to the granting of appropriate collegiate degrees, said college to be known as Boise State University. The standards of the courses and departments maintained in said university shall be at least equal to, or on a parity with those maintained in other similar colleges and universities in Idaho and other states. All programs in the professional-technical departments, including terminal programs now established and maintained, may be continued and such additional professional-technical and terminal programs may be added as the needs of the students attending such university taking professional-technical and terminal programs shall warrant, and the appropriate certificate for completion thereof shall be granted. The courses offered and degrees granted at said university shall be determined by the board of trustees.

SUBJECT

Report on Governor's Nursing Taskforce

APPLICABLE STATUTE, RULE, OR POLICY

N/A

BACKGROUND

In August 2006, Governor Risch appointed an 18-member task force to collaborate and form recommendations on how Idaho might address the nurse shortage. In October 2006, the task force released a report that provides an overview of the shortage with an analysis of nurse supply and demand and a snapshot of shifting trends, key challenges and proposed short and long-range solutions.

DISCUSSION

Like other states, Idaho has a shortage of nurses. And, like most other states, this shortage is expected to become critical between now and 2020. With nurses comprising the "front line" staff in most health care settings, their ability to deliver safe, competent care is essential to the safety and well-being of Idahoans now and in the future.

Through its study and deliberation, the task force determined a number of strategies to increase the supply of nurses in Idaho. The recommended strategies focus on five anticipated outcomes.

ANTICIPATED OUTCOMES

- Increased ability to educate more nurses
- Development and maintenance of a diverse nursing population that includes targeted populations*
- Development, recruitment and retention of sufficient numbers of qualified nursing faculty
- Retention of the current experienced nursing workforce
- Continued planning for an adequate nursing workforce for the future

*Targeted populations include underserved and special populations such as: rural communities; racial and ethnic diverse groups; men and women; immigrants, dislocated and incumbent workers; and military personnel

PRIORITY RECOMMENDATIONS

The Task Force recommends five priority strategies that require immediate action and resource commitment to address Idaho's critical nurse shortage:

1. Increase of current nurse faculty salaries in Idaho's state colleges and universities over the next three years to be competitive with industry standards--$3.8 million

2. Increase by 400 nursing seats over the next two years in Idaho's state colleges and universities--$7.6 million
3. Funding to support the continued work of the Idaho Nursing Workforce Center--$300,000/year
4. Support for the development of new nursing faculty to replace retiring faculty over the next 4 years--$1.3 million
5. Expand and enhance financial support available to undergraduate, graduate and post graduate students to offset the high costs of nursing education, including scholarships and loans--$600,000/year

IMPACT

N/A

ATTACHMENT

Attachment 1 – Report of the Governor's Nursing Task Force Final Page 3

STAFF COMMENTS AND RECOMMENDATIONS

Staff offers no comments or recommendations.

BOARD ACTION

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

Report of the Governor's Nursing Task Force

October 2006

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Acknowledgements

When Idaho Governor James E. Risch took the oath of office, he made the commitment “to better understand and address the critical issue of nursing shortage in Idaho” and to undertake a collaborative effort to find those common ground solutions that would serve to “deliver relief to our schools and hospitals”.

In August 2006, Governor Risch appointed a task force to collaborate and form recommendations on how we might address the nurse shortage in our state.

This report represents the work of the 18-member task force, all of whom worked tirelessly to accomplish their charge.

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EXECUTIVE SUMMARY

Like other states, Idaho has a shortage of nurses. And, like most other states, this shortage is expected to become critical between now and 2020. With nurses comprising the "front line" staff in most health care settings, their ability to deliver safe, competent care is essential to the safety and well-being of Idahoans now and in the future.

This report on the nurse shortage is presented by the Governor's Nursing Task Force, charged to identify key issues and provide recommendations to address Idaho's nurse shortage. It provides an overview of the shortage with an analysis of nurse supply and demand and a snapshot of shifting trends, key challenges and proposed short and long-range solutions.

Through its study and deliberation, the Task Force determined a number of strategies to increase the supply of nurses in Idaho. The recommended strategies focus on five anticipated outcomes:

ANTICIPATED OUTCOMES

- Increased ability to educate more nurses
- Development and maintenance of a diverse nursing population that includes targeted populations*
- Development, recruitment and retention of sufficient numbers of qualified nursing faculty
- Retention of the current experienced nursing workforce
- Continued planning for an adequate nursing workforce for the future

*Targeted populations include underserved and special populations such as: rural communities; racial and ethnic diverse groups; men and women; immigrants, dislocated and incumbent workers; and military personnel

PRIORITY RECOMMENDATIONS

The Task Force recommends five priority strategies that require immediate action and resource commitment to address Idaho's critical nurse shortage:

1. Increase of current nurse faculty salaries in Idaho's state colleges and universities over the next three years to be competitive with industry standards--$3.8 million
2. Increase by 400 nursing seats over the next two years in Idaho's state colleges and universities--$7.6 million
3. Funding to support the continued work of the Idaho Nursing Workforce Center--$300,000/year
4. Support for the development of new nursing faculty to replace retiring faculty over the next 4 years--$1.3 million
5. Expand and enhance financial support available to undergraduate, graduate and post graduate students to offset the high costs of nursing education, including scholarships and loans--$600,000/year

Longer range strategies that further support the anticipated outcomes of the work of the Task Force, include:

LONGER-RANGE RECOMMENDATIONS

- Expand clinical training opportunities through coordination, innovation and technology
- Recruit more individuals, especially targeted populations, into nursing
- Promote adequate preparation for students prior to entry to nursing education, including high school preparation in math and the sciences
- Identify and address workplace issues in an effort to retain nurses in practice throughout their professional nursing careers
- Develop a mechanism to ensure continued collaboration among stakeholders in order to measure progress and create accountability for implementation and accomplishment of a plan for future nursing workforce needs

Section 1: Idaho's Nurse Shortage

AN OVERVIEW

Like other states, Idaho has a shortage of nurses. And, like most other states, this shortage is expected to become critical between now and 2020.

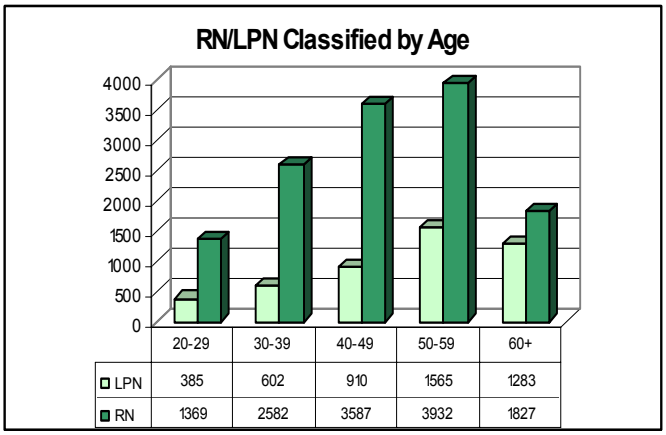
Nurse shortages are not a new phenomenon in Idaho, and in fact, have existed in cyclical trends for decades. Historically, nurse shortages, once recognized, could be adequately addressed by stepping up student recruitment efforts to generate interest in nursing as a career and by increasing the numbers of applicants admitted to existing nursing education programs. The result, within 2 to 4 years, was an increase in numbers of nursing student graduates who licensed and were then employed as nurses in the state's health care institutions. When numbers became sufficient to meet demand, recruitment efforts were scaled down and student interest and program admissions declined.

During these cyclical shortages, employers would also initiate strategies to attract nurses to their work settings, e.g. attractive competitive salaries, "sign-on bonuses" for new hires, flexible scheduling for staff nurses, and opportunities for job advancement, often with accompanying tuition reimbursement packages for nurse employees wishing to return to school to pursue advanced degrees. When the supply of nurses again began to exceed the demand, employers would often scale back the incentives until the next shortage cycle surfaced.

For years this strategy of short-term, quick response to market fluctuations worked well, and the health care industry efficiently managed variances in nurse supply and demand.

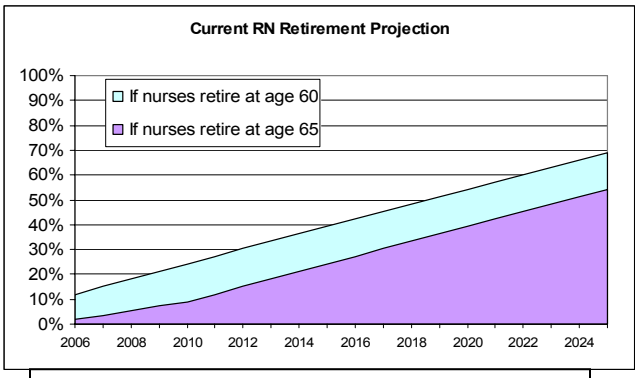
The current nurse shortage, reported in July 2002 by the U.S. Department of Health and Human Services Health Resources and Services Administration (HRSA 2002), is quite different from those of the past. Whereas previous shortages were characterized as temporary fluctuations in nurse supply and demand, the current shortage is marked by an alarming exodus of the existing nursing workforce and the industry's inability to adequately compensate by using old, familiar strategies. This upset in historical trends, coupled with an unprecedented increase in demand for nursing services, has resulted in the need for Idaho to rethink how to plan for an adequate nursing workforce for the future.

Licensed nurses constitute the largest number of healthcare providers in this country. Along with their colleagues from the other health professions, over 10,000 licensed nurses provide safe, competent care for Idaho's 1.2 million citizens. Nurses live in and provide services in every county in the state. They are employed in a variety of settings, including hospitals and nursing homes, public schools and public health districts, physician's offices and outpatient clinics, in government agencies and in colleges and universities, among others.

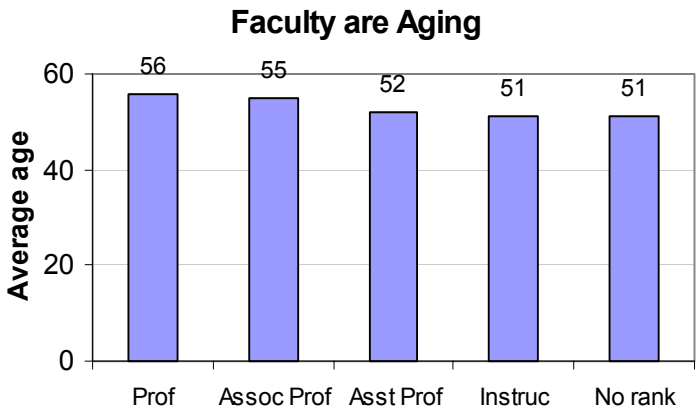


Source – BON 2005 Annual Report

Many Idaho nurses are from the Baby Boom Generation, anticipating retirement in the next 5 to 10 years. 70% of licensed nurses in Idaho are currently over the age of 40; 40% are over the age of 50. Less than 10% of Idaho's currently employed nurses are below the age of 30. If Idaho's nurses retire at age 65, by 2026 60% of today's RNs will no longer be working. If they choose to retire at age 60, 70% of our current RN population will no longer be working in 20 years. Just when we need the most nurses to care for our vulnerable elderly, our nurses will have, in fact, left the profession. Many of today's nurses will themselves join the forces of the largest group of health care consumers upon their retirement at age 65.



Source: Idaho Nursing Workforce Center Projection, based on data from the Idaho Board of Nursing 2005 Statistical Report



Only 2 schools reported having ***any*** faculty under age 40
INWC - 2006

As troublesome as evidence of the aging of Idaho's nursing workforce is, even more alarming is the evidence of Idaho's aging nursing faculty. With an average age of 55, the retirement of many of our experienced faculty over the next five to ten years is almost certain. This anticipated exodus, coupled with the inability to attract and retain experienced nurses as teachers, presents a huge challenge for Idaho's colleges and universities.

In the 2005-2006 academic year, 20% of all full-time nursing faculty in Idaho left their positions, many to double their salaries by working in hospitals or other practice settings. The most common reasons given by nursing faculty for leaving their positions are salary, followed by retirement.

The complexities and enormity of the current shortage present challenges that have never before been dealt with, including:

1. An unprecedented increase in the health care needs of Idahoans as a result of tremendous population growth, especially growth in the population over 65

2. The anticipated retirement of over 40% of Idaho's nurses in the next 10 years

3. Insufficient capacity to allow for an adequate increase in the number of students admitted to Idaho's nursing programs to offset the rapidly aging nurse population

4. The inability to recruit or retain masters and doctoral prepared nurses in Idaho's colleges and universities.

Idaho's ability to assure safe, quality, cost effective healthcare is dependent, in part, on a nursing workforce sufficient in numbers and with the appropriate education and

demonstrated competence to adequately support Idaho's healthcare industry needs as well as to respond to the health care demands of our citizens.

NURSE SUPPLY

Idaho's nurses include licensed practical nurses (LPN), licensed professional/registered nurses (RN), and licensed advanced practice professional nurses (APPN), a category that includes certified nurse midwives (CNM), clinical nurse specialists (CNS), nurse practitioners (NP) and registered nurse anesthetists. Most of Idaho's nurses are female (91%), white (91%), and over the age of 40 (73%) (Board of Nursing 2005 Annual Report).

Of the 18,043 currently licensed nurses in Idaho, 4,745 are LPNs and 13,298 are RNs. 10,682 (59%) of Idaho's nurses are employed in nursing either full or part-time. Nearly 7 out of every 10 RNs in Idaho are employed in hospitals. LPNs work primarily in hospitals, nursing homes and physician's offices.

RN/LPN Employment Site

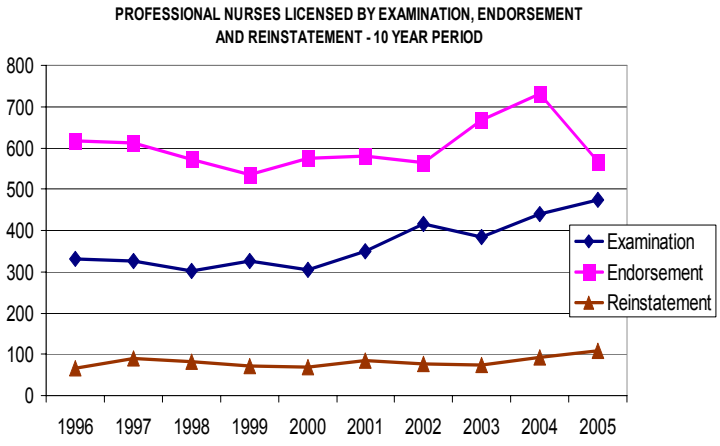
	LPN	RN
Community Health	92	347
Hospital	1035	7047
Nursing Home	1130	747
Office Nurse	960	1207
Education Program	12	255
Other	550	1336

Many nurses who are licensed in Idaho but not working as nurses have retired. Still others have left the state. A small number are employed in fields other than nursing. It is tempting to consider nurses not currently working in nursing as a potential resource to help offset the shortage. However, because of their ages, work status and life situations, the pool of licensed nurses not working in nursing does not present a rich source for mitigating the current shortage.

Idaho law requires nurses to be actively licensed before engaging in nursing practice in this state. Nurses applying for licensure in Idaho include:

- Those who are newly educated and seeking initial licensure in Idaho;
- Nurses who were educated and initially licensed in another state or territory and who are subsequently seeking licensure by interstate endorsement in Idaho;
- Nurses educated and licensed outside the U.S. seeking licensure in Idaho; and
- Nurses whose Idaho licenses have lapsed and who are seeking reinstatement of their licenses to allow them to resume practice in the state.

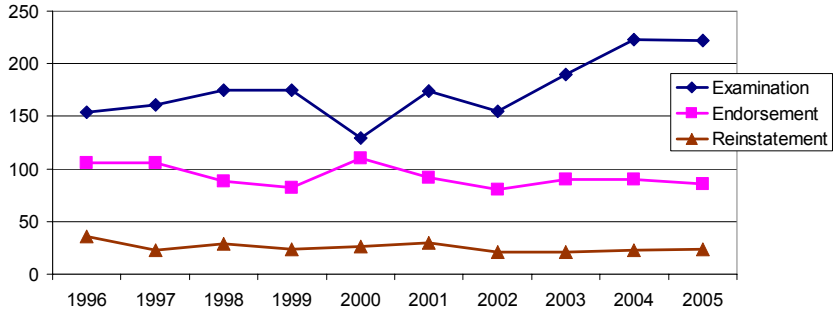
47% of Idaho's newly licensed registered nurses and 67% of newly licensed practical nurses in the past year were new nursing graduates. During that same period, 44% of newly licensed registered nurses and 26% of newly licensed practical nurses licensed by endorsement from another state where they were previously licensed and practicing. The remaining newly licensed registered nurses and licensed practical nurses in 2005 included those nurses reinstating Idaho licenses that had been allowed to lapse and those international nurses



seeking their initial licensure in the U.S. by application to Idaho.

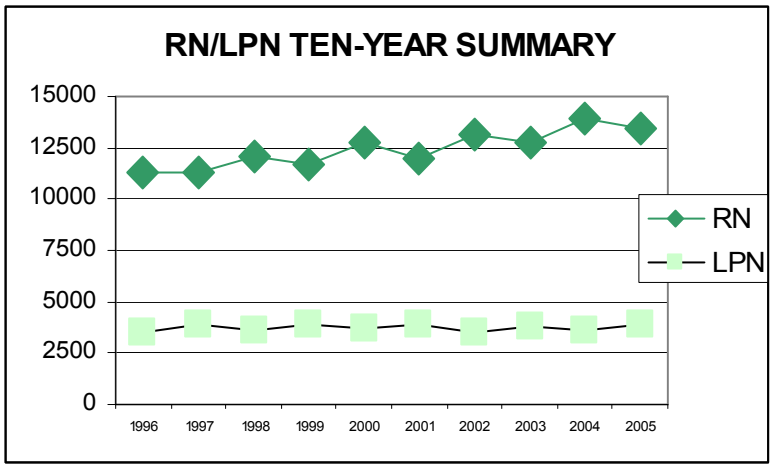
In 2005, 47% of Idaho's new nurses were new graduates, many of them from among the 745 graduates of Idaho's colleges and universities.

PRACTICAL NURSES LICENSED BY EXAMINATION, ENDORSEMENT AND REINSTATEMENT - 10 YEAR PERIOD



Once licensed, nurses must renew their licenses every two years in order to continue to practice nursing in this state. Since 1996, the number of nurses renewing licenses each biennium has been between 80% and 90% of the number of nurses licensed during the previous year.

An adequate supply of nurses in Idaho is dependent on a high percentage of licensed nurses continuing to renew their licenses every biennium while, at the same time, adding new nurses to the supply through processes of examination, endorsement or reinstatement to offset those nurses who either leave the state or leave the profession.

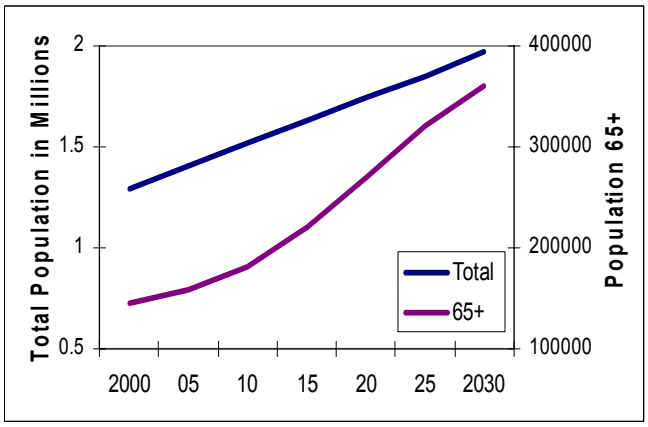


The total number of nurses licensed in Idaho has increased slightly over the past 10 years. However, unless the supply of nurses increases significantly in the next several years, it is anticipated that the number of nurses leaving the profession will soon exceed the number entering, further exacerbating the nurse shortage in Idaho.

...AND DEMAND

Idaho's population is expected to reach 2 million by 2030. With the aging of the Baby Boom Generation, the number of Idahoans over the age of 65 will have nearly doubled by that time. Since persons over the age of 65 are known to be the highest consumers of health care in our country, the demand for nurses will only accelerate with the aging of our citizens.

Projected Population Growth
INWC 2006

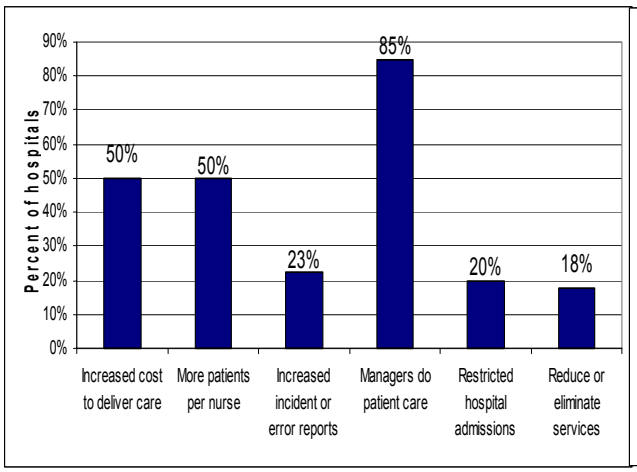


In the document, "Condition Critical: Who Will Provide Your Nursing Care in Idaho?", the Idaho Nursing Workforce Center reports that in 2005, Idaho hospitals reported vacancy rates of 6.4% for RNs and 3.6% for LPNs. The INWC indicates that while these rates are not excessive by most standards, the total numbers and distribution of nurses in our state are troubling. Idaho ranks 48th in the nation in number of licensed nurses per 100,000 population, with rural hospitals reporting nurse vacancy rates as much as 50% higher than urban hospitals. According to the INWC report, "Idaho's rural hospitals are bearing the brunt of the shortage" (INWC 2006).

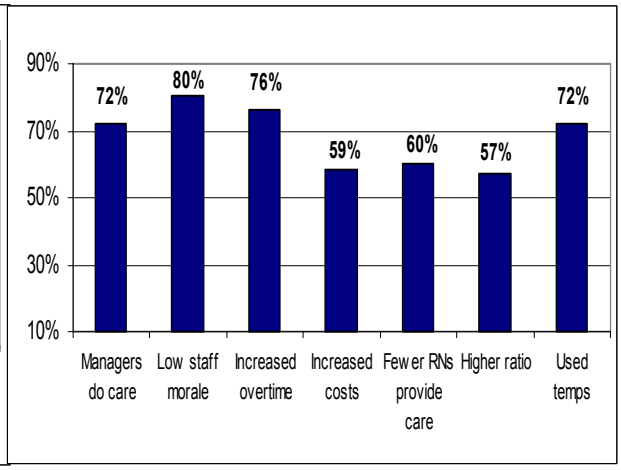
A recent national study found that in hospitals that report high patient to nurse ratios, mortality rates among surgical patients are higher and nurses are more likely to report job dissatisfaction and "job burnout" (Aiken et al., 2002). One can deduce, that as the number of licensed nurses providing care decreases, the number of untoward patient outcomes will likely increase. With these findings and with nearly ½ of Idaho's licensed nurses currently employed in hospitals, the predicted shortage has become of even greater concern to employers and policy makers.

Recent reports indicate that the current nurse shortage is negatively impacting patient safety and the quality of health care in the United States. Half of Idaho's hospitals are reporting ill-effects of the shortage including increased incidents or errors as well as difficulty in staffing specialty units, such as intensive care and neonatal ICU (INWC 2006).

Effects of Nurse Vacancies: Hospitals



Effects of Nurse Vacancies: Long-Term Care



SOURCE: INWC 2006

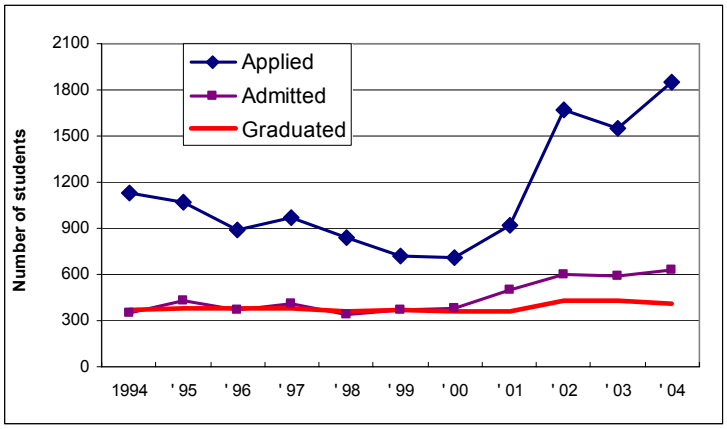
In 2005, Idaho's colleges and universities produced 745 nursing graduates. Treasure Valley hospitals alone project that it will take 100 more graduates a year than are currently produced to meet their need for beginning students to accommodate their nurse turnover. Based on the pending retirement of those nurses who will reach the age of 60 in the next few years, the Idaho Nursing Workforce Center projects 400-500 additional graduates a year will be needed to meet the entire state's growing need for entry-level nurses.

SHIFTING TRENDS

Nearly ½ of Idaho's new nurses each year are new graduates who become licensed and then seek employment in our state. In the past, this number has been sufficient to meet Idaho's nurse workforce needs. New graduates, along with licensed nurses endorsing into

the state, nurses reinstating lapsed licenses and nurses regularly renewing licenses have provided adequate numbers to staff Idaho's hospitals and nursing homes and to provide sufficient numbers of nurses to care for children in schools, to staff public health clinics and to support physician-owned practices and clinics. However, with the aging of the nurse population and retiring Baby Boomers, the number of new graduates needed to offset the number leaving the profession is increasing.

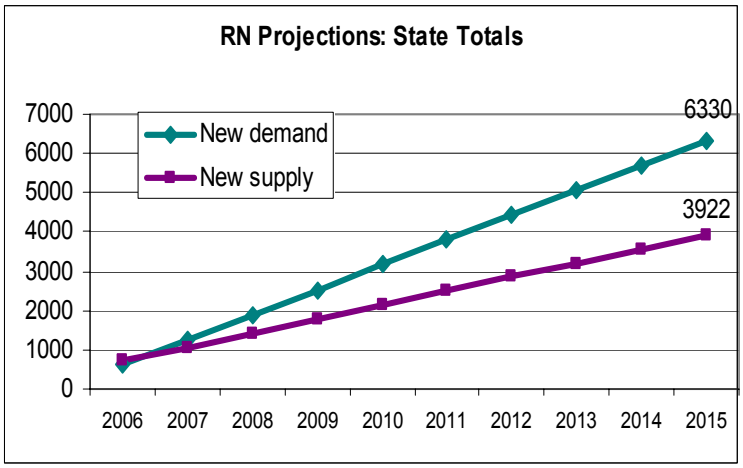
If we are to adequately compensate for the anticipated retirement of the aging nursing workforce, Idaho must plan to educate more students to become our next generation of licensed nurses. With over 1200 interested, qualified candidates denied admission to Idaho's nursing programs in the past 2 years, increasing numbers of admissions seems the obvious solution to this dilemma. However, plans to increase admissions to nursing education programs present several additional concerns which must first be addressed.



RN Programs cannot meet the demand – Number graduating has not increased

Practical nursing programs at Boise State University, the College of Southern Idaho, Eastern Idaho Technical College, Idaho State University, Lewis-Clark State College and North Idaho College admitted 207 and graduated 243 students in 2005. However, in that same year, these programs also turned away 157 applicants who were interested in becoming practical nurses because of a lack of faculty, classroom and laboratory space and/or limited student clinical experiences in the community.

Boise State University, Brigham Young University-Idaho, the College of Southern Idaho, Idaho State University, Lewis-Clark State College, North Idaho College and Northwest Nazarene University prepare registered nurses. In 2005, these institutions admitted 655 students to their associate and bachelors degree programs and graduated 502 prepared to enter practice. Interested students were also turned away from Idaho's RN programs in 2005. In fact, 1,047 students were denied admission to RN programs, again as a result of limited resources and physical capacity to accommodate them.



The current number of graduates is insufficient to meet Idaho's future need for nurses. Idaho's colleges and universities graduate approximately 750 new nurses a year at a time when hospitals and nursing homes report an annual need for up to 500 more than that number. It is clear that student enrollments in nursing programs must be increased if we plan to meet even the current needs of the state.

In order to accommodate an increased number of students, however, Idaho's nursing programs need additional qualified faculty, additional classroom, laboratory and office space, and additional opportunities for appropriate student clinical experiences in local communities. Idaho's 17 nursing education programs are currently filled to capacity. All of them report difficulty in recruiting and retaining qualified faculty. Further, clinical placements for students to develop nursing skills are in very short supply and classroom and laboratory space to support additional student numbers are needed.

Although the need for increased admissions and subsequent larger graduating nursing classes is the ultimate goal, active recruitment of potential students cannot be the initial concern. With programs currently reporting more students interested in nursing than can be admitted to existing programs, the barriers to admitting more nursing students must be addressed before further intense recruiting efforts are launched.

Several capacity resources needed to accommodate more nursing students must be immediately addressed. The need for classrooms and laboratories is crucial, however, the most critical need is for qualified nursing faculty to teach students enrolled in nursing programs. Without sufficient numbers of nursing faculty with qualifications of education and experience necessary for this demanding professional role, new classrooms and sophisticated laboratories will serve no useful purpose.

Section 2: Key Challenges Presented by the Shortage

THE NEED TO EDUCATE MORE NURSES

The U.S. Department of Health and Human Services estimates that by 2020, Idaho will lack about 30 percent of the nurses we need.

The Idaho Nursing Workforce Center predicts it will take 400 to 500 more nurses per year to meet the growing needs of the state.

Our colleges and universities must increase capacity in nursing programs in order to address the increasing need for nurses. However, about half of all qualified applicants to nursing programs were turned away in 2005.

Qualified applicants are denied admission to nursing programs for a number of reasons. Each needs to be addressed if student admissions are to increase.

1. A lack of qualified nursing faculty

Nursing faculty are prepared with master's and doctorate degrees in nursing and work with nursing students in faculty-to-student ratios sufficient to support the learning needs of students, but also to ensure the safety and welfare of patients with whom students work during their clinical experiences.

Idaho Schools report 157 full-time and 40 part-time faculty currently teaching nursing, a number that is supplemented by adjunct clinical faculty that assume responsibilities for nursing skills instruction in affiliated clinical agencies. However, they also report difficulty in attracting nurses to academic teaching as evidenced by the numbers of open teaching positions in our nursing programs at the beginning of each academic year.

Without sufficient numbers of qualified faculty, Idaho schools not only lack the ability to increase student enrollments, they are challenged even to maintain current levels of student enrollment. Salaries paid to nurses in many practice settings exceed salaries paid to faculty in Idaho's colleges and universities by as much as $20,000/year in some areas. As a consequence, nursing faculty leave academic positions for employment in local healthcare facilities, leaving open positions that are difficult, if not impossible to fill, due to the inequity of salaries compared to the industry.

Even though retirement and other personal reasons account for a significant portion of the decline in numbers of nursing faculty, it is salary given most often by faculty as the reason they leave their positions. It is salary that presents the greatest deterrent to both maintaining and increasing the numbers of qualified nursing faculty in this state.

In addressing the issue of faculty salary two very distinct components must be considered:

1) Salary adjustments for current faculty to achieve equity with industry in order to recruit and retain nursing faculty to instruct the current numbers of students enrolled in Idaho's nursing education programs; and
2) Additional monies for each new nursing faculty position necessary to increase student enrollments in these programs.

Salaries necessary to recruit and retain nursing faculty to instruct the current numbers of enrolled students present a substantial problem for Idaho's colleges and universities. Salaries paid to nursing faculty have not kept pace with the healthcare industry and can no longer compete with those paid to nurses in Idaho's hospitals. Master's degree prepared nurses are in high demand in practice settings where salaries are as much as double those paid in Idaho's academic institutions.

Idaho's nursing programs report difficulty in retaining their existing faculty primarily because of significant inequity between the salaries offered to faculty and the salaries masters-prepared nurses are paid not only in Idaho's hospitals, but also in colleges and universities in surrounding states. The average annual salary in Idaho for an experienced nursing faculty member, prepared with a master's degree in nursing is less than $47,000. This same nurse may be able to earn as much as $20,000 to $30,000 more working at the local hospital.

The faculty turnover rate in Idaho's nursing programs is 25%, an indication of the difficulty in retaining these experienced, qualified nursing professionals. Compounding the challenges created by the high turnover among faculty is the reported difficulty recruiting qualified candidates to fill these open positions. For the 23 still unfilled faculty positions in August 2006, just prior to the start of the new academic year, Idaho schools reported only 31 qualified applicants. This low number of candidates can be attributed, in part, to the low number of masters-degree prepared nurses in Idaho and elsewhere, but also to non-competitive salaries offered by Idaho's educational institutions. Qualified candidates seeking positions in Idaho turned down offered appointments because of non-competitive salaries, choosing instead to teach in other states or to seek employment outside of academia.

Competitive salaries for Idaho's nursing faculty are a priority if we hope to be able to recruit and retain qualified nursing faculty. Also needed is financial support and assistance for nurses who are pursuing advanced degrees to prepare then to teach nursing.

Nursing faculty are required to hold masters and doctoral degrees in the discipline to meet national and state standards for accredited nursing education programs. Idaho State University offers the only masters degree in nursing program in the state. Boise State University plans implementation of an MS in nursing program in the very near future. None of Idaho's schools offers a doctorate in nursing degree.

Most nurses pursuing advanced nursing degrees to prepare them for teaching roles are required to apply for financial assistance to offset the high costs of tuition and other program expenses. For nurses who must apply to programs outside Idaho, (a must for anyone pursuing a nursing doctorate), out-of-state tuition, travel and housing can become cost prohibitive. In order to afford their education, many of these nurses work while pursuing their degrees on a part-time basis, extending the time needed to complete the degree and delaying their entry into the teaching field.

Recommendation:

With the average age of Idaho's current nursing faculty at 55, a steady supply of qualified nursing faculty is necessary to build student capacity in Idaho's nursing programs.

It is recommended that nursing faculty salaries at Idaho's state colleges and universities be increased to be competitive with industry and peer institutions in an effort to retain existing faculty and to recruit new faculty necessary to replace those that leave and to add new faculty to expand student access to programs. The amount needed to accomplish this goal is $3.8 million over the next 3 years.

It is further recommended that Idaho support an additional 8 seats through the Western Interstate Commission on Higher Education (WICHE) in out-of-state institutions for students pursuing masters and doctoral degrees in nursing. Seats for 4 additional students in the initial year of funding with the addition of 2 more seats in the second year and 1 additional seat in each of the next 2 years would cover the costs of out-of-state tuition for 8 potential nursing faculty, at a cost of $777,000. In addition, it is recommended that 20 scholarships in the amount of $6,000 be made available to students pursuing graduate and post-graduate degrees in nursing for an additional cost of $120,000/year.

It is further recommended that consideration be given to extending loan forgiveness opportunities to graduates who return to teach nursing in Idaho.

2. Clinical placements for students are in high demand and short supply.

Nursing students spend an average of 2 days per week in clinical situations throughout their educational programs. These experiences are in hospitals, nursing homes, home health agencies, and community-based settings among others. With the need to increase numbers of nursing students enrolled in Idaho's programs, finding placements in many of these settings presents unique challenges.

Nursing education programs report that nursing students and faculty utilize hospitals for student clinical experiences for up to as many as 16 hours a day for 5 to 6 days a week in order to assure that each student has sufficient opportunities to develop competencies to safely provide care following graduation. Despite this heavy use of available clinical resources, there continue to be limited opportunities for students in many geographical regions.

Patient hospital stays continue to become shorter, often limiting the number of patients available for the experiences students are seeking. Additionally, with multiple nursing and other educational programs descending on the same facilities for student experiences, the sheer volume of personnel on a clinical unit can create problems for facility staff. With facilities also experiencing the effects of the nurse shortage, staff nurse preceptors are over extended in providing patient care while also assisting students who require mentoring, supervision and direction.

Studies indicate that simulating acute care experiences is an effective alternative to traditional live patient experiences for students. The use of high-tech simulation can often be used to take the place of 1/3-1/2 of traditional acute care learner experiences. Idaho's nursing programs need necessary fiscal resources to obtain the technology and equipment as well as the professional support staff to install and manage simulation laboratories to ensure meaningful clinical experiences for nursing students.

Recommendation:

It is recommended that opportunities to expand clinical learning alternatives be explored including statewide or regional coordination of clinical placements as well as innovation in clinical simulation using technology and specially equipped laboratories.

3. Increasing Nursing Student Admissions requires classroom and lab space:

State funded nursing programs in Idaho report the ability to increase capacity over the next 2 years with the increase in needed support for faculty salaries, professional staff, high-tech simulators, and physical space/facilities. Idaho schools report being able to increase 50 seats in practical nursing programs, 120 associate degree seats, 58 baccalaureate seats, 30 baccalaureate completion seats, and 30 masters degree seats in FY 2008. These programs further report the ability to increase 20 seats in practical nursing programs, 40 associate degree seats, 26 baccalaureate seats, 15 baccalaureate completion seats, and 20 masters degree seats in FY 2009. Total possible capacity increase over the next two years is 409 seats:

- 70 practical nursing seats
- 160 associate degree seats
- 84 baccalaureate degree seats
- 45 baccalaureate completion seats
- 50 masters degree seats

Increasing nursing student enrollments, however, requires a commitment of monies to support additional nursing faculty to teach these additional students, physical infrastructure to accommodate the increased enrollments, and technology and support services to address alternatives for clinical learning experiences for these additional numbers of students.

Total cost to support proposed increases in nursing student admissions: $7.6 million. This includes:

- Salary dollars: for increased number of nursing faculty, general education faculty, and professional staff needed to run the simulators and for advising. Increasing capacity requires increased advising both for pre-nursing and admitted nursing students.
- Specialized high-tech simulators for each school to assist with the lack of acute care clinical space.
- Physical space for offices, classrooms, and simulation labs.

Over the past 5 years nursing programs in the state have increased enrollments and numbers of graduates despite the limited additional state resources needed for these initiatives. However, as a result, many programs have now reached current capacity relative to classrooms and laboratories as well as faculty and staff office space. In addition, the infusion of high-tech simulation into programs requires laboratory space unique to the requirements of this form of technology.

Local hospital facilities have partnered with Idaho's colleges and universities in order to enhance the ability of nursing programs to add faculty positions and to build and equip classrooms and laboratories. However, Idaho's hospitals are also feeling the effects of our stressed health care system through shifts in federal and state reimbursements. Hospitals are beginning to indicate their intention to discontinue contributions that have supported faculty salaries, laboratory supplies and equipment and student loans and scholarships.

Colleges and universities are at the place where they can no longer increase capacity without additional funding to do so. Without additional monies to expand and grow, the space and resources necessary to accommodate the unique learning needs of nursing students, our educational institutions have reached or exceeded their physical capacity.

Recommendation:

It is recommended that admission to nursing programs be increased by approximately 50% or 400 additional students over the next 2 years.

It is further suggested that at the time that decisions are made regarding funding to address the nurse shortage, that nursing educators and nursing practice leaders (acute, long-term, and community) convene to provide direction in determining priority areas for increased capacity based on regional and statewide need and individual institution plans for increasing student capacity.

4. Assess and redesign nursing education to meet Idaho's changing health care needs

Nursing programs were surveyed on how many seats they could increase in the next two years if resources were provided. This provided a benchmark of how much increase in capacity is immediately available. However, the challenge to determine the kind and mix of nurses necessary to meet Idaho's health care needs has yet to be addressed. Idaho nurses are currently educated in a variety of ways—in both 1 and 2-year practical nursing programs and in associate, baccalaureate and master's degree RN programs.

The unique advantages and attributes offered by graduates of the different nursing education programs must be carefully considered as employers determine their future nursing needs. Also of importance are geographic regional needs for nurses, many of whom seek employment in communities where they complete their nursing education. Discussions related to these complex considerations have yet to be initiated.

It is essential we support capacity increases that are in alignment with appropriate practice and educational levels and with consideration to geographical needs of the state. In addition the ability of nurses to continue their education at Idaho schools through the Idaho nursing articulation plan must be supported. When capacity is increased in practical nursing, concurrent increase in number of seats for practical nurses to advance to RN programs should be considered. When capacity in associate degree RN programs is increased, capacity in baccalaureate and masters programs must also be considered to support Idaho's nurses in their pursuit of advanced degrees.

Two of Idaho's larger acute care facilities have achieved Magnet Hospital status in recognition of nursing excellence. Magnate hospitals are reported to have a high success of attracting and retaining nurses as a result of high level of job satisfaction among nurses who are involved in decision-making and patient care delivery. There are other facilities throughout the state that are currently on "the Magnet journey". Magnet status requires that a large percentage of the hospital's nurses are prepared with a baccalaureate or higher degree in nursing. With nearly 75% of Idaho's new graduate RNs educated with associate degrees and an additional 6,600 licensed RNs holding associate degrees as their highest level of education, the need for increasing opportunities for baccalaureate education seems even more crucial. Additionally, a baccalaureate degree in nursing is the first step toward the required graduate and post graduate degrees needed to teach nursing in Idaho's colleges and universities.

Without attention to support for baccalaureate and graduate education, Idaho's ability to respond to emerging trends supporting these levels of nursing education will be significantly delayed, a position that could adversely impact the state's ability to respond to the nurse shortage into the future.

Recommendation:

It is recommended that educators, in partnership with consumers, policy makers and other stakeholders, develop a statewide nursing education plan to best meet the evolving health care needs of Idaho's citizens. It is further recommended that decisions regarding future nursing education address essential competencies of nurses, program redundancy, and efficiency in the use of resources, among others.

DEVELOPING AND MAINTAINING A DIVERSE NURSING POPULATION

While there are more qualified applicants to Idaho's nursing programs than there are seats available, the applicant pool often lacks students from low income families and groups underrepresented in the profession. For many qualified students access is limited by financial, geographical, educational, cultural, and life situation constraints.

Financial Constraints:

Much more can be done to disseminate information about current student loan and scholarship programs to potential and current students. Higher education institutions and the health industries can widen the availability of such information to reach targeted students through online postings, radio and TV public service announcements, community flyers, and by supplying such information to high school counselors. Collaboration with the Idaho State Board of Education Student Affairs Programs Manager would help to identify and promulgate information on Federal programs that may apply to nursing education, especially community-based grant programs.

In addition to the above, augmenting current student loan, loan forgiveness, and work-study programs would provide support for students pursuing education leading to a career in nursing. For example, diverse student matriculation in nursing programs would increase if the number of awards and the amounts awarded were increased for targeted groups in the current loan forgiveness program and if it were expanded to all nursing degrees, including the MSN and PhD. Paid internships, work-study programs, and scholarships, especially for low income and underrepresented groups, also should be increased.

Geographical Constraints:

Access to nursing programs is often limited by the student's physical location, especially in rural and frontier areas of the State. Distance education provided through modern modalities such as the internet has helped to lessen this constraint and should be increased and, where needed, electronic infrastructure inadequacies should be addressed. Cohort courses in remote locations have also proven useful.

Educational Constraints:

Many students entering nursing programs are not sufficiently prepared in mathematics and the sciences. This often results in poor academic performance and consequential student attrition. Accordingly, the Task Force supports efforts by the Idaho State Board of Education to increase high school student competencies in mathematics and the sciences. In the meantime, the Task Force recommends increased State support for remedial and developmental education at higher education institutions, including the establishment of cohort remediation groups using students as tutors and mentors. Further, the Task Force

recommends that colleges and universities collaborate with high schools to offer more dual credit courses that prepare students for nursing. In addition, the Task Force recommends that the State Department of Education and the institutions of higher education establish pre-nursing advisors at high schools and on college campuses. These advisors would serve to recruit and advise students so that they receive the educational preparation necessary for success in nursing.

Existing articulation agreements should be enforced throughout the State to assure that credit for prior learning is available to qualified students. In other words, individuals should be able to utilize previous degrees and healthcare experience in transition to nursing programs. For example, paramedics, military personnel and other health care credentialed persons should be given the opportunity to validate their existing knowledge and skills through a challenge process so that they may advance place into nursing courses - based on the individual's ability to pass specified nursing courses. The committee recommends that the State of Idaho Nursing Articulation Committee (SNAC) address this matter further.

Cultural Constraints:
Colleges, universities, and the healthcare industries must be encouraged to reach out to underrepresented groups such as low income students, migrant farm workers' children, rural and frontier students, Native Americans, Hispanics, and other minorities. Marketing of the nursing profession and targeted recruitment to these groups will help to increase the numbers of these students and ultimately their representation in the profession.

Life Situation Constraints:
Working healthcare professionals and other highly qualified individuals often cannot avail themselves of existing nursing programs because of time limitations due to family or professional responsibilities. These constraints can be addressed through the provision of childcare facilities, innovative scheduling (e.g. nights and weekends), transition to nursing programs, cohort plans for rural areas, and mentoring programs within hospitals. Other initiatives to address such constraints include "round the calendar" scheduling, or short term intensive and other flexible curricula that accommodate a broader pool of students, especially the non-traditional, working students. Colleges and universities should work to increase such programs where appropriate and affordable.

Recommendation:

It is recommended that strategies be initiated to enhance recruitment of individuals into nursing to ensure a nursing workforce representative of the diversity of Idaho's population. Strategies should include:

- Plans to widely disseminate information related to available student financial assistance
- Augmentation of student loan and loan forgiveness programs
- Paid internships, increased work/study opportunities and student scholarships
- Increased opportunities for distance learning
- Increased efforts to recruit targeted populations
- Continued efforts to refine articulation agreements between and among programs and institutions

It is further recommended that efforts to address high school competencies especially in mathematics and the sciences be supported and that funding to support post-high school remedial and developmental education be provided to Idaho's postsecondary institutions. Included in this recommendation is support to increase dual credit courses offered through high school and college collaboration intended to prepare students for admission to nursing programs following high school graduation.

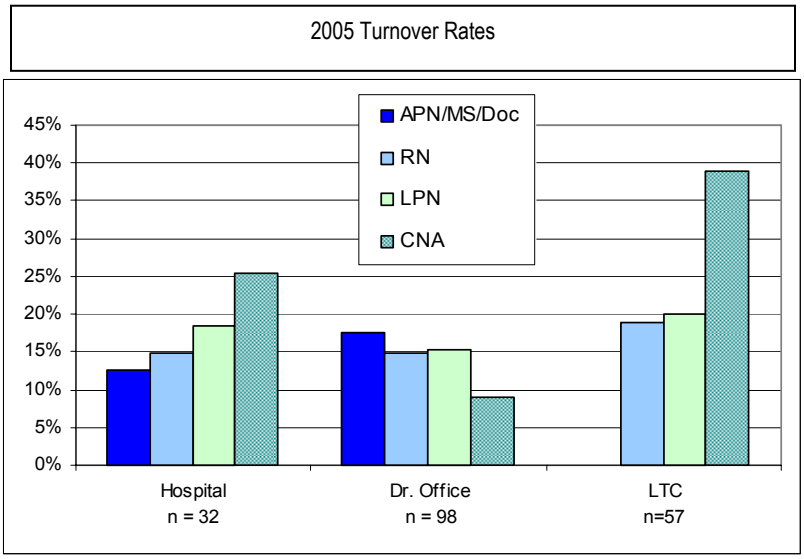
RETAINING THE CURRENT EXPERIENCED NURSING WORKFORCE

In order to adequately address the current nurse shortage, we must consider strategies to maintain Idaho's current nurses in active practice for as long as possible.

Efforts to increase the numbers of persons choosing nursing as their future career must be complemented by efforts to retain nurses in the profession once they have become licensed. Nursing is well known as a highly stressful, yet richly rewarding profession, albeit a profession that exposes nurses to high career burnout.

It is estimated that the average nursing career is 40 years long. When queried, 14% of Idaho's nurses indicated they plan to leave nursing practice within the next two years (BON 2005 Annual Report). Primary reasons given for their decision to exit the profession included retirement (not surprising, given the average age of Idaho's nurses), inadequate salary compensation, poor working conditions and job dissatisfaction.

A national survey of nurses found that one in three nurses under the age of 30 plans to leave the profession within a year (Aiken, Clark, Sloan 2001). Hospital and nursing homes report increasing nurse turnover rates as well as increased difficulty in filling positions vacated by nurses seeking new opportunities and new careers. Several surveys in recent years indicate a growing sense of job dissatisfaction among nurses, especially those employed in hospitals and nursing homes.



Dissatisfaction among nurses can be attributed, in part, to direct and indirect effects of the nurse shortage: insufficient staffing, unqualified staff, long hours and little opportunity for advancement. Also expressed is dissatisfaction with increasing amounts of paperwork and administrative responsibilities and less direct contact with patients and concerns for their own safety and health. In a recent American Hospital Association commissioned study (First Consulting Group study for the AHA, 2002) reports indicated emergency department overcrowding, reductions in number of staffed beds, discontinuation of programs and services and cancellation of elective surgeries, all a result of the current nurse shortage.

Nurses want to be able to provide quality care to their patients. They want to work in safe, supportive environments. They want to do the jobs they were educated to do. And they want the necessary resources to be able to do their jobs well.

Recommendation:

Idaho's health care employers should be challenged to take steps to address issues in the workplace environment in an effort to recruit nurses to and retain nurses in the profession, and also to encourage older nurses to remain in nursing practice beyond the usual retirement age.

CONTINUED PLANNING FOR AN ADEQUATE NURSING WORKFORCE

Continuing to collect accurate, comprehensive data is crucial as we implement strategies to address the nursing shortage. These new strategies must continually be evaluated in order to map their success and to appropriately modify them as different needs arise. Idaho must continue to monitor the number of nurses entering and leaving the profession so that projections can be updated and refined to assure informed planning for sufficient numbers of nurses to meet the state's needs. Ensuring high quality data will continue to be essential to Idaho's nursing workforce planning needs.

The Idaho Nursing Workforce Center was established in 2004 for this very purpose. Over the past two years it has emerged as a source of high-quality data regarding nursing supply and demand issues in Idaho. The Center has used a combination of collecting new data and bringing together existing data from various sources to accomplish this end.

The Idaho Nursing Workforce Center is administered by the Idaho Alliance of Leaders in Nursing (IALN), a 501(c)3 organization located in Boise. The Center is currently funded by a Health Resources and Services Administration grant based on Congressional earmark funds with Boise State University College of Health Sciences serving as fiscal agent and physical location for the Center. It is anticipated that Congressional monies to support the Center will at some point cease, at which time another form of long-term funding will be necessary to sustain the work of the Center. It is likely that State funding will be the required future funding source for the INWC.

It is essential that discussions about Idaho's healthcare workforce be broadened beyond concerns focused primarily on the nurse shortage and that development of a statewide plan for meeting Idaho's needs for a qualified healthcare workforce into the future be initiated. It is suggested that, with limited one-time funding, the Idaho Nursing Workforce Center could be charged to convene a group of experts to initiate this dialogue toward development of the suggested plan.

It is suggested that, over the long term, an Inter-Collegiate Center for Health Workforce might better serve Idaho's health workforce planning needs. The Center could be charged to bring together researchers from Idaho's 4-year research academic institutions to monitor not only the nursing shortage but also shortages in other health professions in Idaho such as pharmacists, respiratory therapists, and other professionals. Other workforce center models might also be explored to assure a system of data collection and analysis to best assist policy makers in their efforts to recognize and address the state's needs.

There is a need to continue the dialogue about Idaho's nursing workforce needs, if for no other reason than to assess the outcomes resulting from the recommendations included in this report in order to continue momentum toward the goal of ensuring an adequate nursing workforce in Idaho. Collaboration between nurse educators, nursing regulators and practice representatives (acute, long-term, and community) is imperative to sound decision making regarding the future of nursing and nursing education in this state.

Recommendation:

It is recommended that, upon discontinuance of Congressional earmark funds to support the work of the Idaho Nursing Workforce Center, $300,000/year be appropriated to sustain the INWC. It is further recommended that an appropriate state supported mechanism to ensure continued planning for an adequate nursing workforce for Idaho's long-term future be developed.

Section 3: Short- and Long-Range Strategies

The current nurse shortage is characterized by several distinct factors:

- An unprecedented growth in our state's population, especially the population over the age of 65
- An aging nurse population, many of whom will retire within the next 10 years
- High turnover and burnout rates among nurses in active practice
- Nursing faculty whose average age is over 50
- Difficulty in recruiting and retaining qualified nurse faculty in Idaho's colleges and universities
- The inability of our colleges and universities to educate a sufficient number of new nurses to replace those leaving the profession
- Needed continued collection and analysis of data to assist policy-makers in planning for an adequate nursing workforce into the future

Unless we adequately address these factors, responding to the nurse shortage will be extremely difficult, if not impossible.

Many of the challenges presented by the current nurse shortage cannot be resolved without a firm long-term commitment of public resources. None of them can be resolved without collaboration between the profession, the healthcare industry, and local and state government.

Idaho must implement strategies to retain our older nurses until the time that we have sufficient numbers of younger experienced nurses to meet the healthcare needs of our citizens. Steps must be taken to make nursing education more accessible and responsive to the needs of students and the demands of nurse employers. We need to do what is necessary to retain our current nurse faculty and to recruit new faculty to this rewarding role. And, we need to continue to study and analyze nurse supply and demand trends in order to continue to reverse the shortage and to best plan for our future.

SHORT-RANGE STRATEGIES:

It is recommended that:

1. The salaries of nursing faculty in Idaho's state colleges and universities be increased over the next 3 years to be competitive with industry standards. Estimated Cost: $3.8 million
2. Admissions to nursing programs be increased over the next 2 years by 50% or approximately 400 students. Estimated Cost: $7.6 million
3. Upon discontinuance of federal monies that support the work of the Idaho Nursing Workforce Center, state monies be appropriated to sustain the work of the Center. Estimated Cost: $300,000/year
4. Idaho support development of future nursing faculty with an additional 8 Western Interstate Commission on Higher Education (WICHE) seats over the next 4 years for students pursuing masters and doctoral degrees in nursing. And further, 20 scholarships in the amount of $6,000/year each be made available to students pursuing graduate and post-graduate degrees in nursing. Estimated Cost: $1.3 million
5. Expand and enhance financial support to undergraduate, graduate and postgraduate nursing students to offset the high costs of nursing education, including additional scholarships and loans. Estimated Cost: $600,000/year

LONGER-RANGE STRATEGIES:

To further support anticipated outcomes of the work of the Task Force, it is recommended that:

1. Loan forgiveness opportunities be extended to graduates who teach nursing in Idaho following graduation from their graduate and post graduate programs.
2. Opportunities to expand clinical learning alternatives be explored including statewide or regional coordination of clinical placements and innovation in clinical simulation using technology and specially equipped laboratories.
3. Educators, in partnership with consumers, policy makers and other stakeholders, develop a statewide nursing education plan to best meet the evolving health care needs of Idaho's citizens; and that decisions about nursing education address essential competencies of nurses, program redundancy and efficiency in the use of resources, among others.
4. Strategies be initiated to enhance recruitment of individuals into nursing to ensure a nursing workforce representative of the diversity of Idaho's population.
5. Efforts to address high school competencies, especially in math and the sciences, by supported
6. Idaho's health care employers be challenged to take steps to address issues in the workplace environment in an effort to recruit nurses to and retain nurses in the profession.
7. An appropriate state supported mechanism to ensure continued planning for an adequate nursing workforce for Idaho's long-term future be developed.

Section 4: Outcome Measures

Through its study and deliberation, the Task Force determined a number of strategies to increase the supply of nurses in Idaho to meet the anticipated increasing demand. The recommended strategies focus on five anticipated outcomes:

1. Increased ability to educate more nurses
2. Development and maintenance of a diverse nursing population that includes targeted populations
3. Development, recruitment and retention of sufficient numbers of qualified nursing faculty
4. Retention of the current experienced nursing workforce
5. Continued planning for an adequate nursing workforce for the future

To assess accomplishment of the suggested outcomes, the following outcome measures have been developed:

To measure Idaho's increased ability to educate more nurses:

a) Number and diversity of students enrolled in nursing education programs
b) Number and diversity of students graduating from nursing education programs
c) Increase in appropriated funds allocated to increase nursing education capacity

To measure the development and maintenance of a diverse nursing population that includes targeted populations:

a) Number and diversity of students enrolled in nursing education programs
b) Number and diversity of students graduating from nursing education programs
c) Level at which nursing workforce diversity reflects the diversity of the population served
d) Establishment of a campaign to inform nursing students of available financial assistance and loan forgiveness opportunities

To measure the development, recruitment and retention of sufficient numbers of qualified nursing faculty:

a) Number and diversity of students enrolled in educational programs preparing to become nursing faculty
b) Turnover rates for nursing faculty

To measure retention of the current nursing workforce:

a) Turnover rates for nursing personnel
b) Numbers of nurses who renew licenses every biennium
c) Numbers of nurses who report continued practice at time of renewal

To measure continued planning for an adequate nursing workforce for the future:

a) Establishment of an ongoing statewide system for data collection and analysis
b) Development of a statewide long-range plan for an adequate nursing workforce in Idaho
c) Proximity of nurse supply to nurse demand
d) Number of short- and long-range strategies presented in this report that are successfully implemented

References:

Aiken, L., Clarke, S., Sloane, D., et al (2001). "Nurses' reports of hospital quality of care and working conditions in five countries". Health Affairs

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Idaho Nursing Workforce Center (June 2006). Condition Critical: Who Will Provide Your Nursing Care in Idaho?

U.S. Department of Health and Human Services Health Resources and Services Administration Bureau of Health Professions National Center for Health Workforce Analysis (July 2002). Projected Supply, Demand, and Shortages of Registered Nurses: 2000-2020

SUBJECT

Student Aid Taskforce Recommendations

APPLICABLE STATUTE, RULE, OR POLICY

N/A

BACKGROUND

The Board's efforts at increasing high school graduation requirements will assist Idaho's students with their academic preparation, but financial preparation is also necessary for students to have access to postsecondary education. The State of Idaho offers two academic scholarships for students, but very minimal grants or scholarships based on need.

DISCUSSION

Tuition for Idaho's colleges and universities has risen an average 111.65 % in the last 10 years. While tuition is up, grants and financial aid has remained stagnant. A federal Pell grant will not cover the cost of tuition to attend an Idaho institution.

During the summer of 2006, a student aid taskforce was formed to look at this issue. The taskforce reviewed programs from around the country and has recommended a new need-based scholarship program focused on early awareness for students and a shared commitment between parents, students, Idaho post secondary institutions, the federal government and the state to prepare and provide resources for students to attend post high school education. It is based on the concept that if students and their families commit to do their part the state would commit to help them successfully complete post high school education or training opportunities.

There is a significant gap between what Idaho provides in need-based grant or scholarship aid and the nation. Here's how Idaho stacks up compared to other states in the need based awards per student:

- Idaho: $17
- Washington: $509
- United States Average: $387
- Western States Average: $299

The National MEASURING UP 2006 report shows we have a lot of work to do. Idaho received a "D" for higher education affordability. This is due in large part to the fact that the cost of attendance for one year of postsecondary education for a student takes approximately 1/3 of an Idaho family's annual income. (Note the cost of attendance is tuition, room and board, books, supplies, and transportation).

Forty-two percent of Idaho's school children qualify for the federal free and reduced lunch program. This means that nearly half of Idaho families are from

households where the family income is lower than 185% of the federal poverty level. Without financial assistance, many of these students, who are prepared to go to college, will be shut out of opportunities to improve their circumstances.

PROPOSAL

A committee of financial aid directors, students, parents, K-12 representatives, legislators and State Board members met for several months to develop a program for Idaho's students. The committee looked at successful state models and areas to address Idaho's unique challenges.

The committee created a draft proposal which focuses on early awareness for students and a shared commitment between the federal government, parents, students, institutions and the state. It is based on the concept that if students and their families commit to do their part the state would commit to do its part in helping them successfully complete post high school education or training opportunities.

Studies show the earlier students are introduced to higher education, the more likely they are to attend. Idaho's new grant program is designed to provide economically disadvantaged students in middle school and early high school with a guarantee of financial aid for postsecondary education or training if they meet certain requirements. The core requirements are:

- Promise from both the provider and recipient
- Graduation from a high school in the state
- Achievement of a minimum grade point average
- Successful completion of a core curriculum or specific coursework
- Application for admission to a public postsecondary institution in the state
- Submission of a federal and state financial aid application form while the student is in the senior year
- Participation in support activities for students selected to be in the early commitment program.

In Oklahoma, Indiana and Colorado, similar programs have proven successful in preparing students to successfully complete high school prepared to enter a postsecondary institution in the state.

SHARED RESPONSIBILITY

Idaho's model believes an individual must value their education as much as the state. Students must understand they have a price to pay too. The state should be the last stop on the financial aid train, not the first. The core requirements are:

- Students must work while in school and during the summers, save, or secure scholarships which will cover the student's portion of the cost of attendance.

- The student is required to apply for federal financial aid, while in high school, and the dollars contributed from the state are the "last dollars" in this model.
- Students must assure that they are putting forth the academic effort necessary to benefit from their education and to continue to receive funds; the student must attend school fulltime, and maintain satisfactory academic progress.
- The Idaho program is intended to dovetail with the new federally funded GEAR UP Idaho program so that more students from around the state will benefit from mentoring, advising and the financial assistance necessary for them to proceed from high school into college and to attain their degree in a timely manner.
- Students are eligible for a maximum of 8 semesters of assistance and will have a total of six years to use the funds.
- This program will supplement other types of financial aid, the family contribution, and students will be encouraged to seek work-study jobs on campus.
- The taskforce has also recommended the establishment of a trust account so that Idahoans and business partners can contribute to the fund. This plan hopes to provide additional incentives to support this program beyond just state appropriations.

IMPACT

The taskforce recommends two avenues of funding: a trust and yearly appropriations. The initial funding model is built with a request for $10 million. The program will be phased in with full implementation in FY2010. The funding model does include program administration. Additionally, a trust would be created to allow contributions from individuals and businesses and receive a task benefit.

ATTACHMENTS

N/A

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends that the Board support the recommendations of the taskforce and continue to work with key legislators and other stakeholders to implement a need-based grant program for Idaho which will improve the college-going rate and persistence to completion of Idaho's students. The proposed program dovetails with the Board's efforts to prepare students for postsecondary work and career readiness through increased graduation standards. This need-based program provides a financial incentive for Idaho disadvantaged students to prepare for postsecondary education while in high school. It should be noted that this program is focuses on encouraging students to enroll in postsecondary education and persist to completion thus minimizing the needs for remediation. This particular program does not address the needs of adult learners or adults

returning for retraining. Staff recommends that issues related to financial access of adult learner be addressed through a separate program.

BOARD ACTION

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

SUBJECT

High Need Teacher Loan Forgiveness Legislation

APPLICABLE STATUTE, RULE, OR POLICY

N/A

BACKGROUND

Idaho school districts often have difficulty in recruiting and retaining teachers in high need geographic and/or content areas. The rural nature of the state and the differences in the numbers of students that each district serves often make it difficult for smaller, remote or rural districts to recruit teachers. School districts with high percentages of special populations such as special education, Title I and LEP students also experience difficulty filling positions. In addition, certain content areas may experience a shortage of available teachers.

DISCUSSION

The State Department of Education publishes an annual report on teacher supply and demand in Idaho. That report identifies the number of applicants for particular positions and identifies the areas of greatest teacher shortage.

The Board program would provide state funds to address the shortage by offering tuition reimbursement, grants, loan forgiveness, or scholarships to individuals pursuing certification in a high need content area or pursuing employment in a high need geographic area. These funds would not be limited to degree seeking individuals. The program would allow individuals with a college degree to enroll in a certification program as well as provide an opportunity for individuals to seek a degree in education.

IMPACT

N/A

ATTACHMENTS

Attachment 1 – Statistical Information on Educational Positions in Idaho Page 3

STAFF COMMENTS AND RECOMMENDATIONS

Staff has no comments and recommendations.

BOARD ACTION

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

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8 Positions with the Least # of Applications per Vacancy

Subject Area	Number of Applicants	Number of Vacancies	Avg # of Applicants per Position
Speech/Language Pathology	49	39	1.26
Agriculture Science & Tech	25	16	1.56
School Nurse	33	17	1.94
Reading	102	45	2.27
Standard Exceptional Child	514	223	2.30
Technology Education (industrial arts	73	28	2.61
Educational Media Generalist	38	12	3.17
School Psychologist	77	22	3.50

10 Positions Most Difficult to Fill

Position	# of districts rating a #1 or a #2 (hard to fill or very hard to fill	# of districts reporting a vacancy in this job area	Percent rank
Spch Pathologist	16	17	94%
Early Child-Spec Ed	14	20	70%
Schl Psychologist	11	16	69%
Music	16	25	64%
Spec Ed Teacher	30	47	64%
Foreign Language	15	25	60%
Ag Science Tech	7	12	58%
Speech/Drama	7	12	58%
Family Cons Sci	9	17	53%

Positions Rated Most Difficult to Fill (1999-2005)

Rank	2001-02	2002-03	2003-04	2004-05	2005-06
1	Speech Path.	Music	EC-ECSE	Special Ed	Special Ed
2	Special Ed	ESL	Tech Ed.	Math	Math
3	Tech Ed	EC-ECSE	Speech Path	Music	English
4	EC-ECSE	Speech Path	Special Ed	ESL	Music
5	Music	Special Ed	ESL	Foreign Lang	Speech Path
6	School Psych	Tech Ed	Music	EC-ECSE	Foreign Lang
7	Fam/Cons Sci	Foreign Lang	Foreign Lang	Counselor	ESL
8	Foreign Lang	Biology	Counselor	English	Counselor
9	Math	School Psych	Math	Speech Path	Schl Psych
10	Counselor	Business Ed	English	Spch/Drama	Principal

Educator Supply and Demand in Idaho, 20th Annual Report, State Department of Education

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SUBJECT

Science and Technology Advisory Council (STAC) Legislative Stimulus Package

BACKGROUND

Earlier this year, Governor Jim Risch requested that the STAC make a bold legislative proposal with appropriate funding for his consideration to substantially stimulate and grow Idaho's science and technology education, commerce and research & development infrastructure. In response to this request the STAC has made an aggressive proposal that Governor Risch is considering for his budget.

Idaho has significant potential to grow its science and technology sector, thus increasing wages, household incomes, and employment opportunities, and supporting consequential expansion of construction, retail and service sectors of the economy.

DISCUSSION

This legislative package is divided into four areas: 1) Education; 2) Commerce; 3) Infrastructure; and 4) Oversight Organizations.

Budget recommendations included in this package total $38.8 million in General Fund Appropriations plus $10 million in Tax Credits.

Education

Research Matching Grant Program - $1.4 Million

Appropriate $1.4 million to the State Board of Education to meet the 1:2 grant-match requirement of the 2008 EPSCoR Research Infrastructure Improvement grant and to provide additional matching-grant funding to pursue matching grants that emphasize Idaho's core competency areas. This funding allows the universities to meet the matching-grant requirement of the 2008 EPSCoR program, which will provide $3 million a year in federal funding for research at the state's universities, and to pursue additional opportunities that fund research in Idaho's areas of high-tech expertise.

Increased High School Math and Science Standards

STAC endorses the Idaho Board of Education proposal to increase math and science requirements for high school students.

Expanded Access for Post-Secondary Education Opportunities

STAC endorses efforts to increase access to affordable post-secondary education, including expanding merit and needs-based scholarships and expanding professional technical and community college services.

Commerce

Technology Investment Tax Credit - $10 Million

Pass legislation that creates a Technology Investment Tax Credit to funnel and spur investment into targeted Idaho technology start-ups.

The Technology Investment Tax Credit would provide a 45% tax credit to those making investments into early-stage biosciences firms, and a 35% tax credit to those making investments into early-stage technology firms. A $10 million per year cap would be placed on the program, with a formal annual review process that would evaluate program successes and a renewal clause after five years.

Idaho Technology Marketing Fund - $2 Million
An Idaho Technology Marketing Fund should be created and funded at the $2 million level to raise awareness nationally and internationally, create a brand for Idaho as a science & technology state, and enable focused technology-based economic development throughout Commerce & Labor divisions.

The Council's intent is to create a Technology Marketing Fund that is at least equal in size to the funds used in marketing tourism (currently $1.98 million). Significant emphasis would be placed on technology-based economic development efforts throughout International, Office of Science & Technology and Economic Development divisions in Idaho Commerce & Labor.

Idaho TechConnect - $300,000
Funding for Idaho TechConnect should be ongoing at the $300,000 level and placed as a base item in the Commerce & Labor budget (earmarked contractually for Idaho TechConnect).

Idaho TechConnect is a statewide non-profit organization that provides technical assistance and links to resources and capital for entrepreneurs. The organization has four offices, one each in Nampa, Idaho Falls, Twin Falls and Post Falls. The program has received state support and some Commerce & Labor funds since its inception, but was first formally funded by Legislative appropriation in FY07 for $300,000. The program is required to meet contractual obligations to receive these pass-through funds.

Idaho Small Business Innovation Research (SBIR) Funding- $100,000
Provide $100,000 annually in Commerce & Labor's base budget to fund financial-assistance awards to Idaho small businesses through the Idaho SBIR Program.

The Idaho SBIR Program provides grants of up to $4,000 to eligible Idaho small businesses for use in offsetting the costs of developing competitive proposals for submission to the federal SBIR program. A one-time pilot-program appropriation of $100,000 was funded during FY07.

Infrastructure

Creation of Idaho Tech Stimulus Fund – Total $35 Million (two components):

1. **Renew Broadband Matching Grant Initiative - $10 million**
   The Broadband Matching Grant program, funded by the 2006 Legislature at the $5 million level, should be renewed at the $10 million level for FY08. The matching grant program provides an incentive for private broadband internet carriers to deliver service to rural communities. The minimum 1:1 match could enable a $20 million infusion into expanding the availability of service, promoting commerce and educational opportunities.

2. **Technology Capacity Stimulus Fund - $25 Million**
   A Stimulus Fund should be established that enables rapid response to technology infrastructure issues and building public-private partnerships within the state. These infrastructure pieces will include, but are not limited to, development of research labs, augmentation of university research professor recruitment, magnet programs and developing public-private partnerships. The Council recognizes the need for prudent management of this Fund, and the process of allocation. The Council welcomes interaction with the Governor and Legislature to identify the correct organization to administer this program. Members of the Council stand ready to help advise the administrating organization.

   Note: Details of how the Technology Capacity Stimulus Fund would be used in providing economic development-related funding are included in the attached proposal.

Other Oversight Organizations

Create a Broadband Task Force – The Council calls for the immediate convening of a task force that would identify needs and opportunities for broadband investment in Idaho. A report will be delivered by the end of the year on opportunities and needs for the $10 Million Matching Grant proposal funds. A longer term task force will explore additional and ongoing needs, opportunities and funding mechanisms.

Create a Senate Technology Committee – The Council called for a committee in the Idaho Senate that would provide needed focus for issues regarding technology infrastructure, industry and other needs for the state's largest industry sector.

IMPACT

A central role of the Advisory Council is to identify and recommend ways to implement the science and technology strategic plan. The following new legislative proposals by the Science & Technology Council provide policy

initiatives and financial resources to begin expansion of new research facilities, technology infrastructure, high-technology industry expansion, and educational capacity. This science and technology stimulus package should spur further success in developing a stronger Idaho economy.

STAFF COMMENTS AND RECOMMENDATIONS

Board staff and the VP of Research at the U of I, ISU and BSU have participated in developing this legislative proposal. The proposal includes Board initiatives on math and science, student financial aid and major research funding for higher education institutions. Staff recommends the Board supports the Science & Technology Advisory Council legislative initiative.

BOARD ACTION

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

SUBJECT

Review of Community College Interim Committee Recommendations

APPLICABLE STATUTE, RULE, OR POLICY

N/A

BACKGROUND

In 2006, the Legislature authorized the Legislative Council to appoint a committee to undertake and complete a thorough assessment of the role and mission of community colleges in Idaho including their benefits and needs.

The first meeting of the Community Colleges Interim Committee was held in Boise June 19, 2006 and Co-chaired by Senator John Goedde and Representative Darrell Bolz.

DISCUSSION

Final Recommendations (Draft 11-13-06)

1. Hold in committee the four drafts under consideration that would create a statewide community college system and that would add community colleges to the state system of postsecondary institutions (drafts MLI015, MLI029, and MLI044).

   Moved: Representative Smith
   Seconded: Representative Rusche
   Carried on a voice vote

2. Recommended two drafts, Draft MLI021 and MLI011 taken together, that reduce the majority required to approve formation of a community college district from a two thirds majority to a 60% majority, and that require all elections regarding community colleges to be held on one of the four dates established in law.

   Moved: Representative Smith
   Seconded: Senator Cameron
   Carried on a roll call vote (9 ayes, 8 nays)

3. Recommended that the state adopt a policy that moves to a standard fee charged for all professional-technical courses and programs, based on tuition and fees only. The State Board of Education and the presidents of the colleges and universities are invited to submit recommendations to the Legislature for implementation of this policy.

   Moved: Senator Cameron
   Seconded: Senator Malepeai
   Carried on a roll call vote (11 ayes, 7 nays)

4. Recommend reducing the maximum levy allowed by law for maintenance and operation of a community college, from .16% of the market value for assessment purposes to .125% of the market value for assessment purposes.

   Moved: Senator Langhorst
   Seconded: Senator Little
   Carried on a voice vote

5. Recommend Draft MLI013 that reduces the term of office of community college boards of trustees from six years to four years, and that ensures all trustees shall not be elected or reelected during the same election.

   Moved: Senator Davis
   Seconded: Representative Rydalch
   Carried on a voice vote

6. Recommend establishing by law a procedure for dissolving a community college district, based on Draft MLI028. Add an additional provision that provides a continuing revenue source until all debt and lawful claims against the dissolved district are discharged, if the proceeds from sale and disposition of community college properties and assets are insufficient to discharge all such debt or claims.

   Moved: Senator Davis
   Seconded: Representative Bolz
   Carried on a voice vote

7. Recommend Draft MLI019 to extend eligibility for application to the Robert R. Lee Promise Scholarship Program to "non-traditional" students who do not matriculate in college immediately following high school graduation or who are twenty-two years of age or older.

   Moved: Senator Lodge
   Seconded: Senator Davis
   Carried on a voice vote

8. Recommend the state develop a policy and a program that expands availability of needs-based scholarships in order to increase students' accessibility to a postsecondary education in Idaho.

   Moved: Representative Rusche
   Seconded: Senator Langhorst
   Carried on a roll call vote (14 ayes, 3 nays)

IMPACT

N/A

STAFF COMMENTS AND RECOMMENDATIONS

Staff offers no comments or recommendations.

BOARD ACTION

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

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SUBJECT

Update on the Grangeville School District Split

APPLICABLE STATUTE, RULE, OR POLICY

Section 33-312, Idaho Code. Division of School District

BACKGROUND

According to Section 33-312, Idaho Code, the State Board of Education may approve or disapprove a proposal to divide a school district. The District submitted a proposal to the State Board of Education requesting approval to divide Grangeville. The Joint School District No. 241 includes Elk City, Grangeville, Kooskia, Riggins, and White Bird.

DISCUSSION

The Board approved the proposal at their June 2006 Board meeting and counties have been informed and will proceed with an election on November 22, 2006. The results of the election will be available on November 28, 2006. If favorable, the State Board of Education will be responsible for appointing new Board members.

IMPACT

If the proposal is approved by the voters, the State Board of Education will need to establish a process for accepting applications for new trustees and should schedule a special meeting in December 2006 to appoint new trustees in order to allow the newly formed school board to begin operation as soon as possible.

ATTACHMENTS

N/A

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends that the Board schedule a special meeting in December if the proposal has been approved.

BOARD ACTION

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

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REFERENCE: APPLICABLE STATUTE, RULE, OR POLICY

TITLE 33
EDUCATION
CHAPTER 3
SCHOOL DISTRICTS

33-312. DIVISION OF SCHOOL DISTRICT. A school district may be divided so as to form not more than two (2) districts each of which must have continuous boundaries, in the manner hereinafter provided, except that any district which operates and maintains a secondary school or schools shall not be divided unless the two (2) districts created out of the division shall each operate and maintain a secondary school or schools immediately following such division.

A proposal to divide a school district may be initiated by its board of trustees and submitted to the state board of education. Such proposal shall contain all of the information required in a proposal to consolidate school districts as may be relevant to a proposal to divide a school district. It shall also show the manner in which it is proposed to divide or apportion the property and liabilities of the district, the names and numbers of the proposed new districts, and legal description of the proposed trustee zones.

Before submitting any proposal to divide a school district, the board of trustees shall hold a hearing or hearings on the proposal within the district. Notice of such hearing or hearings shall be posted by the clerk of the board of trustees in not less than three (3) public places within the district, one (1) of which places shall be at or near the main door of the administrative offices of the school district, for not less than ten (10) days before the date of such hearing or hearings.

The state board of education may approve or disapprove any such proposal submitted to it, and shall give notice thereof in the manner of a proposal to consolidate school districts; except, that the state board of education shall not approve any proposal which would result in a district to be created by the division having or assuming a bonded debt in an amount exceeding the limitations imposed by law, or which would leave the area of any city or village in more than one school district.

If the state board of education shall approve the proposal to divide the district, notice of the election shall be published, the election shall be held and conducted, and the ballots shall be canvassed, according to the provisions of sections 33-401--33-406. The division shall be approved only if a majority of all votes cast at said special election by the school district electors residing within the entire existing school district and voting in the election are in favor of the division of such district, and a majority of all votes cast at said special election by the qualified voters within that portion of the proposed new district having a minority of the number of qualified voters, such portion to be determined by the number of votes cast in each area which is a contemplated new district, are in favor of the division of the district, and upon such approval two (2) new school districts shall be thereby created. The organization and division of all school districts which have divided since June 30, 1963, are hereby validated.

If the division be approved, as herein provided, the board of canvassers shall thereupon notify the state board of education and the trustees of the district which has been divided. The state board shall give notice to the board of county commissioners of any county in which the newly created districts may lie.

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SUBJECT

Based on peer review, Idaho's Assessment System was approved under Title I of the Elementary and Secondary Education Act of 1965 (ESEA) as amended by the No Child Left Behind Act of 2001 (NCLB)

APPLICABLE STATUTE, RULE, OR POLICY

N/A

BACKGROUND

The Board has worked diligently to create an assessment system that meets the requirements of Improving America's Schools Act and No Child Left Behind. The Board received Full Approval with Recommendations from the Assistant Secretary of Education, Henry L. Johnson in a letter dated November 16, 2006.

DISCUSSION

The Board appreciates the hard work of staff from the Office of the State Board of Education, the State Department of Education and our new testing vendor Data Recognition Corporation in meeting the requirements necessary to gain this approval.

IMPACT

ISAT is a fully compliant assessment meeting all the technical requirements to provide a valid and reliable test aligned with Idaho content standards. No further fines will be assessed.

ATTACHMENTS

Attachment 1 - Letter from Assistant Secretary of Education Page 3

STAFF COMMENTS AND RECOMMENDATIONS

Staff has no comments or recommendations.

BOARD ACTION

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

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UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

THE ASSISTANT SECRETARY

NOV 16 2006

The Honorable Dwight Johnson
Executive Director
Idaho State Board of Education
PO Box 83720
Boise, Idaho 83720-0037

The Honorable Marilyn Howard
Superintendent of Public Instruction
Idaho Department of Education
650 West State Street
PO Box 83720
Boise, Idaho 83720-0027

Dear Mr. Johnson and Dr. Howard:

I am pleased to approve Idaho's assessment system under Title I of the *Elementary and Secondary Education Act of 1965* (ESEA), as amended by the *No Child Left Behind Act of 2001* (NCLB). This approval also satisfies Idaho's remaining responsibilities to comply with the standards and assessment requirements under Title I of the ESEA, as amended by the *Improving America's Schools Act of 1994* (IASA), consistent with the compliance agreement executed between the Idaho State Board of Education (ISBE) and the Department on March 29, 2002. I congratulate you on meeting these important requirements.

My decision is based on input from peer reviewers external to the U.S. Department of Education (the Department) and Department staff who reviewed and carefully considered the evidence submitted by Idaho. I have concluded that the evidence demonstrates that Idaho's standards and assessment system satisfies both the IASA and NCLB requirements. Specifically, Idaho's system includes academic content standards in reading/language arts, mathematics, and science; student achievement standards in reading/language arts and mathematics; alternate achievement standards for students with the most significant cognitive disabilities in reading/language arts and mathematics; assessments in each of grades 3 through 8 and high school in reading/language arts and mathematics, and alternate assessments for those subjects.

Accordingly, Idaho's system warrants ***Full Approval with Recommendations***. This status means that Idaho's standards and assessment system meets *all* statutory and regulatory requirements but that the system could be strengthened in some ways. Specifically, though Idaho meets the requirements for academic achievement standards, we recommend that Idaho validate its academic achievement standards in summer 2007

to include broader-based representation of diverse stakeholders with greater numbers of panelists. In addition, we recommend that Idaho continue to work on alignment, including conducting an alignment study following the spring 2007 ISAT administration to examine the level of success of the State's major revisions and provide a basis for continued improvement. Finally, we recommend that Idaho formalize the process regarding how individual student results are delivered to parents, such as through a formal ISBE policy.

Please be aware that approval of Idaho's standards and assessment system under IASA and NCLB is not a determination that the system complies with Federal civil rights requirements, including Title VI of the *Civil Rights Act of 1964*, Title IX of the *Education Amendments of 1972*, Section 504 of the *Rehabilitation Act of 1973*, Title II of the *Americans with Disabilities Act*, and requirements under the *Individuals with Disabilities Education Act*. Finally, please remember that, if Idaho makes significant changes in its standards and assessment system, the State must submit information about those changes to the Department for review and approval.

We have found it a pleasure working with your staff on this review. Please accept my congratulations for your State's approved standards and assessment system under both IASA and NCLB. I wish you well in your continued efforts to improve student achievement in Idaho

Sincerely,

Henry L. Johnson

cc: Governor James Risch
Saundra DeKlotz
Rosemary Abell

TAB	DESCRIPTION	ACTION
1	**OFFICE OF THE STATE BOARD OF EDUCATION** New Position - Chief Post-Secondary Academic Officer	Motion to approve
2	**UNIVERSITY OF IDAHO** Multi Year Contracts College of Law School of Journalism and Mass Media	Motion to approve
3	**UNIVERSITY OF IDAHO** New Positions - University Advancement	Motion to approve

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INSTITUTION / AGENCY AGENDA
OFFICE OF THE IDAHO STATE BOARD OF EDUCATION

SUBJECT
Hiring of a Chief Postsecondary Academic Officer by the Office of the State Board of Education (OSBE)

APPLICABLE STATUTE, RULE, OR POLICY
Idaho State Board of Education Governing Policies and Procedures, Section II.B.3.b.

BACKGROUND
OSBE is reporting the hiring of a new Chief Postsecondary Academic Officer. The annual salary will be equal to or greater than 75% of the Executive Director's base salary. The Chief Postsecondary Academic Officer is a key position in the Office of the State Board of Education and was vacated by the previous incumbent in July 2006.

DISCUSSION
A request by the Office of the State Board of Education for approval of:

- appointment of Stuart Tennant as Chief Postsecondary Academic Officer (1.0 FTE) at a salary equal to or greater than 75% of the executive director's base salary supported by appropriated funds.

IMPACT
Having this position filled will allow the Board staff to more fully-participate in the postsecondary activities of Idaho's higher education system. The annual salary and benefits for this position will be $113,875.

STAFF COMMENTS AND RECOMMENDATIONS
The request has been reviewed by staff and is consistent with Board policy.

BOARD ACTION
A motion to approve the request by the Office of the State Board of Education to hire Stuart Tennant as Chief Postsecondary Academic Officer in Academic Affairs (1.0 FTE) at a salary equal to or greater than 75% of the Executive Director's base salary.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

INSTITUTION / AGENCY AGENDA
OFFICE OF THE STATE BOARD OF EDUCATION - continued

SALARY EQUAL TO/GREATER THAN 75% OF CHIEF EXECUTIVE OFFICER BASE SALARY

Name of Appointee:	Stuart Tennant
Position title:	Chief Postsecondary Academic Officer
Type of Position:	Non-classified
FTE:	1.00
Term of Appointment:	Non-classified, at-will
Effective Date:	06-Nov-06
Salary Range:	$87,500
Funding Source:	General Funds
Area/Department of Assignment:	Academic Affairs
Duties and Responsibilities:	The Chief Postsecondary Academic Officer is a staff officer of the State Board of Education, reporting to the Executive Director. The purpose of this position is to provide staff support to the State Board of Education with the Board's responsibility for the general supervision and governance of Idaho's public colleges and universities, community colleges, and professional technical education. The Chief Postsecondary Academic Officer consults at all levels of educational services, and builds and maintains professional relations with the education community throughout the state, region, and nation.
Justification:	This key position in the Office of the State Board of Education became vacant July 1, 2006.

REFERENCE – APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: II. HUMAN RESOURCES POLICIES AND PROCEDURES
Subsection: B. Appointment Authority and Procedures January 2005

3. Specifically Reserved Board Authority

(Note: This is not an exclusive or exhaustive list and other reservations of Board authority may be found in other areas of these policies and procedures.) Board approval is required for the following:

a. Position Authorizations

(1) Any permanent new position (including any reactivated position that requires a new "set-up" action), regardless of funding source, requires Board approval.
Agenda Item Format: Requests for new position authorizations must include the following information:
(a) position title;
(b) type of position;
(c) FTE
(d) Term of appointment;
(e) Effective date;
(f) approximate salary range;
(g) funding source;
(h) area or department of assignment;
(i) a description of the duties and responsibilities of the position; and
(j) a complete justification for the position

(2) Any permanent position being deleted. The affected position should be identified by type, title, salary, area or department of assignment, and funding source.

b. The initial appointment of all employees to any type of position at a salary that is equal to or higher than 75% of the chief executive officer's annual salary.

c. The employment agreement of any head coach or athletic director (at the institutions only) longer than one year, and all amendments thereto.

d. The criteria established by the institutions for initial appointment to faculty rank and for promotion in rank, as well as any additional faculty ranks and criteria as may be established by an institution other than those provided for in these policies (see subsection G.) Any exceptions to the approved criteria also require Board approval.

The procedures established for periodic performance review of tenured faculty members. (see subsection G.)

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO

SUBJECT

Approval of two multi-year contracts

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Polices & Procedures Section II.G.1.b

DISCUSSION

The University of Idaho (UI) requests approval for two (2) multi-year contracts for senior level instructors as follows:

(1) College of Law programs in Boise.

A five-year contract for the employment of the Director of External Programs and Instructor in Law, a full-time, fiscal year, non-tenure track appointment for the following reasons:

- The current Director of External Programs in Boise has been employed by the College of Law since 2001.
- In 2005, the American Bar Association (ABA) conducted an on-site inspection of the College and identified as an action item the requirement that the College comply with ABA Standard 405 with respect to the Director of External Programs.
- ABA Standard 405 requires law schools to afford clinical faculty members a security of position reasonably similar to tenure. The ABA's official interpretation of this requirement is that a law school must provide a separate tenure track for these faculty members or a program of renewable long-term contracts. The interpretation further states that "long-term contract" means "at least a five-year contract that is presumptively renewable."
- Attached are the terms of a proposed multi-year contract intended to comply with the ABA's Accreditation Standard 405. The contract may be terminated for adequate cause, as defined by University and Regents policies, or material modification of the program. Salary under the proposed contract matches the current annual salary for the position, thus the contract will have no additional financial impact on the College.

(2) School of Journalism and Mass Media.

Permission to search for and appoint a non-tenure track senior instructor in a multi-year appointment for the School of Journalism and Mass Media for the following reasons:

- It is difficult to attract quality senior level instructors on single year contracts.
- Tenure is not particularly applicable to these positions because they are instructional only.

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO – continued

- Similar to the Law School contract situation (above), the University proposes a three-year rolling-horizon contract, which would provide for a one year extension of the contract's ending date each year, contingent upon satisfactory annual performance reviews. The contract would remain subject to termination for adequate cause, as defined by University and Regents policies.
- This will allow a rolling three year commitment, but subject to contract termination rather than termination under the laws and policies applicable to tenured faculty.
- Attached are the terms of the proposed three-year rolling-horizon contract.

IMPACT

Once approved, the changes can be processed on the State Employee Information System. With respect to the Law School item, the University will then be in compliance with the ABA Accreditation Standard 405. With respect to the School of Journalism and Mass Media, the UI will be able to recruit and retain a senior instructor who is not on a tenure-track appointment.

ATTACHMENTS

Exhibit 1	Position Descriptions	Page 5
Exhibit 2	College of Law Contract	Page 6
Exhibit 3	College of Journalism and Mass Media Contract	Page 14

STAFF COMMENTS AND RECOMMENDATIONS

Staff is aware of the ABA accreditation requirement. University officials will be prepared to discuss any further implications of the requirement.

Staff has reviewed this request for conformance with Board policy and recommends approval.

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO – continued

BOARD ACTION

(1) A motion to approve the request by the University of Idaho for a five-year contract for the employment of the Director of External Programs and Instructor in Law, a full-time, fiscal year, non-tenure track appointment, in substantial conformance to the form submitted to the Board, and to authorize the Vice President of Finance and Administration of the University of Idaho to execute the contract.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

AND

(2) A motion to approve the request by the University of Idaho for permission to search for and appoint a non-tenure track senior instructor in a multi-year appointment for the School of Journalism and Mass Media, such appointment to be under a contract in substantial conformance to the form submitted to the Board, and to authorize the Vice President of Finance and Administration of the University of Idaho to execute the contract

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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Exhibit 1
Position Descriptions

NEW POSITIONS

Position Title	Director of External Programs and Instructor in Law (Exhibit 1)
Type of Position	Administrative and Faculty (non-tenure track)
FTE	1.0 (2080 hours/year)
Term of Appointment	12 months/five-year contract
Effective Date	December 1, 2006
Salary Range	$95,804.80
Funding Source	Appropriated funds
Area/Department of Assignment	External and Clinical Programs
Duties & Responsibilities	Responsible for External Programs administration and teaching law courses
Justification	Multi-year contract

Position Title	Senior Instructor
Type of Position	Faculty (non-tenure track)
FTE	1.0 (1560 hours/year)
Term of Appointment	9 months/three-year rolling-horizon contract
Effective Date	December 1, 2006
Salary Range	$32,011.20 – 36,004.80
Funding Source	Appropriated funds
Area/Department of Assignment	Journalism and Mass Media
Duties & Responsibilities	Responsible for coordinating media writing courses and teaching in writing and editing
Justification	Multi-year contract

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Exhibit 2
College of Law Contract

EMPLOYMENT AGREEMENT

This Employment Agreement (Agreement) is entered into by and between the University of Idaho (University), and Lee Dillion (Employee).

ARTICLE 1

1.1. Employment. Subject to the terms and conditions of this Agreement, the University will employ Employee as the Director of External Programs and Instructor in Law, a full-time, fiscal year, non-tenure track faculty position with an administrative component. Except as otherwise provided in this Agreement, Employee remains subject to all University and Regents policies generally applicable to employees of his classification.

1.2. Reporting Relationship. Employee will report and be responsible directly to Director of Clinical Programs and to the Dean of the College of Law (Dean). Annual performance evaluations will be conducted in accordance with standard University and College of Law policies.

1.3. Duties and Performance. Employee's duties will be as described in the position description attached as **Exhibit 1-A**. The Director of Clinical Programs, in consultation with Dean and Employee, will review and, if appropriate, modify the position description on an annual basis in accordance with University and College of Law policies.

1.4. Compensation and Benefits. Employee will be paid at a fiscal year salary rate of $95,804.80 and will be eligible for University and College changes in employee compensation, if any, in accordance with applicable guidelines. Employee will be eligible for University benefits generally applicable to employees of his classification.

ARTICLE 2

2.1. Term. This Agreement is for a fixed-term appointment of five (5) years, commencing on December 1, 2006 and terminating on December 1, 2011, without further action by either party, unless sooner terminated in accordance with other provisions of this Agreement.

2.2. Discipline or Termination for Adequate Cause. During the term of this Agreement, Employee may be disciplined or terminated for adequate cause, as defined by Regents and University policies, and in accordance with the process set forth in the University's Faculty-Staff Handbook.

2.3. Termination Due to Discontinuance or Material Modification of Program. During the term of this Agreement, Employee may be terminated upon twelve (12) months written notice from the Dean if the College discontinues or materially modifies the clinical programs or external programs.

2.4. Renewal. This Agreement is renewable solely upon an offer from the University and an acceptance by Employee, both of which must be in writing and signed by the parties. Any renewal may be subject to the prior approval of University's Board of Regents, in accordance with the applicable Regents' policy in effect at that time. This Agreement in no way grants to Employee a claim to tenure in employment.

2.5. Process for Renewal. At least six months prior to the expiration of this Agreement, the Dean will review Employee's responsibilities, performance, and conduct during the term of the Agreement. Based on this initial review, the Dean may recommend and initiate renewal of the Agreement or may initiate a comprehensive review. The comprehensive review will be conducted by a committee consisting of the members of the College's promotion and tenure committee plus the Director of Clinical Programs. The committee will evaluate Employee's responsibilities and effectiveness in the following areas: teaching; administration; service (College, University, professional, and public); and professional writing and communications. Evidence of effectiveness should include, but is not limited to, annual performance evaluations, student evaluations, professional writing and communications, input from the Employee, and input from the relevant constituencies both within and outside the College. Upon completion of its review, the committee will issue a written report with its findings and recommendations to the Dean, with a copy to the Employee. The Dean will then determine whether to renew this Agreement and will notify the Employee in writing of his decision and the basis for the decision.

ARTICLE 3

3.1 Board Approval. This Agreement will not be effective until and unless approved by the University's Board of Regents and fully executed by both parties as set forth below. In addition, the payment of any compensation pursuant to this Agreement will be subject to the approval of the University's Board of Regents, the President, and the Dean; the sufficiency of legislative appropriations; the receipt of sufficient funds in the account from which such compensation is paid; and Board of Regents and University rules regarding financial exigency.

3.2 Assignment. Neither party may assign its rights or delegate its obligations under this Agreement without the prior written consent of the other party.

3.3 Waiver. No waiver of any default in the performance of this Agreement will be effective unless in writing and signed by the waiving party. The waiver of a particular breach in the performance of this Agreement will not constitute a waiver of any other or subsequent breach. The resort to a particular remedy upon a breach will not constitute a waiver of any other available remedies.

3.4 Severability. If any provision of this Agreement is determined to be invalid or unenforceable, the remainder of the Agreement will not be affected and will remain in effect.

3.5 Governing Law. This Agreement will be subject to and construed in accordance with the laws of the state of Idaho as an agreement to be performed in Idaho. Any action based in whole or in part on this Agreement will be brought in the courts of the state of Idaho.

3.6 Oral Promises. Oral promises of an increase in annual salary or of any supplemental or other compensation will not be binding upon the University.

3.7 Force Majeure. Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefof, governmental restrictions, governmental regulations, governmental controls, enemy or hostile governmental action, civil commotion, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform (including financial inability), will excuse the performance by such party for a period equal to any such prevention, delay or stoppage.

3.8 Confidentiality. Employee hereby consents and agrees that this document may be subject to disclosure upon University's receipt of a request pursuant to the Idaho Public Records Act.

3.9 Notices. Any notice under this Agreement will be in writing and be delivered in person or by public or private courier service (including U.S. Postal Service Express Mail) or certified mail with return receipt requested or by facsimile. All notices will be addressed to the parties at the following addresses or at such other addresses as the parties may from time to time direct in writing:

the University:
Dean
College of Law
University of Idaho
P.O. Box 442321
Moscow, Idaho 83844-2321

with a copy to:
Director of Clinical Programs
College of Law
University of Idaho
P.O. Box 442322
Moscow, Idaho 83844-2322

the Employee:
Last known address on file with

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

3.10 Headings. The headings contained in this Agreement are for reference purposes only and will not in any way affect the meaning or interpretation hereof.

3.11 Binding Effect. This Agreement is for the benefit only of the parties hereto and will inure to the benefit of and bind the parties and their respective heirs, legal representatives, successors and assigns.

3.12 No Third Party Beneficiaries. There are no intended or unintended third party beneficiaries to this Agreement.

3.13 Entire Agreement; Amendments. This Agreement constitutes the entire agreement of the parties and supersedes all prior agreements and understandings with respect to the same subject matter. No amendment or modification of this Agreement will be effective unless in writing, signed by both parties, and approved by University's Board of Regents.

3.14 Opportunity to Consult with Attorney. Employee acknowledges that he has had the opportunity to consult and review this Agreement with an attorney. Accordingly, in all cases, the language of this Agreement will be construed simply, according to its fair meaning, and not strictly for or against any party.

Approved by the Board of Regents on the ____ day of _____ , 2006.

UNIVERSITY OF IDAHO	EMPLOYEE
_____	_____
Lloyd Mues, Vice President for Finance and Administration	Lee Dillion
Date:_____	Date:_____

Approved by:

_____
Douglas Baker, Provost and Executive Vice President
Date:_____

_____
Don Burnett, Dean
College of Law
Date:_____

Q: Colleges: Law: Clinical Faculty – Multi-year Contract

Exhibit 1-A

UI FACULTY POSITION DESCRIPTION FOR ANNUAL PERFORMANCE REVIEW for 2005
(REVISED 7-02)

Date: 1/20/06 **Department:** College of Law
Name: Lee Dillion **Title/Rank:** External Programs Director
Appointment: Academic Year ❑ Fiscal Year X **Other:**
Tenure Status: Nontenured X Tenured ❑ **Year Tenured:**

RESPONSIBILITIES:

1. Teaching/Pedagogy;
Statement of Goals and *Objectives for the Year:*

My Teaching goal is to continue ensuring that the externship and SBLC courses provide significant opportunities for students to engage in, and reflect on, skills based activities such that they can integrate this experience with, and relate into, their doctrinal courses.

Planned Coursework::

Course No. Spring	Cr. Hr.	Course No. Fall	Cr, Hr	Course No. Summer	Cr. Hr
978 - SBLC	3	978	3	978 - SBLC	3
976 — Semester in Practice	12	972 – Legal Externship	1	973 — Public Externship	4
972 — Legal externship	1			975 —Public Externship	5

Est % per term					

Additional Instructional Responsibilities (Describe):

Est. Percentage of Time: Spring: 60 Fall: 60 Summer: 60

2. Scholarship (Including Teaching/Learning, Artistic Creativity, Discovery, and Application/Integration Activities)
Statement of Goals and Objectives for the Year:

It remains an open question as to whether scholarship should be an element of my job description..

As noted previously, my job description has evolved tremendously over the last three years- I was hired with the idea that I would (1) develop and manage the externship program, and (2) manage an expanded Boise effort that would include additional Boise-based faculty. Scholarship was not an issue given the anticipation of significant administrative duties as coursework, faculty, and students based in Boise expanded. Obviously, this original idea has been rethought as the Boise budget has been out and faculty interest in expanded Boise efforts has not materialized.

It is in this context that scholarship may or may not be an issue, depending on how we view the Boise efforts. Furthermore, if the concept of a Business Law and Policy Center moves forward, I anticipate that would impact any decisions regarding scholarship.

As for research topics, I have had a long-term interest in both skills training/assessment and legal ethics. To date, I have not advanced those interests through the formal scholarship route since I have not seen that as part of my job expectations or incentives.

Note - I received a stipend in the summer of200S, but have had difficulty managing my time to make room for the necessary research and writing. I did produce an article for the Advocate, but I do not see that as sufficient. I view this situation with some concern and will be trying to restructure my workflow so I can meet the obligations under the stipend.

Est. Percentage of Time: Spring: 10 Fall: 10 Summer: 10

3. Advising Statement of Goals and Objectives for the Year

My Advising goal is to be a resource for students that need assistance with curriculum planning, career advice, and skills training/assessment. I plan to continue working closely with my SBLC, SIP, and extern students to prepare them for a career following graduation. Each course includes significant training in lawyering and workplace skills.

No. of Advisees: Undergrad (Approx): Grad (as Major Professor):_____

Other Service to Students Organization/program advisers, masters/doctoral committees, etc.):

I am the advisor to the Negotiation competition and have assisted with the event planning for the annual Law Review Symposium.

Est. Percentage of Time: Spring: 5 Fall 5 Summer 5

4. Extramural Service and/or University Service Statement of Goals, Objectives and Planned Activities:

***Est. Percentage of Time: Spring: 0 Fall: 0 Summer:* 0**

5. Extension (Outreach) Activities Statement of Goals, Objectives and Planned Activities:

My Extension (Outreach) Activities goal is to continue outreach and partnering efforts that include chair of the Professionalism and Ethics Section of the Idaho State Bar, chair of the CLE Section of the Idaho Law Foundation, membership on the Judicial Education Committee for the Idaho Supreme Court, membership on the Law related Education Committee of the Idaho State Bar, and board member of the Idaho Nonprofit Development Center.

In addition to ensuring that the Orientation Program sponsored by the Professionalism and Ethics Section of the Idaho State Bar is on a sound footing, I will be working with this section to develop additional programming for the law school. I will also be working with the Small Business Development Center, the SBA, and the Idaho Nonprofit Development Center to explore possible partnerships for the delivery of programming to target audiences.

Est. Percentage of Time: Spring: 15 Fall: 15 Summer: 15

6. Administration

Statement of Goals, Objectives and Planned Activities:

My Administration goal is to ensure that all Boise related activities have necessary administrative support. This includes assisting Dean Beard with recruitment and management of adjunct faculty, assistance with compressed video management and plan-nine, coordination of classroom and other resource needs with UI Boise administration.

Est. Percentage of Time: Spring: 10 Fall: 10 Summer 10

7. ***Other Support***
Statement *of Goals, Objectives and* Planned *Activities:*

Est. Percentage of Time: *Spring:_____* *Fall:_____* *Summer:_____*

Summary of Percentage Time Allocations by Responsibility Area for Period				
	Planned *Percentage Allocation*			
Area	Spring	Fall	Sumner	Annual
Teaching/Pedagogy	60	60	60	60
Scholarship	10	10	10	10
Advising		**5**	**5**	**5**
Extramural Service/University Service				
Extension (Outreach) Activities	15	15	15	IS
Administration	10	10	10	10
Other Support				
Total (All must equal 100%)	100	100	100	100

AUTHENTICATION

1. Incumbent Faculty Member; I Agree that this is a reasonable definition of my responsibilities to the University of Idaho for the forthcoming calendar year.

/s/_____
Signature of Faculty Member

2. Approval of Unit Administrator: I agree that this position description is a reasonable reflection of the stated expectations for progress towards tenure, promotion and/or continued satisfactory performance evaluation (per FSH 3140 B2).

____N/A at College of Law_____
Signature of Unit Administrator

3. Approval of College Dean: I agree that this position description is a reasonable reflection of the stated expectations for progress towards tenure, promotion and/or continued satisfactory performance evaluation (per FSH 3140 B2).

Signature of Dean

Exhibit 3
Journalism School Contract

EMPLOYMENT AGREEMENT

This Employment Agreement (Agreement) is entered into by and between the University of Idaho (University), and _____ (Employee).

ARTICLE 1

1.1. Employment. Subject to the terms and conditions of this Agreement, the University will employ Employee as Senior Instructor in _____, a full-time, academic year, non-tenure track faculty position. Except as otherwise provided in this Agreement, Employee remains subject to all University and Regents policies generally applicable to employees of his or her classification.

1.5. Reporting Relationship. Employee will report and be responsible directly to the Chair of the Department of _____ (Chair) and to the Dean of the College of Letters, Arts and Social Sciences (Dean). Annual performance evaluations will be conducted in accordance with standard University, College, and Departmental policies.

1.6. Duties and Performance. Employee's position description will be established and reviewed in accordance with University policies.

1.7. Compensation and Benefits. Employee will be paid at an academic year salary rate of $_____ and will be eligible for University and College changes in employee compensation, if any, in accordance with applicable guidelines. Employee will be eligible for University benefits generally applicable to employees of his classification.

1.8. Assignment and Payroll Dates. As an academic year appointee, Employee is committed to fulfill duties and assignments for 1,560 hours (19.5 bi-weeks or 39 weeks), beginning approximately one week prior to the start of the fall semester and ending after spring commencement. Pay is spread over the fiscal year. If Employee ceases to work for the University during an annual term of employment provided herein and has received more than a pro-rata portion of the annual salary to which he or she is entitled, s/he must repay the University the excess payment within 30 days after the termination of his or her service. This provision is applicable whether Employee resigns, is discharged for cause, or is granted leave of absence without pay.

ARTICLE 2

2.6. Term and Renewal. This Agreement is for a three (3) year term, commencing on _____ and terminating on _____, which may be extended under the conditions set forth in this Paragraph. University shall notify the Employee in writing no later than 60 days prior to the end of each fiscal year that (1) the

Agreement shall be extended for a period of up to three years from the date of the extension, or (2) no extension will be granted at that time. Decisions regarding extension of the Agreement are not subject to appeal. University may nonrenew the Agreement by providing written notice to the Employee no later than sixty (60) days prior to the end of the then existing term of the Agreement. Review or appeal of the nonrenewal decision is subject to the conditions and limitations set forth University Faculty-Staff Handbook policies regarding non-reappointment at end of contract for non-tenured faculty.

2.7. Discipline or Termination for Adequate Cause. During the term of this Agreement, Employee may be disciplined or terminated for adequate cause, as defined by Regents and University policies, and in accordance with the process set forth in the University's Faculty-Staff Handbook.

ARTICLE 3

3.1 Funding and Appropriations. Payment of any compensation pursuant to this Agreement may be subject to the approval of the University's Board of Regents, the President, and the Dean; the sufficiency of legislative appropriations; the receipt of sufficient funds in the account from which such compensation is paid; and Board of Regents and University rules regarding financial exigency and program discontinuance.

3.2 Assignment. Neither party may assign its rights or delegate its obligations under this Agreement without the prior written consent of the other party.

3.3 Waiver. No waiver of any default in the performance of this Agreement will be effective unless in writing and signed by the waiving party. The waiver of a particular breach in the performance of this Agreement will not constitute a waiver of any other or subsequent breach. The resort to a particular remedy upon a breach will not constitute a waiver of any other available remedies.

3.4 Severability. If any provision of this Agreement is determined to be invalid or unenforceable, the remainder of the Agreement will not be affected and will remain in effect.

3.5 Governing Law. This Agreement will be subject to and construed in accordance with the laws of the state of Idaho as an agreement to be performed in Idaho. Any action based in whole or in part on this Agreement will be brought in the courts of the state of Idaho.

3.6 Oral Promises. Oral promises of an increase in annual salary or of any supplemental or other compensation will not be binding upon the University.

3.7 Force Majeure. Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefor, governmental restrictions, governmental regulations, governmental

controls, enemy or hostile governmental action, civil commotion, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform (including financial inability), will excuse the performance by such party for a period equal to any such prevention, delay or stoppage.

3.8 Confidentiality. Employee hereby consents and agrees that this document may be subject to disclosure upon University's receipt of a request pursuant to the Idaho Public Records Act.

3.9 Notices. Any notice under this Agreement will be in writing and be delivered in person or by public or private courier service (including U.S. Postal Service Express Mail) or certified mail with return receipt requested or by facsimile. All notices will be addressed to the parties at the following addresses or at such other addresses as the parties may from time to time direct in writing:

the University: Provost
University of Idaho
P.O. Box 443152
Moscow, Idaho 83844-3152

with a copy to: Dean
College of Letters, Arts, and Social Sciences
University of Idaho
P.O. Box 443154
Moscow, Idaho 83844-3154

the Employee: Last known address on file with
University's Human Resources

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

3.10 Headings. The headings contained in this Agreement are for reference purposes only and will not in any way affect the meaning or interpretation hereof.

3.11 Binding Effect. This Agreement is for the benefit only of the parties hereto and will inure to the benefit of and bind the parties and their respective heirs, legal representatives, successors and assigns.

3.12 No Third Party Beneficiaries. There are no intended or unintended third party beneficiaries to this Agreement.

3.13 Entire Agreement; Amendments. This Agreement constitutes the entire agreement of the parties and supersedes all prior agreements and understandings with

respect to the same subject matter. No amendment or modification of this Agreement will be effective unless in writing, signed by both parties, and approved by University's Board of Regents.

3.14 Opportunity to Consult with Attorney. Employee acknowledges that he has had the opportunity to consult and review this Agreement with an attorney. Accordingly, in all cases, the language of this Agreement will be construed simply, according to its fair meaning, and not strictly for or against any party.

Approved by the Board of Regents on the ____ day of _____ , 2006.

UNIVERSITY OF IDAHO EMPLOYEE

_____ _____

Lloyd Mues, Vice President for
Finance and Administration
Date:_____ Date:_____

Approved by:

_____
Douglas Baker, Provost and Executive Vice President
Date:_____

_____
Katherine Aiken, Dean
College of Letters, Arts, and Social Sciences
Date:_____

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REFERENCE – APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: II. HUMAN RESOURCES POLICIES AND PROCEDURES
Subsection: G. Policies Regarding Faculty (Institutional Faculty Only) October 2002

1. Letters of Employment

   a. All faculty employees serve pursuant to employment contracts. The employment contract must include the period of the appointment, salary, pay periods, position title, employment status and such other information as the institution may elect to include in order to define the contract of employment. Non-tenured faculty employees have no continued expectation of employment beyond their current contract of employment. Each faculty employee must acknowledge receipt and acceptance of the terms of the employment contract by signing and returning a copy to the institution initiating the offer of appointment. Failure or refusal of the faculty employee to sign and return a copy of the employment contract within the time specified in the contract is deemed to be a rejection of the offer of employment unless the parties have mutually agreed in writing to extend the time. Nothing in this paragraph prohibits the institution from extending another offer to the employee in the event the initial offer was not signed and returned in a timely manner. Any alteration by the employee of the offer is deemed a counter-offer requiring an affirmative act of acceptance by an officer authorized to enter into contracts of employment binding the institution. Each contract of employment must include a statement to the following effect and intent: "The terms of employment set forth in this letter (contract) of employment are also subject to the Governing Policies and Procedures of the State Board of Education (or the Board of Regents of the University of Idaho, in the case of the University of Idaho), and the policies and procedures of (the institution)."

   b. Term of Appointment - All non-tenured faculty employees have fixed terms of employment. No contract of employment with such an employee may exceed one (1) year without the prior approval of the Board. Employment beyond the contract period may not be legally presumed. Reappointment of a faculty employment contract is subject solely to the discretion of the chief executive officer of the institution, and, where applicable, of the Board.

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO

SUBJECT

A request by the University of Idaho for the approval of nineteen new positions

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Polices & Procedures Sections II.B.3.

DISCUSSION

The University of Idaho requests approval to create nineteen new positions in University Advancement supported by appropriated and non-appropriated funds: Administrative Assistant I, (two) Assistant Dean for Development, Associate Director of Gift Planning, Business Manager, (six) Development Coordinator, (four) Director of Development, Director of Annual Giving, Director of Donor Relations and Stewardship, Program Manager, and Proposal and Grant Writer.

We are now in the early stages of planning for a $300 million campaign to seek and secure private gifts in four critical areas: faculty, students, programs and facilities. This will be the largest fundraising campaign ever attempted for any endeavor, public or private, in the state of Idaho. To successfully launch, sustain and complete a campaign of this magnitude will require a development infrastructure that we currently do not have. The positions we are seeking, together with the positions already existing, will create a fundraising enterprise more appropriate for a research university our size and, more importantly, will allow us to secure the resources we need to both move from “good to great” and to deliver on our promise of an unparalleled student experience.

Campaigns are useful tools in two ways. First, they create an important sense of urgency with donors. Second, they increase sustained annual giving. For example, private giving at the University of Idaho has averaged $19 million annually over the past four years. We will need to double that amount to $37.5 million in order to achieve our working campaign goal ($300M). Following the campaign we will, if successful, sustain the annual fundraising goal at the increased “double” level (until the next campaign, at which time we will seek to increase and then sustain another “doubling”). Implementing this strategy requires an increased investment in infrastructure and “boots on the ground.” We anticipate this increased investment will be made with one-third university funds and two-thirds University of Idaho Foundation funds.

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO -continued

Requested development positions will be created in two specific areas: central operations and unit/colleges. Seven of the requested positions will be "central" and 12 will be "unit/college based." This hybrid model allows us to have development professionals in the schools who intimately know the "strengths, weakness and needs" of the unit/college. It also allows us to have centrally based experts in annual fund, planned giving and corporate and foundation relations that can "serve" the unit/college development officers. All development personnel will be hired, trained, measured and managed centrally. Each development professional will have annual goals and expected outcomes:

- Development Coordinator -- $500,000 annually, focusing on advisory board meetings, events and annual gifts from $1,000 - $24,999
- Development Director -- $1 million annually, focusing on major gifts from $25,000 to $1 million.
- Assistant Dean, Development -- $1.5 million annually focusing on principal gifts from $250,000 and up.

This is an exciting time at the University of Idaho. Our ambitions and expectations for ourselves continue to rise and expand. Our commitment to providing our students with an unparalleled, life changing educational experience has never been stronger. We will not achieve these lofty goals without investment from the private sector and by extension investment in our development infrastructure.

IMPACT

Once approved, the changes can be processed on the State Employee Information System.

STAFF COMMENTS AND RECOMMENDATIONS

Staff has reviewed this request for conformance with Board policy and recommends approval.

BOARD ACTION

A motion to approve the request by the University of Idaho to establish nineteen new positions in University Advancement supported by appropriated and non-appropriated funds: Administrative Assistant I, (two) Assistant Dean for Development, Associate Director of Gift Planning, Business Manager, (six) Development Coordinator, (four) Director of Development, Director of Annual Giving, Director of Donor Relations and Stewardship, Program Manager, and Proposal and Grant Writer.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO - continued

Position Title	Administrative Assistant I
Type of Position	Classified
FTE	1.0 (2080 hours/year)
Term of Appointment	12 month
Effective Date	January 1, 2007
Salary Range	$25,001.60
Funding Source	Non-appropriated funds
Area/Department of Assignment	Advancement
Duties	Responsible for providing clerical support
Justification	New position

Position Title	Assistant Dean for Development
Type of Position	NFE
FTE	1.0 (2080 hours/year)
Term of Appointment	12 month
Effective Date	January 1, 2007
Salary Range	$70,012.80
Funding Source	Appropriated Funds
Area/Department of Assignment	Advancement/College of Agricultural and Life Sciences
Duties	Responsible for leadership and management of fundraising activities
Justification	New position

Position Title	Assistant Dean for Development
Type of Position	NFE
FTE	1.0 (2080 hours/year)
Term of Appointment	12 month
Effective Date	January 1, 2007
Salary Range	$70,012.80
Funding Source	Appropriated Funds
Area/Department of Assignment	Advancement/College of Engineering
Duties	Responsible for leadership and management of fundraising activities
Justification	New position

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO - continued

Position Title	Associate Director of Gift Planning
Type of Position	NFE
FTE	1.0 (2080 hours/year)
Term of Appointment	12 month
Effective Date	January 1, 2007
Salary Range	$52,000.00
Funding Source	Non-appropriated funds
Area/Department of Assignment	Advancement
Duties	Responsible for promoting donor-centered philanthropy and all phases of planned and deferred giving
Justification	New position

Position Title	Business manager
Type of Position	NFE
FTE	1.0 (2080 hours/year)
Term of Appointment	12 month
Effective Date	January 1, 2007
Salary Range	$52,000.00
Funding Source	Non-appropriated funds
Area/Department of Assignment	Advancement
Duties	Responsible for maintaining fiscal integrity and human resource productivity
Justification	New position

Position Title	Development Coordinator
Type of Position	NFE
FTE	1.0 (2080 hours/year)
Term of Appointment	12 month
Effective Date	January 1, 2007
Salary Range	$50,003.20
Funding Source	Appropriated Funds
Area/Department of Assignment	Advancement/College of Agricultural and Life Sciences
Duties	Responsible for administrative support
Justification	New position

INSTITUTION / AGENDA
UNIVERSITY OF IDAHO - continued

Position Title	Development Coordinator
Type of Position	NFE
FTE	1.0 (2080 hours/year)
Term of Appointment	12 month
Effective Date	January 1, 2007
Salary Range	$50,003.20
Funding Source	Appropriated Funds
Area/Department of Assignment	Advancement/College of Engineering
Duties	Responsible for administrative support
Justification	New position

Position Title	Development Coordinator
Type of Position	NFE
FTE	1.0 (2080 hours/year)
Term of Appointment	12 month
Effective Date	January 1, 2007
Salary Range	$50,003.20
Funding Source	Appropriated Funds
Area/Department of Assignment	Advancement/College of Law
Duties	Responsible for administrative support
Justification	New position

Position Title	Development Coordinator
Type of Position	NFE
FTE	1.0 (2080 hours/year)
Term of Appointment	12 month
Effective Date	January 1, 2007
Salary Range	$50,003.20
Funding Source	Appropriated Funds
Area/Department of Assignment	Advancement/College of Letters, Arts and Social Sciences
Duties	Responsible for administrative support
Justification	New position

INSTITUTION / AGENDA
UNIVERSITY OF IDAHO - continued

Position Title	Development Coordinator
Type of Position	NFE
FTE	1.0 (2080 hours/year)
Term of Appointment	12 month
Effective Date	January 1, 2007
Salary Range	$50,003.20
Funding Source	Appropriated Funds
Area/Department of Assignment	Advancement/College of Natural Resources
Duties	Responsible for administrative support
Justification	New position

Position Title	Development Coordinator
Type of Position	NFE
FTE	1.0 (2080 hours/year)
Term of Appointment	12 month
Effective Date	January 1, 2007
Salary Range	$50,003.20
Funding Source	Appropriated Funds
Area/Department of Assignment	Advancement/College of Science
Duties	Responsible for administrative support
Justification	New position

Position Title	Director of Annual Giving
Type of Position	NFE
FTE	1.0 (2080 hours/year)
Term of Appointment	12 month
Effective Date	January 1, 2007
Salary Range	$60,008.00
Funding Source	Non-appropriated funds
Area/Department of Assignment	Advancement
Duties	Responsible for planning, management, coordination and evaluation
Justification	New position

INSTITUTION / AGENDA
UNIVERSITY OF IDAHO - continued

Position Title	Director of Development
Type of Position	NFE
FTE	1.0 (2080 hours/year)
Term of Appointment	12 month
Effective Date	January 1, 2007
Salary Range	$60,008.00
Funding Source	Appropriated funds
Area/Department of Assignment	Advancement/College of Art & Architecture
Duties	Responsible for fundraising activities
Justification	New position

Position Title	Director of Development
Type of Position	NFE
FTE	1.0 (2080 hours/year)
Term of Appointment	12 month
Effective Date	January 1, 2007
Salary Range	$60,008.00
Funding Source	Appropriated funds
Area/Department of Assignment	Advancement/College of Athletics
Duties	Responsible for fundraising activities
Justification	New position

Position Title	Director of Development
Type of Position	NFE
FTE	1.0 (2080 hours/year)
Term of Appointment	12 month
Effective Date	January 1, 2007
Salary Range	$60,008.00
Funding Source	Appropriated funds
Area/Department of Assignment	Advancement/College of Business and Economics
Duties	Responsible for fundraising activities
Justification	New position

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO - continued

Position Title	Director of Development
Type of Position	NFE
FTE	1.0 (2080 hours/year)
Term of Appointment	12 month
Effective Date	January 1, 2007
Salary Range	$60,008.00
Funding Source	Appropriated funds
Area/Department of Assignment	Advancement/Student Affairs
Duties	Responsible for fundraising activities
Justification	New position

Position Title	Director of Donor Relations and Stewardship
Type of Position	NFE
FTE	1.0 (2080 hours/year)
Term of Appointment	12 month
Effective Date	January 1, 2007
Salary Range	$60,008.00
Funding Source	Non-appropriated funds
Area/Department of Assignment	Advancement
Duties	Responsible for university-wide donor relations program
Justification	New position

Position Title	Program Manager
Type of Position	Classified
FTE	1.0 (2080 hours/year)
Term of Appointment	12 month
Effective Date	January 1, 2007
Salary Range	$30,014.40
Funding Source	Non-appropriated funds
Area/Department of Assignment	Advancement
Duties	Responsible for coordinating and implementing activities related to the annual giving program
Justification	New position

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO - continued

Position Title	Proposal and Grant Writer
Type of Position	Classified
FTE	.5 (1040 hours)
Term of Appointment	12 month
Effective Date	January 1, 2007
Salary Range	$16,005.60
Funding Source	Non-appropriated funds
Area/Department of Assignment	Advancement
Duties	Responsible for research and preparation of major grant applications and funding proposals
Justification	New position

REFERENCE – APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: II. HUMAN RESOURCES POLICIES AND PROCEDURES
Subsection: B. Appointment Authority and Procedures January 2005

3. Specifically Reserved Board Authority

(Note: This is not an exclusive or exhaustive list and other reservations of Board authority may be found in other areas of these policies and procedures.) Board approval is required for the following:

a. Position Authorizations

(1) Any permanent new position (including any reactivated position that requires a new "set-up" action), regardless of funding source, requires Board approval.

Agenda Item Format: Requests for new position authorizations must include the following information:
(a) position title;
(b) type of position;
(c) FTE
(d) Term of appointment;
(e) Effective date;
(f) approximate salary range;
(g) funding source;
(h) area or department of assignment;
(i) a description of the duties and responsibilities of the position; and
(j) a complete justification for the position

(2) Any permanent position being deleted. The affected position should be identified by type, title, salary, area or department of assignment, and funding source.

b. The initial appointment of all employees to any type of position at a salary that is equal to or higher than 75% of the chief executive officer's annual salary.

c. The employment agreement of any head coach or athletic director (at the institutions only) longer than one year, and all amendments thereto.

d. The criteria established by the institutions for initial appointment to faculty rank and for promotion in rank, as well as any additional faculty ranks and criteria as may be established by an institution other than those provided for in these

policies (see subsection G.) Any exceptions to the approved criteria also require Board approval.

The procedures established for periodic performance review of tenured faculty members. (see subsection G.)

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TAB	DESCRIPTION	ACTION
1	**BOISE STATE UNIVERSITY** Facilities Financing Plan	Information Item
2	**BOISE STATE UNIVERSITY** Student Health, Wellness, Counseling, Nursing Building	Motion to approve
3	**BOISE STATE UNIVERSITY** Student Union Building Expansion	Motion to approve
4	**IDAHO STATE UNIVERSITY** CAES Facility/Idaho Falls	Motion to approve
5	**IDAHO STATE UNIVERSITY** 2006 General Revenue Bonds	Motion to approve
6	**UNIVERSITY of IDAHO** Amendments of Faculty-Staff Handbook	Motion to approve
7	**UNIVERSITY of IDAHO** Parking Lot Site Lease	Motion to approve
8	**UNIVERSITY of IDAHO** Contract for Vending Rights	Motion to approve
9	**UNIVERSITY of IDAHO** Pierce Property Re-conveyance	Motion to approve
10	**LEWIS-CLARK STATE COLLEGE** Management Agreement for Residence Hall	Motion to approve
11	**AMENDMENT OF BOARD POLICY** Policy Section III.T.4 - 1st Reading - Intercollegiate Athletics	Motion to approve

TAB	DESCRIPTION	ACTION
12	**IDAHO PROMISE SCHOLARSHIP** Increase Category B Award	Motion to approve
13	**COLLEGE & UNIVERSITY AUDIT PRESENTATION** Moss Adams, LLP	Motion to approve

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY

SUBJECT

Information item by Boise State University (BSU) regarding future financing plans, as they relate to debt capacity and debt management.

REFERENCE

December 2003	Single Bond System and Financing Plan for New Projects
February 2004	BSU Bonding Discussion, Series 2004A
December 2004	Long-Term Facilities Funding Plan
April 2005	Refinancing and Revenue Bonds, Series 2005A
October 2005	Board approved 2005 Campus Master Plan Update
June 2006	Financing Update

APPLICABLE STATUTE, RULE OR POLICY

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

BACKGROUND

As of April 30, 2006, Boise State University has approximately $145,000,000 in outstanding debt, including leases, notes, and bank loans. $127,600,000 (92%) of current debt is in the form of fixed rate bonds. The current weighted average life of the bonded debt of the University is relatively short at 11.2 years.

The University anticipates issuing a significant amount of debt during the next two years. Variables impacting the amount include the planning timeline of the various projects, as some may be ready to begin construction sooner than others. In addition, the amount of donations, grants, and/or state funds secured could impact the amount of the borrowing. An increase in these funds could increase scope, thereby increasing the debt, or substitute for financing and decrease debt.

DISCUSSION

This information item is being presented to the Board to disclose the amount of debt Boise State will incur pending Board approval of proposed new buildings (see Attachment 1). The attachment provides the following:

- cost of pending projects,
- estimate of the debt financed portion of each project
- breakdown of the annual debt service for each project
- estimate of debt service as a percentage of operating revenue

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY – continued

Pending Board approval of the projects, the University would issue debt for the Parking Deck (already approved by the Board), Student Union Building (SUB) expansion, and the Student Health, Wellness, Counseling Center/Nursing Building in January of 2007. In February 2007, the University would issue debt for the Stadium Suites project. The University would issue debt for the CESED/Research Facility, College of Business and Economics Building, and Student Housing twelve to eighteen months hereafter.

IMPACT

This amount of new debt will likely reduce the University's credit rating to A2/A. While aggressive, Boise State has the inherent financial capacity to incur this debt without negatively impacting access to future capital, and believes this level of borrowing is necessary to complete pending new buildings consistent with the University's strategic plan.

ATTACHMENTS

Attachment 1 - Ten Year Debt Projection Page 4

STAFF COMMENTS AND RECOMMENDATIONS

As noted above, BSU is beginning a substantial new building construction phase, which will require the issuance of bonds as the major, or only, financing mechanism for the new buildings. Staff requested that BSU officials make a more detailed presentation to the Board in November 2006 as a follow-up to the June 2006 presentation on the same subject.

The Attachment, which will be discussed by BSU officials at the meeting, presents the following information:

Lines 1 – 12	Existing and future building plans
Line 13	Total amount of new debt financing, and by fiscal year
Lines 14 – 17	Type of new building (coded by color, Lines 1 – 12)
Lines 18-23	Beginning and ending facilities fee reserve through FY 2015
Line 24	Amount of projected annual debt service
Line 25	BSU operating budget, all funds (excluding direct student loans)
Line 26	Debt service as a percentage of operating budget
Lines 30 – 35	Economic and other assumptions used in analysis

Line 23, the Ending Facilities Fee Reserve, shows a steady increase through the life of the spreadsheet. This reserve is important for several reasons, most importantly to help with the University's position with the bond rating agencies.

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY – continued

Line 26, the percentage of debt service compared to the overall university operating budget, is important to review. As BSU begins to issue additional debt in FY 2008, that percentage increases, and continues to increase through FY 2010. That percentage begins to decrease in FY 2011 as the overall university operating budget increases (using the assumptions noted at the bottom of the Attachment, including an increased facilities fee being in place in FY 2009).

Most importantly, the attached schedule allows the Board to become aware of the overall new construction position of the university, and allow for a very open discussion of future building needs, revenue and debt to be incurred. If any of the economic conditions change (state appropriations, enrollment/fee revenue, programmatic needs, etc.), the analysis can be revised as necessary.

The attached schedule shows that BSU will request increases in their strategic facilities fee by $65 in FY 2008 and $95 in FY 2009. Staff points out that as BSU increasingly dedicates its student-paid fees to bonds, options to the institution with respect to funding are reduced. The Board and State may consider developing initiatives that might, for example, dedicate a portion of student fees to other areas besides paying off bonds. For example, the institution, Board or State may want to have the institution set aside a portion of fees for financial aid, as have many institutions in the country have done. Basically, funding any new initiatives are hindered when a large percentage of an institution's fees are already reserved for future bond payments.

Later in this agenda are two facilities which will be partially or wholly financed with bonds: the Student Health, Wellness, Counseling and Nursing building; and the Student Union Building expansion. In future meetings, the Board will be requested to authorize additional buildings, as noted in the attachment.

Staff commends BSU officials, who will be present to offer additional comments on their financing and construction plans, for offering to undertake such a comprehensive planning process regarding debt management.

BOARD ACTION

This item is for informational purposes only.

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Boise State University
Ten Year Debt Projection
November 13, 2006

Attachment 1

					FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Total
1	**New Buildings**	**Cost**	**Est. Debt Financed**	**terms**					**Annual Debt Service**						
2	Parking Deck	$12,000,000	$2,400,000	30, 5%	1st payment Oct 2008		$156,000	$156,000	$156,000	$156,000	$156,000	$156,000	$156,000	$156,000	$1,248,000
3	SUB Expansion	$30,650,000	$30,000,000	30, 5%	1st payment Oct 2008		$1,952,000	$1,952,000	$1,952,000	$1,952,000	$1,952,000	$1,952,000	$1,952,000	$1,952,000	$15,616,000
4	Student HWC/Nursing	$25,000,000	$23,400,000	30, 5%	1st payment Oct 2008		$1,522,000	$1,522,000	$1,522,000	$1,522,000	$1,522,000	$1,522,000	$1,522,000	$1,522,000	$12,176,000
5	Stadium Suites	$35,000,000	$30,000,000	30, 6% (tax)	1st payment Oct 2008		$2,179,467	$2,179,467	$2,179,467	$2,179,467	$2,179,467	$2,179,467	$2,179,467	$2,179,467	$17,435,736
6	CESED/Research Facility	$35,000,000	$31,000,000	30, 6%	1st payment Oct 2009			$2,250,000	$2,250,000	$2,250,000	$2,250,000	$2,250,000	$2,250,000	$2,250,000	$15,750,000
7	College of Business & Economics	$30,000,000	$15,000,000	30, 6%	1st payment Oct 2009			$1,090,000	$1,090,000	$1,090,000	$1,090,000	$1,090,000	$1,090,000	$1,090,000	$7,630,000
8	Student Housing	$30,000,000	$30,000,000	30, 6%	1st payment Oct 2009			$2,180,000	$2,180,000	$2,180,000	$2,180,000	$2,180,000	$2,180,000	$2,180,000	$15,260,000
9	Next Science Building	$35,000,000	undetermined												$0
10	Student Services Center	$16,000,000	undetermined												$0
11	Parking Deck	$13,000,000	undetermined												$0
12	College of Health Science Building	$30,000,000	undetermined												$0
13	**New Debt Financing**		$161,800,000		$0	$0	$5,809,467	$11,329,467	$11,329,467	$11,329,467	$11,329,467	$11,329,467	$11,329,467	$11,329,467	$85,115,736
14	Infrastructure Facility	6%	$15,400,000												
15	Student Facility	35%	$89,900,000												
16	Academic Facility	47%	$120,500,000												
17	Athletics Facility	12%	$30,000,000												
18	**Beginning Facilities Fee Reserve**				$0	$1,950,000	$6,192,000	$9,335,615	$11,266,324	$13,289,760	$15,406,851	$17,618,532	$19,925,750	$22,329,460	$0
19	Debt Service				$0	$0	-$5,809,467	-$11,329,467	-$11,329,467	-$11,329,467	-$11,329,467	-$11,329,467	-$11,329,467	-$11,329,467	-$85,115,736
20	SFF Fee revenue				$1,950,000	$4,242,000	$6,273,615	$9,272,709	$9,365,436	$9,459,090	$9,553,681	$9,649,218	$9,745,710	$9,843,167	$79,354,628
21	Pledges for debt service						$500,000	$500,000	$500,000	$500,000	$500,000	$500,000	$500,000	$500,000	$4,000,000
22	Project Revenues for debt service						$2,179,467	$3,487,467	$3,487,467	$3,487,467	$3,487,467	$3,487,467	$3,487,467	$3,487,467	$26,591,736
23	**Ending Facilities Fee Reserve**				$1,950,000	$6,192,000	$9,335,615	$11,266,324	$13,289,760	$15,406,851	$17,618,532	$19,925,750	$22,329,460	$24,830,628	$24,830,628
24	**Total Projected Debt Service**				$0	$12,454,126	$18,298,526	$23,852,182	$23,882,673	$22,880,208	$22,206,767	$22,251,571	$22,294,103	$22,342,388	
25	**Operating Budget (less direct loans)**				$219,000,000	$227,520,000	$238,529,100	$254,452,295	$274,891,687	$295,639,183	$316,702,171	$338,088,243	$359,805,200	$381,861,057	
26	**Debt Service as a % of Operating Budget (note 1)**				5.71%	5.5%	7.7%	9.4%	8.7%	7.7%	7.0%	6.6%	6.2%	5.9%	

27 **Note 1:**
28 As presented in June, 2006, a ratio of 6% likely drops the University's bond rating to A/A2 and a ratio of 10% would significantly hinder access to capital in the bond markets.

29 **Assumptions:**
30 1. 1% growth in enrollment
31 2. 3% growth in state support
32 3. $1 SFF equals $30,000 in annual funding, $65 new fee in FY 2008 and $95 new fee in FY 2009
33 4. Athletics revenues will equal debt service
34 5. Housing will pay 60% of debt service from operations
35 6. No new source of state funding for academic buildings

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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.

2. Attorney General's Opinion

   The Board or the institution may request the Attorney General of Idaho to review and pass upon the validity of a proposed bond issue. If found valid, the bond is an incontestable, binding obligation on the institution.

3. Private Sale

   A private sale of bonds is permitted only with the prior approval of the Board as the governing body of the institution. The chief executive officer of the institution must justify why a public sale is not desirable and explain the benefits of a private sale of bonds.

4. Responsibility of the Chief Executive Officer

   The chief executive officer of the institution is responsible for compliance with state law and these provisions when any indebtedness is incurred.

5. Expenditure of Excess Revenue

   Expenditure of project revenues over and above that pledged or otherwise encumbered to meet the indebtedness is limited to expenditures for projects identified in the bond's Official Statement. Expenditure of excess revenue for other projects requires prior Board approval. Expenditures between two hundred fifty thousand dollars ($250,000) and five hundred thousand dollars ($500,000) require prior approval from the executive director and expenditures greater than five hundred thousand dollars ($500,000) require prior Board approval.

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

K. Construction Projects

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.

INSTITUTION/AGENCY AGENDA
BOISE STATE UNIVERSITY

SUBJECT

Boise State University requests approval to complete design development and proceed with construction of the Student Health, Wellness and Counseling Center (SHWCC) with the inclusion of additional program space for the Department of Nursing for a total project cost not to exceed $25,000,000.

REFERENCE

January 2004	Board approved 2004-2005 student fees, including a $40/semester facility fee
April 2004	Board approved request to proceed with the RFP process planning and design of the Health, Wellness and Counseling Services Center project, at a cost not to exceed $932,025.
June 2004	Board approved programming and design for an estimated project budget of $13,600,000 and authorized design work through design development.
November 2005	Interim Executive Director of the Board approved a $495,000 increase to the project budget to add design and materials to meet higher energy efficiency standards such as LEED.
June 2006	Capital projects update included discussion that the SHWCC project was delayed to add space for nursing education to be funded from private gifts and other sources.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Sections B.8-9 and V.K.
Sections 33-3804, 67-5710, 67-5710A, 67-5711-C, Idaho Code

BACKGROUND

As noted in the reference section above, the Board has approved the planning and design for a new Student Health, Wellness, and Counseling Center (SHWCC) to be funded from a student facility fee. The approved project budget for this facility is currently $14,095,000, which includes $495,000 to pursue additional energy efficiency measures.

It is well known that additional academic space for nursing education is needed. University staff has determined the most efficient way to meet the most urgent space needs is to build additional space in the SHWCC building, which is already in the planning and design process, and to modify and increase the capacity of the SHWCC to incorporate the nursing academic space utilizing private gifts, state and university funds.

INSTITUTION/AGENCY AGENDA
BOISE STATE UNIVERSITY - continued

DISCUSSION

The decision to expand this project reflects the critical shortage of nurses in Idaho and across the nation. The national nursing shortage is expected to exceed 800,000 by 2020. Idaho is currently ranked 49th in the nation for registered nurses per capita. The health care community is looking to Boise State University to increase enrollments in its nursing program to meet looming workforce shortages in the nursing profession. Preliminary programming studies indicate the new facility will allow for the graduation of 30 to 50 additional nursing students per year.

A flexible, integrated facility that expands the previously approved Student Health, Wellness and Counseling Center to incorporate space needed to support the nursing program is proposed to meet this demand. The nursing component of the new facility will encompass approximately 20,000 square feet of net assignable area. The added program space will support the full range of instructional and support space required by the Department including classrooms, seminar rooms, practice labs, and offices. A simulation lab, which will allow the nursing faculty to simulate an acute care clinical experience for students, is also planned.

The original program for the Student Health, Wellness and Counseling facility included approximately 35,000 square feet of net assignable area. Ongoing refinement of program needs has led to the reduction or elimination of some program elements, resulting in a complete current program space list that consists of approximately 21,000 net assignable square feet. The new integrated facility will be approximately 70,000 total gross square feet. Attachment 3 provides a detailed program listing.

Expanding the scope of the SHWCC will enhance the nursing program at Boise State in three ways. First, it will increase the nursing program's capacity to allow for a 30% increase in the number of graduates. Second, the addition of the simulation lab will provide an alternative to practice in clinical space for acute care that is very difficult to find as schools are increasing capacity. Finally, this addition will allow the Nursing Program to better collaborate with the Student Health, Wellness, and Counseling Center to foster improved health on our campus.

INSTITUTION/AGENCY AGENDA
BOISE STATE UNIVERSITY - continued

IMPACT

A detailed cost estimate based on the comprehensive programming estimates the construction contract cost at $20,500,000. Contingencies ($1,939,249), design fees ($2,255,000) and other administrative and soft costs ($305,751) bring the total project cost to $25,000,000 (See Attachment 1). This project will be brought back to the Board for financing approval prior to contract award.

Current funding sources for the project are as follows:

Student Facilities Fee Bonds	$13,900,000
Facilities Fee Reserve	1,000,000
Private gifts	5,100,000
Private, state or facility fee bonds	5,000,000*
Total	$25,000,000

*The University is pursuing both private gifts and state funds for this amount. However, there is sufficient debt capacity in the current strategic facilities fee to bond this additional amount should a portion or all of these funds not materialize. The University anticipates requesting Board approval to issue bonds to finance the construction of this facility in fall 2007.

ATTACHMENTS

Attachment 1 – Capital Facilities Approval Processing Page 5
Attachment 2 – Project Budget Worksheet Page 6
Attachment 3 – Capital Project Tracking Sheet Page 7
Attachment 4 – Programming Information Page 8

STAFF COMMENTS AND RECOMMENDATIONS

Staff has included a "Capital Facilities Approval Processing" chart on page 5, which shows the process used by the State Board of Education and the Division of Public Works for new facility planning and approval. BSU's request is outlined as Step 3 as the current Board request to approve the budget and preliminary design.

BSU's intention to increase the scope of this project beyond the original plans is in response to the need for additional nursing graduates in Idaho.

INSTITUTION/AGENCY AGENDA
BOISE STATE UNIVERSITY - continued

BSU will request permission to issue bonds if some or all of the $5.0 million noted above does not materialize. As indicated in the following paragraph, Board members need to be adequately briefed regarding likely sources of financing, including the University's ability to service potential debt, before granting authority to proceed with design development, financing and construction.

Staff has requested from BSU a comprehensive report outlining its medium-term (10+ years) capital facilities situation: needs, funding, bond payments and reserves, etc. This report was presented in the previous agenda item. The report is designed to provide the Finance Committee, and all Board members, with a foundation regarding BSU's overall capital facilities situation, and will be used as a template for the other institutions, with modifications as required.

Staff notes BSU's intention to pursue private and/or state funding for the expanded portion (nursing education) part of this building project. Governor Risch has suggested that additional nursing buildings be constructed at Lewis-Clark State College and the College of Southern Idaho. This recommendation, and that of incoming Governor Otter, will be acted upon by the legislature in the upcoming session. Final outcome for these two projects, and the potential for BSU receiving additional state funding for this building, is not known.

Staff recommends Board approval for BSU to complete design development and proceed with construction, contingent upon Board approval to issue bonds to finance this project.

BOARD MOTION

A motion to approve the request by Boise State University to proceed with construction of the Student Health, Wellness and Counseling Center with the inclusion of additional program space for the Department of Nursing and to authorize the Division of Public Works to award a design-build contract to Leatham, Krohn, Van Ocker Architects, the selected design-build team. The motion includes funding that comes from bonds, facility fee reserves, and private gifts, and the entire cost of the project shall not exceed $25,000,000. The University may not proceed with construction of this project prior to Board approval to issue debt.

Moved by _____Seconded by _____ Carried Yes_____ No_____

Idaho State Board of Education (SBOE)
and
Permanent Building Fund Advisory Council (PBFAC)

Capital Facilities Approval Process (excluding UI)

Step	SBOE Actions	PBFAC/DPW Actions
1.	Approves project concept submitted by Institution	
2.	Staff sends Board approval letter to DPW	DPW sets up project, selects Architecture/ Engineering firm (& other consultants) PBFAC approves selection & proceeding with preliminary design.
3.	Approves project budget & preliminary design (through design development) and project budget *	
4.	Staff sends Board approval letter to DPW	Approves preliminary design (through design development, authorizes proceeding with construction documents
5.	Approves final budget financing and final design **	
6.	Staff sends Board approval letter to DPW	Approves final design and authorizes bidding and award of contract for construction
7.		DPW reviews bids, determines responsive contractor
8.		DPW awards construction contract, if within budget, as requested by institution
9.	If bids exceed budget review, approve request for increase as presented by institution	
10.	Staff sends Board approval letter to DPW if necessary	DPW awards construction contract after budget increase is authorized by SBOE
11.		DPW confirms all contract documents are correct, then issues Notice to Proceed
12.	Review and approve increase in budget during course of construction, if needed	
13.	Staff sends Board approval letter to DPW if necessary	DPW establishes Substantial Completion
14.		Review final accounting of project expenditures, compare to approved budget
15.		Submit report to SBOE

* If Project Delivery Method has been determined, report method to the Board.
** Project Delivery Method will be known and reported to the Board.

Note: PBFAC and/or SBOE staff provide project updates as determined to be needed, or at request by SBOE members. University of Idaho follows these guidelines for projects using State General Funds or Bonds.

PROJECT BUDGET WORKSHEET **Attachment 2**

PROJECT NUMBER: DPW04-214

PROJECT TITLE: STUDENT HEALTH, WELLNESS AND COUNSELING DEPARTMENT OF NURSING BUILDING

TOTAL BUDGET: $25,000,000

CATEGORY		**Estimated Budget**
A/E Fees		$2,050,000
A/E Reimbursable		$205,000
Construction Manager		$0
CM Reimbursable		$0
Consultant - Estimator		$10,000
Consultant Reimbursable		$0
Testing during construction		$70,000
Construction Contract	$20,500,000	
Construction Contingency	$1,025,000	
Subtotal Construction Contract & Contin	$21,525,000	$21,525,000
Commissioning		$70,000
Builder's Risk		$82,000
Utility Hook-up Fees		$30,000
Project Contingency		$914,249
Plan Check Fee		$27,651
Advertising		$100
Site Survey		$8,000
Soil Investigation		$8,000
TOTAL		$25,000,000

Office of the Idaho State Board of Education
Capital Project Tracking Sheet
Nov-06

History Narrative

Institution/Agency: Boise State University **Project:** Student Health, Wellness and Counseling Services Center and Department of Nursing Building

Project Description: New building to house Student Health, Wellness and Counseling Services and Department of Nursing. The integrated facility will include spaces to accomodate comprehensive health services including general medicine, counseling and wellness components. Nursing faculty offices and instructional learning spaces will be included in the building in addition to shared multi-purpose classrooms and workrooms.

Project Use: New integrated facilities for Student Health, Wellness and Counseling Services and the Department of Nursing

Project Size: 70,000 g.s.f. of New Space

	Sources of Funds				Use of Funds			
	PBF	ISBA	Other *	Total Sources	Planning	Use of Funds Const	Other	Total Uses
Initial Cost of Project	$ -	$ -	$ 932,025	$ 932,025	$ 932,025			$ 932,025
History of Revisions								
Revision #1 (November 2005)	$ -	$ -	$ 495,000	$ 495,000	$ 50,000	$ 445,000		$ 495,000
Increase to add design and materials to increase energy efficiency								
Proposed Revision #2 (November 2006)	$ -	$ -	$ 23,572,975	$ 23,572,975	$ 1,272,975	$ 21,080,000	$ 1,220,000	$ 23,572,975
Incorporate Planning for Department of Nursing and Construction of integrated facility.								
Total Project Costs	$ -	$ -	$ 25,000,000	$ 25,000,000	$ 2,255,000	$ 21,525,000	$ 1,220,000	$ 25,000,000

	* Other Sources of Funds						
History of Funding:	PBF	ISBA	Institutional Funds	Student Revenue	Other	Total Other	Total Funding
Approved 7/17/04	$ -	$ -	$ -	$ 932,025		$ 932,025	$ 932,025
11/17/05 - Increase Approved	$ -	$ -	$ -	$ 495,000		$ 495,000	$ 495,000
10/31/06 - Requested Increase	$ -	$ -	$ -	$ 13,472,975	$ 10,100,000	$ 23,572,975	$ 23,572,975
					-	-	-
Total	$ -	$ -	$ -	$ 14,900,000	$ 10,100,000	$ 25,000,000	$ 25,000,000

	PROGRAM SUMMARY BY GROUP		
	Department/Use		Proposed Program NASF
	STUDENT HEALTH, WELLNESS AND COUNSELING		
	Group A		**2,975**
	Administration		835
	Medical Records		659
	Central Services		846
	Insurance		635
	Computer Services		0
	Group B		**2,950**
	Health Promotion		2,950
	Group C		**9,884**
	General Medicine Clinics		8,816
	Specialty Clinics		1,068
	Urgent Care Clinic (Included with General Medicine Clinics)		0
	Group D		**672**
	Laboratory		378
	Phlebotomy		294
	Pharmacy		0
	Group E- Optional Ancillary Services		**0**
	Dental Clinic		0
	Group F		**2,906**
	Counseling		2,906
	Group G		**1,420**
	Common Areas		1,420
	Subtotal Student Health and Wellness		**20,807**
	DEPARTMENT OF NURSING		
	Group H		**7,654**
	Administration and Support		1,654
	Faculty Offices		6,000
	Group I		**10,856**
	Instructional Learning Areas		10,856
	Group J		**600**
	Nursing Workforce Center		600
	Group K		**800**
	Common Areas		800
	Subtotal Department of Nursing		**19,910**
	COMBINED HWC AND NURSING TOTAL AREA		**40,717**
	Unassignable Spaces		**29,283**
	ESTIMATED BUILDING GROSS SQUARE FEET		**70,000**

REFERENCE: APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: V. FINANCIAL AFFAIRS
B. Budget Policies April 2002

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.

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Requests for approval of major capital improvement projects must be submitted for Board action. Major capital improvement projects, which are approved by the Board and for which funds from the Permanent Building Fund are requested, are placed in priority order prior to the submission of major capital budget requests to the Division of Public Works.

REFERENCE: APPLICABLE STATUTE, RULE, OR POLICY

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

K. Construction Projects

1. Major Project Approvals - Proposed Plans

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

2. Project Approvals

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

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   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.

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   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.

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:

(a) To have a corporate seal and alter the same at pleasure;
(b) To sue and be sued;
(c) To acquire by purchase, gift or the exercise of the right of eminent domain and hold and dispose of real or personal property or rights or interests therein and water rights;
(d) To make contracts and to execute all instruments necessary or convenient;
(e) To acquire any project or projects, and to own, operate, and maintain such project;
(f) To accept grants of money or materials or property of any kind from a federal agency, upon such terms and conditions as such federal agency may impose;
(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;
(h) To perform all acts and do all things necessary or convenient to carry out the powers herein granted, to obtain loans or grants or both from any federal agency, and to accomplish the purposes of sections 33-3801--33-3813, Idaho Code, and secure the benefits of the Recovery Act;
(i) To issue refunding bonds, for the purpose of paying, redeeming, or refunding any outstanding bonds theretofore issued under authority of this chapter. Refunding bonds so issued shall have such details, shall bear such rate or rates of interest and shall be otherwise issued and secured as provided by the board authorizing the issuance of such bonds and as otherwise provided in this chapter, provided, however, that such changes in the security and revenues pledged to the payment thereof may be made by such board as may be provided by it in the proceedings authorizing such bonds, but in no event shall such refunding bonds ever be secured by revenues not authorized by this chapter to be pledged to the payment of bonds issued for other than refunding purposes. Refunding bonds issued hereunder may be exchanged for a like principal amount of the bonds to be refunded, may be sold in the manner provided in this chapter for the sale of other bonds, or may be exchanged in part and sold in part. If sold, the proceeds of such bonds may be deposited in escrow for the payment of the bonds to be refunded, provided such bonds mature or are callable for redemption under their terms within six (6) months from the date of the delivery of the refunding bonds.

No refunding bonds may be issued hereunder in a principal amount in excess of the principal amount of the bonds to be refunded nor may any bonds not maturing or callable for redemption under their terms as above provided be refunded hereunder without the consent of the holders thereof. Refunding bonds so authorized and issued may in the discretion of the board be combined with other bonds to be authorized and issued under this chapter, and a single issue of bonds may be so authorized in part for improvement and in part for refunding purposes.

(j) In connection with borrowing without the issuance of bonds, to fix fees, rents or other charges for utilization of any facility or project being financed by said borrowing and to pledge the same, together with any other revenue from such project or facility, as collateral for repayment of principal and interest in the same manner and to the same extent as provided in this chapter for securing the payment of bonds issued pursuant to this chapter.

REFERENCE – APPLICABLE STATUTE, RULE OR POLICY – continued

Idaho Statutes
TITLE 67
STATE GOVERNMENT AND STATE AFFAIRS
CHAPTER 57
DEPARTMENT OF ADMINISTRATION

67-5710. PERMANENT BUILDING FUND ADVISORY COUNCIL -- APPROVAL OF USE OF FUND -- DUTIES OF ADMINISTRATOR OF PUBLIC WORKS.

There is hereby created in he division of public works a permanent building fund advisory council which shall be appointed by the governor. This council shall be composed of one (1) member of the senate, one (1) member of the house of representatives, a citizen engaged in the contracting business, a citizen engaged in the banking business, and a citizen who is a member of the business community not engaged in contracting or banking. The senate member and house of representative member shall be appointed for a fixed term of two (2) years. All other council members shall be appointed for a fixed term of three (3) years. The terms of office of members of the council holding office prior to July 1, 1996, shall expire on the following dates: contracting business member on July 1, 1996; senate member and house of representative member on December 1, 1996; business community member on July 1, 1997; and banking member on July 1, 1998. On or after July 1, 1996, the governor shall appoint members of the council as terms of existing members expire. All members of the council shall serve at the pleasure of the governor. The administrator of public works and the responsible heads of the agencies for which appropriations for construction, renovations, remodelings or repairs are made pursuant to chapter 11, title 57, Idaho Code, shall consult, confer and advise with the permanent building fund advisory council in connection with all decisions concerning the administration of these appropriations and the planning and construction or execution of work or works pursuant thereto. The approval of the permanent building fund advisory council shall be a condition precedent to the undertaking of planning or construction.

The administrator of public works is hereby directed to work in close cooperation with the responsible heads of institutions and agencies for which appropriations are made herein and no building proposals shall be approved by the administrator of public works nor any planning or work undertaken by that officer pursuant to these appropriations without the prior approval of the responsible chief officer of the institutions and agencies for whom appropriations are made herein.

67-5710A. REQUIREMENT OF PLANS AND SPECIFICATION APPROVAL BY PERMANENT
BUILDING FUND ADVISORY COUNCIL AND DELEGATION OF PROJECT OVERSIGHT BY THE
ADMINISTRATOR FOR THE DIVISION OF PUBLIC WORKS.

(1) (a) Unless an emergency exists as defined in section 67-5711B, Idaho Code, an existing public works may not be altered, repaired, constructed or improved on property owned or occupied by any state institution, department, commission, board or agency, if the estimated cost of work exceeds the limit established in section 67-5711, Idaho Code, and except for those institutions and agency exemptions listed in section 67-5711, Idaho Code, without regard to source of funding, until the location, design, plans and specifications are approved by the permanent building fund advisory council and the project supervised by the division of public works or its designee.

(b) Facilities to be built with funds under the control of a nonstate entity, and owned or occupied by state entities, must have plans and specifications prepared, and all plans and specifications must be reviewed and approved by the permanent building fund advisory council prior to the advertising, bidding, construction and/or negotiation for construction of the facilities.

(2) (a) The administrator for the division of public works may delegate control over design, construction and all other aspects of a public works or maintenance project which costs less than one hundred fifty thousand dollars ($150,000), to agencies of state government on a project-by-project basis, if a responsible party of the state agency requests that delegation in writing and the permanent building fund advisory council approves the delegation.

(i) The state agency to whom control is delegated shall assume all responsibility for project budgets and shall receive funds appropriated for the project upon application and approval by the permanent building fund advisory council.

(ii) Delegation of project control does not exempt the state agency from complying with public works statutes, life safety and building codes or other applicable codes and regulations. The state agency also must comply with any guidelines or procedures for design and construction adopted by the division of public works and the permanent building fund advisory council.

(iii) State agencies that receive delegated projects may not have access to permanent building fund advisory council contingency funds unless approved by the permanent building fund advisory council or authorized by appropriation.

(iv) Prior, written approval from the administrator must be granted for any public works utilizing sole source or limited competition. No agency will be delegated the ability to declare an emergency as defined in section 67-5711B, Idaho Code.

(v) The permanent building fund advisory council may elect to audit any project for compliance with applicable codes and policies.
(vi) The delegated state agency will use standard documents for professional services contracts and for construction contracts as adopted by the division of public works.
(vii) Delegation is subject to cancellation by the administrator for the division of public works with the concurrence of the permanent building fund advisory council.

67-5711C. CONSTRUCTION OF PUBLIC PROJECTS -- COMPETITIVE SEALED BIDDING.
(1) All construction contracts for public works shall be awarded to the lowest responsible and responsive bidder after receipt of competitive sealed bidding except as otherwise provided in sections 67-5711B, 67-5711D and 67-5713, Idaho Code.

(2) An invitation for bids shall be issued and shall include a project description and all contractual terms and conditions applicable to the public works.

(3) Adequate public notice of the invitation for bids shall be given at least fourteen (14) days prior to the date set forth therein for the opening of bids. Such notice shall include publication at least fourteen (14) days prior to bid opening in a newspaper of general circulation in the area where the work is located.

(4) When prequalification is deemed in the best interest of the state, competitive bidding procedures shall be open only to licensed public works contractors that meet preliminary supplemental qualifications. The solicitation for bids in a prequalified bidder public works project shall consist of two (2) stages, an initial stage for identifying prequalified contractors, either prime or specialty contractors, followed by a stage during which bid prices will be accepted only from prequalified contractors. Notice of the prequalification stage shall be given in the same manner that notice of open competitive bidding is provided. Prequalification standards must be premised upon demonstrated technical competence, experience constructing similar facilities, prior experience with the state, available nonfinancial resources, equipment and personnel as they relate to the subject project, and overall performance history based upon a contractor's entire body of work. Any request for qualifications must include the standards for evaluating the qualifications of prospective bidders. Licensed contractors desiring to be prequalified to bid on a project must submit a written response to a request for qualifications. After a review of qualification submittals, licensed contractors that meet the prequalification standards shall be notified. Thereafter, bids may be solicited from contractors that meet the prequalification standards. The department may promulgate rules or develop procedures to implement the prequalification process.

(5) Bids shall be opened publicly at the time and place designated in the invitation for bids. The amount of each bid and such other relevant

information as may be specified by rules, together with the name of each bidder, shall be entered on a record and the record shall be open to public inspection. After the time of the award all bids and bid documents shall be open to public inspection in accordance with the provisions of sections 9-337 through 9-347 and 67-5725, Idaho Code.

(6) With respect to a project having a written cost estimate of greater than twenty-five thousand dollars ($25,000) but less than the public works limit established in section 67-5711, Idaho Code, the agency, if it does not perform the work with existing physical plant staff, must award a written contract to the lowest responsible and responsive bidder after soliciting at least three (3) documented informal bids from contractors licensed in Idaho to perform public works contracts, if reasonably available. Adequate public notice of the invitation for informal bids shall be given at least seven (7) days prior to the date set forth therein for the receipt of the informal bids. Such notice may include publication at least seven (7) days prior to bid opening in a newspaper of general circulation in the area where the work is located; or the agency may advertise the invitation for bids in appropriate trade journals, and otherwise notify persons believed to be interested in the award of a contract. Informal bids must be submitted by the contractor in writing in response to a prepared written document describing the project's scope of work in sufficient detail so as to enable a contractor familiar with such work to prepare a responsible bid. Nothing herein exempts an agency from the responsibility of utilizing formal plans and specifications if the work involves the public health or safety as described in chapters 3 and 12, title 54, Idaho Code. The agency must document receipt of the informal bids in the project file.

(7) Any personal property including goods, parts, supplies and equipment which is to be supplied or provided by a state agency for use in any public work, project, or preventive maintenance programs, whether the public work, project, or preventive maintenance program is constructed, undertaken or performed by agency in-house personnel, or by delegation pursuant to section 67-5710A, Idaho Code, or otherwise provided or supplied by the agency to a contractor, the personal property, goods, parts, supplies or equipment supplied or provided by the agency must be purchased or procured by the agency through the division of purchasing in accordance with the Idaho Code.

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY

SUBJECT

Boise State University requests approval to proceed with the construction of the Student Union Building Expansion for a project budget not to exceed $30,650,000.

REFERENCE

March 2001	Boise State University submitted an information item regarding planning for an expansion of the existing Student Union Building.
April 2001	Boise State University requested approval to proceed with the expansion of its Student Union Building for a project budget of $23 million.
April 2001	Student fee increase request of $25 for Student Union and Housing Operations fee to fund the expansion.
April 2002	Request to reallocate the $25 student union and housing operations fee to matriculation to minimize the impact of the appropriated budget holdbacks.
October 2005	Request to procure architectural services not to exceed $650,000 to complete project plans through design development for the Student Union Building.

APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Sections B.8-9 and V.K.
Sections 33-3804, 67-5710, 67-5710A, 67-5711-C, Idaho Code

BACKGROUND

This project encompasses an addition to and remodel of the Student Union Building. In 2001 the State Board of Education approved the project to expand the facility. In October of 2005 the State Board approved a request to complete design development. In January 2006 Lombard Conrad Architects of Boise, Idaho and MHTN Architects of Salt Lake City, Utah were selected to design the addition and remodel. In March 2006 Kreizenbeck Construction of Boise, Idaho, was chosen as the construction manager. In October 2006 design development was completed.

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY - continued

DISCUSSION

The SUB expansion project will provide for expanded food service, bookstore, meeting rooms and other student activity spaces consistent with the Board's project approval in April 2001 and October 2005. The project includes the addition of 66,000SF of new space and also includes renovation of approximately 27,000SF of the current Student Union Building.

Consistent with the October 2005 Board approval, the design work through design development phase has been completed, including detailed programming, complete design development documents and two reconciled cost estimates which support the total project cost of $30,650,000.

Due to increases in the cost of construction since the project was first conceptualized in 2001, significant design effort was expended to address the most pressing needs outlined in the earlier project approval within the funds available from financing supported by the approved strategic facilities fee. While the earlier assessment of the needs projected a 99,000SF addition, the current developed plan encompasses 66,000SF of new space and the renovation of 27,000SF to meet a majority of the needs originally outlined. The final design includes the following elements:

- Expansion of Table Rock Café (residence hall dining) adding approximately 150 seats
- Expansion of the Bookstore adding approximately 9,440 nasf
- New ballroom adding approximately 10,540 nasf
- Expansion of student services organization space approximately 4,800 nasf
- Study lounge spaces adding approximately 8,000 nasf
- Expansion of programming/common space associated with first floor dining space adding approximately 4,200 sf
- New patio performance and seating area with adjacent green space
- Entrances which are oriented toward the new parking structure and the Student Recreation Center.

Forecasts of continuing volatility in the construction market present significant risk to the project budget. Accordingly, a range of bid alternates have been identified to allow the project to bid successfully within the authorized budget amount.

NSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY - continued

IMPACT

The project budget for the Student Union expansion totals $30,650,000. The source of funding for this expansion project is the strategic facilities fee that will be used to service revenue bonds for this and other university capital projects The University plans to request Board approval to issue debt to finance the SUB Expansion at the next available Board meeting.

ATTACHMENTS

Attachment 1 – Project Budget Page 5
Attachment 2 – Capital Project Tracking Sheet Page 7
Attachment 3 – Program Summary Page 9

STAFF COMMENTS AND RECOMMENDATIONS

This project will be funded by revenue bonds that are anticipated to be issued in early 2007, following Board approval. The bonds will be serviced with proceeds from the strategic facilities fee, which will also be used to finance other capital projects at BSU. The existing Student Union Building is operating at maximum capacity with respect to student and community groups; in fact, non-student groups which have historically been allowed to use the facility (for a fee), have been displaced because of the increasing need of students and student-related groups.

BSU staff will be present at the meeting to describe this project in greater detail.

Staff recommends approval.

BOARD ACTION

A motion to approve the request by Boise State University to proceed with construction of the Student Union Building expansion project, in conjunction with the state Division of Public Works. The motion includes funding that comes from the strategic facilities fee, and the entire cost of the project shall not exceed $30,650,000. The University may not proceed with construction of this project prior to Board approval to issue debt.

Moved by _____Seconded by_____ Carried Yes _____No_____

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Architectural & Engineering Services
PROJECT BUDGET

Project Number:	DPW06-210		
Project Title:	Student Union Expansion		
Fund Source No:		**Dept. ID No.**	886L103706
Project Manager:	Douglas Suddreth		
Date:	6/22/2006 rev. 9/22/06		

Category	Budget	Revised
Architectural Fees		$1,929,800
Reimbursables		$40,000
Construction Manager		$1,226,300
Construction Manager Reimbursables		$1,248,078
Consultant		$57,000
Consultant Reimbursibles		$-
Testing during Construction		$100,000
Construction Contract 1		$23,600,000
Construction Contingency		$1,652,000
Commissioning		$120,000
Testing and Balancing		$120,000
Site Survey		
Asbestos abatement		$75,000
Project Contingency		$429,141
Plan Check		$31,681
Document Reproduction		
Advertising		$200
Site Survey		$14,800
Soil Investigation		$6,000
Subtotal	$0.00	$30,650,000
FO&M - Labor		
I.T. (Telephone & Data)		
Locks		
Signage		
FF&E		

Total	$0.00	$ 30,650,000

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Office of the Idaho State Board of Education
Capital Project Tracking Sheet
As of November 2006

History Narrative

Institution/Agency: Boise State University **Project:** Student Union Building Expansion and Remodel

Project Description: This project encompasses the expansion and remodel of the Student Union Building. It includes the expansion of the residence hall dining room, bookstore, student organizaiton space, study lounges and first floor retail dining space, as well as a new ballroom, patio performance and seating area, and the relocation/expansion of the Women's Center.

Project Use: Additional space for students, faculty, staff and community organizations and events.

Project Size: This project will add an additonal 66,000 square feet to the existing Student Union Building.

	Sources of Funds				Use of Funds			
	PBF	ISBA	Other *	Total Sources	Planning	Use of Funds Const	Other	Total Uses
October 2005 - Planning	$ -	$ -	$ 650,000	$ 650,000	$ 650,000			$ 650,000
November 2006 - Construction			$ 30,000,000	$ 30,000,000	$ 1,319,800	$ 27,883,378	796822	$ 30,000,000
Total Project Costs	$ -	$ -	$ 30,650,000	$ 30,650,000	$ 1,969,800	$ 27,883,378	$ 796,822	$ 30,650,000

	* Other Sources of Funds						
History of Funding:	PBF	ISBA	Institutional Funds	Student Revenue	Other	Total Other	Total Funding
October 2005 - Planning	$ -	$ -	$ 650,000			$ 650,000	$ 650,000
November 2006 - Construction				30,000,000		$ 30,000,000	$ 30,000,000
					-	-	-
Total	$ -	$ -	$ 650,000	$ 30,000,000	$ -	$ 30,650,000	$ 30,650,000

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Boise State University Student Union Expansion Program Summary

10-31-2006

Space Description	Sq. Ft.	
First Floor		
Bookstore		
Includes Retail Offices & Support	9,440	
Food Service		
Includes Kitchen, Dining & Support	17,330	
Study / Lounge Areas	4,400	
Building Services / Grossing Factor / Circ.		
Includes Restrooms, Stairs, M.E. Loading Dock	9,580	
	40,750	**1ST FLOOR TOTAL**
Second Floor		
Ballroom		
Ballroom Proper and Support	10,540	
Student Services	4,800	
Study Lounges / Ballroom Prefunction	3,780	
Building Serives / Grossing Factor / Circ.	6,005	
	25,125	**2ND FLOOR TOTAL**
	65,875	**OVERALL BUILDING TOTAL**

REFERENCE: APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: V. FINANCIAL AFFAIRS
B. Budget Policies April 2002

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.

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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.

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

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   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.

REFERENCE – APPLICABLE STATUTE, RULE OR POLICY – continued

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(b) To sue and be sued;
(c) To acquire by purchase, gift or the exercise of the right of eminent domain and hold and dispose of real or personal property or rights or interests therein and water rights;
(d) To make contracts and to execute all instruments necessary or convenient;
(e) To acquire any project or projects, and to own, operate, and maintain such project;
(f) To accept grants of money or materials or property of any kind from a federal agency, upon such terms and conditions as such federal agency may impose;
(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;
(h) To perform all acts and do all things necessary or convenient to carry out the powers herein granted, to obtain loans or grants or both from any federal agency, and to accomplish the purposes of sections 33-3801--33-3813, Idaho Code, and secure the benefits of the Recovery Act;
(i) To issue refunding bonds, for the purpose of paying, redeeming, or refunding any outstanding bonds theretofore issued under authority of this chapter. Refunding bonds so issued shall have such details, shall bear such rate or rates of interest and shall be otherwise issued and secured as provided by the board authorizing the issuance of such bonds and as otherwise provided in this chapter, provided, however, that such changes in the security and revenues pledged to the payment thereof may be made by such board as may be provided by it in the proceedings authorizing such bonds, but in no event shall such refunding bonds ever be secured by revenues not authorized by this chapter to be pledged to the payment of bonds issued for other than refunding purposes. Refunding bonds issued hereunder may be exchanged for a like principal amount of the bonds to be refunded, may be sold in the manner provided in this chapter for the sale of other bonds, or may be exchanged in part and sold in part. If sold, the proceeds of such bonds may be deposited in escrow for the payment of the bonds to be refunded, provided such bonds mature or are callable for redemption under their terms within six (6) months from the date of the delivery of the refunding bonds.

No refunding bonds may be issued hereunder in a principal amount in excess of the principal amount of the bonds to be refunded nor may any bonds not maturing or callable for redemption under their terms as above provided be refunded hereunder without the consent of the holders thereof. Refunding bonds so authorized and issued may in the discretion of the board be combined with other bonds to be authorized and issued under this chapter, and a single issue of bonds may be so authorized in part for improvement and in part for refunding purposes.

(j) In connection with borrowing without the issuance of bonds, to fix fees, rents or other charges for utilization of any facility or project being financed by said borrowing and to pledge the same, together with any other revenue from such project or facility, as collateral for repayment of principal and interest in the same manner and to the same extent as provided in this chapter for securing the payment of bonds issued pursuant to this chapter.

REFERENCE – APPLICABLE STATUTE, RULE OR POLICY – continued

Idaho Statutes
TITLE 67
STATE GOVERNMENT AND STATE AFFAIRS
CHAPTER 57
DEPARTMENT OF ADMINISTRATION

67-5710. PERMANENT BUILDING FUND ADVISORY COUNCIL -- APPROVAL OF USE OF FUND -- DUTIES OF ADMINISTRATOR OF PUBLIC WORKS.

There is hereby created in he division of public works a permanent building fund advisory council which shall be appointed by the governor. This council shall be composed of one (1) member of the senate, one (1) member of the house of representatives, a citizen engaged in the contracting business, a citizen engaged in the banking business, and a citizen who is a member of the business community not engaged in contracting or banking. The senate member and house of representative member shall be appointed for a fixed term of two (2) years. All other council members shall be appointed for a fixed term of three (3) years. The terms of office of members of the council holding office prior to July 1, 1996, shall expire on the following dates: contracting business member on July 1, 1996; senate member and house of representative member on December 1, 1996; business community member on July 1, 1997; and banking member on July 1, 1998. On or after July 1, 1996, the governor shall appoint members of the council as terms of existing members expire. All members of the council shall serve at the pleasure of the governor. The administrator of public works and the responsible heads of the agencies for which appropriations for construction, renovations, remodelings or repairs are made pursuant to chapter 11, title 57, Idaho Code, shall consult, confer and advise with the permanent building fund advisory council in connection with all decisions concerning the administration of these appropriations and the planning and construction or execution of work or works pursuant thereto. The approval of the permanent building fund advisory council shall be a condition precedent to the undertaking of planning or construction.

The administrator of public works is hereby directed to work in close cooperation with the responsible heads of institutions and agencies for which appropriations are made herein and no building proposals shall be approved by the administrator of public works nor any planning or work undertaken by that officer pursuant to these appropriations without the prior approval of the responsible chief officer of the institutions and agencies for whom appropriations are made herein.

67-5710A. REQUIREMENT OF PLANS AND SPECIFICATION APPROVAL BY PERMANENT
BUILDING FUND ADVISORY COUNCIL AND DELEGATION OF PROJECT OVERSIGHT BY THE
ADMINISTRATOR FOR THE DIVISION OF PUBLIC WORKS.

(1) (a) Unless an emergency exists as defined in section 67-5711B, Idaho Code, an existing public works may not be altered, repaired, constructed or improved on property owned or occupied by any state institution, department, commission, board or agency, if the estimated cost of work exceeds the limit established in section 67-5711, Idaho Code, and except for those institutions and agency exemptions listed in section 67-5711, Idaho Code, without regard to source of funding, until the location, design, plans and specifications are approved by the permanent building fund advisory council and the project supervised by the division of public works or its designee.

(b) Facilities to be built with funds under the control of a nonstate entity, and owned or occupied by state entities, must have plans and specifications prepared, and all plans and specifications must be reviewed and approved by the permanent building fund advisory council prior to the advertising, bidding, construction and/or negotiation for construction of the facilities.

(2) (a) The administrator for the division of public works may delegate control over design, construction and all other aspects of a public works or maintenance project which costs less than one hundred fifty thousand dollars ($150,000), to agencies of state government on a project-by-project basis, if a responsible party of the state agency requests that delegation in writing and the permanent building fund advisory council approves the delegation.

(i) The state agency to whom control is delegated shall assume all responsibility for project budgets and shall receive funds appropriated for the project upon application and approval by the permanent building fund advisory council.

(ii) Delegation of project control does not exempt the state agency from complying with public works statutes, life safety and building codes or other applicable codes and regulations. The state agency also must comply with any guidelines or procedures for design and construction adopted by the division of public works and the permanent building fund advisory council.

(iii) State agencies that receive delegated projects may not have access to permanent building fund advisory council contingency funds unless approved by the permanent building fund advisory council or authorized by appropriation.

(iv) Prior, written approval from the administrator must be granted for any public works utilizing sole source or limited competition. No agency will be delegated the ability to declare an emergency as defined in section 67-5711B, Idaho Code.

(v) The permanent building fund advisory council may elect to audit any project for compliance with applicable codes and policies.
(vi) The delegated state agency will use standard documents for professional services contracts and for construction contracts as adopted by the division of public works.
(vii) Delegation is subject to cancellation by the administrator for the division of public works with the concurrence of the permanent building fund advisory council.

67-5711C. CONSTRUCTION OF PUBLIC PROJECTS -- COMPETITIVE SEALED BIDDING.
(1) All construction contracts for public works shall be awarded to the lowest responsible and responsive bidder after receipt of competitive sealed bidding except as otherwise provided in sections 67-5711B, 67-5711D and 67-5713, Idaho Code.

(2) An invitation for bids shall be issued and shall include a project description and all contractual terms and conditions applicable to the public works.

(3) Adequate public notice of the invitation for bids shall be given at least fourteen (14) days prior to the date set forth therein for the opening of bids. Such notice shall include publication at least fourteen (14) days prior to bid opening in a newspaper of general circulation in the area where the work is located.

(4) When prequalification is deemed in the best interest of the state, competitive bidding procedures shall be open only to licensed public works contractors that meet preliminary supplemental qualifications. The solicitation for bids in a prequalified bidder public works project shall consist of two (2) stages, an initial stage for identifying prequalified contractors, either prime or specialty contractors, followed by a stage during which bid prices will be accepted only from prequalified contractors. Notice of the prequalification stage shall be given in the same manner that notice of open competitive bidding is provided. Prequalification standards must be premised upon demonstrated technical competence, experience constructing similar facilities, prior experience with the state, available nonfinancial resources, equipment and personnel as they relate to the subject project, and overall performance history based upon a contractor's entire body of work. Any request for qualifications must include the standards for evaluating the qualifications of prospective bidders. Licensed contractors desiring to be prequalified to bid on a project must submit a written response to a request for qualifications. After a review of qualification submittals, licensed contractors that meet the prequalification standards shall be notified. Thereafter, bids may be solicited from contractors that meet the prequalification standards. The department may promulgate rules or develop procedures to implement the prequalification process.

(5) Bids shall be opened publicly at the time and place designated in the invitation for bids. The amount of each bid and such other relevant

information as may be specified by rules, together with the name of each bidder, shall be entered on a record and the record shall be open to public inspection. After the time of the award all bids and bid documents shall be open to public inspection in accordance with the provisions of sections 9-337 through 9-347 and 67-5725, Idaho Code.

(6) With respect to a project having a written cost estimate of greater than twenty-five thousand dollars ($25,000) but less than the public works limit established in section 67-5711, Idaho Code, the agency, if it does not perform the work with existing physical plant staff, must award a written contract to the lowest responsible and responsive bidder after soliciting at least three (3) documented informal bids from contractors licensed in Idaho to perform public works contracts, if reasonably available. Adequate public notice of the invitation for informal bids shall be given at least seven (7) days prior to the date set forth therein for the receipt of the informal bids. Such notice may include publication at least seven (7) days prior to bid opening in a newspaper of general circulation in the area where the work is located; or the agency may advertise the invitation for bids in appropriate trade journals, and otherwise notify persons believed to be interested in the award of a contract. Informal bids must be submitted by the contractor in writing in response to a prepared written document describing the project's scope of work in sufficient detail so as to enable a contractor familiar with such work to prepare a responsible bid. Nothing herein exempts an agency from the responsibility of utilizing formal plans and specifications if the work involves the public health or safety as described in chapters 3 and 12, title 54, Idaho Code. The agency must document receipt of the informal bids in the project file.

(7) Any personal property including goods, parts, supplies and equipment which is to be supplied or provided by a state agency for use in any public work, project, or preventive maintenance programs, whether the public work, project, or preventive maintenance program is constructed, undertaken or performed by agency in-house personnel, or by delegation pursuant to section 67-5710A, Idaho Code, or otherwise provided or supplied by the agency to a contractor, the personal property, goods, parts, supplies or equipment supplied or provided by the agency must be purchased or procured by the agency through the division of purchasing in accordance with the Idaho Code.

INSTITUTION / AGENCY AGENDA
IDAHO STATE UNIVERSITY

SUBJECT

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

REFERENCES

April 2005	Overview of CAES at SBOE regular meeting
August 2005	Update information on CAES at SBOE regular meeting
December 2005	Approved motion to issue a Request for Proposal (RFP) through the Division of Public Works (DPW) for selection of an architect and proceed with the pre-design/programming for the CAES Facility.

APPLICABLE STATUTE, RULE, OR POLICY

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

BACKGROUND

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.

At the December 1, 2005 SBOE meeting, a motion was approved to allow ISU 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 the pre-design/programming. Through the bid process, Big-D Construction was selected as the design/build contractor.

DISCUSSION

The CAES facility is planned to open in June 2008 and will have a minimum of 55,000 square feet. To satisfy the BEA requirement for an operating lease as opposed to a capital lease, the lease agreement must show that BEA has use of

INSTITUTION / AGENCY AGENDA
IDAHO STATE UNIVERSITY - continued

70% of the building space. This 70% includes common space (hallways, restrooms, conference rooms, maintenance, foyers, shared laboratories, and office space for staff joint appointments). BEA has agreed to cover the occupancy costs for 70% of the building. The three universities will share the remaining space on a per use basis. The facility is envisioned to be a two-story, structural steel building with a brick façade and will be located on state property north of the ISU/UI Center for Higher Education. When fully occupied, the CAES facility will house 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.

IMPACT

The design and construction of the facility is estimated to cost approximately $17 million. Funding for the facility is based on: (1) $4.9 million ($100,000 previously expended) 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 previous CST facility); and (3) $10 million through the issuance of bonds, using ISU's bond capacity, to be retired over 20 years supported by rent paid by BEA for occupancy of approximately 70% of the CAES facility.

The BEA lease payments will be equivalent to the amount required to amortize the bond. Repayment is being guaranteed by Battelle Memorial Institute ($8.8 million) and Washington Group International ($1.2 million). It is anticipated that the universities will make a subsequent request for additional funds from the INEEL Settlement Fund to further support this project. The amount is yet to be determined.

Cost of infrastructure (roadway, utilities, and parking) is estimated to be approximately $2.5 million, and will be funded by a federal appropriation to install a utility corridor from Fremont Avenue to the new building location north of the railroad tracks. This funding was 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.

INSTITUTION / AGENCY AGENDA
IDAHO STATE UNIVERSITY - continued

Maintenance and occupancy costs will be covered according to the assignment of space with 70% of the total M&O being paid as service rent by BEA as part of the rental agreement and the three universities paying their respective shares. 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. Grants and donations will be used to cover the costs of the equipment and furnishings.

ATTACHMENTS

Attachment 1:	Capital Project Tracking Sheet
Attachment 2:	Business Plan
Attachment 3:	CAES Lease Agreement
Attachment 4:	DOE Lease Letter
Attachment 5:	First Amendment

STAFF COMMENTS AND RECOMMENDATIONS

This project is complex in terms of concept, scope and financing because it necessarily involves the collaboration of various parties. As noted under "Background", CAES is a component of BEA's commitment as prime contractor to the U.S. Department of Energy at the Idaho National Laboratory. Idaho State University is the lead educational institution for purposes of financing the facility and gathering the other two universities in Idaho to participate in the programmatic activities of CAES.

The Board has had several previous presentations on this project. The first two were information-only; on December 1, 2005, the Board provided approval for ISU to select an architect and proceed with pre-design/design development, with a construction estimate, in conjunction with the state Division of Public Works. The allowable expenditure for that component was approximately $1.7 million. ISU has expended approximately $625,000 to date for design-related costs, from one of the two HUD grants that were originally obtained by the University of Idaho and transferred to ISU. The second HUD grant must be used for construction only.

ISU has submitted a draft Program Planning Guide (PPG) to the Board office for review. Following approval of a final PPG document, the Office of the Governor will be requested to release $4.9 million from the INEEL Settlement fund, which ISU can immediately use to continue design and begin construction.

INSTITUTION / AGENCY AGENDA
IDAHO STATE UNIVERSITY - continued

A Business Plan has been provided as part of this agenda, and does not require Board approval. Staff has reviewed the Business Plan, and has discussed what appear to be shortcomings in the plan. ISU officials suggest the plan is a 'living document', and will continue to be revised as time goes on. However, because this document outlines the purpose of, need for, and organization of the project, the document should be more focused upon the programmatic aspects of the project and less on the construction/facility details.

Following Board approval, ISU will issue bonds in the amount of $10 million, the payment for which will become the responsibility of BEA under the lease agreement. Repayment is guaranteed by the Battelle Memorial Institute and Washington Group International.

University officials will be available at the meeting to discuss additional details of this project with the Board.

Staff recommends approval, with the comments noted.

BOARD ACTION

A motion to approve the request by Idaho State University to proceed with financing and construction of the Center for Advanced Energy Studies in Idaho Falls and to authorize the Division of Public Works to award a design-build contract to Big-D Construction, the selected design-build team. The motion includes funding that comes from a combination of INEEL Settlement funds, U.S. Department of Housing and Urban Development grants, and bond proceeds, and the entire cost of the project shall not exceed $17.0 million.

In addition, the motion provides approval for the lease agreement of the CAES building in cooperation with the Idaho National Laboratory.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

Office of the Idaho State Board of Education
Capital Project Tracking Sheet
As of: 26-Oct-06

History Narrative

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

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.

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.

Project Size: The facility is planned to open during FY2008 and will be at least 55,000 square feet with Battelle having 70% of the space. Interior space has been identified for offices and laboratories by specific usage.

	Sources of Funds				Use of Funds			
	PBF	ISBA	Other *	Total Sources	Planning	Use of Funds Const	Other*	Total Uses
Initial Cost of Project	$ -	$ -	$ 16,562,756	$16,562,756	$ 1,680,000	$ 13,362,756	$ 1,520,000	$ 16,562,756
History of Revisions:								
Proposed Revision	$ -	$ -						$ -
*Estimated Bond issuance cost.								
Total Project Costs	$ -	$ -	$ 16,562,756	$16,562,756	$ 1,680,000	$ 13,362,756	$ 1,520,000	$ 16,562,756

			* Other Sources of Funds					
History of Funding:	PBF	ISBA	Institutional Funds	Student Revenue	Other	Total Other		Total Funding
	$ -	$ -			$ 16,562,756	$ 16,562,756	$	16,562,756
						$ -	$	-
					-	-		-
Total	$ -	$ -	$ -	$ -	$ 16,562,756	$ 16,562,756	$	16,562,756

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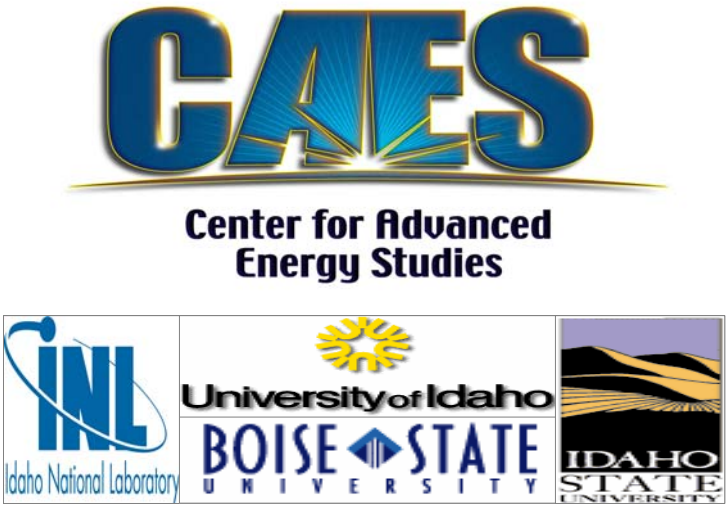
Center for Advanced Energy Studies (CAES) Preliminary Business Plan

October 2006



Center for Advanced Energy Studies (CAES)
Preliminary Business Plan

Boise State University
Idaho State University
University of Idaho
Idaho National Laboratory

October 2006

Center for Advanced Energy Studies
Idaho Falls, Idaho 83415

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

EXECUTIVE SUMMARY

Energy challenges of the 21st century—energy demand growth with prosperity, energy security, and climate protection—require every available energy option as well as the consideration of new options. The Center for Advanced Energy Studies (CAES) is a collaborative initiative by the State of Idaho and its academic institutions and the federal government through the U.S. Department of Energy (DOE) and the Idaho National Laboratory (INL) that will serve as a nexus to advance energy security for our nation. CAES will expand the research portfolios of the Idaho universities in these key areas, creating new capabilities (nuclear engineering, chemical sciences, material sciences, system modeling, energy policy, and environmental sciences), and working with national laboratories, other universities and research centers, and industry for technology and workforce development.

To achieve the desired outcomes—knowledge transfer leading to a new trained energy workforce, enhanced institutional capabilities leading to scientific advancement, and end-use application resulting in economic expansion—CAES will create a unique and collaborative environment for our energy future.

CAES will provide benefits to DOE and other federal agencies, university, and industrial partners by facilitating technical collaborations. Operating as a jointly managed research center, comprised initially of four charter member institutions—Boise State University (BSU), Idaho State University (ISU), University of Idaho (UI), and INL—CAES will maximize the utilization of the energy-related capabilities of its member institutions and sponsors. Cross-organizational, peer-to-peer technical collaboration in areas of nuclear, renewable, fossil and alternative energy will be encouraged and other institutions will be invited to partner and participate as appropriate.

The CAES member institutions have established CAES under the aegis of INL in order to build on a firm foundation. The financial, legal, business and organizational mechanisms of each institution will continue to be used in support of CAES activities.

To facilitate technical activities, a new high performance building will be constructed. This facility will provide the necessary laboratories, offices, and collaborative space for the CAES research teams to accomplish their research and educational mission. The CAES member institutions and associated sponsors have secured the necessary funding to finance this building, including approximately $7M in State of Idaho grants and $10M via ISU bonds guaranteed by the Battelle Memorial Institute and the Washington Group International.

Finances are readily available to cover the total annual CAES building lease, maintenance and operating costs given the present INL and university operations. These costs are estimated to total $1130K, which includes the 20-year lease payments by INL and the estimated maintenance and operating costs.

The financial viability of the CAES program which will include joint research, joint appointments, business development efforts, seminars and workshops is also projected to be quite favorable given the anticipated institutional support. Financial support from DOE, INL, and the State of Idaho will lay the foundation for future success. The ultimate success of CAES is dependent on researchers of the member institutions successfully competing for research funding in the public and private R&D arena.

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CENTER FOR ADVANCED ENERGY STUDIES (CAES)
PRELIMINARY BUSINESS PLAN

1. INTRODUCTION

This report presents the preliminary business plan for the Center for Advanced Energy Studies (CAES). Included in this plan is an introduction to the CAES program, a description of the CAES business model, an overview of its organizational structure, an analysis of the relative markets, and a summary of the initial CAES financial model, including the anticipated costs and revenue streams associated with its program and support infrastructure.

CAES will bring together Idaho academic institutions, Idaho National Laboratory (INL), and other partners to facilitate regional, national, and international research and education in energy sciences, with a focus on nuclear energy, and public policy covering all forms of energy. Operating as a jointly managed and financed center, CAES will leverage the expertise of its member institutions and will expand their capabilities by focusing on the energy challenges of the 21st Century.

CAES will maximize the utilization of its member institutions energy-related capabilities to provide technology and policy solutions and help develop the next generation workforce for the national and global energy enterprise.

The founding CAES member institutions include Boise State University (BSU), Idaho State University (ISU), University of Idaho (UI), and Idaho National Laboratory (INL)[a] (see Figure 1).

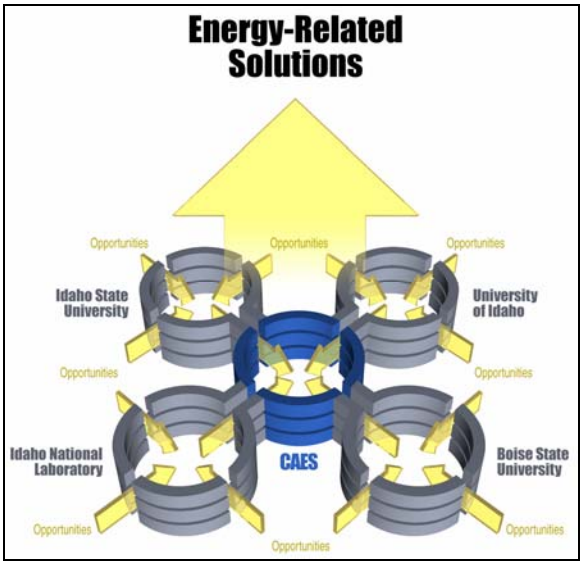

Figure 1. CAES will integrate the capabilities of its member institutions to expand all research and development opportunities for the mutual benefit of the institutions.

[a] Battelle Energy Alliance, LLC, manages and operates the INL under Contract # DE-AC07-05ID14517 to the U.S. Department of Energy.

2. BACKGROUND

National and global energy challenges of the 21st century—energy demand growth with prosperity, energy security, and climate protection—require development of policies and technologies to provide the required breadth of energy options. The Center for Advanced Energy Studies (CAES) is a critical resource in the national effort to respond to these challenges.

Meeting today's energy demands will require developing every available energy option and creation of new options. Acceptable energy options for the 21st century must be economical, abundant, secure, and environmentally friendly. Each option presents challenges. Coal, while abundant and cheap in the U.S., requires the ability to capture and sequester greenhouse gasses (GHG) and appropriately eliminate or capture and acceptably dispose of pollutants. Oil and natural gas are in limited supply globally; the growing demand is straining already volatile supply lines, and these sources have climate implications—transportation is the single fastest growing source of CO_2 emissions globally. Renewable energy systems including biomass have attractive security and environmental attributes but have intermittency problems, and have not been deployed at strategic levels at acceptable costs. Nuclear energy has the potential to provide a virtually limitless supply of secure energy without carbon emissions, but new generations of nuclear power must meet cost, proliferation, security, environmental, and safety requirements in a socially, politically, and technically sustainable manner, or they may not be supportable.

In 2002, the U.S. Department of Energy (DOE) consolidated its capabilities and created Idaho National Laboratory (INL). This new laboratory has been charged with the missions of leading the national and global agenda for nuclear energy development, providing a broad set of energy security options, and applying resources to national and homeland security needs. The INL energy mission covers all sources of energy and features a leadership role in nuclear energy. INL is charged with putting in place the programs, people, capabilities, partnerships and depth, and recognition in signature technologies for energy and other applications. This mission requires joint planning with a national and international constituency of national laboratory, academic, and industrial partners. It also requires communicating energy issues and the role of solutions such as nuclear in the context of national and global challenges to the public, to provide a foundation for the decisions and investments that must be made.

CAES is a public/private partnership by the State of Idaho and its academic institutions and the federal government through INL and DOE. With the 21st century energy challenges and opportunities, Idaho has the prospect to serve as a nexus to advance energy security for our nation. This leadership role provides a technical core for the State for decades to come. CAES will provide research, policy analysis, a venue for the energy dialogue, and education and training for the future energy workforce focused intensely on energy issues and priorities. INL and the Idaho academic community will take leadership roles in energy science and technology critical for the future of the nation, expanding the research portfolios of the universities in these key areas, creating new capabilities, and working with national laboratories, industry, and other partners in technology and workforce development.

3. PROBLEM STATEMENT

Critical energy challenges of growth, security, and climate protection create a need for action. World energy demands are at an all time high and are expected to triple by 2050. Never in human history has energy become so important to the welfare of humanity. National security is linked to energy through the dependence of this country and many others on imported oil—much of it located in politically troubled parts of the globe. Because of this dependence, large-scale failures in the global production and distribution system present a real domestic energy threat. Achieving a secure, affordable, and sustainable energy supply mix with minimal environmental impact is essential to meeting U.S. energy security and economic stability needs. Since the major growth in energy demand in this century will occur within developing nations, technology and policy solutions must support a burgeoning global energy demand in ways that support economic prosperity, stability, and stewardship of the planet. Energy independence for the USA can only occur by working from these foundations and in the global context provide technologies that support sustainable development.

Solutions to today's critical energy issues require substantial research and development (R&D), technological advancements, and renewed educational emphasis in science and engineering. The global energy expansion of the 21st century must be built on a new generation of energy concepts and technologies and a greatly expanded and more technically sophisticated workforce. CAES will serve as a resource to assist in determining a national energy research agenda that will provide for technology and policy advancement and workforce development. At the same time, CAES will provide a venue for its member institutions to jointly provide a new generation of capabilities to respond to these challenges.

BSU, ISU, UI, and INL with their talented professionals and researchers, have achieved numerous institutional successes. These institutions, however, are each faced with the challenge of limited resources in terms of technical staff, equipment, and funding. The competition for limited R&D funds, talented students, and trained workforce is strong, with federal laboratories, national universities, private industry, and non-profit institutions all aggressively competing. As a result of these limitations and challenges, these institutions are often unable to adequately compete for larger multi-disciplinary R&D programs given only their individual capabilities. New and innovative interdisciplinary teaming approaches are required to broaden the available capabilities so as to more successfully compete on a national and international level. The expanded partnership provided by the formation of CAES will allow each of these institutions to expand the core programs within their own institutions to create the skills, capabilities, and results needed for success.

4. SOLUTION DESCRIPTION

CAES is a public/private partnership for achieving results that member institutions may take decades to achieve individually.

Functionally, CAES consists of a series of technical capabilities focused in four energy research areas as illustrated in Figure 2. By focusing the collective efforts and investments of the four institutions on the energy-related challenges of the intermountain region, the nation, and the world, CAES member institutions will create a unique and collaborative environment for the energy future.

a) At the most fundamental level, CAES provides an intellectual venue intensely focused on regional, national and global energy issues and challenges. This focus provides a common forum to support the energy dialogue, engage the world's leaders in energy policy and technology, and jointly carry out the planning that will help set directions and priorities for the global energy agenda.

b) The CAES facility will allow co-location of researchers, educators, visitors, and other collaborators. The facility will provide state-of-the-art laboratories with instrumentation to provide new capabilities to CAES researchers and its affiliate partners.

c) CAES will serve as a conduit to the capabilities of INL (i.e., Advanced Test Reactor, Actinide Chemistry Laboratory, etc.) and the other member institutions, their partners, and to the broader capabilities infrastructure of the DOE national enterprise. These capabilities will include national technical user facilities, computation and information facilities nationally and globally, and engineering testbeds for emerging energy technologies in nuclear and other energy arenas.

d) CAES will provide an integrated education and training environment whereby the academic member institutions and others can engage the emerging workforce in the issues and concepts of the energy industry.

e) CAES will provide the administrative framework for joint appointments to improve the ease of movement of people and skill sets within the member institutions, and provide attractive new positions for the acquisition of new skills and talent.

f) CAES will enable the development of joint proposals, hosted by appropriate member institutions, to allow a transparent integration of staff skills and institutional capabilities to allow the member institutions to grow into new technical and scientific areas.

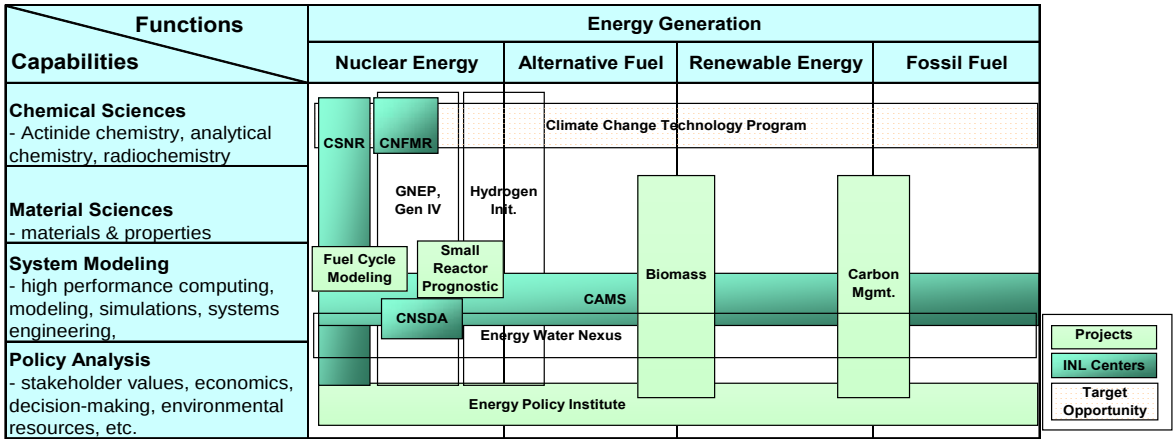

Figure 2. CAES consists of a series of functional capabilities focused in four energy research areas.

g) Through the co-location of several INL centers—initially the Center for Advanced Modeling and Simulation (CAMS) and the Center for Space Nuclear Research (CSNR)—CAES will provide a valuable synergism for the development and application of new capabilities. The unique capabilities of the INL Distinctive Scientific Signatures (Material & Nuclear Fuel Sciences; Instrumentation, Controls, & Intelligent Systems; Theory, Modeling & Simulation; Separations & Actinide Sciences, and Microbiological & Geological Sciences), which are the focal point for INL investment, will have critical links within CAES in terms of capabilities, investments, and program development.

h) CAES will provide an academic linkage to important DOE programs, such as the Climate Change Technology Program (CCTP), the Global Nuclear Energy Partnership (GNEP), the Advanced Fuel Cycle Initiative (AFCI), and other national and international organizations (International Atomic Energy Agency, World Nuclear University, Dalton Nuclear Institute, etc.).

4.1 Desired Outcomes

As a jointly managed center, CAES will provide a number of organizational, technical, infrastructure, and programmatic resources and activities to facilitate the building of new programs and providing credible solutions to the energy customer set. Achievements will be measured in terms of Knowledge Transfer, Enhanced Capabilities and Programs, and regional Economic Expansion (see Figure 3).

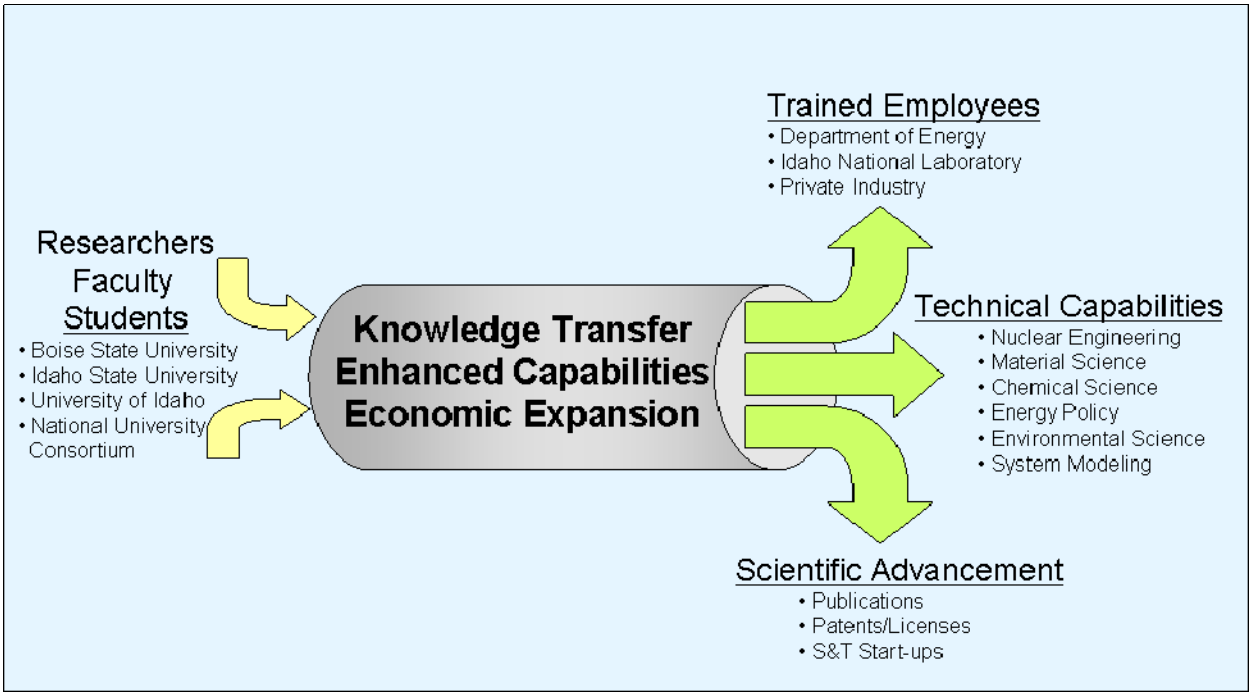

Figure 3. CAES Products and Services support member institutions to achieve desired outcomes.

4.1.1 Knowledge Transfer

Knowledge transfer involves the successful conveyance of ideas, experience, research results, and professional skills to others for the purposes of individual, organizational, or societal benefit. Knowledge can be tangible and intangible. This transfer can occur within organizations (faculty to students), across organizational lines (laboratory to university), as a business transaction (company to company), or to and from the wider community (public awareness).

CAES will support its member institutions with regard to educational development, trained professionals, multidisciplinary research, innovative products and services, and development of publications with high impact. The intellectual environment and focused energy agenda of CAES will help to further attract talented faculty and staff allowing its member institutions to attract the best students thus educating a new generation of scientists and engineers.

4.1.2 Enhanced Capabilities and Programs

Capacity building involves the development, enhancement, and promotion of sustainable skills, human resources, institutional capabilities, organizational structures, and physical infrastructure to support identified programs and services.

CAES will support its affiliated researchers by facilitating access to the collective energy-related capabilities of its member institutions. Additionally, CAES will support its member institutions by identifying needed capabilities and will work with these institutions to obtain new and expanded institutional capabilities. Through the co-location of talent and joint R&D efforts, CAES member institutions will gradually attain a higher level of functionality and sophistication in energy-related research (i.e., larger, multi-disciplinary research and development programs) and produce high impact publications.

4.1.3 Economic Expansion

Economic expansion involves a robust and diverse economy, new employment opportunities, a growth of commerce and industry, and an increase in the standard of living. Research and development and educational efforts resulting from this CAES joint institute will enhance economic development through the commercialization and transfer of advanced technology.

The development, protection, and commercialization of intellectual property will support regional economic expansion. Cooperative research and development agreements (CRADAs), licenses, technical assistance efforts, and start-up companies are mechanisms that will be employed to facilitate economic expansion.

4.2 Products and Services

CAES, via the staff of its member institutions, will provide services and products described below that support the CAES affiliated researchers and the member institutions in achieving their desired outcomes. These products and services will serve as enhancements to existing institutional processes as CAES works with the member institutions to better align their individual talents for mutual benefit.

4.2.1 Joint Research

CAES member institutions will conduct joint research via their mutually enhanced capabilities to provide solutions to their energy customers. This research will maximize the utilization of the member institutions' capabilities by eliminating barriers that currently prevent or hinder collaborations. Joint research within CAES will:

- involve multiple member institutions
- include a multi-discipline approach
- utilize and create unique capabilities
- be substantial in size and duration
- include a strong educational component.

4.2.2 Facilities/Equipment Access

CAES will facilitate researcher access to unique facilities and equipment that would otherwise be inaccessible or overly problematic. This service will include facilitating researcher, faculty, and student access to existing facilities, encourage joint activities involving available member institution's research facilities, supporting the development of new facilities, and acquiring the unique and necessary equipment for the CAES member institutions to accomplish their CAES research objectives.

The CAES member institutions are working together with the State of Idaho and DOE to complete construction of the CAES facility at University Place in Idaho Falls by June 2008. This new CAES facility will further enable the collaboration of CAES affiliated researchers. The CAES facility will be a premier user facility that promotes energy research, education, and training (see Section 7.2.1). The facility is expected to encompass 55,000 ft^2 with approximately half of the facility being dedicated to laboratory space. The proposed preliminary equipment is listed in Section 7.2.2.

4.2.3 Joint Appointments

CAES will help to establish joint appointment positions between its member institutions and affiliated institutions. The intent of these joint positions is to mutually benefit and strengthen the member institutions' ability to retain and attract outstanding scientists and engineers.

4.2.4 Business Development

CAES member institutions have agreed that a collaborative approach will expand available research opportunities that may otherwise be unavailable to a single institution. CAES will work with the member institutions to identify these opportunities in the area of advanced energy studies. Through joint business development efforts, CAES will support the member institutions in capturing opportunities that align with the participating institutions' capabilities and objectives.

4.2.5 Relationship Building

The CAES member institutions recognize that other institutions and organizations possess considerable talent and capabilities. These organizations include the member institutions of the National University Consortium, private industry and other national and international institutions. CAES member institutions will build appropriate working relationships with these institutions to achieve the CAES mission.

4.2.6 Workshops

CAES will sponsor and organize key technical workshops focused on various energy systems. Representatives of the member institutions and other organizations will attend these workshops to develop plans, specifications, or other documentation that will guide the CAES program. These workshops will be designed to facilitate technical and intellectual interaction and the exchange of information between individuals and groups.

4.2.7 Seminars

CAES will establish and host a seminar series that focuses on advanced energy studies and topics of specific interest to the member institution's representatives. The purpose of these seminars is to enrich the skills and knowledge of the participants. Identified experts and specialists will be invited to present their ideas and share their expertise for the betterment of students, faculty, researchers and the public.

4.2.8 Conferences

CAES affiliated researchers will actively participate in, and, at times, organize professional conferences to further disseminate their research results. These professional conferences will serve as a means of obtaining peer-review feedback of ongoing research as well as the facilitation of information exchange.

5. VALUE PROPOSITION

The need for CAES, in collaboration with the activities of its member institutions, 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.

CAES will provide benefits to the public, its universities and industrial partners, INL, DOE, and other federal agencies by facilitating technical collaborations. By promoting multi-disciplinary approaches, CAES will help satisfy customer needs in the areas of advanced energy-related research, education and training, and energy policy.

5.1 Public Benefit

CAES will foster public dialogue, communications, and innovation which is needed to form the energy options foundation associated with the difficult energy decisions of the next decade.

a.) Public dialogue of energy related issues will be promoted, leading to more sustainable energy solutions and national energy security.

b.) Resources will be cost effectively managed and coordinated across government, academia, and industry.

c.) Educational opportunities will be expanded for current and future generations of students and INL staff.

5.2 University Benefits

CAES will provide an organizational and infrastructure conduit to INL, and unique capabilities for a research, education, and training partnership among the Idaho universities and INL, intensely focused on the energy agenda of the 21st century. CAES will allow optimal development and application of member institution capabilities and skills.

a.) Idaho's academic expertise and capabilities in energy science, technology, and policy will be strengthened through the involvement of INL staff, which will provide the opportunity for the development of new academic programs, growth in the faculty, and a significant increase in research activity.

b.) Modern research laboratories at the Idaho Falls University Place campus, and other associated locations, will become available via CAES.

c.) A network of Idaho, national, and international affiliated universities (initially involving Boise State University, Idaho State University, University of Idaho, Massachusetts Institute of Technology, North Carolina State University, the Ohio State University, Oregon State University, and University of New Mexico) will serve as an integrating function to advance U.S. nuclear and other energy-related education.

d.) The unique research and development capabilities and facilities of INL will be accessible to the CAES network of universities.

5.3 Industry Benefits

CAES will provide a means for industry to interact with a unique blend of national laboratory/university researchers focused on the energy agenda, and a resource for development of the workforce for the future.

a.) The next generation of energy-related scientists, engineers, and technicians will be educated to support industrial needs.

b.) A unique education and research facility will facilitate the co-location and collaboration of government-university-industry energy-related interests, which

will expedite the commercialization of advanced energy-related technology.

5.4 INL Benefits

CAES will provide key capabilities to serve as an intellectual and organizational tie between INL and Idaho and other national and international partners to assist in establishing the national energy agenda and providing solutions.

a.) The integration of the research and educational capabilities of participating institutions will strengthen existing programs by facilitating the infusion of additional talent.

b.) Access and utilization of advanced research equipment will be facilitated to the benefit of member institutions in responding to energy program needs.

c.) Visiting researchers will be located in CAES to create a positive research atmosphere while satisfying security requirements.

d.) Broader research funding opportunities will be available to INL technical staff.

5.5 DOE Benefits

CAES will provide a unique environment for bringing together and developing national laboratory, university, and industrial skills, capabilities, and programs to foster a new generation of concepts and technologies for national energy challenges.

a.) U.S. Department of Energy (DOE) initiatives, such as the Generation IV International Forum and the Global Nuclear Energy Partnership (GNEP), will be supported through a network of affiliated institutions (e.g. DOE National Laboratories, International Atomic Energy Agency, World Nuclear University, and Dalton Nuclear Institute, etc.).

b.) Cross-organizational research that is critical to resolving the technical challenges of advanced energy sources will be facilitated.

c.) Sound energy policy leading the U.S. towards improved energy security will be advanced through coordinated and multi-disciplinary efforts.

d.) Through the co-location and collaboration of government-university-industry energy-related interests, CAES will help expedite the commercialization of advanced energy-related technology.

6. BUSINESS DESCRIPTION

The operations of CAES will be transparent to its member institutions and participating processes, faculty, and staff, and are being designed to simplify technical cooperation and foster a positive researcher-friendly culture. CAES products and services will directly support the member institutions by fostering intellectual and economic synergy between the member institutions in the form of multi-organizational joint research projects, unique educational assignments, student/ faculty exchanges, sabbaticals, and joint employment in energy research and policy.

6.1 Joint Institute

CAES will operate as a jointly funded and managed research institute, comprised initially of four charter member institutions:

- Boise State University (BSU)
- Idaho State University (ISU)
- University of Idaho (UI)
- Idaho National Laboratory (INL).

These four member institutions have agreed to establish this joint advanced energy Center and aspire to be world-class by addressing, from a scientific perspective, problems that are critical to the nation. Appendix A contains the Memorandum of Agreement approved by the CAES member institutions.

6.2 Transformation Schedule

CAES will initially operate as a public/private partnership characterized as a relationship of mutual cooperation and responsibilities for the achievement of the specified goals.

CAES member institutions may consider moving from this strategic partnership stage to a formal joint venture. If desired, this joint venture will be characterized as a formal business relationship, a legal entity, in which the member institutions agree to contribute equity and share in the revenues, expenses, and control of the new enterprise. During the formulation of this joint venture entity, the member institutions will collectively determine if they should structure it to satisfy the requirements of section 501 (c)(3) of the Internal Revenue Code.

For the purposes of this Business Plan, this entire CAES relationship is referred to as the joint institute. An additional working assumption is that the transition from the strategic partnership to the joint venture may occur in 2008 (see Figure 4). It is anticipated that a more detailed MOA will be developed and will supersede the one signed in January 2006. The more detailed MOA is planned to be in place before the CAES facility is occupied in July 2008.

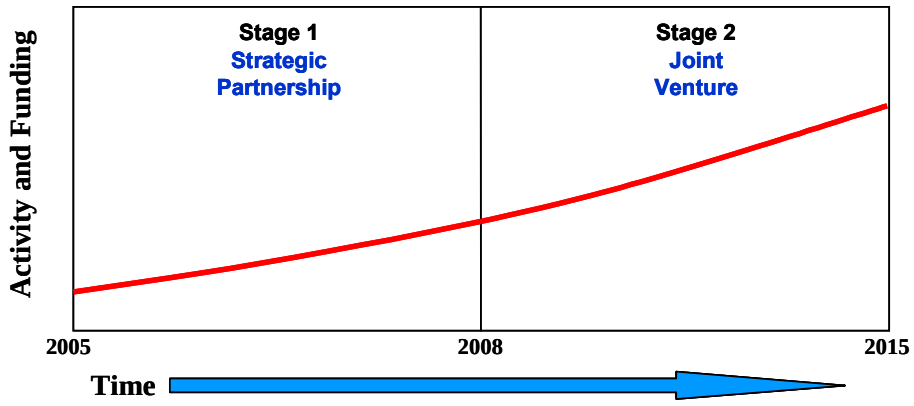

Figure 4. The CAES jointly managed institute may involve two distinct stages.

6.3 Responsibilities of the CAES member institutions

The responsibilities of the CAES member institutions include:

1.) Seeking opportunities for collaboration on research projects that require the use of CAES membership resources

2.) Participating in educational and research activities designed to accomplish the CAES mission

3.) Sharing research and education resources as appropriate

4.) Leading and participating in CAES efforts to secure funding in support of CAES activities

5.) Providing space, working with INL, as appropriate and to the extent available, for CAES staff, equipment, and visitors

6.) Exploring and examining possible future funding mechanisms.

7. ORGANIZATIONAL MODEL

7.1 Organizational Structure

CAES member institutions have initially established CAES under the aegis of INL in order for CAES to be built on a firm foundation. The final organizational structure is currently being developed.

CAES member institutions have initially established CAES under the aegis of INL in order for CAES to be built on a firm foundation. As such, CAES is managed by an INL Director, accountable to the CAES Steering Committee. The CAES Steering Committee consists of senior representatives from each of the four member institutions. The CAES Steering Committee provides oversight for the formulation phase of CAES including facility development and scientific direction.

Three Associate Directors, one from each of the Idaho Universities and an INL Deputy Director support the CAES Director in execution of the research, education, and policy activities. The three CAES Associate Directors will serve as the program leads for their respective Universities and will assist in the development and coordination of CAES sponsored activities. Additionally, *ad hoc* advisory committees will be formed as needed for scientific advice and assistance. Figure 4 illustrates the CAES organizational structure.

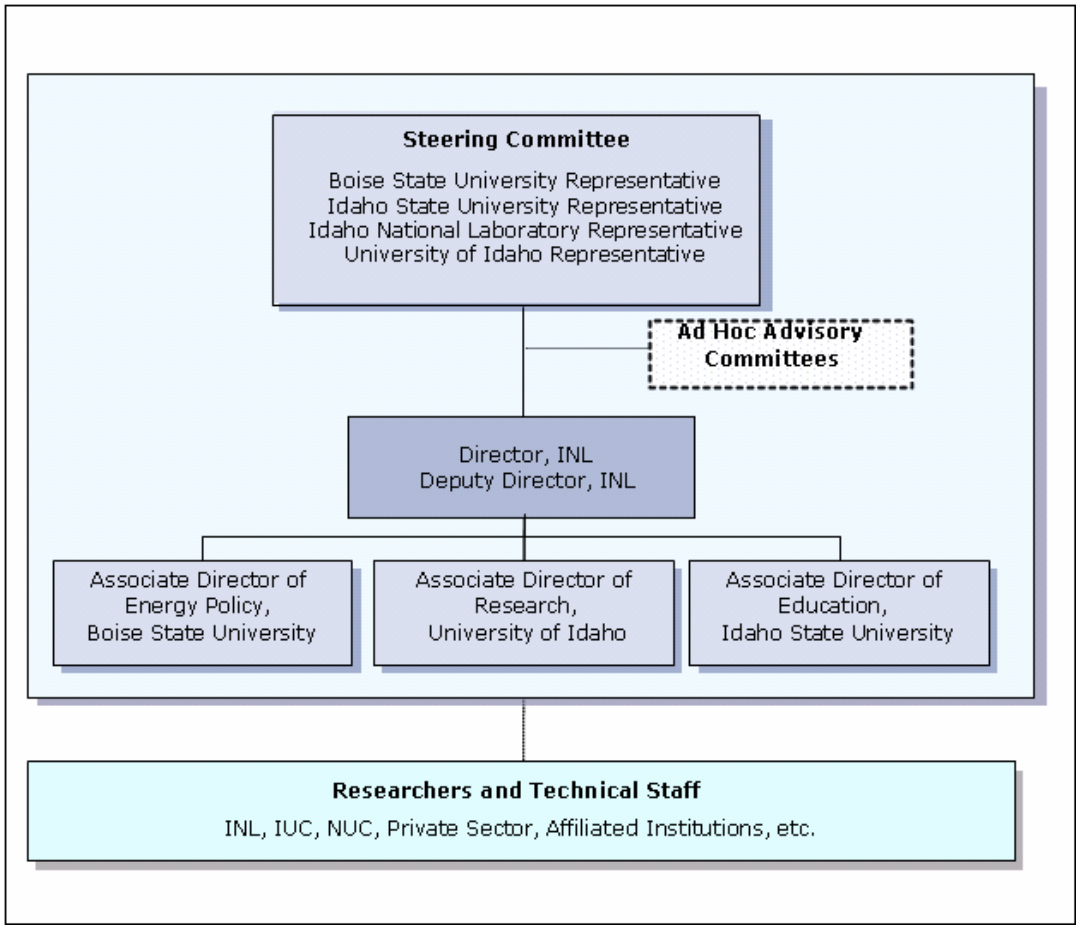

Figure 4. Organizational structure of the CAES joint institute as of October 2006.

If the out year decision is made to transition CAES to a formal joint venture entity, it is anticipated that a CAES Board of Governors would replace the CAES Steering Committee. At that time this Board would then be accountable for CAES operations and other fiduciary responsibilities.

7.1.1 Staffing Plans

The technical staff of the member institutions and other affiliated organizations will develop and implement the CAES research, education, and policy agenda. These technical research staff will remain employees of their respective organizations. Arrangements are being made to create appropriate mechanisms to facilitate interaction and collaboration within the CAES structure.

A Joint Appointment program has been established between BSU, ISU, UI, and INL to improve the ability of CAES member institutions to share technical staffing capabilities across organizational lines. This program also improves the member institutions' ability to attract and retain the outstanding talents (i.e., key strategic hires) needed to fulfill the mission of CAES.

The CAES member institutions anticipate defining and offering a number of research positions. Funds described in an FY06 DOE Field Work Proposal (FWP), totaling $2,970,000, are being used by the university members to place a number of new hires.. Through this FWP, the university member institutions will recruit and hire at least six new research-active faculty in nuclear engineering and other energy-related disciplines, including energy policy, by September 30, 2007. Where possible, joint appointment positions with INL will be considered in support of INL/DOE programs. Also, during academic year 2006-2007, the university member institutions will provide support for a minimum of 15 Idaho university graduate students in nuclear engineering and other energy-related disciplines, including energy policy. Where possible, these new faculty and graduate students will provide direct support to the CAES research agenda and to INL programs and projects.

7.2 Infrastructure and Equipment Plan

7.2.1 CAES Facility Plans

The State of Idaho is providing approximately 7 acres of land on which the CAES facility can be constructed. The primary location for co-locating the CAES joint institute team is within the proposed CAES facility (see Figure 5). Additional aligned activities developed on the main university campuses will engage a wider grouping of faculty/technical staff and specific equipment.

This new CAES laboratory/office facility is currently in the design phase, will be located on the joint ISU/UI campus in Idaho Falls, and will be a key element within the developing INL Idaho Falls integrated National Laboratory/ University campus. Construction of this facility is scheduled for completion by July 2008. The expected general location is shown in Figure 6.

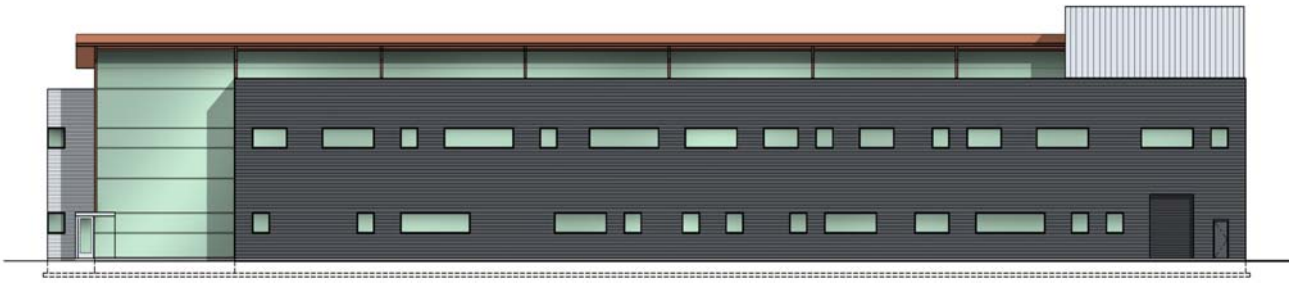

Figure 5. An artist's conception of the proposed CAES facility (northern exposure).

Figure 6. Proposed location of the CAES facility in Idaho Falls.

7.2.2 CAES Equipment Plans

Technical capabilities will be integrated for use by the CAES member institutions and affiliated members in fulfillment of its mission. Some existing capabilities will remain at their current location and will be accessed as necessary by participating researchers, while other existing equipment will be relocated into the new CAES facility. New state-of-the-art equipment will be obtained to supplement existing institutional capabilities. These new capabilities will be located within the new CAES facility. In addition, CAES will support increased access to existing and future facilities at INL and the universities.

A facility operations guide and an equipment management plan will be developed to further define equipment operations, maintenance and user costs. Maintenance and replacement of the equipment is expected to be the responsibility of the equipment owners in coordination with the CAES Director. Equipment use will be coordinated with the CAES Director.

The equipment anticipated to be located within the new CAES building includes:

- High-Speed Computing Network Connectivity
  - Lambda Rail Hub
- Distance Learning/Visualization Capabilities
  - Research Collaboration Network
  - Power Grid Wall
- Advanced Imaging Capabilities
  - Scanning Transmission Electron Microscope
  - Dual Beam Scanning Electron Microscope/Focused Ion Beam System
- Radiochemistry Laboratory
- Chemistry Laboratory
- Advanced Materials Laboratory
- Hydrogen Laboratory
- Analytical Laboratory
  - Basic Radiation Measurement Capabilities.

8. MARKET ANALYSIS

8.1 Energy Market Description

The need for energy will continue to rise as the population and economic factors within the nation and the world increase. In the U.S. and throughout the world, the energy market includes many different sectors. Most energy sectors show an increase in production over time. The energy sectors that have the highest projected growth in production from now until 2030 are coal, renewable energy, and nuclear power, whereas crude oil production shows a decline. These projected trends are the result of changing economic conditions; geopolitical considerations; governmental subsidies and policies; and environmental awareness.

Consumption in all energy sectors is increasing, projecting a constant increase in demand for energy. U.S. energy production does not currently meet the domestic demand. Importation of energy, therefore, will continue to be necessary to meet domestic demand, unless new technologies arise or greater investment into domestic production of energy occurs. Areas such as nuclear, fossil fuel, and renewable energy are areas that have the potential to boost the domestic production with technological innovation and increased investment.

8.2 Energy Investments

Federal, State, private industry, and private foundations provide substantial R&D investments into the energy sector. These sources are opportunities for CAES to pursue in support of its research, training/education, and policy business objectives.

Federal programs, DOE in particular, provide CAES with the most direct and widest range of energy R&D options. The Energy Policy Act of 2005 defines a number of national initiatives that CAES can directly support. Additionally, the President's Fiscal Year 2007 Budget request details his administration's energy priorities which include basic energy science, high energy physics, nuclear energy, hydrogen, biomass/biofuels, solar, clean coal, and wind. The CAES member institutions will aggressively pursue specific research areas within these federal programs.

Many private foundations are focused on environmentally friendly energy solutions. Foundations are also actively involved in educational initiatives. CAES member institutions will continue to approach private foundations for scholarship support and educational activities.

Appendix B provides a more detailed analysis of specific and relevant opportunities. A preliminary overview of potential competitors is also included in this analysis.

9. MARKET PLAN

CAES will pursue research opportunities approved by its Steering Committee. These opportunities will be focused within specified research themes. These themes will be in areas where there is synergy between multiple member institutions so as to provide value to individual researchers (i.e., transparent collaboration, project management services, etc.) as well as the member institutions.

Further, these research themes are areas in which the CAES member institutions have an existing expertise that can be built upon as well as in areas in which member institutions desire to build new expertise for emerging markets.

The CAES research themes will nominally involve at least 6-8 senior scientific staff from multiple institutions (at least 3), will have bold objectives, and will span a multi-year time period (~5 years). Each of these themes will involve an educational component to actively engage graduate students. These research areas will also present an opportunity for active engagement of industrial partners (i.e., engineering centers, contribute resources, etc.), including technology transfer and commercialization.

9.1 Initial Research Themes

An initial set of workshops has been completed to initiate the development of the CAES research themes. These workshops have identified a number of research areas that could potentially serve as the initial foundation for CAES affiliated research. The identified areas and technical leaders are as follows:

- Carbon Management
  (Bob Smith, UI)
- Synthetic Liquid Fuels
  (Lyman Frost, INL)
- Energy-Water Nexus
  (Gary Johnson, UI)
- Hydrogen Economy/Production
  (Darryl Butt, BSU)
- Renewable Energy
  (Darryl Butt, BSU)
- Energy Storage
  (Bob Cherry, INL)
- Energy Policy
  (John Freemuth, BSU)
- Advanced Nuclear Fuel Cycle
  (ACE Committee)
- Post Irradiation Examinations
  (Rory Kennedy, INL)
- Material Science
  (Darryl Butt, BSU)
- System Modeling
  (Mary Lou Dunzik Gougar, ISU)
- Instrumentation and Controls
  (Leonard Bond, INL)
- Waste Management
  (Kevin Kostelnik, INL)
- Siting Integration
  (Jay Kunze, ISU)
- Thermal Hydraulics
  (John Crepeau, UI).

9.2 Capture Strategies

The technical leaders will investigate the identified themes. This analysis includes a high level survey across the member institutions of strengths and capabilities, a list of senior investigators currently working (or interested in working) in the area, and a summary of existing research efforts (e.g., 2 projects and 3 graduate students).

This analysis will also include consideration of the cross cutting issues, such as environmental consequences, policy implications, and educational/training needs and opportunities. This information will be used to:

a.) Conduct a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis

b.) Focus our assessment of federal and other sources of research funding opportunities

c.) Design more inclusive topical workshops to fully develop the CAES research, policy, and education agenda.

This information will be integrated into the CAES Strategic Plan, which will be completed by November 30, 2006. Within this Strategic Plan, the CAES member institutions will work to align their capabilities to best achieve the desired outcomes. Figure 7 illustrates a preliminary strategy map for the alignment of key capabilities.

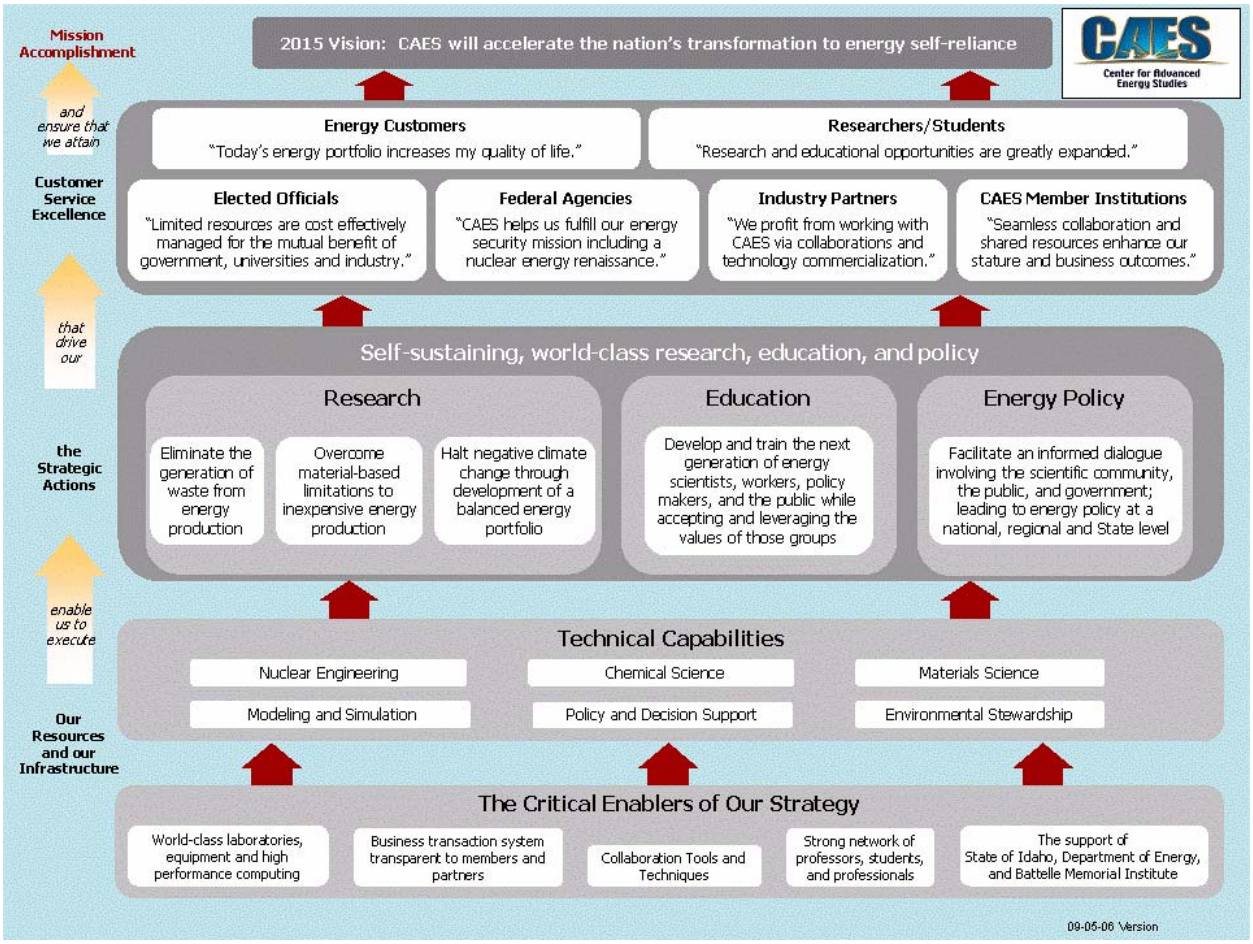

Figure 7. CAES preliminary strategy map for aligning the applicable technical capabilities of its member institutions towards specific energy challenges and customer expectations.

10. FINANCIAL PROJECTIONS

10.1 Current Operating Scenario

The current CAES operating model is a public/private partnership in which the member institutions agree to cooperate in areas of mutual benefit. The financial, legal, business, and organizational mechanisms of each institution will continue to be used in support of CAES affiliated activities. Investments, in terms of financial resources, staff, and equipment will continue to be managed within the defined policies of the individual member institutions. The CAES Steering Committee will serve as the institutional representatives.

10.1.1 Key Assumptions

The following key assumptions established this CAES investment scenario:

- All CAES partners agree to the proposed business model and seek to develop the program needed to implement staffing/revenue and expense projections
- CAES expenses and revenue projects are equal
- INL support for CAES will increase between FY06 – FY10
- Competitively awarded research grants generated by all CAES partners will increase substantially beginning in FY09
- State appropriations will be requested to begin in FY08 to support CAES-affiliated research faculty
- DOE support for the Idaho universities will continue in FY07 and will be requested for FY08
- Not all CAES-affiliated research faculty and activities will be housed in the CAES building
- A portion of university indirect charges on CAES related research revenue will be reinvested into their individual CAES business development efforts.

10.1.2 Projected Building Costs

An important financial area of mutual interest for the CAES member institutions involves the financing of the CAES building and subsequent occupation and operation of the joint institute. The financing of this building involves multiple fund sources. The following funding mechanisms have been secured for construction of the CAES facility:

- $4,900,000 from the INEEL Settlement Fund, as defined in the Idaho Code 67-806A
- $625,000 in Housing and Urban Development (HUD) Grants #B-00-SP-ID-0116
- $1,017,756 in HUD Grants #B-01-SP-ID-0172
- $10,000,000 via ISU bonds to be retired by an INL lease agreement, with Battelle Memorial Institute (BMI) and Washington Group International as the guarantor of the bonds.

Only one of these sources, the $10M via ISU bonds, represents a long-term financial obligation. These obligations are projected to begin in the third quarter of FY08. The majority of CAES building expenses are attributed to INL, which will lease approximately 71% of the building for 20 years. These INL lease payments are estimated to total approximately $890K per year. The final lease rate will be dependent on the acquired interest rate.

The only CAES building expense attributed to the university partners is a pro-rated portion of the annual maintenance and operating (M&O) cost which will be based on the square footage occupied by each institution. The total building M&O costs are projected to total $240.4K/year.

For the purposes of this plan, the combined university share of annual CAES building M&O costs is estimated to be $99.6K. The INL share of the annual CAES building M&O costs is estimated to be $140.8K. These estimates are based on a total CAES building square footage of 55,000 square feet.

Finances to cover the total annual CAES building costs of approximately $1130K appear to be readily available given the present INL and university operations.

10.2 Incremental Investment Scenario – "Achieving the Vision"

The vision for CAES is that it will develop into an enduring and sustaining entity—a joint institute collectively operating the building, with laboratory space and equipment shared between university and laboratory researchers—that will enhance capabilities and grow new academic and research activities. It is anticipated that by 2009, approximately 150 people will occupy the new building, and by 2015 a Phase II addition may be required to accommodate the projected growth.

10.2.1 Projected Revenue

CAES projected revenue by member institution for the period FY06 through FY15 is shown in Figure 8. These revenue projections are based on the best estimates of each member institution. During FY06 and FY07, a significant portion of CAES revenue is shown to be associated with the FY06 DOE university FWP and INL support. For the purposes of this analysis, it is assumed that additional DOE university support will be received in FY07 and requested for FY08.

In FY08, it is projected that CAES-affiliated faculty and staff from member institutions will begin acquiring research grants through competitive proposals. It is expected that each university CAES-affiliated faculty member (excluding Energy Policy Institute faculty) will generate $250-$300K annually in competitively awarded research projects by FY10. It is expected that the Energy Policy Institute faculty will generate approximately $125K each in competitively awarded research projects by FY10. It is also expected that strategic hires will be made by the INL and that these INL CAES-affiliated senior researchers will generate approximately $500K each in competitively awarded research projects.

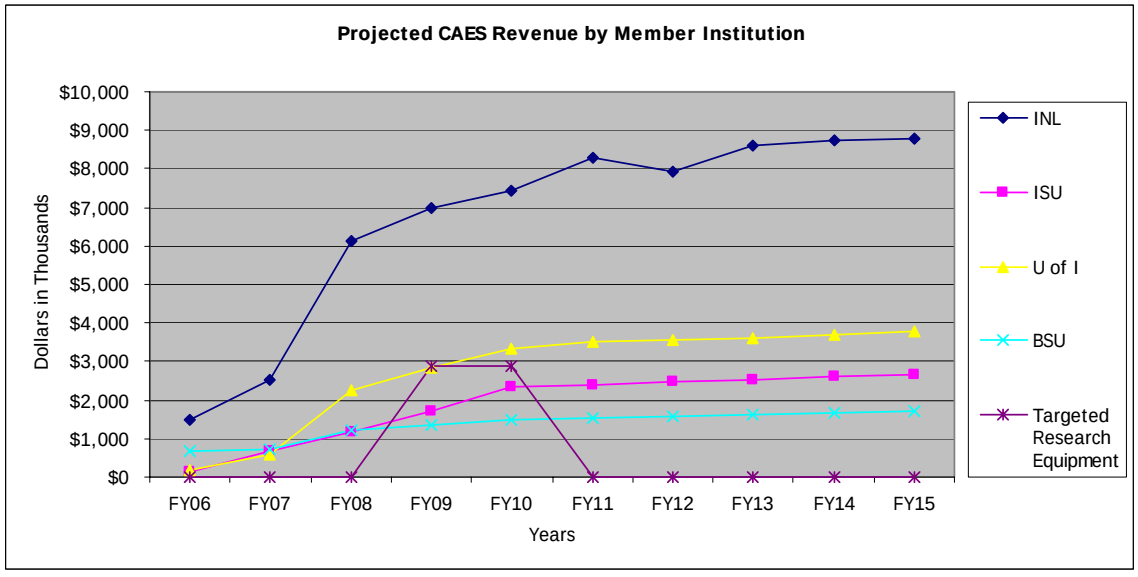

Figure 8. Projected CAES revenue by member institution.

Beginning in FY08, INL and/or DOE support for CAES is projected to increase substantially to support occupancy of the CAES building and the hiring of INL CAES-affiliated senior research personnel. The development of CAES assumes that INL will provide indirect support as well as program development and Laboratory Directed Research and Development (LDRD) funding through FY13. These INL funds will help support CAES personnel and provide funding for CAES business development activities. INL support is expected to peak in FY09 then steadily decline as external research funding grows. Figure 9 shows the projected level of investment into CAES by member institutions for the period FY06-FY15. Additional State of Idaho appropriations will be requested to begin in FY08 to cover a portion of CAES-affiliated university faculty salaries. Also illustrated on this figure are the funding targets associated with specialty research equipment that will be located within the CAES facility.

The projected CAES external funding amounts are assumed to be new research funds awarded, not a commitment of existing research funding from INL, DOE, or affiliated universities to CAES.

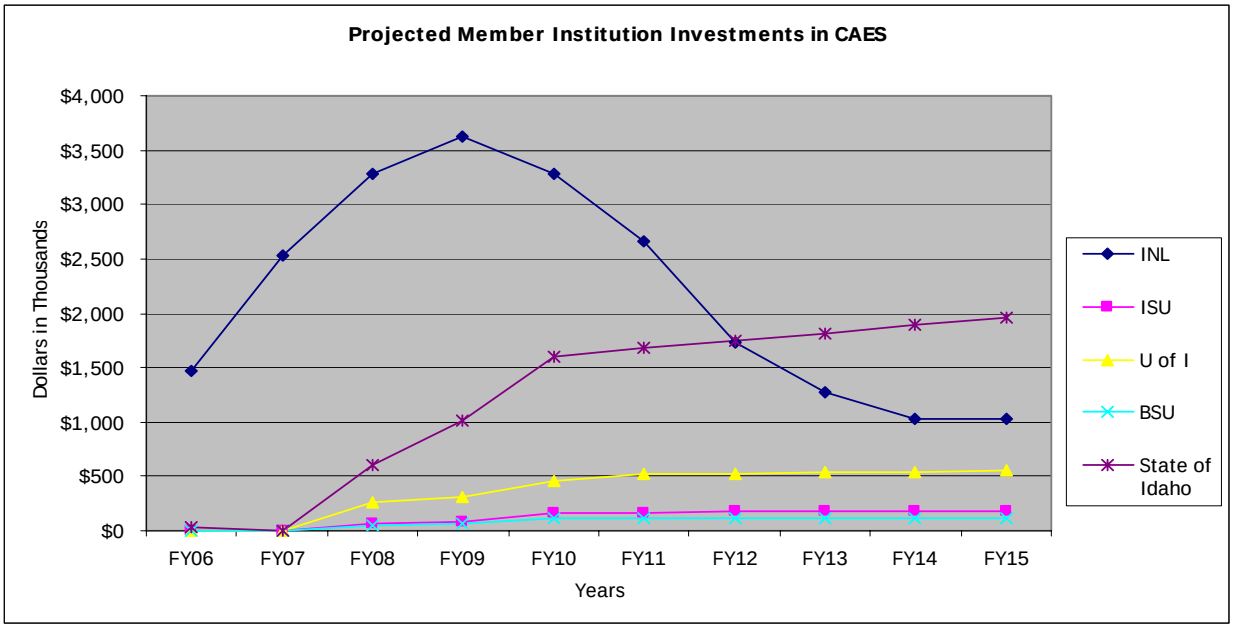

Figure 9. Projected member institution investments in CAES.

10.3 Projected Expenses

The projected expenses of each CAES member institution for the period FY06 through FY15 are illustrated in Figure 10. These projections are based on the best estimates of the CAES members. The majority of the expenses anticipated are related to the labor cost of CAES-affiliated faculty, graduate students, INL research staff, and CAES management and staff. CAES labor costs escalate over the period as staffing levels increase to their peak in FY10.

A substantial portion of INL expenses in FY09 and FY10 are anticipated to result from the purchase of specialized research equipment in those years. CAES building costs for this scenario are the same as discussed in Section 10.1.2. Business development expenses, research grants, and other non-labor charges account for the remainder of INL CAES related expenses. Travel, materials, and indirect costs make up the remainder of university CAES related expenses.

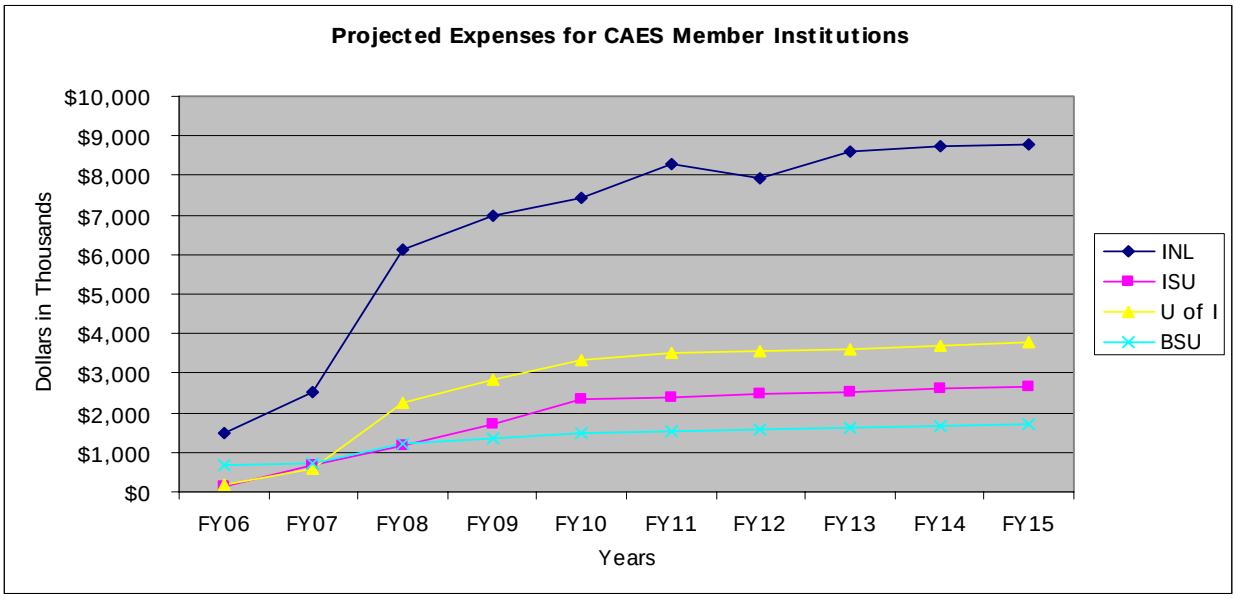

Figure 10. Projected expenses for CAES member institutions.

10.4 Financial Analysis

The financial viability of CAES is favorable as illustrated in Figure 11. These financial projections rely on CAES member institutions successfully competing for research funding in the highly competitive public and private R&D environment. Significant financial support from DOE and INL is crucial in the early years to lay the groundwork for future CAES success. This financial support will provide the seed money necessary to attract and hire key personnel including senior researchers and faculty. DOE and INL investments will continue to be necessary to fund CAES business development efforts and ensure that CAES gains exposure at key national and international professional conferences and symposia.

The early financial support will gradually build an integrated CAES portfolio of competitively awarded grants and contracts. Figure 11 depicts the estimated growth in CAES external funding and the corresponding decline in investments. Projected CAES external funding is the estimated amount of competitively awarded contracts and projects secured by CAES-affiliated faculty, fellows, and researchers, and State of Idaho appropriations for university faculty salaries. As Figure 11 shows, the annual amount of CAES external revenue and State of Idaho CAES-affiliated salary lines surpasses the annual amount of DOE and CAES member institution investments in FY09.

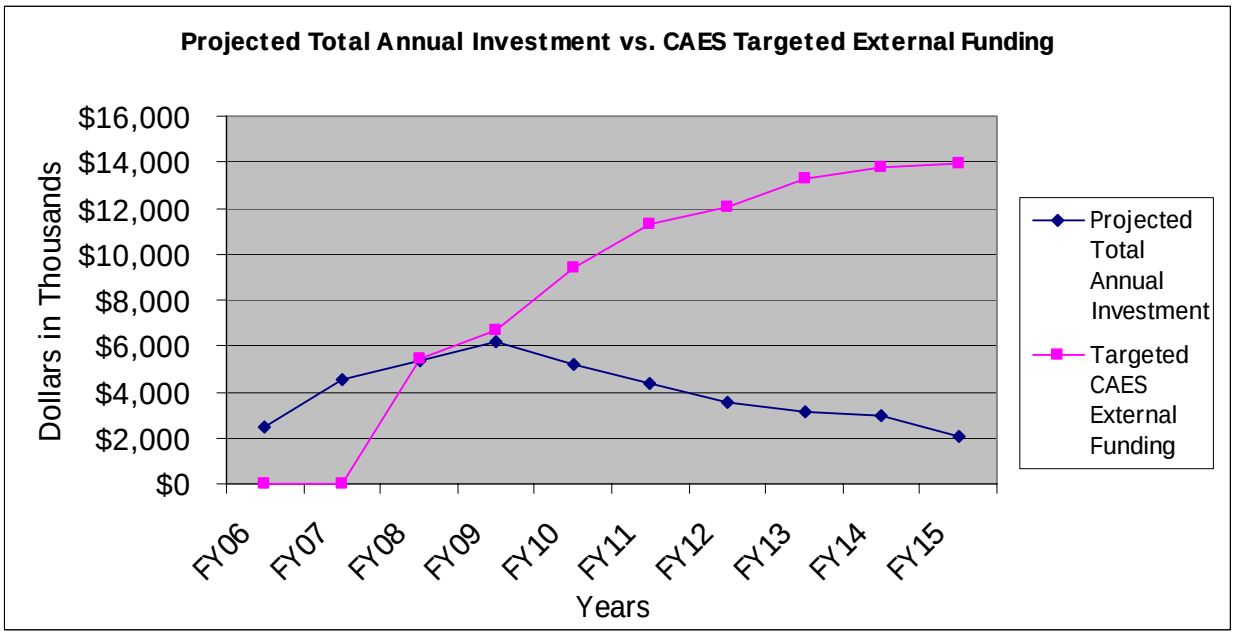

Figure 11. Projected total annual investment vs. CAES targeted external funding.

APPENDIX A – APPROVED MEMORANDUM OF AGREEMENT

MEMORANDUM OF AGREEMENT

AMONG BATTELLE ENERGY ALLIANCE, LLC, IDAHO STATE UNIVERSITY, BOISE STATE UNIVERSITY AND UNIVERSITY OF IDAHO

To Establish "The Center for Advanced Energy Studies"

This Agreement is entered into by and among Battelle Energy Alliance, LLC, Idaho State University, Boise State University and the University of Idaho.

RECITALS

WHEREAS, the parties wish to establish a world class advanced energy center to address from a scientific perspective problems that are critical to the Nation, which center is hereafter referred to as The Center for Advanced Energy Studies ("CAES" or "the Center"), with these charter members: Idaho State University, Boise State University, the University of Idaho and Battelle Energy Alliance, LLC, which operates the Idaho National Laboratory for the Department of Energy (hereafter referred to as "INL"), with all the heretofore named entities hereafter referred to as "The CAES Members;" and

WHEREAS, the mission of CAES (hereafter referred to as the "CAES Mission") is to become a world class, advanced energy organization with an emphasis on nuclear energy—recognized for contributions to advanced energy education, research, policy studies and training; and

WHEREAS, a secure and affordable energy supply is essential for achieving U.S. national security, in continuing U.S. prosperity, and to lay the foundations to enable future economic growth; and

WHEREAS, advanced nuclear energy provides the potential to meet a significant fraction of the growing U.S. electricity demand, give methods to economically produce hydrogen to be used to enrich heavy crude oils, and in the longer term, fuel the Hydrogen Economy; and

WHEREAS, nuclear power also offers technologies to address global energy needs to achieve sustainable development with increasing global population and to globally address critical environmental and energy-water needs; and

WHEREAS, U.S. participation and leadership in these science and technology areas is critical to ensure national security and economic health, and for growing U.S. industry through providing high-value, advanced nuclear technologies that are proliferation resistant; and

WHEREAS, the Center will address areas that are critical to U.S. energy security and leadership in the global energy arena;

NOW, THEREFORE, The CAES Members mutually desire, subject to final approval of their respective governing boards or entities, to establish CAES, initially

under the aegis of Battelle Energy Alliance, LLC, as an appropriately constituted business relationship agreed to by The CAES Membership for the purpose of accomplishing the CAES Mission, and to establish the necessary administrative procedures, in accordance with the articles set forth below, to ensure the long-term success of CAES.

Article 1
Purpose

The goal of The CAES Membership is to develop the means to strengthen and support science-related research with The CAES Membership and to develop CAES as a national research and education center, consistent with the CAES Mission and with the missions of the member entities of The CAES Membership.

As part of the objective to foster a nationally respected reputation for CAES, The CAES Membership will ensure that other academic institutions are invited to participate as appropriate in CAES programs and initiatives.

In support of the CAES Mission and with CAES serving as collaborator and facilitator, The CAES Members will cooperate by sharing access, as appropriate, to their scientific facility resources. Thereby, through CAES, researchers within The CAES Membership and other institutions participating in CAES may access state-of-the-art facilities and intellectual community interactions that may otherwise be unavailable to them.

Article 2
Organization

It is the intent of The CAES Membership to initially establish CAES under the aegis of BEA in order for CAES to be built on a firm foundation, in a cost effective manner. It is the intent of The CAES Membership to examine the possibility of establishing CAES as a separate, independent entity, and The CAES Members will determine when it is appropriate to initiate the appropriate procedures to accomplish that goal.

CAES will be managed by a Director who will be hired by BEA and will be a BEA employee so long as CAES is operated under the aegis of BEA. The Director will report to, among others, the CAES Steering Committee (as defined in Article 3).

The Director and the CAES Steering Committee may jointly form *ad hoc* advisory committees as needed for scientific advice and assistance. The selection and duties of the CAES Steering Committee and the Director are defined in Articles 3 and 4, respectively.

Article 3
CAES Steering Committee

The CAES Steering Committee shall consist of one representative from each CAES Member. The Steering Committee will provide policy oversight and scientific direction for the operation of CAES. It will also provide ongoing oversight of the development of the initial CAES facility to be located on the University Place Campus. The CAES Steering Committee will be chaired by the INL Chief Research Officer, or his/her

designee. The Director shall serve as an *ex officio* nonvoting member of the CAES Steering Committee.

The Steering Committee will establish or approve such policies, procedures and guidelines as are necessary for the conduct of CAES operations and Steering Committee activities, acknowledging that such policies, procedures and guidelines shall be subject to The CAES Members' contracts with the U. S. Department of Energy, other research sponsors and to any statutory or regulatory requirements.

Article 4
CAES Director

It is envisioned that CAES will be managed by a Director who will be hired by BEA and will be employed by BEA for so long as CAES is operated under the aegis of BEA. The Director will be hired in consultation with the other CAES members. The Director shall manage the operations and activities of CAES according to the policies and procedures established by the CAES Steering Committee, or recommended by the Director and approved by the CAES Steering Committee.

The Director is responsible for the activities, management and operation of all aspects of CAES. The Director shall present an annual budget and an annual report to the CAES Steering Committee.

Article 5
Responsibilities of the CAES Membership

The responsibility to work actively towards fulfilling the CAES Mission and to cooperate with or on behalf of CAES rests with The CAES Membership. Such responsibilities shall include, but shall not be limited to, the following activities:

- Seek opportunities for collaboration on research projects that require the use of CAES Membership resources;
- Participate in educational and research activities designed to accomplish the CAES Mission;
- Share research and education resources as appropriate;
- Lead and participate in CAES efforts to secure funding in support of CAES activities;
- Provide space, working with BEA/INL, as appropriate and to the extent available, for CAES staff, equipment and visitors;
- Explore and examine possible future funding mechanisms.

Article 6
Infrastructure Support

It is intended that BEA will initially be the fiscal agent for CAES, receiving and distributing funds for the operation of CAES. It is intended that CAES will, at a later date, occupy office space in a facility built on land contributed by the State of Idaho, in a building constructed with State of Idaho funds and owned by Idaho State University, the specific form of ownership to be determined. It is expected that the State of Idaho or Idaho State University will act as the facilities agent for space made available in this facility, on such terms as will hereafter be established. No CAES activities will be undertaken in the facility that are inconsistent with the laws or missions applicable to DOE.

Article 7
Term and Approval

This Memorandum of Agreement does not create legal rights or obligations, impose legal obligations on any party hereto, or confer legal rights on any party hereto or any third party. To the extent any of the clauses and provisions of this MOA conflict with the terms of BEA's Contract No. DE-AC07-05-ID14517 with DOE the terms of such Contract will prevail.

The parties intend to use best efforts to cooperate and to support the activities of CAES and fulfill their responsibilities set forth in Article 5.

It is the intent of The CAES Membership that this be a continuing joint effort for the benefit of all parties. However, any party may withdraw from this Memorandum of Agreement by providing written notice to the CAES Director not later than March 1 of the year in which withdrawal is intended. The CAES Membership will explore a funding mechanism for CAES, such as appropriate Member payments, grants or other sources. Withdrawal shall terminate that Member's obligations under this Agreement as of August 31 of the year of withdrawal, but shall not be a basis for return of any portion of the Member's payments under any agreed upon funding provision.

The Memorandum of Agreement and any modifications thereto shall be subject to the approval of the duly authorized representatives of The CAES Membership.
In consideration of the provisions and mutual promises herein contained, the parties have caused to be affixed hereto their duly authorized signatures as of the dates indicated.
This Memorandum of Agreement may be executed in several counterparts, each of which shall be an original, and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties hereto have signed this Agreement.

BATTELLE ENERGY ALLIANCE, LLC

By: _____

Date: 25 January 2006

IDAHO STATE UNIVERSITY

By: _____

Date: 12-20-05

BOISE STATE UNIVERSITY

By: _____

Date: 1/6/06

UNIVERSITY OF IDAHO

By: _____

Date: 1.17.06

APPENDIX B – ENERGY MARKET ANALYSIS

B.1 Energy Policy Act 2005

The Energy Policy Act of 2005 outlines a number of strategic initiatives that are aligned with key research and educational objectives of CAES.

- ***Energy Efficiency***

  Provisions are included to expand the Energy Star program, a government/industry partnership for promoting energy efficient products. It establishes new energy efficiency standards for many new commercial and consumer products that use large amounts of energy – providing significant savings on monthly energy costs.

- ***Oil and Gas***

  The EPA Act authorizes expansion of the Strategic Petroleum Reserve's (SPR) capacity from 700 million to 1 billion barrels and filling the SPR to that capacity during periods of stability. The act clarifies the federal government's role in the siting of liquefied natural gas terminals. Several streamlining provisions have been included to encourage efficient review of applications at the federal level; also requires consultation with the state in the area of state and local safety.

  The Act authorizes funding in support of a number of strategic areas including: (1) Seventy-five million dollars per year to support research involving ultra-deepwater programs; (2) Fifty-two million dollars per year for research of unconventional energy resources, including, but not limited to, gas shale, deep drilling, etc.; and (3) Fifteen million dollars per year in support of small producers of natural gas and related products. The Refinery Revitalization Act of 2005 designates certain areas as refinery revitalization zones based on an area's previous refining or manufacturing experience and current unemployment rate; the EPA act provides an accelerated review and approval process for new refinery facilities in a refinery revitalization zone.

- ***Clean Coal Technologies***

  The EPA authorizes the Secretary of Energy to provide up to $ 1.8 billion in support of research and demonstration of advanced coal-based power generating technologies that achieve significant reductions in air emissions. It further requires that at least sixty percent of the $1.8 billion will be utilized in coal-based gasification technologies projects that meet stringent environmental performance standards and vastly increased efficiency standards.

  Another $3 billion is authorized for the Secretary of Energy to carry out a Clean Air Coal Program to facilitate production and generation of coal-based power and accelerate the development and deployment of pollution control equipment to meet current and future obligations of coal-fired generation units regulated under the Clean Air Act. Loan guarantees for five petroleum coke gasification projects are authorized by the act.

- ***Vehicles and Fuels***

  The new Act requires all "dual-fueled" vehicles acquired under the Energy Policy Act of 1992 programs to be operated on alternative fuels; also requires a study to review the vehicle purchase requirements under the Energy Policy Act to ensure the program works more effectively in the future. The Act further establishes a requirement to develop and implement a Hybrid Retrofit and Electric Conversion program to provide incentive to develop innovative technologies for use in retrofitting conventional internal combustion engines.

- ***Automobile Efficiency/CAFE***

  The Act increases Department of Transportation funding to six million dollars over five years (2006-2010) to continue research and development of technologies to improve the Corporate Average Fuel Economy (CAFE) standards. The National Highway Traffic Safety Administration (NHTSA) is required to evaluate the impact of vehicle safety and automobile industry employment when establishing new CAFE requirements. When setting CAFE standards, the National Highway Traffic Safety Administration (NHTSA) is required to consider the impact on vehicle safety and automobile industry jobs. Finally, the Act further requires the NHTSA to undertake a study to evaluate CAFE alternative.

- ***Hydrogen***

  The Act requires the establishment of development and implementation program to encourage production and use of hydrogen-powered automobiles by 2020. The program also supports development and deployment of the necessary infrastructure required to safely fuel hydrogen vehicles. It also establishes an interagency task force on hydrogen as well as an outside advisory committee with a budget authorized at $2.15 billion over five fiscal years.

  The Department of Energy is further required to develop a road map plan that outlines: (1) Technical and non-technical hurdles for hydrogen fueled vehicles; (2) Infrastructure requirements; and (3) Technical milestones required to meet the 2020 time frame. The hydrogen research and development programs are to be carried out through public/private partnerships and will focus on: (1) Producing hydrogen from diverse sources, including fossil fuels, hydrogen-carrier fuels and renewable energy resources including biomass and nuclear energy; (2) Transportation and storage of hydrogen; (3) Advanced fueling systems; and (4) Development of codes and standards.

- ***Nuclear Energy***

  The EPA emphasizes the government support for a renewal of the Nuclear Energy industry through renewal of the Price-Anderson Nuclear Industries Indemnity Act for an additional twenty years. Furthermore, the Act includes provisions to encourage research and development of advanced modular reactors, and for nuclear contractor, subcontractor and supplier financial accountability. The Price-Anderson legislation is to indemnify the nuclear industry against liability claims arising from nuclear incidents while still ensuring compensation for the public. The Act further establishes a no fault insurance-type system wherein the first $10 billion in claims would be industry-funded according to a formula and all claims in excess of this amount would be covered by the federal government.

The EPA Act provides requirements for increased security of nuclear facilities, including improved federal oversight of plant security and the expansion of federal statutes for sabotage of nuclear facilities. The Act further outlines three additional areas of emphasis: (1) establishment of a permanent nuclear waste disposal site; (2) establishment of nuclear fuel recycling to replace current fuel disposal; (3) creation of Advanced Reactor Hydrogen Cogeneration Project; and (4) establishment of a research program for an Advanced Reactor Hydrogen Cogeneration Project.

- ***Studies and Program Support***

  The act provides extensive authorization for the Department of Energy to increase the efficiency of all energy intensive sectors, promotes diversity in energy supply, improves energy security and decreases the environmental impact of energy-related activities. Specific authorizations are provided for energy-efficiency efforts, a next-generation lighting initiative, national building performance initiative, programs regarding renewable energy, bioenergy and solar power, oil and gas programs, including ultra-deepwater and unconventional natural gas.

  The plan authorizes nearly $4 billion for energy and conservation activities; more than $3 billion in funding over the next five years for renewable energy efforts; and more than $2.5 billion for fossil fuel efforts. It also establishes a competitive grant program for 15 different geographic locations/programs based on the acquisition of alternatively fueled, fuel cell, hybrid, and/or ultra-low sulfur vehicles, including programs dedicated to installation of infrastructure necessary for the maintenance and support of such vehicles, amounting to no more than 20 million dollars per applicant.

  The act establishes a training and fellowship program for nuclear sciences, health physics, and engineering fields, with a budget of one million dollars per FY until 2009. It also establishes a program of study for the secondary use of spent batteries and a program for study of the storage capacity of petroleum and natural gas.

- ***Electrical Power Generation***

  The Act promotes investment to increase an upgrade critical electric transmission capacity and efficiency measures. The Federal Energy Regulatory Commission (FERC) is required to implement an incentive rate rule and to provide for participant funding. FERC is further required to implement policies for expedited siting processes on both federal and private lands; and provides for the development and deployment of advanced transmission technologies.

- ***Alternative Fuels***

  Under the provisions of the EPA, renewable fuels' standard is set at 5 billion gallons to be available in the marketplace by 2010. It further establishes operator-training programs to be created in areas where they do not already exist. In addition, it bans the use of MTBE in motor fuels after 2014.

B.2 FY-2007 Proposed DOE Budget

The Department of Energy Budget request for fiscal year 2007 emphasizes energy diversification with increased funding for:

- Solar America—$148 million
- Biomass/Biofuels Initiative—$150 million
- Wind—$44 million
- Hydrogen Fuel Initiative—$289 million
- Clean Coal—Future Gen—$54 million
- Nuclear Power 2010—$54 million
- Nuclear Energy, Science & Technology—$347 million
- Fusion Energy Science—$319 million
- High Energy Physics—$776 million
- Nuclear Physics—$454 million
- State Energy Grant Programs—$49 million
- Basic Energy Science—$1,421 million
- Advanced Scientific Computing—$318 million

The budgetary requests listed above are, in general, largely mortgaged funding for ongoing programs. However, there are areas where additional and/or new research is contemplated. Some of the areas of increased research emphasis include: (1) Biotechnology;
(2) Nanotechnology; (3) Materials Science; (4) High-Speed Computing; (5) High-Intensity Light sources; and (6) Fusion Energy.

B.3 Environmental Protection Agency

The Environmental Protection Agency (EPA) has a number of grant-related programs focused in the areas of energy efficiency and renewable energy including: (1) Pollution prevention; (2) Healthy Communities; and (3) Clean Air. State and local governments, businesses, public organizations (e.g. schools), nonprofit organizations, and consumers may be eligible to participate in the EPA grant's program. In general, projects selected for funding will be in support of: (1) Reduction of energy-related costs, (2) Improvement in air quality and public health; and (3) Enhanced economic development. Funding opportunities are published through the EPA's website. http://www.epa.gov/

B.4 National Science Foundation

The National Science Foundation (NSF) offers funding and grant-related programs in support of science-related projects. NSF funds research and education in most fields of science and engineering. It does this through grants and cooperative agreements to more than 2,000 colleges, universities, K-12 school systems, businesses, informal science organizations and other research organizations throughout the United States. NSF also supports cooperative research between universities and industry, US participation in international scientific and engineering efforts, and educational activities at every academic level. Grants and awards provided through NSF are generally directed to basic science, computing and engineering research projects. Funding opportunities are published through NSF's website. http://www.nsf.gov/funding/

B.5 Private Foundations

- ***Energy Foundation***

  The energy foundation provides funding in support of energy efficiency and renewable energy use. Grants are allocated in six areas: 1) Power generation; 2) Transportation; 3) National Policy and Analysis; 4) Climate and are to be used in improving energy efficiency and renewable energy use. Funds may not be used for R&D projects, community energy projects, or demonstration projects. Eligibility is restricted to non-profit charitable organizations.
  http://www.energyfoundation.org/home.cfm

- ***Kirsch Foundation***

  The Foundation has a focus in reducing air pollution from mobile sources, supports the development and use of alternative, clean fuel technologies, elimination of industrial and consumer dependence on diesel fuel and/or eradicates global worming. Has an annual funding budget of ~$1.5 million.
  http://www.kirschfoundation.org/how/environmental/environment.html

- ***Strategic Environmental Project Pipeline Foundation***

  Under the StEPP Foundation, funding is provided to support organizations and/or projects in the U.S. that demonstrate positive benefits of renewable energy, energy efficiency, and pollution prevention projects. The Foundation is dedicated to helping organizations realize their vision of a clean and safe environment by nationally matching projects with fund sources. The StEPP Foundation provides project oversight to enhance the success of projects increasing the number of energy efficiency, clean energy and pollution prevention projects implemented at the local, state and national levels for the public. Government entities (local, state and national), non-profit organizations, academic institutions and other organizations are all encouraged to enter project ideas into the StEPP Project Pipeline for funding consideration. http://www.steppfoundation.org/

- ***Bulitt Foundation***

  The Bulitt Foundation supports projects/initiatives that encourage ultra-efficient energy use, environmentally sustainable urban growth, and other environmental objectives. It also provides funding for training programs that support these areas. The Foundation focuses on non-profit organizations that serve the States of Washington, Alaska, Oregon, Idaho, Montana, and the Canadian Province of British Colombia. http://www.bulitt.org/

- ***Bonneville Environmental Foundation***

  The Bonneville Environmental Foundation provides grants, loans, convertible loans, guarantees, and direct investment in renewable energy projects. Projects of interest include, but not limited to, solar, wind and geothermal projects. Projects eligibility is limited to individuals, organizations, local or tribal governments located in Idaho, Montana, Oregon or Washington. http://ww.b-e-f.org/grants/

B.6 Competitors

Following is a preliminary and partial list of potential competitors to CAES. Included within this analysis are other National Laboratories, Universities, Energy Centers, and Training Centers.

National Laboratories

1. Argonne National Laboratory http://www.anl.gov/
2. Sandia National Laboratory http://www.sandia.gov/
3. Los Alamos National Laboratory http://www.lanl.gov/
4. Oak Ridge National Laboratory http://www.ornl.gov/
5. Pacific Northwest National Laboratory http://www.pnnl.gov/
6. National Renewable Energy Laboratory http://www.nrel.gov/
7. National Energy Technology Laboratory http://www.netl.gov/
8. Lawrence Livermore National Laboratory http://www.llnl.gov/
9. Brookhaven National Laboratory http://www.bnl.gov/

University Centers

A number of research and educational centers and institutes have been established in support of alternative energy research. The majority of the more established centers have a fossil energy focus whereas some of the more recently established programs have taken on emphases in the renewable energy sector. Most of the programs have established funding sources and constituencies that provide sustainability to their programs.

1. ***Energy & Environmental Research Center***—University of North Dakota. The Center has 280 scientists, engineers and instructors and has plans to expand to 500 by 2010. The Institute does research in advanced power and energy. Key areas include: (a) hydrogen production & distribution; (b) fuel cells; (c) fossil fuels; and (d) biomass. Centers of excellence include: (a) Center of biomass utilization; (b) Coal Ash Research Center; (c) Coal Utilization Center; (d) National Center for Hydrogen Technology; and (e) Wind Energy Resources Center. It also operates a national alternative fuels laboratory. http://www.undeerc.org/

2. ***Center for Applied Energy Research***—University of Kentucky. The Center conducts research and development in: (a) carbonaceous materials; (b) clean coal technologies; and (c) clean fuels and chemicals. http://www.car.uky.edu/

3. ***Appalachian Oil & Natural Gas Research Consortium***—West Virginia University. The Center's is one of the leading fossil energy research institutions with emphasis in coal. In addition to fossil energy research, the Center operates a Supercomputing Science Consortium and operates an EPSCoR (e.g. Experimental Program to Stimulate Competitive Research). http://www.nrcce.wvu.edu

4. ***Energy, Environment & Resources Center***—University of Tennessee-Knoxville. The Center has a staff of 75 and is funded through grants, contributions, funding and appropriations from DOE, DOD, EPF, TVA, state and private sector. The Center's research is focused primarily in research and development and environmental issues related to carbonaceous fuels. http://eerc.ra.utk.edu/

5. ***Future Energy Laboratory***—Imperial College, UK. The Institute focuses on major cross-cutting, interdisciplinary research programs in key scientific, technological or commercial interest related to energy research. http://www3.imperial.ac.uk/energyfutureslab/

6. ***The Public Utility Research Center***—University of Florida. The Center is funded by energy & telecommunications companies and the public service commission. The Center conducts energy policy forums both domestic and international. http://www.purc.ufl.edu/

7. ***Energy Policy Initiatives Center***—University of San Diego. The Center is a non-profit academic research center. The Center emphasizes energy policy as well as analysis of energy trends. http://www.sandiego.edu/usdlaw/

8. ***Center for Energy & the Global Environment***—Virginia Tech University. The Center conducts research in energy policy. The Center conducts seminars, workshops, training programs and joint research activities in collaboration with scientists and researchers from the U.S. and international institutions. It is linked with industry groups and universities in more than 30 nations, making it one of the most internationally active research organizations of its kind. http://www.ncr.vt.edu/research/

9. ***Joint Global Change Research Institute***—University of Maryland. The Institute is a partnership with the Pacific Northwest National Laboratory. While housed with the University, the core research staff primarily consists of PNNL employees. Climate change economics, technology and policy impacts on adaptation and vulnerability, and international, long-term energy systems planning are the three main areas of focus. The Institute builds on the University strengths in public policy and the social sciences areas, and researchers who have been studying climate change. http://www.globalchange.umd.edu/

10. ***The Laboratory for Energy and the Environment***—Massachusetts Institute of Technology. This is a university-based affiliation of programs and projects sharing information about the impacts of energy sourcing and usage on the environment. The program strengths include studying issues on energy alternatives, energy infrastructure, transportation energy, economic and climate impacts. Research is internationally focused with an academic audience. The Laboratory supports 40 staff, mostly Ph.Ds in engineering fields. http://www.lfee.mit.edu/

Training Centers

Centers/Institutes involved in training vary considerably in their offerings and their area of expertise. Many of the established programs already provided accredited training to the oil & gas, utility, and nuclear power industries. Programs and training are offered as web-based training and/or traditional classroom training.

1. ***United States Association for Energy Economics***. The Center conducts training for professional involved in the energy industry as well as studies issues related to energy economics. http://www.usaee.org/

2. ***British Institute of Energy Economics***. The international Institute's primary charter is to conduct studies related to energy economics and national energy policies. http://www.biee.org/

3. ***Canadian Energy Research Institute***. The Institute has three primary activities: a) to conduct energy economic analyses; b) to evaluate national energy polices; and c) to carryout energy market assessments/forecasts. Their activities are focused primarily in the oil, natural gas and electrical power generation sectors. http://www.eri.ca/

4. ***National Alternative Fuel Training Consortium***—West Virginia University. The Consortium currently supports 25-National Training Centers in the U.S. The Consortium conducts training in the use of alternative fuels in transportation applications. http://www.naftc.wvu.edu/

5. ***General Physics Corporation***—Privately owned training center that is focused primarily on training and certifying nuclear operators for the nuclear power industry. http://gpworldwide.com/nuclear

6. ***Nuclear Engineering Teaching Laboratory***—University of Texas. The Laboratory educates nuclear science engineers. http://www.me.utexas.edu/

7. ***Nuclear Training Center***—Owned and operated by Duke Power and Westinghouse Electric Company at the Catawba Nuclear Station. The Center trains operators and employees of nuclear power utilities. Training emphasis is focused primarily on instrumentation, controls, and maintenance.

8. ***The Public Utility Research Center***—University of Florida. The Center is funded by energy & telecommunications companies and the public service commission. The Center provides training for operators and employees of energy & telecommunications companies. http://www.purc.ufl.edu/

9. ***Bismarck State Energy Education***—Bismarck State University. The Center is partnered with EPRI and provides online education training for energy employees and operators of the utilities. http://www.bismarkstate.edu/energy/

LEASE AGREEMENT NO. 00049377

BETWEEN

IDAHO STATE UNIVERSITY

AND

BATTELLE ENERGY ALLIANCE, LLC

FOR

THE CENTER FOR ADVANCED ENERGY STUDIES

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LEASE AGREEMENT

THIS LEASE, made and entered into this 23rd day of October 2006, 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, (**Lessee or BEA**) collectively referred to as the **Parties**.

WHEREAS, BEA is the management and operating 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**) at the Idaho Falls Center for Higher Education campus, has approved a facility to be jointly occupied by the Idaho Universities Consortium (**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; 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 _____ square feet or _____ 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 (which includes the

release or disposal of any hazardous or regulated substance but excludes 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 term of this Lease shall be, subject to the provisions of Article 8 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 established by mutual agreement of the Parties signing a "Commencement Date Agreement" (see Exhibit B). The commencement date established in Exhibit B shall be when the requirements for beneficial occupancy have been met. The term "requirements for beneficial occupancy" means (1) the Lessor has met all requirements established in the Lease in order to place the Premises in a condition of occupancy and (2) a "Certificate of Occupancy" for the Premises has been issued by the City of Idaho Falls.

C. Rental payments, as described in Article 3, shall not accrue until the first day prescribed in the Commencement Date Agreement. However, if the Parties have not signed the Commencement Date Agreement by March 1, 2009 (assuming this Lease has not been terminated prior to March 1, 2009), Base Rent, established in section 3.A below, shall be payable monthly by Battelle Memorial Institute (**Battelle**); provided however, that Battelle shall have no obligation to pay Base Rent (or any other obligation) if the requirements for beneficial occupancy have not been met as a result of the actions or inactions of Lessor or its contractors responsible for the construction of the Premises.

ARTICLE 3 - PAYMENT

A. Base Rent. The Parties agree to amend this Lease by mutual agreement by signing Exhibit C of this Lease, which shall establish the base monthly rental (**Base Rent**). The Lessee covenants and agrees to pay Lessor as rental for the Premises the Base Rent to be established in Exhibit C. Base Rent shall be due on the fifth business day of each month, payable in arrears. Base Rent payments shall be made directly to the trustee identified in Article 24 (**Trustee**) for bonds to be issued by Lessor to finance the Premises (**Bonds**). Lessor agrees that Lessee's Base Rent payments to trustee are deemed to be payments to Lessor for purposes of satisfying Lessee's Base Rent obligations under this Lease.

B. Service Rent. In addition to the Base Rent, the Lessee shall pay a pro rata share (based on the relative percentage of the Parties' occupancy of the Premises as indicated in Article 1) of all actual maintenance and operations costs, utilities, parking (if charged in the future), 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.

C. If Lessee fails to make payment to Trustee as required by Article 3.A, Lessor agrees to provide notice to Battelle and WG (as these terms are defined in Article 33.A) to the persons listed in Article 24 within ten (10) business days of such failure. Notwithstanding the foregoing requirement, a failure of the Lessor to give such notice shall not impact in any way (except as provided in the following proviso) the obligations of Battelle or WG hereunder; provided however, the obligations of Battelle or WG to make guaranty payments under this Lease shall not be triggered until Lessor or Trustee provide the Notice(s) required in Article 33.D.

ARTICLE 4 - 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 Premises, the Lessor shall reimburse the Lessee for all such damages or expenses.

ARTICLE 5 - 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 6 - 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 Effective Date, and agrees Lessor 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 7 - USE OF PREMISES

A. Lessee agrees that the Premises are to be used as laboratory facilities and associated offices. Lessee shall not allow 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 activities conducted on the Premises. 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 Lessee 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 Premises policies and procedures (i.e., hazardous chemicals handling and disposal, reporting and tracking, fitness for duty, safety, etc.) for the management and operation of the Premises. 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 such Premises policies and procedures for the management and operation of CAES and the Premises. Lessee's failure to comply with such policies and procedures shall be grounds for default as set forth in Article 22, "Default", including Lessee's continued non-compliance after Lessor's 60 days' notice.

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 8 - TERMINATION

A. Termination by Lessee. Lessee shall have the right upon 365 days' advance written notice to terminate this Lease for any reason.

B. Battelle Memorial Institute's/Washington Group International's Obligations. If Lessee (or its successors or assignees) terminates this lease under Article 8.A. of this Lease prior to payment in full of the principal and interest of the Bonds, the terms of Article 33 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 as allowed by Article 22 of this Lease.

ARTICLE 9 - COMMON AREAS AND ALTERATIONS TO PREMISES BY LESSOR

A. The Lessee shall have nonexclusive use of all areas of the Premises designated by the Lessor as common areas for the use generally of the tenants of the Premises. 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. With the approval of Lessor, 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; and Lessor's approval shall not be unreasonably withheld except as may be required by law. The fixtures, alterations and/or signs placed in, upon or attached to the Premises are and remain the

property of the Lessee or the United States Government (**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 Government will not be affected by the incorporation of the property or its 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 10 - 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.

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 use of the 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 term of the Lease, 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 11 - JANITORIAL SERVICES, MAINTENANCE AND REPAIR

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

Name: Greg Horton, Manager, Facilities Operations

Office Address: ISU/UI Center for Higher Education, Room #100
P.O. Box 8150
Idaho Falls, ID 83402

Work Phone Number: (208) 282-7823

E-mail Address: hortgreg@isu.edu

Cell Number: (208) 221-4061

Home Address: 1850 Carmel Drive
Idaho Falls, ID 83402

Emergency Phone Number: (208) 282-2515

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

B. The Lessor shall provide and pay for janitorial services, 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 (as provided in Article 3.B) 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.

C. Lessee shall operate and maintain the information technology (IT) infrastructure of the Premises. The cost for providing this service shall be allocated between the Parties pursuant to the terms of Article 3.B above and shall be accounted for in calculating Lessee's Service Rent. Lessor agrees that Lessee shall have 7 x 24 access to the entire Premises in order to operate and maintain the IT infrastructure.

D. Janitorial services, maintenance, repair, and replacement services by the Lessor, in accordance with Articles 11.B and 11.C, shall be agreed to in writing by the Parties. Such written agreement, which shall become Exhibit D of this Lease, shall specify the (i) scope and level of maintenance services to be performed and (ii) the Parties' pro-rata share of the costs of such services.

ARTICLE 12 - 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 sublessee of the Lessee 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 13 - 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 14 - 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 agreement 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 five million dollars ($5,000,000);
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 solely 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 15 - PROPERTY INSURANCE

The Lessor shall provide and maintain "All Risk" property and casualty insurance on the Building, together with rental interruption insurance, insuring the Building against damage or loss resulting from fire or other casualty; provided, however, that Lessee shall pay its pro rata share of such cost of insurance as part of the Service Rent as provided in Article 3.B. Lessee shall be a named insured on such insurance. 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. Lessor will provide copies of the insurance policies to Lessee, Battelle, and WG.

ARTICLE 16 - CONDEMNATION

In the event the Premises are condemned 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, Battelle, or WG under any provision of this Lease. Lessor shall not be obligated in any way to Lessee or Battelle as a result of such condemnation, except (i) 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 and (ii) to apply the condemnation proceeds, to the extent available, to pay in full the then-outstanding principal and interest of the Bonds.

ARTICLE 17 - DAMAGE OR DESTRUCTION

A. Except as provided in Article 15, 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. With regard to losses not covered by insurance, 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 (which includes the proceeds of any applicable insurance policy) 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, Battelle, nor WG shall have any further obligation to Lessor 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 and Base 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, in which case the Parties expect that rental interruption insurance shall apply.

D. If the damage to or destruction of the Premises (i) renders that portion of the Premises covered by this Lease untenantable in any degree and (ii) such loss or destruction is covered by insurance, the proceeds of such insurance shall be applied as follows: (a) the proceeds from the property and casualty insurance shall be applied to restore the Premises if Lessor determines to restore the Premises; and if Lessor determines not to restore the Premises, such insurance proceeds shall be applied first to payment in full of the then-outstanding principal and interest of the Bonds, with any remainder of the insurance proceeds payable to Lessor, and (b) the proceeds from the rental interruption insurance shall be used to pay the principal and interest coming due on the Bonds.

E. If the damage to or destruction of the Premises renders that portion of the Premises covered by this Lease untenantable in any degree and such loss or destruction is not covered by insurance, Battelle and WG shall be responsible to make payment of the principal and interest on the Bonds as they come due in proportion to their respective obligations described in Article 33.

ARTICLE 18 - 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 19 - 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 20 - 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 21 - 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 non-binding mediation by a mediator satisfactory to both Parties.

B. This Lease shall be governed by the law of the State of Idaho. Any action arising from this Lease shall be filed in State District Court in Bonneville County, Idaho.

ARTICLE 22 - 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 sixty (60) 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 and Service Rent provided herein shall not be extinguished for a period of 365 days. Lessee shall continue to pay the Base Rent and Service Rent 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 for a period of no more than 365 days; provided however, to the extent Lessor's duty to mitigate damages is satisfied through the receipt of rentals from another tenant, Lessee's obligation to pay rentals (Base Rent and Service Rent) shall be reduced commensurately. The Lessee shall pay such deficiency each month as the

amount thereof is ascertained by the Lessor. Nothing in this section 22.A shall be construed to affect Battelle's or WG's obligations under Article 33.

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.

C. Lessor will not be in default under this Lease unless Lessor fails to perform an obligation required of the Lessor under this Lease within thirty (30) days after written notice by registered mail from Lessee to Lessor and to the Trustee specifying the obligation that the Lessor has failed to perform. If more than thirty (30) days are reasonably required for performance or cure, Lessor shall not be in default if it commences performance within thirty (30) days after written notice. If Lessee's beneficial use of a substantial portion of the Premises is materially impaired by Lessor's default, the opportunity to cure cannot exceed one hundred eighty (180) days. If, at the end of such 180-day cure period, Lessor has not cured the default, this Lease (including all obligations of Lessee, Battelle, and WG to Lessor) may at the Lessee's option (and with notice to the Lessor and the Trustee) be terminated. In the case of damage or destruction of any portion of the Premises, Lessor shall not be considered to be in default hereunder if it is reasonably proceeding with repair or replacement of the damaged or destroyed Premises.

ARTICLE 23 - 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 of 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 24 - 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 Financial Services Idaho State University Campus Box 8219 Pocatello, ID 83209
TO LESSEE at:	Battelle Energy Alliance, LLC ATTN: Director, Supply Chain Management P.O. Box 1625 Idaho Falls, ID 83415
TO TRUSTEE at:	U.S. Bank National Association ATTN: corporate Trust Department P.O. Box 7928 Boise, ID 83707
TO Battelle at:	Russell P. Austin Battelle Memorial Institute 505 King Avenue Columbus, Ohio 43201-2693
TO WG at:	Washington Group International ATTN: Associate General Counsel 106 Newberry Street, SW Aitken, SC 29801

ARTICLE 25 - 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 26 - 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 27 - 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 28 - 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 C, Base Rental Rate Agreement
3. Exhibit A, Description of Premises
4. Exhibit B, Commencement Date Agreement
5. Exhibit D, Janitorial Services, Maintenance and Repair

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 29 - 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 30 - 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 31 - EXAMINATION OF RECORDS

Unless exempted by applicable law, Lessor and Lessee 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 of Lessor or Lessee that are relevant to each such Party's performance under this Lease.

ARTICLE 32 - ASSIGNMENT

Except as otherwise provided in this Lease, the interest of either Party in this Lease shall not be assigned to a third-party without the written consent of the other Party, which consent shall not be unreasonably withheld.

ARTICLE 33 - STATUS OF BATTELLE MEMORIAL INSTITUTE AND WASHINGTON GROUP INTERNATIONAL

A. Parent Company Assurance:

1. Battelle Memorial Institute. For the purpose of providing partial financing to assist in construction of the Building, Battelle Memorial Institute (**Battelle**) is a party to this Lease for the sole and limited purpose of providing secondary security, as provided in Article 33.D below, for the payment of principal and interest on the Bonds in the principal amount of $8.88 million (**Battelle Guaranty**), payment of principal and interest on such Bonds being referred to hereafter as **Bond Debt**. The primary security for the Bond Debt is the Base Rent due Lessor under this Lease. Except as provided in Article 33.D, Battelle has no obligation to Lessor under this Lease. The Guaranty is being made by Battelle for good and valuable consideration.

2. Washington Group International. For the purpose of providing partial financing to assist in construction of the Building, Washington Group International (**WG**) is a party to this Lease for the sole and limited purpose of providing secondary security, as provided in Article 33.D below, for the payment of principal and interest on the Bonds in the principal amount of $1.12 million (**WG Guaranty**), payment of principal and interest on such Bonds being referred to hereafter as Bond Debt. The primary security for the Bond Debt is the rentals due Lessor under this Lease. Except as provided in Article 33.D, WG has no obligation to Lessor under this Lease. This Guaranty is being made by WG for good and valuable consideration, including without limitation, satisfaction of WG's obligations to assist in the development of projects such as CAES.

3. Pro-Rata Obligations. The obligations of Battelle and WG to pay the Bond Debt are pro-rated such that any insufficiency in the Base Rent hereunder to pay the Bond Debt shall be satisfied 88.8% by Battelle and 11.2% by WG.

B. Amortization of Bond Debt. The Parties agree that the Base Rent paid to Lessor under Article 3.A of this Lease shall be applied to pay the Bond Debt of both Battelle and WG in proportion to the Bond Debt each has guarantied as provided in Article 33.A above. Payments made to Lessor under Article 3.B for maintenance of the Building shall not be considered rental payments for purposes of this Article 33.B

C. Successor Contractor. If (i) the Lessee's contract with DOE (Contract No. De-AC07-05ID14517) expires or is terminated before payment in full 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; and Battelle's and/or WG's obligations described in paragraph D below apply to the assigned Lease. The payments of Base Rent made to Lessor by such successor contractor shall be applied as prescribed in Article 33.B above. Lessor agrees that despite assignment of this Lease to any successor contractor, the provisions of this Article 33 with respect to the release of Battelle and/or WG upon payment in full of the Bond Debt is made for the express benefit of Battelle and WG and is enforceable by Battelle and WG with respect to their respective portions of the Bond Debt.

D. Battelle's/WG's Obligations and Rights.

1. If the Base Rent payments made under this Lease, as provided in Articles 33.B and 33.C above, are insufficient at any time or from time to time to pay in full the Bond Debt, as and when the same shall come due (in whole or in part), or if Lessee (or its successors or assignees) terminates the Lease pursuant to Article 8, Battelle and WG shall be responsible, in proportion to their respective guaranties of the Bond Debt as provided in Article 33.A above, for making payment to the Trustee (as assignee of Lessee) of amounts sufficient to pay in full the Bond Debt. These assurances of payment by Battelle and WG are guaranties of payment when due and not just collection from Lessee. These guaranties of payment of the Bond Debt shall survive the termination of this Lease, except as otherwise expressly provided herein.

2. If Lessee's Base Rent payments are insufficient for Trustee to make any semi-annual payment on the Bond Debt when such payment comes due, Lessor shall notify Battelle and WG of (i) the total amount of such deficiency and (ii) the amount of such deficiency that is allocable to Battelle and WG in proportion to their respective guaranties of the Bond Debt as provided in Article 33.A above.

Battelle and WG agree to pay to the Trustee their respective share of such insufficiency within 15 days of their receipt of notice by the Lessor or the Trustee of such insufficiency.

3. The Parties agree that the sole obligation of Battelle and WG under Article 33.D.2 shall be to make payments, in their respective proportions as provided in Article 33.A, necessary to cure the deficiency in Lessee's Base Rent payments necessary to make the semi-annual payment on the Bond Debt when the same has come due. In the event that Battelle or WG shall fail for any reason to pay their respective share of the Bond Debt within 60 days of their receipt of notice of insufficiency, the Lessor may, at its sole option, demand payment from Battelle or WG, as the case may be, of the full amount of their respective shares of the Bond Debt then outstanding plus interest thereon (at the Bond interest rate) to the next date upon which the Bonds may be redeemed.

4. If Battelle's/WG's guaranty obligations hereunder are triggered by the Lessee's termination of the Lease, Battelle and/or WG, at their sole discretion, reserve the right to assume assignment of the Lease. Upon acceptance of assignment of this Lease, Battelle and/or WG shall succeed to the rights and obligations of Lessee or any successor contractor under this Lease; provided however, that Battelle and/or WG shall accept assignment of this Lease solely for the time necessary to amortize the Bond Debt and once the Bond Debt is amortized, Battelle and/or WG shall be immediately and automatically released from any and all obligations under this Lease.

E. Release of Battelle/WG. Once the Bond Debt is paid in full as provided under the terms of this Lease, Battelle and WG shall be released from any and all obligations under this Lease.

F. Sublease. The Parties agree that (i) Lessee or (ii) Battelle and/or WG provided Battelle and/or WG become the Lessee under Article 33.D above, may enter into subleases under this Lease regarding the Leased Premises; provided that any such sublease shall be consistent with the CAES mission as expressed in either this Lease or the BEA prime contract.

G. Individual Guaranties. The Parties acknowledge and agree that the obligations of Battelle and WG under this Lease, including without limitation their respective guaranties, are

individual and separate as opposed to joint and several. Therefore, (i) in the event Battelle fails to meet its Battelle Guaranty obligation, no Party shall have any right to pursue WG for the same and (ii) in the event WG fails to meet its WG Guaranty obligation, no Party shall have any right to pursue Battelle for the same.

ARTICLE 34 – APPLICATION OF CONSTRUCTION CONTINGENCY FUNDS

If, upon completion of the construction of the Building, Lessor's construction manager has any funds in its account that were contributed by Lessee, the Parties agree that such remaining funds shall be applied to the next-due Bond payment; provided, the Parties agree to make a corresponding adjustment to the next-due Base Rent payment.

ARTICLE 35 - ENTIRE AGREEMENT

This Lease and Exhibits "A", "B", "C" and "D" 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.

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 addition, Lessee, Battelle and WG agree to make reasonable disclosures related to and necessary for the process of securing financing.

ARTICLE 36 – BOARD AND CONTRACTING OFFICER APPROVAL

This Lease is executed by the designated representatives of the Parties and entities identified in the signature article below subject to (i) the final approval of the Lease by the State Board of Education and (ii) the Lease satisfying the limiting conditions prescribed in a certain Department of Energy letter dated October 4, 2006 from the contracting officer regarding the Lessee's signature authority for this Lease. Upon the satisfaction of the two foregoing contingencies, this Lease shall be effective immediately and without further consent of or action by the Parties.

ARTICLE 37 – COUNTERPART SIGNATURES

The signatories to this Lease, below, agree that this Lease may be executed in any number of counterparts with the same effect as if all the signatories had signed the same document, and all counterparts shall be construed together and shall constitute one written document.

[signature]	President	10/23/06
LESSOR: Idaho State University	Title	Date
LESSEE: Battelle Energy Alliance, LLC	Title	Date
BATTELLE MEMORIAL INSTITUTE	Title	Date
WASHINGTON GROUP INTERNATIONAL	Title	Date

ACKNOWLEDGED AND CONSENTED TO:

University of Idaho	Title	Date
Boise State University	Title	Date

ARTICLE 37 – COUNTERPART SIGNATURES

The signatories to this Lease, below, agree that this Lease may be executed in any number of counterparts with the same effect as if all the signatories had signed the same document, and all counterparts shall be construed together and shall constitute one written document.

LESSOR: Idaho State University	Title	Date
LESSEE: Battelle Energy Alliance, LLC	President & Laboratory Director	10/19/06
BATTELLE MEMORIAL INSTITUTE	President & CEO	10/13/06
BATTELLE MEMORIAL INSTITUTE	EVP & CFO	10/12/06
WASHINGTON GROUP INTERNATIONAL	Title	Date

ACKNOWLEDGED AND CONSENTED TO:

University of Idaho	Title	Date
Boise State University	Title	Date

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The signatories to this Lease, below, agree that this Lease may be executed in any number of counterparts with the same effect as if all the signatories had signed the same document, and all counterparts shall be construed together and shall constitute one written document.

LESSOR: Idaho State University	Title	Date
LESSEE: Battelle Energy Alliance, LLC	Title	Date
BATTELLE MEMORIAL INSTITUTE	Title	Date
WASHINGTON GROUP INTERNATIONAL Legal Department Date: 10/11/06 Attorney:	Sr. V.P., Strategic Programs, for President of Energy & Environment Title	Oct. 11, 2006 Date

ACKNOWLEDGED AND CONSENTED TO:

University of Idaho	Title	Date
Boise State University	Title	Date

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LESSOR: Idaho State University	Title	Date
LESSEE: Battelle Energy Alliance, LLC	Title	Date
BATTELLE MEMORIAL INSTITUTE	Title	Date
WASHINGTON GROUP INTERNATIONAL	Title	Date

ACKNOWLEDGED AND CONSENTED TO:

University of Idaho	Title Vice President, Finance and Administration	Date 16 Oct 06
Boise State University	Title	Date

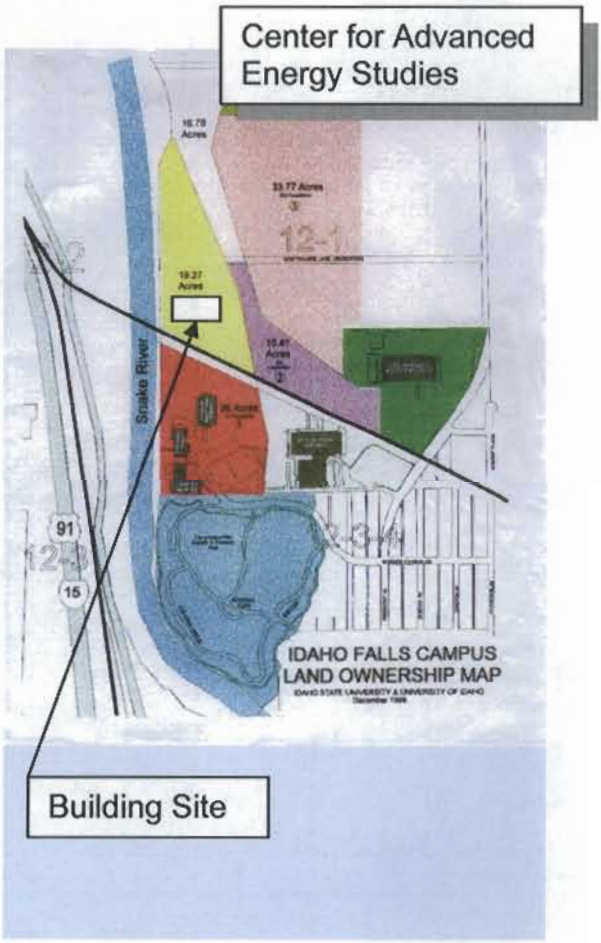
Exhibit A

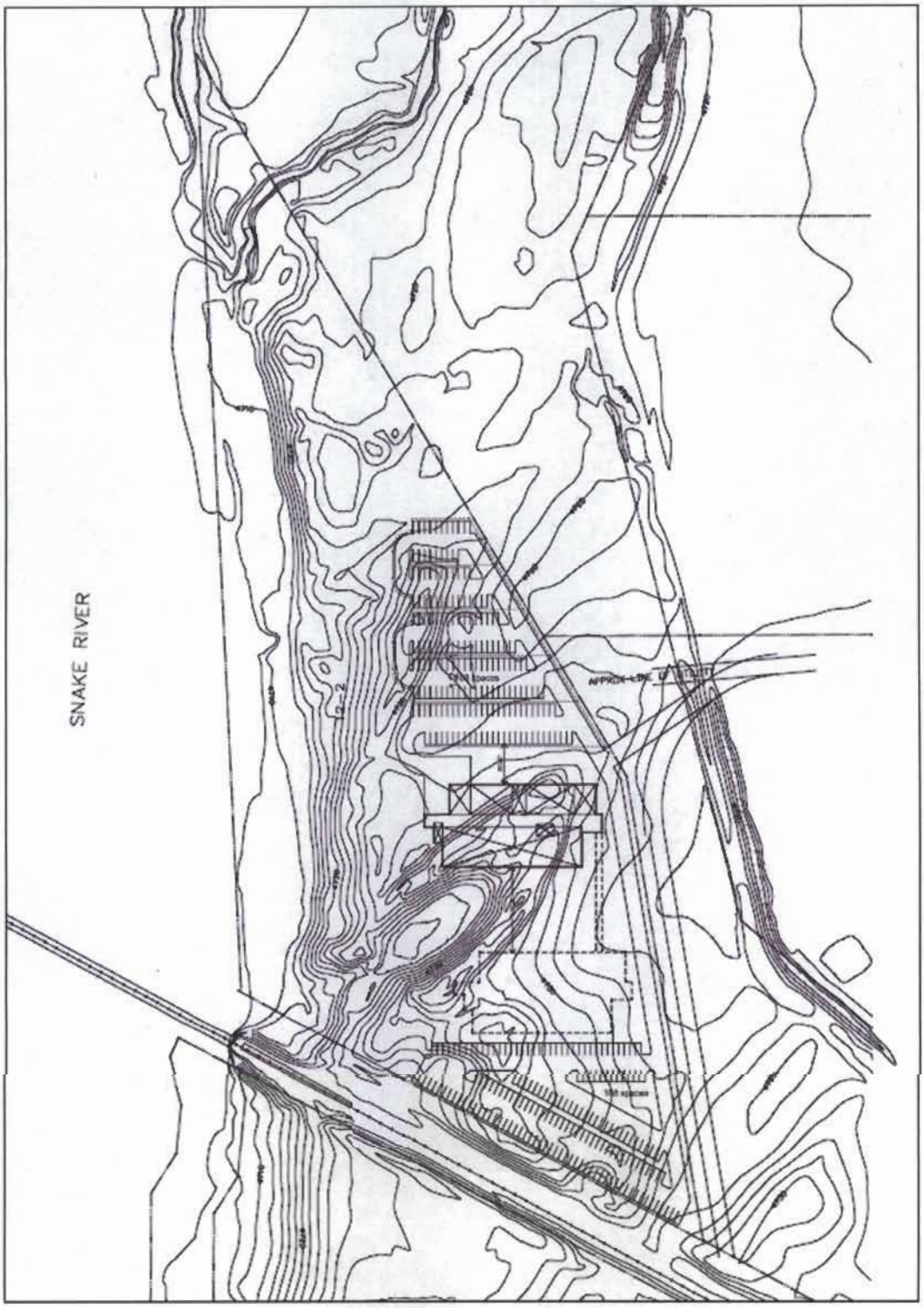
LEASE AGREEMENT NO. 00049377

DESCRIPTION OF PREMISES

The Center for Advanced Energy Studies (CASE) building will be at least 55,000 square feet located on seven acres of State of Idaho property in Idaho Falls, Idaho. The property is part of approximately 19 acres adjacent to land owned by the Idaho State University Foundation. The CAES building is located at 1000 University Boulevard in Idaho Falls, Idaho 83402.

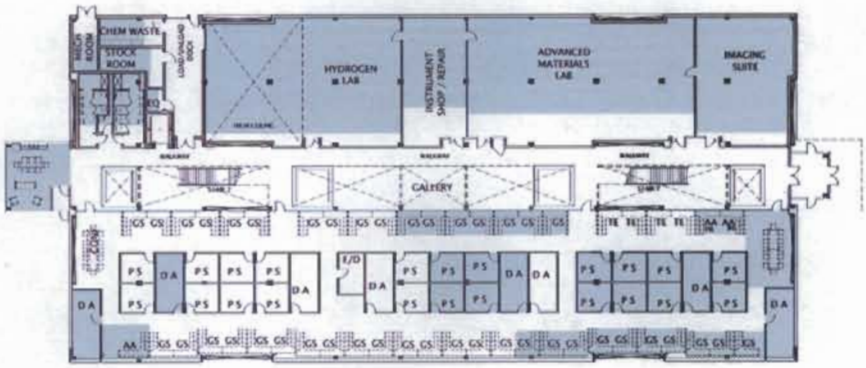
The legal description of the seven acres is: Beginning at the Southeast corner of Lot 1, Block 1, Bureau of Land Management Administration Building Site, Division No. 1, Bonneville County, Idaho; running thence N.10°05'38"W. along the Lot line 707.53 feet; thence N.32°17'32"W. along the Lot line 247.90 feet; thence S.89°52'14"W. 300.96 feet; thence S.10°05'38"E. 693.95 feet to the South line of said Lot 1, thence S.62°58'40"E. along said South line 498.18 feet to the point of beginning.



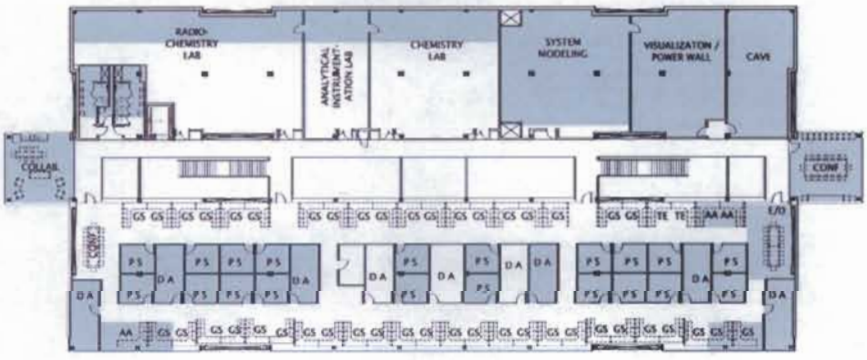


Site Location for the Center for Advanced Energy Studies Building

When completed, the CAES building will consist of offices for senior administrators, researchers, and graduate students. It will also have laboratories for research in hydrogen, advanced materials, chemistry, radiochemistry, system modeling, visualization, analytical instrumentation, and imaging to be used collaboratively by members of the CAES team. Space will also be provided for collection and temporary storage of hazardous waste.



FIRST FLOOR PLAN
1"=20' @ 11x17



SECOND FLOOR PLAN
1"=20' @ 11x17

The CAES site will provide approximately 168 parking spaces for the building occupants and users.

EXHIBIT B

LEASE AGREEMENT NO. 00049377

COMMENCEMENT DATE AGREEMENT

WHEREAS, by Lease Agreement dated _____, 2006 ("Lease") Lessor leased to Lessee approximately _____ gross square feet of particular space, located in the City of Idaho Falls, Bonneville County, Idaho, (hereinafter called the "Premises") for a period of twenty (20) years ("Term") to commence and expire as provided in Article 2. A of the Lease; and

WHEREAS, Article 2.B of the Lease states that the Commencement Date shall be when the requirements for beneficial occupancy have been met. By fixing a commencement date and termination date and signing this document, Lessor and Lessee agree that those requirements have been met.

NOW, THEREFORE, Lessor and Lessee hereby agree that the Commencement date of the Term shall be _____, 2008, and the Expiration date shall be _____, 2028, unless terminated as otherwise provided in the Lease.

IN WITNESS WHEREOF, the Parties hereunto have executed this Agreement as of the date first above written.

LESSEE:	LESSOR:
BATTELLE ENERGY ALLIANCE, LLC	IDAHO STATE UNIVERSITY
By:_____	By:_____
Title:_____	Title:_____
Date:_____	Date:_____

EXHIBIT C

LEASE AGREEMENT NO. 00049377

BASE RENT

Agreement made this _____ day of _____ 2006, by and between Idaho State University, an institution of higher education and agency of the State of Idaho, hereinafter called "Lessor" and Battelle Energy Alliance, LLC, a Limited Liability Company organized under the laws of the State of Delaware, hereinafter call "Lessee".

WHEREAS, by Lease Agreement dated _____, 2006 ("Lease") Lessor leased to Lessee approximately _____ gross square feet of particular space, located in the City of Idaho Falls, Bonneville County, Idaho, (hereinafter called the "Premises") for a period of twenty (20) years to commence and expire as provided in Article 2.A of the Lease; and

WHEREAS, Article 3.A of the Lease provides for the Lessor and the Lessee to execute this Exhibit C once the exact monthly rental rate (Base Rent) is known.

NOW, THEREFORE, Lessor and Lessee hereby agree that the Base Rent that Lessee shall pay Lessor, in accordance with the terms of the Lease, is _____, which equals 1/6th of the semiannual interest next due on the Bonds and $1/12^{th}$ of the annual principal payment next due on the Bonds. In addition, Lessor and Lessee shall pay Service Rent as provided in Article 3.B of the Lease.

Lessor and Lessee hereby further agree that if the Bond Debt is amortized entirely before the termination of the Lease, the Base Rent shall be $1.00 per square foot. Total square footage leased by Lessee shall be determined by Article 1 of this Lease.

IN WITNESS WHEREOF, the Parties hereunto have executed this Agreement as of the date first above written.

LESSEE:	LESSOR:
BATTELLE ENERGY ALLIANCE, LLC	IDAHO STATE UNIVERSITY
By:_____	By:_____
Title:_____	Title:_____
Date:_____	Date:_____

EXHIBIT "D"

AGREEMENT REGARDING MAINTENANCE
AND OPERATIONS SERVICES

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1. Introduction

The Center for Advanced Energy Studies (CAES) is a Joint Institute, which brings together the talents, facilities and capabilities of Idaho State University, University of Idaho, Boise State and the Idaho National Laboratory, (including the prime contractor, Battelle Energy Alliance (BEA)). The mission of CAES is to address critical science issues that resolve the many challenges associated with providing an appropriate mix of advanced energy technologies in relation to critical United States and global energy needs. CAES will address a variety of energy sources that are areas critical to ensuring U.S. energy security. Areas of particular concern include, but are not limited to: affordability, limited mission 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. global needs. This dialogue will present facts about the benefits of various energy sources including nuclear, fossil, renewable, energy in the world energy, and environmental debate, and conduct a wide range of academic and public activities. The Center will serve as a hub for an Idaho universities network and as a conduit for developing collaboration, partnerships and connectivity between researchers.

The CAES facility is located on the Idaho Falls Center for Higher Education campus in Idaho Falls, Idaho. Contributing members of the Center use the building and grounds to collaborate, conduct research and education in support of the Center's mission.

2. Purpose

Pursuant to Article 11 of the Lease Agreement Between Idaho State University and Battelle Energy Alliance, LLC for the Center for Advance Energy Studies, (the "Lease"), the Parties have agreed to set forth in Exhibit "D" of the Lease, the scope and level of maintenance services to be performed by ISU and the parties' pro-rata share of the costs of such services. The purpose of this Exhibit D is to set forth those services and costs and to outline and agree upon basic policies and procedures for the operation and maintenance of the Center for Advanced Energy Studies facility. The CAES Steering Committee (CAESSC) recommends changes to policies and procedures outlined in this Exhibit D, and the Parties hereto must agree in writing, to any amendments.

3. Organization

3.1 Center for Advanced Energy Studies Steering Committee

The CAESSC is responsible for the oversight of the Building's operations and management. The CAESSC consists of one representative from each CAES member, as set forth in the Memorandum of Agreement previously entered into between BSU, ISU, U of I and BEA.

The CAESSC is the first level of institutional partnership and will meet as scheduled by the chair. The CAESSC is responsible for governance and recommendations of:

1. Space assignment and use;
2. Major renovations or remodeling (changes to interior or exterior structure and organization);
3. Policy issues regarding the management and operation of the CAES facility; and
4. Resolution of facility use conflicts.

3.2 Idaho State University

Idaho State University (ISU) is the Lessor pursuant to the Lease and is responsible for collecting rents and managing funds for bond repayment and

facility maintenance. ISU will also administer facility maintenance, renovation, and remodeling projects, and will coordinate with the Idaho Division of Public Works and other Idaho state agencies as necessary.

Safety and security will be administered by ISU Public Safety. Control of hazardous materials will be coordinated as set forth in Section 6.2 herein and in compliance with the terms set forth in the Lease.

3.3 Idaho Falls Center for Higher Education Facilities Maintenance and Management Staff

Day-to-day operation and maintenance of the Building is the responsibility of ISU. The facility administrator and the maintenance and operations staff at the Idaho Falls Center for Higher Education will operate, clean, and maintain the Building. Backup support will be provided through contracted service agreements and from the ISU Pocatello campus.

4. Space Assignments, Utilization and Equipment

4.1 Assignment of Space Within the CAES Building

Facilities within the CAES building are classified as assigned, multi-use, and common.

4.1.1 Assigned Space

Use of offices and research laboratory spaces not leased by BEA will be requested from the CAESSC through the CAES Director. The CAES Director will review all such requests and assign space based on need.

4.1.2 Multi-use Space

Multi-use spaces include all laboratory and laboratory-support spaces not leased to BEA or to other CAES Members or to third parties. These spaces may be temporarily assigned by the CAES Director or left open for occasional use. The cost of maintenance and operations will be the responsibility of the agency to which the space is assigned.

4.1.3 Common Space

Subject to the terms of Article 9.A of the Lease, space used by all building occupants (such as restrooms, hallways, mechanical rooms and custodial closets) are common spaces.

4.2 Service Rent (Occupancy Costs)

Service Rent shall be allocated between the Parties as provided in Articles 3.B and 11 of the Lease.

4.3 Equipment & Furnishings

4.3.1 Furnishings

Lessor and Lessee will provide their own office furnishings. Furnishings must be of high quality to match the decor of the CAES building.

4.3.2 Equipment

Lessor and Lessee will provide their own laboratory equipment, as needed. Equipment will be inventoried into the building by ISU. Subject to the terms of Article 9.C of the Lease, the equipment ownership will be retained by the providing agency and will be inventoried into their respective systems. Maintenance and replacement of the equipment will be under the direction of the owners in coordination with the CAES Director. Once placed in the laboratories, the equipment use will be coordinated with the CAES Director.

5. Facility Maintenance and Operations

5.1 Maintenance

5.1.1 Routine Maintenance

Building maintenance, landscape, and custodial services will be accomplished with ISU employees and/or service contractors under the supervision of ISU.

5.1.2 Renovation and Remodeling

Renovations and improvements shall occur as prescribed in Articles 9 and 10 of the Lease.

5.2 Building Operation

5.2.1 Energy Conservation

The Building is constructed to the highest energy conservation standards reasonable under budget restrictions. The programs operating within the Building are involved in advanced CAES studies of energy sources and systems. In keeping with the spirit of the mission, the Building should operate at peak energy efficiency. All reasonable actions will be taken to keep the Building operating within acceptable energy standards and still support the efforts of the occupants.

5.2.2 Telephone Support

Telephone service and support will be provided by ISU with actual costs covered by Lessor and Lessee in accordance with their respective use.

5.2.3 Signage

Except as provided in Article 11.C of the Lease, ISU shall be responsible for constructing and installing signs in and around the Building. Room numbers and laboratory names will be installed during construction. The cost for name plaques and other agency signs will be the responsibility of the users. All signage, other than name plaques, requires the approval of the CAES Director.

5.2.4 Parking

Parking permits will be required for the Building's parking lot. Lessor shall issue a sufficient number of parking permits to Lessee at no cost to Lessee. The standard Idaho Falls Center for Higher Education permit will be used and is valid

on the Idaho Falls and Pocatello campuses. Sufficient visitor and disability parking will be identified and the lot controlled during special events.

6. Public Safety and Security

6.1 Public Safety

6.1.1 Safety

Safety is the responsibility of all users of the facility. Consistent with Article 7, all users of the facility shall follow ISU safety policies and procedures found electronically at http://www.isu.edu/departments/pubsafe/. Regarding the leased Premises, Lessee may supplement these procedures, but ISU policies and procedures must be followed as a minimum. When ISU, UI, or BSU employees are using space assigned to BEA, such employees shall follow BEA-established safety requirements.

General laboratory procedures will be the responsibility of the ISU Technical Safety Office and developed under the direction of the CAESSC in coordination with the Director of CAES and consistent with Article 7 of the Lease.

6.1.2 Security

The CAES facility is designed as open-access to facilitate collaboration. Security badges and check points will not be required unless directed by the CAESSC. A receptionist will be strategically located to assist visitors.

For the convenience of Lessee, crime prevention and reporting policies and procedures can be found electronically at http://www.isu.edu/departments/pubsafe/.

6.2 Hazardous and Radioactive Materials

Consistent with Article 27 of the Lease, each Party will be responsible for tracking, recording, and proper use and disposal of all hazardous substances used by that Party, including spills or accidents involving

hazardous substances within the premises, and both planned and unplanned releases to the environment. The Parties shall maintain appropriate inventory and material balance records for their own materials. The Parties shall integrate such data into a CAES computerized database system.

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Department of Energy
Idaho Operations Office
1955 Fremont Avenue
Idaho Falls, ID 83415

October 4, 2006

Mr. Greg B. Wray, Director
Supply Chain Management
Battelle Energy Alliance, LLC
P. O. Box 1625
Idaho Falls, ID 83415-1303

SUBJECT: Contract No. DE-AC07-05ID14517 – Request for Approval of the Lease Agreement for the Center for Advanced Energy Studies Facility (AS-CMD-P&P-07-004)

REFERENCE: Letter, G. B. Wray to M. L. Adams, Subject: Contract No. DE-AC07-05ID14517 – Request for Consent of Lease Agreement No. 000493777 for the Center for Advanced Energy Studies Facility – Supplement, dated September 25, 2006

Dear Mr. Wray:

We have received your request for approval of the lease agreement for the Center for Advanced Energy Studies (CAES) facility. Based on our review, we approve the proposed CAES lease with the understanding that the terms of the final lease agreement will result in a facility that will be a minimum of 55,000 square feet, the Idaho National Laboratory will lease 70% of the facility, and the lease rate will not exceed $24.00 per square foot.

Also, please notify me immediately if you negotiate any changes to the draft lease agreement or to any aspect of the business deal that may affect allowable costs or our conclusion that the lease is an operating lease under OMB Circular A-11.

If you have any questions, please contact the undersigned at 526-5277.

Sincerely,

Michael L. Adams
Contracting Officer
Contract Management Division

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FIRST AMENDMENT TO AGREEMENT
Between the Office of the Governor of the State of Idaho (State) and the Regents of the University of Idaho (Regents) and the Trustees of Idaho State University (Trustees), collectively "the Parties"

Whereas, the Parties entered into an Agreement, effective March 1, 2001, a copy of which is attached hereto as Exhibit A and incorporated herein by reference;

Whereas the original project and project management envisioned at the time of the effective date of the Agreement has changed; and

Whereas the Parties still desire to pursue a project of the same nature and for the same purpose;

Now therefore in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

Effective Date of this Amendment. This Amendment shall be effective as of March 1, 2006.

Amendments. The Parties now desire to extend the term of the Agreement, and to amend the terms of the Agreement, as follows:

A. Purpose and Scope: The purpose and scope of the Agreement in paragraph 1 shall be amended to have the State provide the Funds to the Trustees from the INEEL Settlement Fund for the construction of a Center for Advanced Energy Studies in Idaho Falls, Idaho. The Funds shall be used in accordance with the criteria, terms and conditions set forth in the Agreement as amended.

B. Lead University: The Trustees shall become the lead university and all individual references to the Regents in the Agreement shall change to the Trustees, as the Trustees shall be the recipient of the Funds.

C. Term: The term of the Agreement in paragraph 2 shall be extended from the effective date of this Amendment until such time as the Trustees report that the funds have been expended according to the terms of the Agreement, and the recordkeeping requirements in paragraph 8 have expired.

D. Payments: Paragraph 3 shall be amended to provide as follows. The Trustees shall provide the Office of the Governor, Division of Financial Management, with notice when all of the conditions in subparagraph B have been met, and the State shall promptly transfer to the Trustees the Funds for the construction of a Center for Advanced Energy Studies in Idaho Falls, Idaho.

E. Designated Key Personnel: Paragraph 11 of the Agreement shall be amended to designate the following as key personnel:

Robert A. Wharton
Academic Vice President
Idaho State University
Campus Box 8063
Pocatello, ID 83209

Kenneth R. Prolo
Vice President for Financial Services
Idaho State University
Campus Box 8219
Pocatello, ID 83209

F. Reporting and Auditing Requirements: Paragraph 8 of this Agreement is amended as follows. When all Funds have been expended according to the terms of this Agreement and the Division of Public Works has issued a Certificate of Substantial Completion permitting occupancy of the building, the Trustees shall provide the State with a final report with regard to the expenditure of the Funds. No other reporting and/or auditing requirements shall be required with regard to the Funds. Notwithstanding, the recordkeeping requirements of the Trustees and Universities, respectively, which are described in subparagraphs A through J of paragraph 8, shall continue in effect.

G. Contracting Officer: Paragraph 12 of the Agreement is deleted.

H. Notice: Paragraph 21 of the Agreement shall be amended to reflect the following addresses for providing notice:

If to the State:

Office of the Governor
700 W. Jefferson
Boise, ID 83720

If to the Universities:

Kenneth R. Prolo
Vice President for Financial Services
Idaho State University
Campus Box 8219
Pocatello, ID 83209

Effect. If there is any conflict between the terms and provisions of this Amendment and the terms and provisions of the Agreement, the terms and provisions of this Amendment shall govern. Except as specifically set forth herein, all other provisions of the Agreement shall remain in full force and effect and be binding upon the Parties in accordance with the terms therein.

STATE OF IDAHO:

Dirk Kempthorne — Date: 3/28/06

DIRK KEMPTHORNE
Governor

REGENTS OF THE UNIVERSITY OF IDAHO:

Roderic W. Lewis — Date: 4/18/06

By: RODERIC W. LEWIS, President

TRUSTEES, IDAHO STATE UNIVERSITY:

Roderic W. Lewis — Date: 4/18/06

By: RODERIC W. LEWIS, President

EXHIBIT A TO FIRST AMENDMENT TO AGREEMENT:

MARCH 1, 2001 AGREEMENT BETWEEN THE STATE, REGENTS & TRUSTEES

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:
CST Contract Officer
Idaho Department of Commerce
P.O. Box 83720
Boise, ID 83720-0093

If to the Universities:
Director, Capital Planning and Budget
University of Idaho
P.O. Box 443162
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.

Date: 6-29-01

DIRK KEMPTHORNE
Governor

Date: 6-21-01

KAREN McGEE
President, Regents of the University of Idaho

Date: 6 21-01

KAREN McGEE
President of the Trustees, Idaho State University

ATTACHMENT A: PROJECT PLANNING GUIDE ELEMENTS

Adoption/Acceptance (Sign Off) by Key Participants/Executives
Executive Summary of the PPG Contents
Definition of project process, scope, schedule, and budget
Project process steps and master calendar of project phases
Purpose of the project (mission, stakeholders, desired outcomes)
Project Delivery Strategy
Site Assessment: Master plan context (district and campus)
- Real property ownership/agreements/easements
- Criteria for site selection
- Site access
- Existing site features/considerations
- Zoning and jurisdictional considerations
- Environmental conditions
- Goals and objectives for development

Infrastructure: Existing conditions
- Technical requirements
- Jurisdictional considerations
- Delivery responsibilities

Building: Goals and objectives (uses, occupants/tenants)
- Design Criteria
- Functional requirements
- Space relationships
- Future expansion
- Technical criteria
- Maintenance and operational considerations
- Space requirements (detailed program of needs)
- Furnishings, fixtures, equipment needs

Cost Model: Estimates of all anticipated project expenses
- Funding and fundraising parameters (revenues)

Schedule: Pre-design through Construction phases
Other Considerations: (As warranted)

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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.

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
IDAHO STATE UNIVERSITY

SUBJECT

Authorization to issue General Revenue Bonds (2006 Bonds) to provide additional financing for the construction of the Center for Advanced Energy Studies (CAES) building.

REFERENCES

April 2005	Overview of CAES at SBOE regular meeting
August 2005	Update information on CAES at SBOE regular meeting
December 2005	Approved motion to issue a Request for Proposal (RFP) through the Division of Public Works (DPW) for selection of an architect and proceed with the pre-design/programming for the CAES Facility.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Polices & Procedures, Section V.F.1.

BACKGROUND

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 from BSU, ISU and UI, 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.

DISCUSSION

The CAES facility is planned to open in June 2008 and will have a minimum of 55,000 square feet. 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.

Documents relating to the issuance and sale of the 2006 Bonds are being prepared by bond counsel (Ballard Spahr Andrews & Ingersoll, LLP). The University is meeting with Standard and Poor's Public Finance Ratings and Moody's Investors Service the first week in November to obtain a rating on the 2006 Bonds. The rating will be available at the November 30, 2006, State Board of Education meeting.

INSTITUTION/ AGENCY AGENDA
IDAHO STATE UNIVERSITY - continued

The 2006 Bonds would be issued as Additional Bonds under the Board's Resolution adopted September 17, 1992 (Original Resolution), as previously amended and supplemented, and under the Supplemental Resolution authorizing issuance of the 2006 Bonds (Supplemental Resolution). The 2006 Bonds would be issued on parity with all other bonds issued under the Original Resolution, secured by the pledge of the University's Pledge Revenues, including but not limited to the University's Student Facilities Fee/Facilities, the Matriculation Fee, and the Revenues of the Housing System.

DOCUMENTS ATTACHED

Attachment 1 – Preliminary Official Statement Page 5
Attachment 2 – Supplemental Resolution Page 45
Attachment 3 – Bond Purchase Agreement Page 73

IMPACT

The design and construction of the facility is estimated to cost approximately $17 million. Funding for the facility is based upon:

(1) $4.9 million ($100,000 previously expended) 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 design for the previous CST facility);

(3) $10 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 70% of the CAES facility.

STAFF COMMENTS AND RECOMMENDATIONS

As noted in the "Subject", the action requested is for an amount that is greater than has been previously discussed with the Board and staff. Earlier financing discussions have mentioned $7.0 million bond revenue; the requested action in this motion is for an amount of $10.0 million. To satisfy the research requirements from the three universities and INL, additional space is required above the space supported by the $7 million guarantee. INL presented this need

INSTITUTION/ AGENCY AGENDA
IDAHO STATE UNIVERSITY - continued

to Battele Memorial (BMI) and Washington Group International (WGI). BMI agreed to increase their guarantee from $7 million to $8.8 million and WGI agreed to guarantee $1.2 million to ensure that the total space would be at least 55,000 square feet.

BOARD ACTION

Action on this agenda items consists of a motion to approve Supplemental Resolution for the 2006 Bonds. The title of the Supplemental Resolution is as follows:

> A SUPPLEMENTAL RESOLUTION authorizing the issuance and sale of $10 million General Revenue Bonds, Series 2006, of the Board of Trustees of Idaho State University; authorizing the execution and delivery of a bond purchase agreement and providing for other matters relating to the authorization, issuance, sale and payment of the Series 2006 Bonds.

Motion:

A motion to approve a Supplemental Resolution authorizing the issuance and sale of $10 million in General Revenue Bonds, Series 2006, of the Board of Trustees of Idaho State University; authorizing the execution and delivery of a bond purchase agreement and providing for other matters relating to the authorization, issuance, sale, and payment of the Series 2006 Bonds.

Moved by _____ Seconded by _____Carried Yes___ No ____

[Note: motion must be approved by a majority of the members of the Board – the Board's Bylaws provide for approval with a roll-call vote.]

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.

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2006

NEW ISSUE – Issued in Book-Entry-Only Form

Insured/Underlying Ratings:_____ "_____"; "_____"
_____ "_____"; "_____"
[_____ Insured]
(See "Ratings" herein)

In the opinion of Ballard Spahr Andrews & Ingersoll, LLP, Bond Counsel to the University, interest on the Series 2006 Bonds is not excludable from gross income for federal income tax purposes. Bond Counsel expresses no opinion regarding any other tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2006 Bonds. See "TAX MATTERS" herein.

$10,000,000
IDAHO STATE UNIVERSITY
GENERAL REVENUE BONDS
(FEDERALLY TAXABLE), SERIES 2006

Dated: Date of Delivery

Due: April 1, as shown on inside cover

The $10,000,000 Idaho State University General Revenue Bonds (Federally Taxable), Series 2006 (the "Series 2006 Bonds") are issued as fully registered bonds and, when delivered, will be registered in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2006 Bonds. Ownership interests in the Series 2006 Bonds will be in minimum denominations of $5,000 and multiples thereof. Beneficial Owners of the Series 2006 Bonds will not receive physical bonds, but will receive a credit balance on the books of the nominees of such purchasers. Interest on the Series 2006 Bonds is payable on April 1 and October 1 of each year commencing April 1, 2007. Principal, prepayment premium, if any, and interest due with respect to the Series 2006 Bonds will be payable by U.S. Bank National Association, Salt Lake City, Utah, as Trustee, to DTC, which will, in turn, remit such principal, prepayment premium, if any, and interest due with respect to the Series 2006 Bonds.

The Series 2006 Bonds are subject to optional and mandatory redemption prior to maturity as described herein.

The Series 2006 Bonds are being issued by Idaho State University (the "University") to (i) finance a portion of the costs of the Center for Advanced Energy Studies at the Idaho Falls Center for Higher Education Campus (the "CAES Project"), which will be jointly occupied by a consortium which consists of the three Idaho research universities and Battelle Energy Alliance, LLC a limited liability company organized under the laws of the State of Delaware ("BEA"), and (ii) paying the costs of issuance of the Series 2006 Bonds.

Pursuant to the CAES Lease (defined herein), the University has leased to BEA a portion of the CAES Project and BEA has agreed to pay lease payments (the "CAES Lease Payments") which the University will pledge as part of the Pledged Revenues (described below). Under certain circumstances, payment of CAES Lease Payments are guaranteed by Battelle Memorial Institute ("BMI") and the Washington Group International ("WG"). Because the CAES Lease Payments are expected to be a small portion of the Pledged Revenues, no information is provided in this Official Statement with respect to BEA, BMI or WG and the University makes no representations herein as to the ability of BEA, BMI or WG to make its respective payments (if any) under the CAES Lease and purchasers of the Series 2006 Bonds are advised to look at the Pledged Revenues as a whole, rather than the CAES Lease Payments alone, as the security for the Series 2006 Bonds.

The State Board of Education, acting as the Board of Trustees for Idaho State University (the "Board") serves as the governing body for the University. Under Idaho law, the Board is a body politic and corporate and an independent instrumentality of the State of Idaho. The Series 2006 Bonds are being issued under a supplemental bond resolution (the "Supplemental Resolution") adopted by the Board on November ___, 2006. The Series 2006

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

Bonds are being issued as "Additional Bonds" pursuant to a Resolution adopted by the Board on September 17, 1992, providing for the issuance of revenue bonds, as amended and restated (the "Original Resolution"). The Original Resolution provided for the issuance of an initial series of revenue bonds and authorized the issuance of additional series of revenue bonds pursuant to Supplemental Resolutions, if certain conditions are met. See "SECURITY FOR THE SERIES 2006 BONDS" herein. The Original Resolution, as previously amended and supplemented and as amended and supplemented by the Supplemental Resolution, is referred to herein as the "Resolution." The revenue bonds issued pursuant to the Resolution, including the Series 2006 Bonds, are collectively referred to herein as the "Bonds." The Bonds are secured by a pledge of the Board to levy and collect certain student fees known as the Student Facilities Fee/Facilities and the Tuition Fee, plus Revenues of the Housing System (as defined in the Resolution), revenues from the CAES Project and certain other revenues. See "SECURITY FOR THE SERIES 2006 BONDS" herein.

The Series 2006 Bonds are limited obligations of the Board and do not constitute a debt or liability of the State of Idaho, its Legislature, or any of its political subdivisions or agencies other than the University and then only to the extent herein described. The Board is not authorized to levy or collect any taxes or assessments other than the revenues and fees described herein to pay the Series 2006 Bonds. The Board has no taxing power.

[The scheduled payment of principal of and interest on the Series 2006 Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Series 2006 Bonds by _____.]

[**LOGO OF BOND INSURER**]

The Series 2006 Bonds are offered when, as and if issued and accepted by the Underwriter, subject to prior sale and to the delivery of an approving opinion by Ballard Spahr Andrews & Ingersoll, LLP, as Bond Counsel, and to other conditions. Certain legal matters will be passed upon for the University by University Counsel, Bradley H. Hall, Esq., Pocatello, Idaho. Certain legal matters will be passed on for the Board and the University by the office of the Attorney General of the State. It is expected that the Series 2006 Bonds will be available for delivery on or about _____, 2006.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

This Official Statement is dated _____, 2006 and the information contained herein speaks only as of that date.

LEHMAN BROTHERS

$10,000,000
IDAHO STATE UNIVERSITY
GENERAL REVENUE BONDS
(FEDERALLY TAXABLE), SERIES 2006

Due April 1	Principal Amount	Interest Rate	Yield or Price	CUSIP[†]

$_____ _____% Term Bond due _____ at _____

[†] The University is not responsible for the use of CUSIP Numbers, nor is a representation made as to the accuracy of the CUSIP Numbers. The CUSIP Numbers are contained herein solely for the convenience of the readers of this Official Statement.

No dealer, broker, salesperson or other person has been authorized by the Board, the University or by the Underwriter to give any information or to make any representations, other than as contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the Board, the University or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy the Series 2006 Bonds, nor shall there be any sale of the Series 2006 Bonds by any person in any jurisdiction in which it is unlawful for such persons to make such offer, solicitation or sale.

The information set forth herein has been furnished by the Board, [the Insurer] the University, DTC and certain other sources that are believed to be reliable but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriter. The information and expressions of opinion contained herein are subject to change without notice. Any statements made in this Official Statement involving matters of opinion or estimates or forecasts, whether or not so expressly stated, are set forth as such and not as representations of fact or representations that estimates will be realized.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY ENGAGE IN TRANSACTIONS THAT STABILIZE, MAINTAIN OR OTHERWISE AFFECT THE MARKET PRICES OF THE SERIES 2006 BONDS. SUCH TRANSACTIONS MAY INCLUDE OVERALLOTMENTS IN CONNECTION WITH THE UNDERWRITING, THE PURCHASE OF SERIES 2006 BONDS TO STABILIZE THEIR MARKET PRICES, THE PURCHASE OF SERIES 2006 BONDS TO COVER UNDERWRITER SHORT POSITIONS AND THE IMPOSITION OF PENALTY BIDS. SUCH TRANSACTIONS, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Board or the University since the date hereof.

This Official Statement is not to be construed as a contract with the purchasers of the Series 2006 Bonds.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The Series 2006 Bonds have not been registered under the Securities Act of 1933, as amended, in reliance upon a specific exemption contained in such act, nor have they been registered under the securities laws of any state.

This Official Statement contains "forward-looking statements" within the meaning of the federal securities laws. These forward-looking statements include, among others, statements concerning expectations, beliefs, opinions, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. The forward-looking statements in this Official Statement are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by such statements. See "BONDOWNERS' RISKS" herein. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Forward-looking statements may be found under the headings, _____).

[Other than with respect to information concerning _____ ("_____") contained under the caption "BOND INSURANCE" and "APPENDIX F—SPECIMEN BOND INSURANCE POLICY" herein, none of the information in this Official Statement has been supplied or verified by _____ and _____ makes no representation or warranty, express or implied, as to (i) the accuracy or completeness of such information; or (ii) the validity of the Series 2006 Bonds.]

$10,000,000
IDAHO STATE UNIVERSITY
GENERAL REVENUE BONDS
(FEDERALLY TAXABLE), SERIES 2006

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OFFICIAL STATEMENT

RELATING TO

$10,000,000
IDAHO STATE UNIVERSITY
GENERAL REVENUE BONDS
(FEDERALLY TAXABLE), SERIES 2006

INTRODUCTION

The descriptions and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive, and reference should be made to each document for the complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each document. See "APPENDIX A" for definitions of certain words and terms used herein. See "APPENDIX B" for a summary of certain provisions of the Resolution (as defined below). The attached Appendices are integral parts of this Official Statement and should be read in their entirety.

Idaho State University

Idaho State University (the "University") is a publicly supported multi disciplinary institution of higher education located in Pocatello, Idaho. The University is a separate and independent legal entity and governmental instrumentality created under the laws of the state of Idaho (the "State"). It has served the citizens of Idaho since 1901, when it was first established as the Academy of Idaho. It was renamed the Idaho Technical Institute in 1915 and reorganized as the Southern Branch of the University of Idaho in 1927. It became Idaho State College in 1947, and was established as Idaho State University in 1963. The University is governed by the State Board of Education, whose members serve as the Board of Trustees for the University (the "Board"). The University operates a satellite campus in the city of Idaho Falls, approximately 50 miles north of Pocatello.

Authorization and Purpose of the Official Statement

This Official Statement, including the cover page and the financial and other information contained in the Appendices hereto, is furnished in connection with the offering of the University's General Revenue Bonds (Federally Taxable), Series 2006 (the "Series 2006 Bonds"). The University is authorized by the Educational Institutions Act of 1935, constituting Section 33 3801, et seq. of the Idaho Code, as amended (the "Act"), to issue bonds for "Projects" (as defined in the Act). The Series 2006 Bonds are being issued pursuant to such statutory authorization and pursuant to the supplemental resolution (the "Supplemental Resolution") adopted by the Board on November ____, 2006. The Series 2006 Bonds are being issued as "Additional Bonds" under a bond resolution adopted September 17, 1992 (the "Original Resolution"). The Original Resolution, together with the Supplemental Resolution and the previous supplemental resolutions authorizing the issuance of Additional Bonds, are referred to collectively herein as the "Resolution."

Purpose of the Series 2006 Bonds

The Series 2006 Bonds are being issued by the University to (i) finance a portion of the costs of the acquisition, construction, equipping and furnishing of a facility that will contain the Center for Advanced Energy Studies at the Idaho Falls Center for Higher Education Campus (the "CAES Project"), which will be jointly occupied by a consortium which consists of the three Idaho research universities (the University, Boise State University, and the University of Idaho) that will collaborate with the Idaho National Laboratory ("INL") in advanced nuclear research, engineering and education and Battelle Energy Alliance, LLC a limited liability company organized under the laws of the State of Delaware ("BEA"), and (ii) paying the costs of issuance of the Series 2006 Bonds.

Pursuant to a Lease Agreement dated as of _____, 2006 between the University and BEA (the "CAES Lease"), the University has leased to BEA approximately ___% of the CAES Project and BEA has agreed to pay lease payments (the "CAES Lease Payments") which are intended to approximate the payments of principal and interest on the Series 2006 Bonds. Under certain circumstances, payment of CAES Lease Payments under the CAES Lease are guaranteed by Battelle Memorial Institute ("BMI") and the Washington Group International ("WG"). The University will pledge the CAES Lease Payments as part of the Pledged Revenues (described below).

The CAES Lease Payments are expected to be less than ___% of the Pledged Revenues (based upon the historical Pledged Revenues for the University's fiscal year ended June 30, 2006). Therefore, no information is provided in this Official Statement with respect to BEA, BMI or WG and the University makes no representations as to the ability of BEA, BMI or WG to make its respective payments (if any) of the CAES Lease Payments and purchasers of the Series 2006 Bonds are advised to look at the Pledged Revenues as a whole, rather than the CAES Lease Payments alone, as the security for the Series 2006 Bonds.

Outstanding Parity Bonds

Pursuant to the Original Resolution, in order to provide funds to finance and refinance certain projects, the University has previously issued [(among others)] its (i) Student Facilities Fee Refunding and Improvement Revenue Bonds, Series 1998 (the "Series 1998 Bonds"), (ii) General Refunding and Improvement Revenue Bonds, Series 2003 (the "Series 2003 Bonds"), (iii) General Revenue Bonds, Series 2004A (the "Series 2004A Bonds"), (iv) General Revenue Bonds, Series 2004B (the "Series 2004B Bonds"), (vi) General Revenue Bonds (Taxable), Series 2004C (the "Series 2004C Bonds," and collectively with the Series 1998 Bonds, the Series 2003 Bonds, the Series 2004A Bonds, the Series 2004B Bonds, and the Series 2004C Bonds, the "Outstanding Parity Bonds"). The Series 2006 Bonds will be issued on a parity with the Outstanding Parity Bonds and any additional bonds, notes or other obligations that may be issued from time to time under the Original Resolution (the "Additional Bonds"), such that the Series 2006 Bonds, Outstanding Parity Bonds and Additional Bonds will be payable from and secured by an equal lien pledge of the Net Revenues (defined herein). See "SECURITY FOR THE SERIES 2006 BONDS—_____" and "—_____" herein. The Series 2006 Bonds, the Outstanding Parity Bonds and any Additional Bonds are collectively referred to herein as the "Bonds."

Payment and Security for the Series 2006 Bonds

The Series 2006 Bonds are secured on a parity with the Outstanding Parity Bonds by a pledge of the Pledged Revenues, as designated by the Board, including the University's Tuition Fee (the "Tuition Fee"), the Student Facilities Fee/Facilities (the "Student Facilities Fee/Facilities"), Revenues of the Housing System (as defined in the Resolution) and, following the issuance of the Series 2006 Bonds, the CEAS Lease Payments, all investment income derived from the Revenue Fund and the Bond Fund, and certain other revenues. Hereinafter, the Tuition Fee and the Student Facilities Fee/Facilities are referred to collectively as the "Pledged Fees." See "SECURITY FOR THE SERIES 2006 BONDS" herein.

Bond Insurance

The scheduled payment of principal of and interest on the Series 2006 Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Series 2006 Bonds by _____. See "BOND INSURANCE" herein.

Redemption

The Series 2006 Bonds are subject to optional and mandatory redemption as described under the caption "THE SERIES 2006A BONDS—Optional Redemption and —Mandatory Redemption" herein.

Bondowners' Risks

The purchase of the Series 2006 Bonds involves investment risks, certain of which are described in this Official Statement. See "BONDOWNERS' RISKS" herein.

Registration, Manner of Payment

The Series 2006 Bonds are issuable only as fully registered bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as initial securities depository of the Series 2006 Bonds. Purchases of Series 2006 Bonds will be made in book-entry form only, through brokers and dealers who are, or who act through, DTC Participants. Beneficial Owners of the Series 2006 Bonds will not be entitled to receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the Series 2006 Bonds.

Principal and purchase price (as applicable) of, premium, if any, and interest on the Series 2006 Bonds are payable through U.S. Bank National Association, as Paying Agent and Registrar, to DTC, which will in turn be responsible to remit such principal and interest to its Participants, for subsequent disbursements to the Beneficial Owners of the Series 2006 Bonds, as described under the caption "APPENDIX E—PROVISIONS REGARDING BOOK-ENTRY-ONLY SYSTEM" hereto.

Conditions of Delivery, Anticipated Date, Manner and Place of Delivery

The Series 2006 Bonds are offered, subject to prior sale, when, as and if issued and received by the Underwriter subject to the approval of legality by Ballard Spahr Andrews & Ingersoll, LLP, as Bond Counsel to the University, and certain other conditions. Certain legal matters will be passed upon for the University by University Counsel, Bradley H. Hall, Esq., Pocatello, Idaho. It is expected that the Series 2006 Bonds, in book-entry form, will be available for delivery to DTC or its agent on or about _____, 2006.

Continuing Disclosure

The University, for the benefit of the owners and Beneficial Owners of the Series 2006 Bonds, has covenanted to provide certain annual information and notice of the occurrence of certain events in order to enable the Underwriters to make the determinations required by Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). The University is in compliance with each and every undertaking entered into by it pursuant to the Rule. See "CONTINUING DISCLOSURE" herein and "APPENDIX G—FORM OF CONTINUING DISCLOSURE AGREEMENT" attached hereto.

Contact Persons

The chief contact person for the University concerning the Series 2006 Bonds is:

Mr. Kenneth R. Prolo
Vice President for Financial Services and Bursar
Idaho State University
Campus Box 8219
Pocatello, Idaho 83209
Telephone: (208) 282-2404
Fax: (208) 282-4725
E-mail: _____

The chief contact person for the Underwriter concerning the Series 2006 Bonds is:

Mr. Richard B. King
Senior Vice President
Lehman Brothers Inc.
701 Fifth Avenue, Suite 1701
Seattle, Washington 98104
Telephone: (206) 344-5838
Fax: (212) 520-0837
E-mail: rking@lehman.com

Other Matters

The descriptions and summaries of the Resolution, the Series 2006 Bonds and various other documents herein set forth do not purport to be comprehensive or definitive, and reference is made to each document for the complete details of its terms and conditions. All statements herein are qualified in their entirety by reference to such documents. Capitalized terms used, but not otherwise defined, herein have the same meaning as ascribed to them in the Resolution. Descriptions of the Resolution and the Series 2006 Bonds are qualified by reference to bankruptcy laws affecting the remedies for the enforcement of the rights and security provided therein and the effect of the exercise of the police power by any entity having jurisdiction. See "APPENDIX B—SUMMARY OF THE RESOLUTION" herein.

THE SERIES 2006 BONDS

Description of the Series 2006 Bonds

The Series 2006 Bonds will be dated the date of their delivery and are issuable in fully registered form, book-entry-only, in the aggregate principal amount of $10,000,000. The Series 2006 Bonds bear interest from the date of issuance, payable semiannually on April 1 and October 1 of each year, commencing April 1, 2007. Payment will be made to Beneficial Owners through the Book-Entry-Only System described below. For a further description of certain terms of the Resolution authorizing the issuance of the Series 2006 Bonds, please refer to "APPENDIX B—SUMMARY OF THE RESOLUTION."

Optional Redemption

The Series 2006 Bonds are subject to redemption, in whole or in part, at the option of the University at any time or from time to time upon notice as provided in the Resolution, on any date prior to their maturity at a Redemption Price equal to 100% of the principal amount of such Series 2006 Bonds plus the Make-Whole Premium, if any, as described below, plus the accrued interest, if any, thereon to the redemption date.

The amount of the Make-Whole Premium with respect to any Series 2006 Bond to be redeemed will be equal to the excess, if any, of:

1. the sum of the present values, calculated as of the redemption date, of:

   (a) each interest payment that, but for such redemption, would have been payable on the Series 2006 Bond or portion thereof being redeemed on each interest payment date occurring after the redemption date (excluding any accrued interest for the period prior to the redemption date); and

   (b) the principal amount that, but for such redemption, would have been payable at the final maturity of the Series 2006 Bond being redeemed; over

2. the principal amount of the Series 2006 Bond being redeemed.

The present values of interest and principal payments referred to in clause (1) above shall be determined in accordance with generally accepted principles of financial analysis. These present values will be calculated by discounting the amount of each payment of interest or principal from the date that each such payment would have been payable, but for the redemption, to the redemption date at a discount rate equal to the "comparable treasury yield" (as defined below) plus 12.5 basis points. The Make-Whole Premium will be calculated by an independent investment banking institution of national standing appointed by the University (which may be the Underwriter). If the University fails to appoint an independent investment banker at least 45 days prior to the redemption date, or if the independent investment banker appointed by the University is unwilling or unable to make the calculation, the calculation will be made by an independent investment banking institution of national standing appointed by the Trustee.

For purposes of determining the Make-Whole Premium, "comparable treasury yield" means a rate of interest per annum equal to the weekly average yield to maturity of United States Treasury Securities that have a constant maturity that corresponds to the remaining term to maturity of the Series 2006 Bonds, calculated to the nearest 1/12th of a year. The comparable treasury yield will be determined as of the third Business Day immediately preceding the applicable redemption date. [Discuss]

The weekly average yields of United States Treasury Securities will be determined by reference to the most recent statistical release published by the Federal Reserve Bank of New York and designated "H.15(519) Selected Interest Rates" or any successor release. If the H.15 statistical release sets forth a weekly average yield for United States Treasury Securities having a constant maturity that is the same as the remaining term calculated as set forth above, then the comparable treasury yield will be equal to such weekly average yield. In all other cases, the comparable treasury yield will be calculated by interpolation on a straight-line basis, between the weekly average yields on the United States Treasury Securities that have a constant maturity closest to and less than the remaining term (in each case as set forth in the H.15 statistical release or any successor release). Any weekly average yields calculated by interpolation will be rounded to the nearest 1/100th of 1%, with any figure of 1/200th of 1% or above being rounded upward. If weekly average yields for United States Treasury Securities are not available in the H.15 statistical release or otherwise, then the comparable treasury yield will be calculated by interpolation of comparable rates selected by an independent investment banker selected in the manner described above. [Discuss]

Mandatory Redemption

If not previously redeemed as described above, the Series 2006 Bonds maturing on _____, _____ (the "Series 2006 Term Bonds") will be redeemed in part by operation of sinking fund installments upon notice as provided in the Resolution at a redemption price equal to 100% of the portion of the principal amount thereof to be redeemed, together with accrued interest to the Mandatory Redemption Date. The principal amounts and due dates of the Mandatory Redemption Amounts for the Series 2006 Term Bonds are set forth in the following table:

April 1 of the year	Mandatory Redemption Amount

* Final maturity

Each of the Series 2006 Term Bonds shall be subject to redemption in part, pro rata and not by lot, on each Mandatory Redemption Date. The portion of the principal amount of each Series 2006 Term Bond to be redeemed (per $5,000 original principal amount) on each Mandatory Redemption Date and the resulting principal amount of

each Series 2006 Term Bond remaining outstanding (per $5,000 original principal amount) upon each such redemption are shown in the following table:

Mandatory Redemption Date April 1	Principal Amount to Be Redeemed (Per $5,000 original Mandatory Redemption Amount)	Remaining Principal Amount (Per $5,000 original Mandatory Redemption Amount)

* Final maturity

[Notice of Redemption

When the Series 2006 Bonds are called for redemption, notice must be sent by the Trustee, postage prepaid, by first class mail not less than thirty-five (35) nor more than sixty (60) days prior to the redemption date to the registered owners of the Series 2006 Bonds to be redeemed at the address shown on the Bond Register. As provided in the Resolution, the Trustee may give further notice of redemption at least thirty-five (35) days before the redemption date by registered or certified mail or overnight delivery service to certain registered national securities depositories and national information services; provided, however that no defect in such further notice or failure to give all or any portion of such further notice will in any manner defeat the effectiveness of a call for redemption.]

Each notice of redemption may further state, in the case of optional redemption, that such redemption shall be conditioned upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of and interest on such Series 2006 Bonds to be redeemed and that if such moneys shall not have been so received said notice shall be of no force and effect and such Series 2006 Bonds shall not be required to be redeemed. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, one time, in the same manner in which the notice of redemption was given, that such moneys were not so received.

Book-Entry-Only System

The Series 2006 Bonds will be available only in book-entry-only form in the principal amounts shown on the inside cover page of this Official Statement. The Depository Trust Company ("DTC") will act as Securities

Depository for the Series 2006 Bonds. The ownership of one fully registered Series 2006 Bond for maturity as set forth on the inside cover page of this Official Statement, in the aggregate principal amount of each maturity of the Series 2006 Bonds, will be registered in the name of Cede & Co., as nominee for DTC. See "APPENDIX E—PROVISION REGARDING BOOK-ENTRY-ONLY SYSTEM."

Funds and Accounts Created under the Resolution

The Revenue Fund. The Resolution creates the Revenue Fund to be held by the University into which Pledged Revenues shall be deposited. Monies in the Revenue Fund shall be disbursed in the following order of priority:

1. To transfer to the Trustee for deposit in the Debt Service Account of the Bond Fund for payment of any interest, principal, or redemption premium, if any, coming due on the Bonds;

2. Amounts remaining in the Revenue Fund in excess of the amounts necessary to make payments required by subsection (1) above may be applied by the University, free and clear of the lien of the Resolution, for any other lawful purpose of the University.

The Bond Fund. The Resolution creates a Bond Fund consisting of a Debt Service Account held by the Trustee to be used for paying the principal of, premium, if any, and interest on the Bonds.

The Construction Fund. The Resolution provides for a Construction Fund to be held, disbursed and invested by the University, into which proceeds from any series of Bonds issued to fund Projects being built or acquired with a series of Bonds issued under the Resolution are deposited. Upon completion of a Project, any unexpended monies held in the Construction Fund will be transferred to the Debt Service Account of the Bond Fund.

The Series 2006 Bonds Cost of Issuance Fund. The Supplemental Resolution creates the Series 2006 Bonds Cost of Issuance Fund in the Construction Fund to be held by the University for costs of issuance of the Series 2006 Bonds to be paid from.

The Rebate Fund. The Resolution creates a Rebate Fund to be held and administered by the University, separate and apart from other funds and accounts of the University. The University shall make deposits into the Rebate Fund of all amounts necessary to make payments to the United States required under the Code. The Resolution permits the University to consolidate all Rebate Funds for bonds issued by the Board for filing a single, consolidated report to the U.S. Treasury under the Code.

Additional Bonds

The Resolution currently provides that Additional Bonds (such as the Series 2006 Bonds) secured by Pledged Revenues may be issued by the University upon the satisfaction of various conditions specified therein. The amount of Additional Bonds that may be issued is limited neither by law nor by the Resolution.

The Resolution provides for the issuance of Additional Bonds to finance Projects or to refund the Bonds or Additional Bonds issued hereafter under the Resolution. In connection with the issuance of Additional Bonds, the University is required to file, among other things, the following documents with the Trustee:

1. copy of the Supplemental Resolution authorizing such Additional Bonds;

2. a certificate of the University to the effect that, upon the delivery of the Additional Bonds, the University will not be in default in the performance of any of the covenants, conditions, agreements, terms or provisions of the Resolution or any of the Bonds;

3. a Written Certificate of the University signed by an Authorized Officer of the University, setting forth the then estimated completion date and the then estimated cost of construction of the Project(s) being financed by the Additional Bonds;

4. either (a) an Accountant's Certificate which demonstrates that, for any twelve-month period in the preceding twenty-four months, Revenues Available for Debt Service shall have equaled at least 110% of the Maximum Annual Debt Service for all Bonds then Outstanding and any Additional Bonds proposed to be issued; or

(b) a Written Certificate of the University showing that Estimated Revenues Available for Debt Service (assuming completion of the proposed Project on its then estimated Completion Date) will equal at least 110% of the Maximum Annual Debt Service on all Bonds then Outstanding and the Additional Bonds proposed to be issued for (i) each of the Fiscal Years of the University during which any of the Bonds will be Outstanding following the estimated completion date of the Project being financed by the Additional Bonds, if interest during construction of the Project being financed by the Additional Bonds is capitalized; or (ii) the University's current Fiscal Year and any succeeding Fiscal Year during which any of the Bonds will be Outstanding, if interest during construction of the Project being financed by the Additional Bonds is not capitalized.

SECURITY FOR THE SERIES 2006 BONDS

The Series 2006 Bonds are secured by Pledged Revenues pursuant to the Resolution on a parity with all Bonds issued under the Resolution. Pledged Revenues include: (i) Pledged Fees, (ii) Revenues of the Housing System; (iii) CAES Lease Payments; (iv) other revenues of other University enterprises or sources of funds as shall be designated by the Board; (v) any investment income derived from the Revenue Fund and the Bond Fund; and (vi) proceeds from the sale of a series of Bonds and money and investment earnings thereon. In addition, the University has covenanted that Revenues Available for Debt Service will equal 110% of Annual Debt Service on a year by year basis. See also "HISTORICAL AND PROFORMA PLEDGED REVENUES AND DEBT SERVICE" herein.

Student Fees

The Board is exclusively empowered to establish and collect tuition charges for students attending the University and to establish and collect student fees from both resident and non-resident students. Student fees and tuition charges are not subject to a referendum by students or approval by any other governmental entity. The Board has established a policy that the University may not request more than a 10% annual increase in the total full time student fees unless otherwise authorized by the Board. Although Board policy provides that fee changes will be considered when appropriate or necessary, the Board has traditionally adjusted fees annually, with fee adjustments effective for the subsequent fall term each year. The 2006-2007 fee schedule, which was approved by the Board at the April 2006 meeting, follows. See "SOURCES OF FUNDING FOR THE UNIVERSITY—Fees and Tuition" for a comparison of full-time fees over the Fiscal Years 2003 through 2007.

The 2006-2007 fee schedule reflects an approximately 4.8% overall increase to student fees from the 2005-2006 academic year, including an approximately 4.0% increase to Tuition. The University bases the Estimated Annual Revenue to be collected from each of the fees on budgeting assumptions of the student fees approved for the current academic year (2006-2007 with the exception of fees from the summer session which are based on the 2005-2006 fee schedule), and the number of full time and part time students for the previous academic year (2005-2006). The number of students obtained by dividing the Estimated Annual Revenue line items for full-time students on the fee schedules is less than the full time equivalents and fall semester full time enrollees for Fall 2006 shown under the heading "THE UNIVERSITY—Five Year Historical Enrollment Summary." This is consistent with historic budgeting assumptions, including consideration of the University's policy to provide fee waivers or discounts to certain scholarship recipients and to certain employees and spouses of certain employees. The University's estimates include certain assumptions concerning refunds, late fees and other variabilities in individual fees, such that the annual estimated revenues of each fee are not the numerical product of the fee rates times a constant number for students paying such fees, but nonetheless represent the University's best estimate of fee revenues. As more fully discussed under the heading "THE UNIVERSITY—Five-year Historical Enrollment Summary", the University's enrollment has declined each year for the past several years. While the University is empowered to set fees and tuition, it cannot control the number of students enrolled in any year and a continued decline in enrollment could impact the ability of the University to collect sufficient Pledged Revenues to pay principal and interest on the Bonds. Pledged Fees are shown in **bold** on the following table.

Student Fee and Tuition Schedule[1]

ACADEMIC YEAR 2006 – 2007

	Full-Time		Part-Time/Per Credit Hour		Total Estimated Annual Revenue
	Amount Per Semester	Estimated Annual Revenue	Amount Per Semester	Estimated Annual Revenue	
FACILITY FEES					
Student Facilities Fee	$192.00	$3,276,000	–	–	$3,276,000
Student Housing System	25.00	450,000	–	–	450,000
Campus Technology	75.00	1,350,000	$9.00	$298,998	1,648,998
Subtotal Facility Fees	292.00	5,076,000	9.00	298,998	5,374,998
GENERAL EDUCATION					
Tuition	1,344.56	24,193,061	161.60	5,313,100	29,506,161
DEDICATED ACTIVITY FEES					
Intercollegiate Athletics	$103.40	$1,861,200	$3.00	$62,929	$1,924,129
Student Health Center	55.50	999,000	2.00	85,126	1,084,126
Student Union Operations	131.50	2,367,000	9.50	316,458	2,683,458
Associated Student Body/Student Programming (Summer Only)	63.15	1,136,700	7.00	233,179	1,369,979
Student ID Card	2.35	42,300	1.25	41,640	83,940
Childcare Services	12.55	225,900	2.00	66,622	292,522
Gender Resource Center	5.70	102,600	1.20	39,974	142,574
Leadership and Counselor Training	3.30	59,400	1.00	33,311	92,711
Marching Band	6.75	121,500	1.65	34,611	156,111
Debate Team	4.35	78,300	–	–	78,300
Rodeo Team	4.89	88,020	–	–	88,020
Recreation Facility Operation	21.00	378,000	3.75	124,918	502,918
Intramurals	4.70	84,600	1.00	20,976	105,576
Student Band/Choir	5.00	90,000	–	–	90,000
Student Support Service	5.00	90,000	1.00	33,311	123,311
Alumni	2.50	45,000	–	–	45,000
Scholarships	19.50	351,000	–	–	351,000
Stadium Operations	–	–	6.00	199,869	199,869
Outreach Program	–	–	2.00	48,120	48,120
Wellness Program	4.10	73,800	1.05	34,977	108,777
CW HOG (Handicap Outdoor Group)	3.20	57,600			57,600
Subtotal Dedicated Activity Fees	458.44	8,251,920	43.40	1,376,021	9,627,941
Subtotal Student Fees	2,095.00	37,520,981	214.00	6,988,119	44,509,100
OTHER FEES / TUITION					
Graduate/Professional	$370.00	$573,500	$37.00	$242,350	$815,850
Non-Resident Tuition	4,135.00	984,130	115.00	272,050	1,256,180
Inservice	–	–	82.00	509,559	509,559
Subtotal Other Fees/Tuition	–	$1,557,630	–	$1,023,959	$2,581,589
	Grand Total, Full and Part Time		$47,090,689		
	Total Estimated Pledged Revenues from Pledged Fees		$33,232,161		

(1) The information presented in this table is based upon the budget of the University adopted in April 2006. Since that time, enrollment at the University has declined below expectations at the time this budget was established. See heading "THE UNIVERSITY—Five-year Historical Enrollment Summary" for a discussion of the decline in enrollment over the past several years.

Pledged Fees

Pursuant to the Resolution, the University's two largest fees, Tuition and the Student Facilities Fee/Facilities, are pledged to the Bonds. Below is a description of each fee and the estimated revenue generated.

Student Facilities Fee/Facilities. The Student Facilities Fee/Facilities is an existing student fee charged to full time students established by the Board and is currently pledged under the Resolution. The Student Facilities Fee/Facilities constitutes a portion of Pledged Revenues under the Resolution, is $217.00 per student, per semester for full time students, and produced $3,876,981 for the Fiscal Year ending June 30, 2006 and is expected to produce $3,726,000 for the Fiscal Year ending June 30, 2007.

Tuition. Tuition is an existing fee charged to full-time and part-time students attending the University and is pledged under the Resolution. This fee is used to provide general operating revenues for the University. The Tuition fee for the 2006-2007 academic year is established at $1,344.56 per semester for each full-time student and $161.60 per semester-hour for part-time and summer-session students. The University received approximately $_____ from Revenues from Tuition in the Fiscal Year ended June 30, 2006 and expects to receive approximately $29,506,161 in revenues from the Tuition fee during the Fiscal Year ending June 30, 2007.

Revenues of the Housing System

The University owns and operates all student housing facilities on the Pocatello campus. See "THE UNIVERSITY—Student Housing" herein. Housing fees for residence hall residents for the 2006-2007 academic year range from $2,350 to $2,825 per semester per student and include the cost of meal plans, in which housing residents are required to participate. Housing fees for suite-style residence hall rooms for the 2006-2007 academic year range from $350 to $400 per month, which does not include the cost of meal plans. Housing fees for residents of University apartments for the 2006-2007 academic year will range from $450 to $580 per month, which does not include the costs of meal plans. Revenues of the Housing System for the Fiscal Years ending June 30, 2005 and June 30, 2006 were $3,370,820 and $3,635,382 respectively, and are expected to be approximately $3,670,300 for the Fiscal Year ending June 30, 2007. As the Resolution provides for a pledge of the Revenues of the Housing System for payment of debt service prior to the payment of operation and maintenance costs of the Housing System, these numbers reflect gross revenues of the Housing System. As shown below under "HISTORICAL PLEDGED REVENUES AND DEBT SERVICE", the Housing System has lost money on a net revenues basis for each of the past 3 Fiscal Years and had only slight net revenues for each of the two prior Fiscal Years.

CAES Project

As more fully discussed herein, the CAES Project will consist of a facility that will contain the Center for Advanced Energy Studies at the Idaho Falls Center for Higher Education Campus and will be jointly occupied by the Consortium and BEA. The CAES Lease Payments are intended to approximate principal and interest on the Series 2006 Bonds and will be included in Pledged Revenues and used to support the principal and interest payments on the Bonds.

Use of Pledged Revenues and Other Revenues Not Otherwise Obligated

After the University has made the payments and deposits required under the Resolution, amounts remaining in the Revenue Fund in excess of the amounts necessary to make the required payments thereunder may be used for any legal purpose of the University, including the redemption or purchase of the Bonds, subject to policies adopted by the Board.

THE CAES PROJECT

Background of the CAES Project

BEA was awarded a contract from the Department of Energy to manage the new Idaho National Laboratory ("INL") for nuclear energy research. As part of the contract, BEA committed to establish the Center for Advanced

Energy Studies ("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 of the State of Idaho, the Presidents of each of the Consortium Universities, and BMI 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 building to house CAES.

The CAES Project is planned to open in June 2008 and is expected to be approximately 55,000 square feet. The CAES project will be located on state property north of the University/University of Idaho Center for Higher Education. Pursuant to the CAES Lease, BEA will have use of approximately ___% of the building space and will be responsible for an equivalent portion of the occupancy costs of the building. While the CAES Lease Payments received from BEA are expected to be used to pay principal and interest on the Series 2006 Bonds, such payments will be included in Pledged Revenues under the Resolution and the holders of the Series 2006 Bonds will be secured by all of the Pledged Revenues on a parity with the holders of all Bonds issued under the Resolution. The Consortium will share the remaining building space. When fully occupied, the CAES project will have a total of up to 175 people, including approximately 100 faculty, researchers, and staff; 50 graduate students; and 25 undergraduate students.

Only the CAES Lease Payments are included in Pledged Revenues and no other revenues from this building will be pledged. In addition, no lien on or mortgage of the CAES Project or this building will be given to secure holders of the Bonds.

BOND INSURANCE

[To be provided by the bond insurer.]

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds for the Series 2006 Bonds are as follows:

Sources

Par Amount of Series 2006 Bonds	$
Net Re-Offering Premium/Discount	$
Total	$

Uses

Deposit to the Series 2006 Project Account in the Construction Fund	$
Costs of Issuance[(1)]	$
Total	$

(1) Including underwriters' discount, [bond insurance] legal fees, trustee fees, rating agency fees, printing fees and other miscellaneous costs of issuance.

In addition to the proceeds of the Series 2006 Bonds, funding for the remaining costs of the facility containing the CAES Project will include: (i) approximately $4.9 million from a settlement fund intended for use according to the terms of an agreement for the construction of [the Center for Science and Technology in Idaho Falls 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,] and (ii) $1,942,756 from two grants from the U.S. Department of Housing and Urban Development ("HUD") to the University of Idaho, 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).] [is CST CAES?]

DEBT SERVICE SCHEDULE

The following table sets forth the Annual Debt Service Requirements for the University's currently Outstanding Bonds and the Series 2006 Bonds:

	Series 2006 Bonds*			
Fiscal Year	Principal*	Interest*	Outstanding Bonds[(1)]	Total Debt Service
2007			$4,643,473	
2008			4,638,112	
2009			4,644,732	
2010			4,642,651	
2011			4,644,825	
2012			4,644,138	
2013			4,646,883	
2014			4,641,857	
2015			4,545,501	
2016			4,545,759	
2017			4,543,894	
2018			4,544,655	
2019			4,547,153	
2020			4,016,307	
2021			4,027,911	
2022			4,023,801	
2023			4,023,456	
2024			361,588	
2025			361,413	
2026			360,775	
2027			359,675	
2028			358,425	
2029			356,725	
2030			359,575	
2031			361,038	
2032			361,788	
2033			356,825	
2034			361,388	
	$	$	$79,924,323	

(1) See "THE UNIVERSITY—University Debt."

* Preliminary; subject to change.

HISTORICAL PLEDGED REVENUES AND DEBT SERVICE

The following table shows the amounts of revenues pledged under the Resolution on a historical basis. In 2003 the University expanded the definition of Pledged Revenues to include the Tuition Fee and the Revenues of the Housing System. The table also presents Debt Service on all Bonds secured with such revenues for the Fiscal Years ended June 30, 2002-2006. [The revenues in the Fiscal Years ended June 30, 2002-2005 are derived from the University's internal records used to prepare its financial statements, and the revenues for Fiscal Year 2006 represent the University's budgeted amounts adjusted to reflect the actual enrollment results for the Fall 2005 and Spring 2006 semesters.]

			Actual		
Revenues[1]	2002	2003	2004	2005	2006
Revenues of the Housing System	$3,371,914	$3,605,430	$3,524,086	$3,370,821	3,635,383
Expenses of the Housing System[2]	3,352,684	3,543,729	3,820,351	3,993,345	3,984,913
Net Revenues of the Housing System	$19,230	$61,701	$(296,265)	$(622,524)	$(349,530)
Pledged Fees					
Tuition	17,717,958	21,849,100	25,566,700	26,925,319	28,289,953
Student Facilities Fee/Facilities	3,284,488	3,382,505	3,455,263	3,850,589	3,876,981
Investment Income	42,187	-0-	30,154	-0-	-0-
Total Revenues Available for Debt Service	$21,063,863	$25,293,306	$28,755,852	$30,153,384	$31,817,404
Total Debt Service Requirements	$2,191,947	$2,194,537	3,726,538	3,768,028	4,648,321

(1) Amounts rounded to the nearest dollar.

(2) The Expenses of the Housing System for Fiscal Year 2004 as shown include in excess of $200,000 in expenses for a number of capital improvement and deferred maintenance programs.

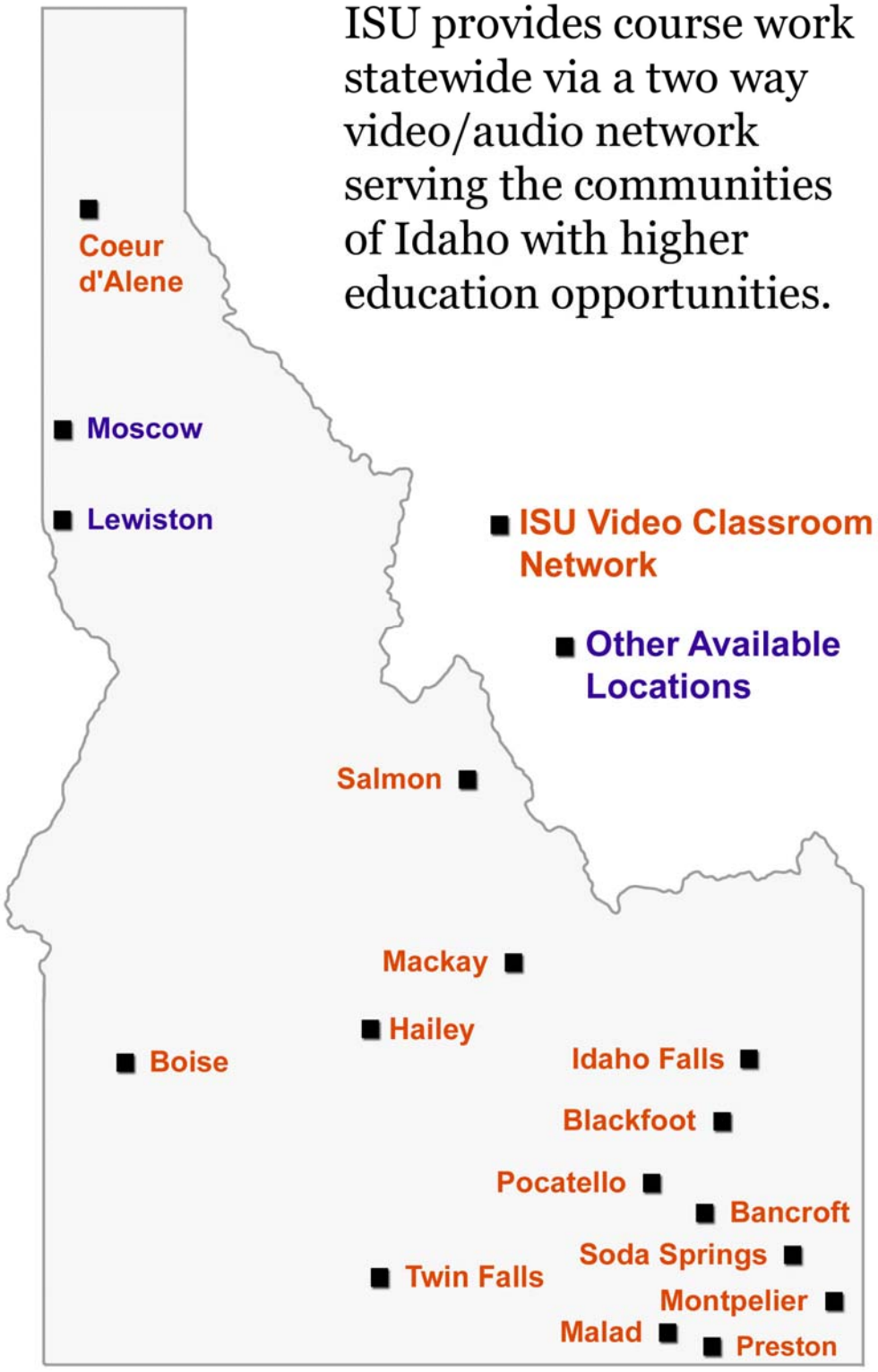
THE UNIVERSITY

The University is located in the city of Pocatello, Idaho, which serves as an economic center for the southeastern part of the State. The University campus in Pocatello, Idaho includes approximately 980 acres, has approximately 100 buildings, and currently serves approximately 10,151 full and part time students. In addition to University Place Idaho Falls, the University operates outreach centers in Boise, Twin Falls, Coeur d'Alene, American Falls, Blackfoot, Preston and Soda Springs.

The following map shows all locations where the University has either a campus or an outreach center.

ISU's Video Classroom Network

ISU provides course work statewide via a two way video/audio network serving the communities of Idaho with higher education opportunities.



The University serves a diverse population that includes traditional students entering the University directly from high school, non-traditional students who have delayed their university education, working professionals and senior citizens.

The University provides both general education and specialized programs in the arts, humanities, sciences, the professions and technologies. Bachelor and master degrees are awarded in a variety of fields by the Colleges of Arts and Sciences, Business, Education, Engineering, Health Professions, Pharmacy, Technology and the Graduate School. Terminal degrees offered include: Master of Business Administration, Master of Fine Arts; Doctor of Pharmacy; Doctor of Philosophy; Doctor of Arts and Doctor of Education. Through its programs in pharmacy, health professionals and the Family Practice Medical Residency, the University is a center for education in the health professions. The University has responsibility for Idaho's dental education program.

Student Body

The University admits all Idaho residents who graduate from accredited high schools in the state with an overall grade point average of at least 2.0 or who have an enhanced ACT composite score of at least 18 and who have successfully met the statewide admission standards established by the Board. Approximately 91% of the University's Fall 2006 student body were residents of Idaho. The table on the following page sets out certain statistics concerning the University's enrollment for the Fall terms of the years indicated.

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Five-year Historical Enrollment Summary

	2002	2003	2004	2005	2006
Students	**Fall Semester, 10th Day of Class**				
Full Time Equivalents (FTE)	10,074	10,287	10,180	10,052	9,500
Head Count	13,352	13,623	13,802	13,977	12,676
Undergraduate Students	**Academic Head Count 10th Day of Class, Fall Semester**				
Full-time:					
Residents	7,453	7,672	7,386	7,220	6,620
Non-residents	593	626	633	616	607
Subtotal	8,046	8,298	8,019	7,836	7,227
Part-time:					
Residents	3,329	3,202	3,691	3,860	3,282
Non-residents	69	65	93	75	128
Subtotal	3,398	3,267	3,784	3,935	3,410
Graduate Students					
Full-time:					
Residents	579	625	636	666	790
Non-residents	221	241	252	282	285
Subtotal	800	866	888	948	1,075
Part-time:					
Residents	1,010	1,085	1,000	1,131	839
Non-residents	98	107	111	127	125
Subtotal	1,108	1,192	1,111	1,258	964
Total Undergraduate	11,444	11,565	11,803	11,771	10,637
Total Graduate Students	1,908	2,058	1,999	2,206	2,039
Grand Total	13,352	13,623	13,802	13,977	12,676
No. of Freshmen	**Freshman Class Statistics, Fall Semester**				
Applying	3,769	3,573	3,750	3,566	3,396
Accepted	2,967	2,638	2,677	2,731	2,602
Enrolled	2,212	2,107	2,526	2,490	2,147
Resident	1,716	1,692	2,134	2,127	1,724
Average ACT Score	21	21	21	21	21
Average High School GPA	3.08	3.31	3.20	3.30	3.15
Percentage graduating in the top 25% of their high school class:	35%	35%	33%	32%	35%

Source: Idaho State University

As the preceding information illustrates, full-time undergraduate enrollment at the University has decreased over the past three years. This is attributed to several factors. Changing demographics in the region has resulted in fewer high school students accessing higher education, Idaho's economy is thriving and students who may have been in school are choosing to work. Increased competition from BYU-Idaho, now a 4-year institution and out-of-state universities such as Utah State has also led to a drop in overall full-time undergraduate student enrollment. Although ISU has had steady enrollment growth since l990, the landscape for recruiting students to ISU has changed over the last three years. Further, many of ISU's high demand health science programs such as nursing and dental hygiene have a limited number of seats available (accreditation standards). Thus, some students not gaining admission to these programs have chosen not to continue their education at ISU. At the graduate level, an attractive array of new health science programs on campus and at outreach sites across the state has helped offset part of this decline. Full-time graduate student enrollment has increased by 15% over three years from 751 students to 866. Currently, ISU is identifying new potential student markets and working to invest in bringing those students to ISU in order to maintain modest enrollment growth.

Student Housing

The University operates a dormitory system accommodating up to 540 students in five traditional residence halls, most of whom are undergraduates. The University's dormitory room charges are adjusted annually to an amount deemed necessary by University officials to pay operation, maintenance, debt amortization, and depreciation expenses.

The housing portion of the Rendezvous Project is scheduled to be completed in Fall 2007 and will add approximately 79 suite style rooms, which will house up to 302 additional students.

Purchasing a meal plan is mandatory for residence hall students, and recommended for suite residents. Resident meal service at the University is provided through a central dining hall located in Turner Hall. Meals may be taken at residence hall dining facilities and the food court at the Pond Student Union Building. The food service operations are provided through a management contract with the Compass Group North America, Inc. [Upon completion of the Rendezvous Project, meal service will also be available in the Rendezvous building.]

The University currently has 425 apartments, consisting of a mix of efficiency, one and two bedroom rental units. Rental charges are collected monthly and continuing students are allowed to remain in the apartments during the summer term even if the student does not attend summer sessions. Rental rates are reviewed and adjusted at the end of each fiscal year.

For the past five years, the average occupancy rate for the Housing System is 90%. The occupancy rate for the Housing System for the 2006-2007 academic year is approximately 87%.

All of the dormitory and apartment facilities of the University are professionally maintained and kept in a sound state of repair. The University has no current plans to construct additional dormitory housing; however, because apartment demand remains strong, the University may decide to construct additional housing within the next five years.

Employees

During the 2006-2007 academic term, the University had approximately 1,070 professional and 660 classified full time employees. The University is not a party to any collective bargaining agreement, although there are employee associations that bring any issues and concerns to the attention of the University. The University considers its relations with its employees to be good.

Employee Retirement Plan

All benefit eligible employees of the University are eligible for one of two retirement plans: the State of Idaho's "Public Employees Retirement System of Idaho" ("PERSI"), and the "Optional Retirement Plan" ("ORP") which has been offered to non classified staff since 1990.

The University's employees, including its faculty hired prior to July 1, 1990, are covered under the PERSI. PERSI covers eligible personnel who work 20 hours or more per week. The membership of PERSI includes employees of the State of Idaho, teachers, firemen, police and employees of political subdivisions, local school districts, colleges and universities.

Faculty and exempt staff hired on or after July 1, 1990, have been enrolled in the University's ORP and faculty and staff hired before that date were offered a one-time opportunity in 1990 to withdraw from PERSI and join ORP. This is a portable, defined contribution retirement plan with options offered by Teachers' Insurance and Annuity Association/College Retirement Equities Fund (TIAA/CREF) and Variable Annuity Life Insurance Company (VALIC). The total contribution rate will be the same for all employees, with a portion of the employer's contribution for ORP members being credited to the employee's account and a portion to the PERSI unfunded liability until 2015.

Insurance

The University maintains liability, property, and employee fidelity insurance in amounts deemed adequate by University officials. The University has a risk management staff that administers insurance coverage and claims, and reviews the adequacy of such policies and verifies the University's compliance with requirements imposed by agreements, such as the Resolution. As of July 1, 2006, the total insured replacement value of the University's buildings, contents and improvements was approximately $630,000,000.

Budget Process

The University operates on an annual budget system. Its Fiscal Year begins July 1 of each year. The budget process, as well as the administration of the expenditures authorized through the process, is administered through the office of the President and Vice President of Financial Services, in collaboration with the departmental faculty and administrative officers. The internal budget process begins with a general budget proposal for the following Fiscal Year being submitted in consolidated form by the University Administration to the Board in August of each year.

The University's operating budget is approved by the Board prior to the commencement of the Fiscal Year, usually at its June meeting. At that meeting, the Board, serving also as the governing boards for the other institutions of higher education, approves the annual budgets for those institutions, as well.

SOURCES OF FUNDING FOR THE UNIVERSITY

The University relies on a number of sources of funding for the achievement of its educational and research missions. The principal sources of revenues are: direct appropriation of State revenues by the Idaho Legislature, the fees and nonresident tuition it charges its students, federal government appropriations, grants and contracts, gifts to the University, revenues derived from investments and property holdings of the University, and the revenues derived from the sale of certain products and services managed or owned by the University. These revenue sources are more fully discussed below.

State Appropriations

Legislatively approved State general account and State endowment appropriations represent slightly more than thirty percent of the total University budget. The table below sets forth the legislative appropriation from the State General Fund for all higher education institutions and for the University net of one-time funding, reversions and holdbacks. The appropriations for higher education have increased Fiscal Years 2004 through 2007.

If in the course of a fiscal year prior to the commencement of the legislative session, the Governor determines that the expenditures authorized by the Legislature for the current fiscal year exceed anticipated revenues expected to be available to meet those expenditures, the Governor by executive order may reduce ("holdback") the spending authority on file in the office of the Division of Financial Management for any department, agency or institution of the State. No holdbacks occurred during Fiscal Years 2004 through 2006.

Schedule of State General Account and State Endowment Appropriations

Fiscal Year	2003	2004	2005	2006	2007
All Higher Education	$217,481,200	$226,874,700	$230,296,700	$235,363,700	$248,236,200
Idaho State University	58,385,200	60,654,600	61,818,600	63,496,400	67,051,200
University's percentage increase/ decrease over prior year	N/A	3.9%	1.9%	2.7%	5.6%

Fees and Tuition

The major component of this funding source is student fees, which, for the academic year 2006-2007 are $2,095 per semester for full-time undergraduate students. Non-resident students pay per-semester tuition of $4,135 in addition to student fees. Additional dedicated fees are charged to students enrolled in graduate programs, pharmacy, physical/occupational therapy, graduate level nursing and the Idaho Dental Education program.

The University expects fees for all students and tuition for non-resident students to increase in the future in response to generally higher costs of operating the University.

The following table shows per semester full-time fees from Fiscal Year 2003 through Fiscal Year 2007. Pledged Fees are shown in bold.

Full-Time Fees	2003	2004	2005	2006	2007
Student Facilities Fee/Facilities	**$180.00**	**$180.00**	**$207.00**	**$217.00**	**$217.00**
Campus Technology Fee	36.00	36.00	41.00	50.00	75.00
Subtotal Facility Fees	216.00	216.00	248.00	267.00	292.00
Tuition	**948.60**	**1,099.60**	**1,184.30**	**1,292.85**	**1,344.56**
Dedicated Activity Fees	403.40	408.40	417.70	440.15	458.44
Subtotal Student Fees	1,568.00	1,724.00	1,850.00	2,000.00	2,095.00
Graduate/Professional	316.00	330.00	340.00	370.00	370.00
Non-Resident Tuition	3,120.00	3,300.00	3,540.00	3,850.00	4,135.00

Financial aid, primarily in the form of student loans, scholarships, grants, student employment, awards, tuition waivers, fee reductions and waivers, and deferred payments is available to students. The University believes that the amount of available financial aid, which totaled $91,010,163 in Fiscal Year ended June 30, 2005 is adequate. [During the 2004-2005 academic year, the direct financial aid to students in the form of scholarships and grants was $24,097,105.] [More recent?]

Grants and Contracts

The United States government and various other public and private sponsoring agencies, through various grant and contract programs, provide a substantial percentage of the University's current fund revenues. The use of such funds is usually restricted to specific projects and is not included in the budget for the University. Such revenues include grants and contracts for research, public service, instruction and training programs, fellowships, scholarships, endowment scholarship programs, student aid programs, and grants for construction projects. The University believes it has complied with all material conditions and requirements of these various grants and contracts.

Auxiliary Enterprises

This amount represents income earned by the University on its income–producing operations such as the University's bookstore, housing, student health center, food service, athletic facility, student union and certain other operations.

Sales and Services

Various University departments provide services and products to the student body and, in some instances, to the community for which payment is received.

Idaho State University Foundation, Inc.

The ISU Foundation is a nonprofit corporation organized under Idaho law in 1967. Its purpose is to receive, manage and otherwise deal in property and apply the income, principal and proceeds of such property for the benefit of the University. A 25-member board of directors manages the ISU Foundation. Joseph C. Jensen, President, Retired-Pfizer, Inc., Animal Health Group, serves as President of the ISU Foundation.

Financial information concerning the ISU Foundation is contained in Note 13 to the University's financial statements included in "APPENDIX A" hereto. Permanent Endowments of the ISU Foundation at June 30, 2006 were $28,306,055.

[The ISU Foundation recently completed a five-year Centennial campaign. It surpassed its $102 million goal with over $152 million in gifts and pledges. A significant portion of the fundraising campaign was directed toward obtaining donations for construction of the L.E. and Thelma E. Stephens Performing Arts Center (the "Performing Arts Center"). In May 2001, the ISU Foundation issued variable rate bonds in the amount of $21,170,000 payable from and secured by the donations and pledges identified for the Performing Arts Center. Such bonds are backed by a letter of credit issued by Wells Fargo Bank, N.A. The total cost of the Performing Arts Center is estimated at approximately $34,000,000, with the balance of the construction cost being provided by donations already received by the ISU Foundation and other ISU Foundation sources. The ISU Foundation will lease the Performing Arts Center to the University, and the University has received authorization to use state-appropriated funds for operating expenses once occupied.]

Future Plans

The University has several capital projects in various stages of planning. At its April 2005 meeting, the State Board of Education (SBOE) approved an aquatic center addition to Reed Gym, at an estimated project cost of $6.5 million. Current discussions could result in a revised project scope, which could increase the cost of the project to as much as $22.2 million (with SBOE approval of the project and additional student fees to support bonding & operations). In October 2005, the SBOE approved the University's request to develop a Request for Proposal to replace the hardware and software of the University's information system. A portion of the estimated $15 million implementation cost will require financing. The University is exploring options related to a permanent instructional facility in Boise to consolidate currently leased space. Bonding needs are estimated to be less than $15 million. It is difficult to estimate the timing of any of these projects, but the University expects that [none of them would be financed within the next 6-12 months.

University Debt

Prior to the issuance of the Series 2006 Bonds, the University had $53,180,000 of Bonds outstanding secured by Pledged Revenues. Set forth below is the University's schedule of outstanding indebtedness as of the end of its most recently completed Fiscal Year.

Outstanding Indebtedness Prior to the Issuance of the Series 2006 Bonds	Date Incurred	Final Maturity Date	Amount of Original Indebtedness	Amount of Debt Outstanding as of June 30, 2006
Student Facilities Fee Refunding and Improvement Revenue Bonds, Series 1998	1998	2022	$12,400,000	$9,535,000
General Refunding and Improvement Revenue Bonds, Series 2003	2003	2023	35,895,000	33,360,000
General Revenue Bonds, Series 2004A	2004	2023	4,980,000	4,770,000
General Revenue Bonds, Series 2004B	2004	2034	3,305,000	3,305,000
General Revenue Bonds (Taxable), Series 2004C	2004	2034	2,305,000	2,210,000
Subtotal:			$58,885,000	$53,180,000
General System Revenue Bonds (Federally Taxable), Series 2006	2006	[_____]	$10,000,000	$10,000,000
Total Bonded Indebtedness After Issuance of Series 2006 Bonds			$68,885,000	$63,180,000

Source: Idaho State University

UNIVERSITY GOVERNANCE AND ADMINISTRATION

The responsibility for overall management and determination of University policy and standards is vested with the Board of Trustees of Idaho State University who also serve as the Idaho State Board of Education and simultaneously, among other duties, as the Regents of the University of Idaho, the Trustees for Boise State University and Lewis-Clark State College in Lewiston and as the State Board for Professional-Technical Education. The combined boards are appointed by the Governor for five-year terms. The membership, terms, residences and occupations are listed below.

The Board of Trustees of Idaho State University and The State Board of Education

Name	Residence	Occupation	Term Expires
Laird Stone (President)	Twin Falls	Attorney	March 1, 2008
Milford Terrell (Vice President)	Boise	Owner/President of DeBest Plumbing	March 1, 2007
Paul C. Agidius (Secretary)	Moscow	Attorney	March 1, 2011
Blake G. Hall	Idaho Falls	Attorney	March 1, 2010
Dr. Marilyn Howard*	Boise	State Superintendent of Public Instruction	January 1, 2007
Roderic W. Lewis	Boise	General Counsel, Micron Technology, Inc.	March 1, 2010
Karen McGee	Pocatello	Audiologist and a former member of Pocatello City Council	March 1, 2009
Sue Thilo	Coeur d'Alene	Community Leader	March 1, 2009

* Dr. Howard serves ex-officio to the State Board of Education in her capacity as State Superintendent of Public Instruction, which is a statewide elective office. Her current term on the Board expires on January 1, 2007.

The State Board of Education has a full time professional staff headed by Dwight Johnson, Executive Director. He was appointed Interim Executive Director in October 2005 and Executive Director effective March 28, 2006.

University Officers

The affairs of the University are managed by the President of the University and the staff. The President is appointed by, reports to, and serves at the pleasure of the Board. Following is a brief biographical resume of President Vailas and his cabinet:

Arthur C. Vailas, President. Dr. Vailas assumed the position of President of Idaho State University on July 1, 2006. Dr. Vailas previously was vice chancellor of all five University of Houston (UH) System campuses, and vice president for research and intellectual property management at the UH main campus. He joined the University of Houston in 1995 as vice provost for graduate studies, and professor and distinguished chair in biology and biochemistry. From 1988 to 1994, he held numerous positions at the University of Wisconsin – Madison. They included associate dean for research and development in the School of Education; professor of surgery, division of orthopedic surgery, College of Medicine; professor of kinesiology, School of Education; professor, department of poultry science, College of Agriculture; and professor and director of the Biodynamics Laboratory. His Ph.D. degree is from the University of Iowa with an area of emphasis in connective tissue physiology.

Robert A. Wharton, Vice President for Academic Affairs. Dr. Wharton oversees all academic aspects of the University. He works with University leadership and the State Board of Education to advance campus initiatives-leading to excellence in pursuing the University's mission. Prior to joining the University, Dr. Wharton was a member of the federal government's Senior Executive Service and served as executive officer for the National Science Foundation's Office of Polar Programs.

Kenneth R. Prolo, Vice President for Financial Services and Bursar. Mr. Prolo was appointed Vice President in 1999 after serving as the Director of Human Resources at the University since 1994. Prior to joining the University he was with the IBM Corporation for over 25 years serving in various human resource and education related staff and management positions. For over twenty years Mr. Prolo has served as an adjunct professor at San Jose State University, Santa Clara University, and the University. While in the private sector he was active on various community boards, including serving on the advisory board for continuing education for San Jose State University. His bachelor's degree is in Business Administration and his master's degree in Finance, both from San Jose State University.

Lee Krehbiel, Interim Vice President of Student Affairs. Dr. Krehbiel was appointed to the position of Interim Vice President for Student Affairs in September 2006. Originally coming to ISU in 1996 to serve as Assistant Dean of Students, he was promoted to Associate Dean of Students in 2005. Prior to joining the University, Dr. Krehbiel was a Research Associate at the Indiana Education Policy Center, Indiana University-Bloomington. He previously served as Director of Alumni Building (Union) and Campus Activities at Berea College. He received his Ph.D. in Educational Leadership and Policy Studies from Indiana University.

BONDOWNERS' RISKS

The purchase of the Series 2006 Bonds involves certain risks that are discussed throughout this Official Statement. Each prospective purchaser of the Series 2006 Bonds should make an independent evaluation of all of the information in this Official Statement in order to make an informed investment decision.

Limited Obligation. The Series 2006 Bonds are limited obligations of the Board and do not constitute a debt or liability of the State of Idaho, its Legislature, or any of its political subdivisions or agencies other than the University and then only to the extent herein described. The Board is not authorized to levy or collect any taxes or assessments other than the revenues and fees described herein to pay the Series 2006 Bonds. The Board has no taxing power.

Enrollment Decline. The University is empowered to set fees and tuition, but the University cannot control the number of students enrolled in any year and a continued decline in enrollment could impact the ability of the University to collect sufficient Pledged Revenues to pay principal and interest on the Bonds.

TAX MATTERS

In the opinion of Ballard Spahr Andrews & Ingersoll, LLP, Bond Counsel to the University, interest on the Series 2006 Bonds is not excludable from gross income for federal income tax purposes. Bond Counsel expresses no opinion regarding any other tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2006 Bonds.

UNDERWRITING

Lehman Brothers Inc. (the "Underwriter"), has agreed, subject to certain conditions, to purchase all of the Series 2006 Bonds from the Board at a purchase price of $_____ (representing the par amount of the Series 2006 Bonds plus/less a net reoffering premium/discount of $_____ and less an underwriting discount of $_____). The Underwriter has advised the Board that the Series 2006 Bonds may be offered and sold to certain dealers (including dealers depositing the Series 2006 Bonds into investment trusts) at prices lower than the initial public offering prices reflected on the cover page of this Official Statement and that such public offering prices may be changed from time to time.

RATINGS

[_____ ("_____") and _____ ("_____") have assigned their municipal bond ratings of "_____" and "_____," respectively, to the Series 2006 Bonds with the understanding that upon the delivery of the Series 2006 Bonds, a policy insuring the payment when due of the principal of and interest on the Series 2006 Bonds will be issued by _____.]

[_____ and _____ have assigned underlying ratings of "_____" and "_____," respectively, to the Series 2006 Bonds.]

Any explanation of the significance of such ratings may only be obtained from the rating agency furnishing the same. The above ratings are not recommendations to buy, sell or hold the Series 2006 Bonds.

There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2006 Bonds.

TRUSTEE

By appointment of the Authority, U.S. Bank National Association, Salt Lake City, Utah, shall act as the trustee, bond registrar, authenticating agent, paying agent and transfer agent with respect to the Series 2006 Bonds.

The Trustee is to carry out those duties assignable to it under the Resolution. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Official Statement and assumes no responsibility for the nature, content, accuracy or completeness of the information set forth in this Official Statement or for the recitals contained in the Resolution or the Series 2006 Bonds, or for the validity, sufficiency, or legal effect of any of such documents.

Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application by the Authority of any of the Series 2006 Bonds authenticated or delivered pursuant to the Resolution or for the use or application of the proceeds of such Series 2006 Bonds by the Authority. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the Series 2006 Bonds and makes no representation, and has reached no conclusions, regarding the value or condition of any assets or revenues pledged or assigned as security for the Series

2006 Bonds or the investment quality of the Series 2006 Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

CONTINUING DISCLOSURE

The University and the Trustee have entered into a "Disclosure Agreement" pursuant to which the University will provide to the Trustee within 180 days following the end of its fiscal year a copy of its annual audited financial statements and such other financial, statistical and operating data for such fiscal year in form and scope similar to the financial, statistical and operating data included in this Official Statement. The University also has agreed to deliver to the Trustee notice of the events described in paragraph (b)(5)(i)(C) of Rule 15c2-12 as promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"). The Trustee has agreed to deliver the information and the notices described in the preceding two sentences upon receipt thereof from the University to each nationally recognized municipal securities information repository and to the State of Idaho information depository, and to deliver any notice of an event described in paragraph (b)(5)(i)(C) of Rule 15c2-12 to the Municipal Securities Rulemaking Board. The Trustee also agrees that if it has knowledge that the University has not delivered its annual audited financial statements or has not provided the financial, statistical and operating data as described above or if it has knowledge of the occurrence of an event described in clauses (1), (3) or (4) of paragraph (b)(5)(i)(C) of Rule 15c2-12, it will directly notify such nationally recognized municipal securities information repository and the Municipal Securities Rulemaking Board of the University's failure to deliver such information or the occurrence of such event.

The University has not failed to perform any obligation with respect to any existing undertaking to provide continuous disclosure under the Rule. A failure by the University to comply with the Disclosure Agreement will constitute an event of default under the Disclosure Agreement and will entitle any Bondholder (including any Beneficial Owner) to bring an action for specific performance and to take such other remedies as are provided in the Disclosure Agreement.

A failure by the University to comply with the Disclosure Agreement must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 2006 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2006 Bonds and their market price.

LITIGATION

The University has reported as of the date hereof that there is no litigation pending or threatened that, if decided adversely to the interests of the University, would have a materially adverse effect on the operations or financial position of the University. There is no litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Series 2006 Bonds or in any way contesting or affecting the validity of, or having a material adverse effect on, the Series 2006 Bonds, the pledge and application of Pledged Revenues or the existence or powers of the University.

LEGAL MATTERS

All legal matters incident to the authorization and issuance of the Series 2006 Bonds are subject to the approval of Ballard Spahr Andrews & Ingersoll, LLP, as Bond Counsel to the University whose approving opinions will be delivered with the Series 2006 Bonds. Certain legal matters will be passed upon for the University by its University Counsel, Bradley H. Hall, Esq., Pocatello, Idaho. Certain legal matters will be passed on for the Board and the University by the office of the Attorney General of the State. A copy of the opinion of Bond Counsel in substantially the form set forth in APPENDIX D of this Official Statement will be available from the University upon request.

Other than the form of such opinion, Bond Counsel has not assumed responsibility for any of the remaining material in the Official Statement and has not undertaken to review or independently verify the information set out therein. In addition, Bond Counsel has not assumed responsibility for any agreement, representation, offering

circulars or other material of any kind not mentioned in this paragraph, relating to the offering of the Series 2006 Bonds for sale.

INDEPENDENT AUDITORS

The financial statements of the University for the years ended June 30, 2005 and 2004 and Independent Auditor's Report, included in this Official Statement as "APPENDIX C," have been audited by Moss Adams LLP ("Moss Adams"), independent auditors, as stated in their report appearing therein.

NO DEFAULTED BONDS

The University has never failed to pay principal and interest when due on their respective outstanding bonded indebtedness or other obligations.

MISCELLANEOUS

The Appendices are integral parts of this Official Statement and must be read together with all other parts of this Official Statement. The references herein to the Resolution, the Series 2006 Bonds and the Act, are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and reference is made to such documents and Act for full and complete statements of their provisions. Copies of these documents and Act are available for inspection at the principal corporate trust office of the Trustee in Salt Lake City, Utah and during the offering period for the Series 2006 Bonds from the Underwriter.

Any statements in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any estimates will be realized.

This Preliminary Official Statement is in a form "deemed final" by the University for purposes of Rule 15c2-12 of the Securities and Exchange Commission.

This Official Statement and its distribution and use by the Underwriter has been duly authorized by the Board and the University.

IDAHO STATE UNIVERSITY

By:_____
Vice President for Financial Services and Bursar

APPENDIX A

GLOSSARY OF CERTAIN TERMS USED IN THE RESOLUTION AND OFFICIAL STATEMENT

APPENDIX B

SUMMARY OF THE RESOLUTION

APPENDIX C

**FINANCIAL STATEMENTS OF THE UNIVERSITY
FOR THE YEARS ENDED JUNE 30, 2006 AND 2005
AND INDEPENDENT AUDITOR'S REPORT**

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

[To be provided.]

APPENDIX E

PROVISIONS REGARDING BOOK-ENTRY-ONLY SYSTEM

APPENDIX F

SPECIMEN BOND INSURANCE POLICY

APPENDIX G

FORM OF CONTINUING DISCLOSURE AGREEMENT

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THE BOARD OF TRUSTEES OF IDAHO STATE UNIVERSITY

Supplemental Resolution
Authorizing the Issuance and Sale of
$10,000,000
General Revenue Bonds
(Federally Taxable), Series 2006
of
The Board of Trustees of Idaho State University

Adopted November 30, 2006

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SUPPLEMENTAL RESOLUTION

A SUPPLEMENTAL RESOLUTION authorizing the issuance and sale of $10,000,000 General Revenue Bonds (Federally Taxable), Series 2006 of the Board of Trustees of Idaho State University; making certain findings under Title 33, Chapter 38 of the Idaho Code, and by the Resolution for the issuance of additional bonds; setting forth the issue date, interest payment dates, interest rates, maturity dates, maturity amounts and redemption amounts of the Series 2006 Bonds; authorizing the execution and delivery of a bond purchase agreement; and providing for other matters relating to the Series 2006 Bonds.

WHEREAS, Idaho State University (the "University") is a state institution of higher education and body politic and corporate organized and existing under and pursuant to the Constitution and laws of the State of Idaho; and

WHEREAS, the Board of Trustees of the University (the "Board") is authorized, pursuant to the Educational Institutions Act of 1935, the same being Title 33, chapter 38, Idaho Code, and the Constitution of the State of Idaho, to issue bonds for "projects" as defined in said Act; and

WHEREAS, on September 17, 1992, the Board adopted a Resolution (the "1992 Resolution") relating to the issuance and sale of $10,000,000 Student Facilities Fee Revenue Bonds, Series 1992 (the "Series 1992 Bonds"), and providing among other things for the issuance of additional Student Facilities Fee Revenue Bonds for future projects ("Additional Bonds"); and

WHEREAS, the University is authorized under the provisions of Article VII of the Resolution to issue Additional Bonds upon compliance with the requirements of Section 7.2 of the Resolution; and

WHEREAS, pursuant to a Supplemental Resolution adopted May 14, 1993 which amended and supplemented the 1992 Resolution, the Board authorized the issuance of the University's $3,000,000 Student Facilities Fee Revenue Bonds, Series 1993, to acquire certain facilities on and improvements to the campus of the University at Pocatello, Idaho (the "Series 1993 Bonds"); and

WHEREAS, pursuant to a Supplemental Resolution adopted February 19, 1998 which amended and supplemented the 1992 Resolution, the Board authorized the issuance of Additional Bonds thereunder, namely the University's $12,400,000 Student Facilities Fee Refunding and Improvement Revenue Bonds, Series 1998, to acquire certain facilities on and improvements to the University's campus and to advance refund certain of the Series 1992 Bonds; and

WHEREAS, pursuant to a Supplemental Resolution adopted June 26, 2003, which amended and supplemented the 1992 Resolution, the Board authorized the issuance of Additional Bonds thereunder, namely the University's $35,895,000 General Refunding and Improvement Revenue Bonds, Series 2003, to currently refund the

Outstanding Series 1993 Bonds, refinance or pay off certain other indebtedness of the University, and acquire certain housing and student services facilities of the Rendezvous Center and energy-saving improvements; and

WHEREAS, pursuant to a Supplemental Resolution adopted August 12, 2004, amending and supplementing the 1992 Resolution, the Board authorized the issuance of Additional Bonds thereunder, namely, the University's $4,980,000 General Revenue Bonds, Series 2004A (the "Series 2004A Bonds"), to finance additional project costs of the Rendezvous Center; and

WHEREAS, pursuant to a Supplemental Resolution adopted October 24, 2004, amending and supplementing the 1992 Resolution, the Board authorized the issuance of Additional Bonds thereunder, namely, the University's $3,305,000 General Revenue Bonds, Series 2004B (the "Series 2004B Bonds") and $2,305,000 General Revenue Bonds (Taxable), Series 2004C (the "Series 2004C Bonds"), to acquire certain property situated in Idaho Falls, Idaho; and

WHEREAS, the Board has determined that it is both necessary for the proper operation of the University and economically feasible for the University (i) to construct a facility that will contain the Center for Advanced Energy Studies at the Idaho Falls Center for Higher Education Campus (the "CAES Project"), which will be jointly occupied by a consortium of the Idaho State research universities and Battelle Energy Alliance, LLC ("BEA"); and (ii) to provide funds to finance the CAES Project by the issuance of its Series 2006 Bonds (hereinafter defined) pursuant to the Resolution in the manner provided by Title 33, chapter 38, Idaho Code; and

WHEREAS, the Board has at the meeting at which this Supplemental Resolution is adopted, approved the lease of the CAES Project to BEA pursuant to the CAES Lease (as defined herein) and desires to include the Base Rent (as defined in the CAES Lease) payments in Pledged Revenues under the Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF IDAHO STATE UNIVERSITY AS FOLLOWS:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions.

(a) Except as provided in subparagraph (b) of this Section 1.1, all defined terms contained in this Supplemental Resolution shall have the same meanings as set forth in the Resolution.

(b) As used in this Supplemental Resolution, unless the context shall otherwise require, the following terms shall have the following meanings:

"Acquisition Proceeds" means the portion of the proceeds of the Series 2006 Bonds deposited into the CAES Project Account in the Construction Fund pursuant to Section 3.2(b) of this Supplemental Resolution for purposes of acquiring and constructing the CAES Project.

"Battelle" means Battelle Memorial Institute.

"BEA" means Battelle Energy Alliance, LLC a Delaware limited liability company.

"Bond Purchase Agreement" means the Bond Purchase Agreement dated November 30, 2006, between the Board and the Underwriter pursuant to which the Series 2006 Bonds are to be sold.

"Bond Register" means the registration records of the University, maintained by the Trustee, on which shall appear the names and addresses of the Registered Owners of the Series 2006 Bonds.

"Book-Entry System" means the book-entry system of registration of the Series 2006 Bonds described in Section 2.11 of this Supplemental Resolution.

"CAES Cost of Issuance Fund" means the special account created by Section 3.1 of this Supplemental Resolution, from which the Costs of Issuance of the Series 2006 Bonds shall be paid.

"CAES Lease" means Lease Agreement No. 00049377 between the University and BEA.

"CAES Base Rent" means the base rent (as referred to in the CAES Lease) payable by BEA under the CAES Lease.

"CAES Project" means the design and construction of a facility, as more particularly described on Exhibit A attached to this Supplemental Resolution and incorporated herein by this reference, that will contain the Center for Advanced Energy Studies at the Idaho Falls Center for Higher Education Campus, to be owned by the

University and jointly occupied by a consortium of the three Idaho research universities and BEA.

"CAES Project Account" means the special account created by Section 3.1 of this Supplemental Resolution, from which a portion of the Cost of Acquisition and Construction of the CAES Project shall be paid.

"Cede & Co." means Cede & Co., as nominee of The Depository Trust Company, New York, New York.

"DTC Participants" means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

"Information Reporting Agreement" means the agreement with respect to the Series 2006 Bonds, between the University and the Trustee and authorized by Section 2.6 of this Supplemental Resolution.

"Representation Letter" means the Blanket Representation Letter [dated June 26, 2003, from the University to DTC].

"Resolution" means the 1992 Resolution, as amended and supplemented by Supplemental Resolutions thereto, including the Restatement.

"Restatement" means the restatement of the 1992 Resolution, as amended and supplemented by Supplemental Resolutions, which restatement was adopted by the Board on August 12, 2004.

"Securities Depository" means The Depository Trust Company, New York, New York, or any successor Securities Depository appointed pursuant to Section 2.10.

"Series 2006 Bondholder" means the Holder of any Series 2006 Bond.

"Series 2006 Bonds" means the $10,000,000 principal amount of General Revenue Bonds (Taxable), Series 2006 authorized to be issued pursuant to this Supplemental Resolution.

"Series 2006 Term Bonds" means _____.

"Supplemental Resolution" means this Supplemental Resolution of the University adopted on November 30, 2006, authorizing the Series 2006 Bonds.

"Trustee and Paying Agent" means U.S. Bank National Association, and its successors and permitted assigns under the Resolution.

"Underwriter" means Lehman Brothers.

"WG" means the Washington Group International.

The terms "hereby," "hereof," "hereto," "herein," "hereunder," and any similar terms as used in this Supplemental Resolution refer to this Supplemental Resolution.

Section 1.2 Authority for Supplemental Resolution. This Supplemental Resolution is adopted pursuant to the provisions of the Act and the Resolution.

Section 1.3 Amendment of Definition of Pledged Revenues . As contemplated by the Resolution with regard to the addition of additional revenues, the definitions of Pledged Revenues and Revenues Available for Debt Service are hereby amended to read as follows:

Pledged Revenues shall include (i) the Student Facilities Fee/Facilities, (ii) the Matriculation Fee (also referred to as the Tuition Fee) and other fees as shall be designated by the Board as Pledged Revenues; (iii) Revenues of the Housing System and CAES Base Rent, (iv) other revenues of other University enterprises or sources of funds as shall be designated by the Board as Pledged Revenues, (v) any investment income deposited from the Revenue Fund and the Debt Service Fund; and (vi) proceeds from the sale of a series of Bonds and moneys and investment earnings thereon, except as otherwise provided in this Bond Resolution or a Supplemental Resolution. Upon approval of the annual budget by the Board, the amounts of fees and other revenues so approved by the Board shall become Pledged Revenues and, when deposited into the Revenue Fund, shall become available for payment into the Bond Fund for payment of Debt Service in accordance with this Bond Resolution.

Revenues Available for Debt Service shall mean revenues in clauses (i), (ii), (v) and (vi) of the definition of Pledged Revenues, plus Net Revenues of the Housing System, plus CAES Base Rent, plus revenues described in clause (iv) of the definition of Pledged Revenues less Operation and Maintenance Expenses of any University enterprises the revenues of which have been included in Pledged Revenues by virtue of such clause (iv).

ARTICLE II

AUTHORIZATION, TERMS AND ISSUANCE OF SERIES 2006 BONDS

Section 2.1 Authorization of Series 2006 Bonds, Principal Amount, Designation and Series. In order to provide sufficient funds to finance a portion of the costs of the CAES Project, and in accordance with and subject to the terms, conditions and limitations established in the Resolution, as previously amended, a series of Additional Bonds is hereby authorized to be issued in the aggregate principal amount of $10,000,000, shall be designated "Idaho State University General Revenue Bonds (Federally Taxable), Series 2006." The Series 2006 Bonds shall be issued only in fully registered form, without coupons.

Section 2.2 Addition to Facilities and Confirmation of Pledged Revenues. As contemplated by the Resolution, the term "Facilities" as defined therein shall include the CAES Project. The Series 2006 Bonds are secured by the pledge of Pledged Revenues under Section 5.1 of the Resolution, as previously amended, equally and ratably with all Outstanding Bonds issued under the Resolution

Section 2.3 Finding and Purpose. The Board hereby finds, determines and declares:

(a) pursuant to Section 33-3805, Idaho Code, the CAES Project is desirable and necessary for the proper operation of the University and is economically feasible;

(b) pursuant to Section 33-3805A, Idaho Code, the CAES Project will not require state general account appropriated funds for construction, operation or maintenance;

(c) pursuant to Section 33-3806, Idaho Code, fees, rentals and other charges from those that are served by the CAES Project shall be the same as those applicable to any existing project similar in nature and purpose, provided that there may be allowed reasonable differentials based on the condition, type, location and relative convenience of such other project, but the differentials shall be uniform as to all those similarly accommodated;

(d) pursuant to Section 33-3809, Idaho Code, this Supplemental Resolution does not contract a debt on behalf of, or in any way obligate the State of Idaho, or pledge, assign or encumber in any way, or permit the pledging, assigning or encumbering in any way of, appropriations made by the Legislature, or revenue derived from the investment of the proceeds of the sale, and from the rental of such lands as have been set aside by the Idaho Admission Bill approved July 3, 1890, or other legislative enactments of the United States, for the use and benefit of the respective state educational institutions;

(e) pursuant to Section 33-3810, Idaho Code, the Series 2006 Bonds shall be exclusively obligations of the University, payable only in accordance

with the terms thereof and shall not be obligations general, special or otherwise of the State of Idaho; and

(f) the requirements of Section 7.2 of the Resolution, as amended, will have been complied with upon the delivery of the Series 2006 Bonds.

Section 2.4 Issue Date. The Series 2006 Bonds shall be dated as of the date of their initial delivery.

Section 2.5 Series 2006 Bonds.

(a) The Series 2006 Bonds shall bear interest at the rates and mature on the dates and in the principal amounts in each year as shown below:

April 1 of the Year	Amount Maturing	Interest Rate

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* Final Maturity

(b) The Series 2006 Bonds shall bear interest from the date of delivery thereof, payable on April 1, 2007 and semiannually thereafter on each April 1 and October 1.

Section 2.6 Sale of Series 2006 Bonds. The Series 2006 Bonds authorized to be issued herein are hereby sold to the Underwriter at an aggregate purchase price equal to the par amount of the Series 2006 Bonds, plus net premium of $_____, on the terms and conditions set forth in the Bond Purchase Agreement. [Under the Bond Purchase Agreement, the Underwriter is to be paid a fee of $_____ for purchasing the Series 2006 Bonds.]

To evidence the acceptance of the Bond Purchase Agreement, the Bursar is hereby authorized to execute and deliver, and the Secretary to attest, the Bond Purchase Agreement in the form presented at this meeting.

The final Official Statement of the University for the sale of the Series 2006 Bonds, in substantially the form presented at this meeting, with such changes, omissions, insertions and revisions as the Bursar shall approve, is hereby authorized, and the Bursar shall sign such final Official Statement and deliver such final Official Statement to the

Underwriter for distribution to prospective purchasers of the Series 2006 Bonds and other interested persons, which signature shall evidence such approval. The use of the Preliminary Official Statement dated _____, 2006, by the Underwriter and the actions of the University, including the certification by the Bursar as to the "deemed finality" of the Preliminary Official Statement pursuant to SEC Rule 15c2-12 in connection with the offering of the Series 2006 Bonds, are hereby acknowledged, approved and ratified.

In order to comply with subsection (b)(5) of SEC Rule 15c2-12, the Underwriter has provided in the Bond Purchase Agreement that it is a condition to delivery of the Series 2006 Bonds that the University and the Trustee shall have executed and delivered the Information Reporting Agreement. The Information Reporting Agreement is hereby ratified and approved in all respects and the President, Vice President for Financial Services or the Bursar are hereby authorized to execute and deliver the Information Reporting Agreement in the form of Exhibit B to the Bond Purchase Agreement.

The Vice President for Financial Services of the University and the President and Secretary of the Board are, and each of them is, hereby authorized to do or perform all such acts as may be necessary or advisable to comply with the Bond Purchase Agreement and to carry the same into effect.

Section 2.7 Delivery of Series 2006 Bonds. The Series 2006 Bonds shall be delivered to the Underwriter upon compliance with the provisions of Section 3.2 of the Resolution, at such time and place as provided in, and subject to, the provisions of the Bond Purchase Agreement. The Series 2006 Bonds shall be executed as provided in Section 3.2 of the Resolution.

Section 2.8 Redemption of Series 2006 Bonds Prior to Maturity.

(a) Optional Redemption. The Series 2006 Bonds are subject to redemption, in whole or in part, at the option of the University at any time or from time to time upon notice as hereinafter provided, on any date prior to their maturity at a redemption price equal to 100% of the principal amount of such Series 2006 Bonds plus the "Make-Whole Premium," if any, as described below, plus the accrued interest, if any, thereon to the redemption date.

The amount of the Make-Whole Premium with respect to any Series 2006 Bond to be redeemed will be equal to the excess, if any, of:

(i) the sum of the present values, calculated as of the redemption date, of:

(A) each interest payment that, but for such redemption, would have been payable on the Series 2006 Bond or portion thereof being redeemed on each interest payment date occurring after the redemption date (excluding any accrued interest for the period prior to the redemption date); and

(B) the principal amount that, but for such redemption, would have been payable at the final maturity of the Series 2006 Bond being redeemed; over

(ii) the principal amount of the Series 2006 Bond being redeemed.

The present values of interest and principal payments referred to in clause (1) above shall be determined in accordance with generally accepted principles of financial analysis. These present values will be calculated by discounting the amount of each payment of interest or principal from the date that each such payment would have been payable, but for the redemption, to the redemption date at a discount rate equal to the "comparable treasury yield" (as defined below) plus 12.5 basis points. The Make-Whole Premium will be calculated by an independent investment banking institution of national standing appointed by the University (which may be the Underwriter). If the University fails to appoint an independent investment banker at least 45 days prior to the redemption date, or if the independent investment banker appointed by the University is unwilling or unable to make the calculation, the calculation will be made by an independent investment banking institution of national standing appointed by the Trustee.

For purposes of determining the Make-Whole Premium, "comparable treasury yield" means a rate of interest per annum equal to the weekly average yield to maturity of United States Treasury Securities that have a constant maturity that corresponds to the remaining term to maturity of the Series 2006 Bonds, calculated to the nearest 1/12th of a year. The comparable treasury yield will be determined as of the third Business Day immediately preceding the applicable redemption date.

The weekly average yields of United States Treasury Securities will be determined by reference to the most recent statistical release published by the Federal Reserve Bank of New York and designated "H.15(519) Selected Interest Rates" or any successor release. If the H.15 statistical release sets forth a weekly average yield for United States Treasury Securities having a constant maturity that is the same as the remaining term calculated as set forth above, then the comparable treasury yield will be equal to such weekly average yield. In all other cases, the comparable treasury yield will be calculated by interpolation on a straight-line basis, between the weekly average yields on the United States Treasury Securities that have a constant maturity closest to and less than the remaining term (in each case as set forth in the H.15 statistical release or any successor release). Any weekly average yields calculated by interpolation will be rounded to the nearest 1/100th of 1%, with any figure of 1/200th of 1% or above being rounded upward. If weekly average yields for United States Treasury Securities are not available in the H.15 statistical release or otherwise, then the comparable treasury yield will be calculated by interpolation of comparable rates selected by an independent investment banker selected in the manner described above.

(b) Mandatory Redemption. If not previously redeemed as described above, the Series 2006 Bonds maturing on _____ (the "Series 2006 Term Bonds") will be redeemed in part by operation of sinking fund installments

upon notice as provided in the Resolution at a redemption price equal to 100% of the portion of the principal amount thereof to be redeemed, together with accrued interest to the Mandatory Redemption Date. The principal amounts and due dates of the Mandatory Redemption Amounts for the Series 2006 Term Bonds are set forth in the following table:

April 1 of the Year	Mandatory Redemption Amount

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* Final Maturity

Each of the Series 2006 Term Bonds shall be subject to redemption in part, pro rata and not by lot, on each Mandatory Redemption Date. The portion of the principal amount of each Series 2006 Term Bond to be redeemed (per $5,000 original principal amount) on each Mandatory Redemption Date and the resulting principal amount of each Series 2006 Term Bond remaining outstanding (per $5,000 original principal amount) upon each such redemption are shown in the following table:

Mandatory Redemption Date April 1	Principal Amount to Be Redeemed (Per $5,000 original Mandatory Redemption Amount)	Remaining Principal Amount (Per $5,000 original Mandatory Redemption Amount)

* Final Maturity

(c) Conditional Notice of Redemption. In addition to the items required by the Resolution, each notice of redemption may further state, in the case of optional redemption, that such redemption shall be conditioned upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of and interest on such Series 2006 Bonds to be redeemed and that if such moneys shall not have been so received said notice shall be of no force and effect and such Series 2006 Bonds shall not be required to be redeemed. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, one time, in the same manner in which the notice of redemption was given, that such moneys were not so received.

Section 2.9 Form of Series 2006 Bond. The form of Series 2006 Bond is attached to this Supplemental Resolution as Exhibit B, and is incorporated herein by this reference.

Section 2.10 Submittal to Attorney General. There shall promptly be submitted to the Attorney General of the State of Idaho by the Secretary of the Board a certified copy of this Supplemental Resolution, together with the proceedings had in their adoption, in order that the Attorney General may examine into and pass upon the validity of the Series 2006 Bonds and the regularity of such proceedings, in the manner and with the effect specified in chapter 38 of Title 33, Idaho Code, as amended.

Section 2.11 Book-Entry Only System.

(a) The Series 2006 Bonds shall initially be registered on the Bond Register in the name of Cede & Co., the nominee for the Securities Depository, and no Beneficial Owner will receive certificates representing their respective interests in the Series 2006 Bonds, except in the event the Trustee issues Replacement Bonds as provided below. It is anticipated that during the term of the Series 2006 Bonds, the Securities Depository will make book-entry transfers among the DTC Participants and receive and transmit payments of principal of and interest on the Series 2006 Bonds until and unless the Trustee authenticates and delivers Replacement Bonds to the Beneficial Owners as described below. So long as any of the Series 2006 Bonds are registered in the name of Cede & Co., as nominee of the DTC, all payments with respect to principal of, premium, if any, and interest on the Series 2006 Bonds and all notices with respect to the Series 2006 Bonds shall be made and given in the manner provided in the Representation Letter.

(b) If the Securities Depository determines to discontinue providing its services with respect to the Series 2006 Bonds and the University cannot obtain a qualified successor Securities Depository, or if the University determines not to use the book-entry system of the Securities Depository, the University shall execute and the Trustee shall authenticate and deliver one or more Series 2006 Bond certificates (the "Replacement Bonds") to the DTC Participants in principal amounts and maturities corresponding to the identifiable Beneficial Owners' interests in the Series 2006 Bonds, with such adjustments as the Trustee may find necessary or appropriate as to accrued interest and previous calls for redemption, if any. In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository has possession of at least one Series 2006 Bond. Upon the issuance of Replacement Bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Trustee, to the extent applicable with respect to such Replacement Bonds.

(c) With respect to Series 2006 Bonds registered in the name of Cede & Co. as nominee for the Securities Depository, neither the University nor the Trustee shall have any responsibility to any Beneficial Owner with respect to:

(i) the sending of transaction statements, or maintenance, supervision, or review of records of the Securities Depository;

(ii) the accuracy of the records of the Securities Depository or Cede & Co. with respect to any ownership interest in the Series 2006 Bonds;

(iii) the payment to any Beneficial Owner, or any person other than the Securities Depository, of any amount with respect to principal of, interest on, or redemption premium, if any, on the Series 2006 Bonds; or

(iv) any consent given or other action taken by the Securities Depository or Cede & Co. as owner of the Series 2006 Bonds.

(d) The University has previously executed and delivered to DTC the Representation Letter in connection with the issuance of its Bonds, including the Series 2006 Bonds. Such Representation Letter is for the purpose of effectuating the initial Book-Entry System for the Series 2006 Bonds through DTC as Securities Depository and shall not be deemed to amend, supersede or supplement the terms of this Supplemental Resolution which are intended to be complete without reference to the Representation Letter. In the event of any conflict between the terms of the Representation Letter and the terms of this Supplemental Resolution, the terms of this Supplemental Resolution shall control. The Securities Depository may exercise the rights of a Registered Owner hereunder only in accordance with the terms hereof applicable to the exercise of such rights.

Section 2.12 Successor Securities Depository. In the event the Securities Depository resigns, is unable to properly discharge its responsibilities or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable state or federal statute or regulation, the University, may appoint a successor Securities Depository, and shall deliver notice of such appointment to the Trustee. Any such successor Securities Depository shall be a securities depository which is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable state or federal statute or regulation. Upon the appointment of a successor Securities Depository, the former Securities Depository shall surrender the Series 2006 Bonds to the Trustee for transfer to the successor Securities Depository, and the Trustee shall cause the authentication and delivery of Series 2006 Bonds to the successor Securities Depository in appropriate denominations and form as provided herein.

ARTICLE III

CREATION OF ACCOUNTS, APPLICATION OF SERIES 2006 BOND PROCEEDS, ACQUISITION OF CAES PROJECT AND ENFORCEMENT OF CAES LEASE

Section 3.1 Creation of Accounts. In accordance with Section 5.4B of the Resolution, there is hereby established a "CAES Project Account" in the Construction Fund and a "CAES Cost of Issuance Fund," all to be held by the University. The University shall invest the monies on deposit in the CAES Project Account in Investment Securities.

Section 3.2 Application of Proceeds of Series 2006 Bonds. The proceeds of the sale of the Series 2006 Bonds (less the bond insurance premium paid by the Underwriter on behalf of the University) shall be paid or deposited as follows:

(a) Bond proceeds in the amount of $_____ to the University for deposit into the CAES Cost of Issuance Fund, for payment of the Costs of Issuance of the Series 2006 Bonds, including the Underwriting fees, such costs either paid by the University or paid by the Trustee on behalf of the University; and

(b) Acquisition Proceeds in the amount of $_____ for deposit into the CAES Project Account to acquire and construct a portion of the CAES Project.

(c) Pursuant to Section 5.4 of the Resolution, before any payment is made from the CAES Project Account, the University shall execute a Written Certificate showing with respect to each payment to be made the name of the person to whom payment is due and the amount to be paid and certifying that the obligation to be paid was incurred and is a proper charge against the CAES Project Account in the Construction Fund and in a reasonable amount against the respective account and has not been theretofore included in a prior Written Certificate.

Section 3.3 CAES Cost of Issuance Fund. The CAES Cost of Issuance Fund shall be held by the University. There shall be deposited so much of the Bond proceeds of the Series 2006 Bonds as shall be required to pay the Costs of Issuance and from which all Costs of Issuance shall be paid. Before any such payment shall be made, the University shall execute its Written Certificate, signed by an authorized officer of the University, stating, in respect of each payment to be made, (a) the name and address of the person, firm, or corporation to whom payment is due, (b) the amount to be paid, (c) the particular item of the Cost of Issuance to be paid, and (d) that the cost or obligation in the stated amount is a proper item of the Costs of Issuance and has not been paid. Any balance remaining in the CAES Cost of Issuance Fund after payment of the Costs of Issuance, and no later than February 1, 2007, shall be transferred to the Bond Fund, and the CAES Cost of Issuance Fund shall be closed.

Section 3.4 Construction of CAES Project and Enforcement of CAES Lease. The University covenants and agrees that it shall take such actions as are within its control to cause the CAES Project to be constructed and made available for use as contemplated by the CAES Lease in an expeditious manner, including seeking application of the additional sources of funding intended for such project. Pursuant to the CAES Lease, BEA is directed to make CAES Base Rent directly to the Trustee and the Trustee shall deposit such payments to the Debt Service Account of the Bond Fund. The CAES Lease has been previously approved for execution by the University and the University covenants and agrees to take such action as shall be necessary to enforce the terms and provisions of the CAES Lease for the benefit of the holders of the Bonds, including all obligations of BEA, Battelle and WG.

ARTICLE IV

MISCELLANEOUS

Section 4.1 Governing Law. By the acceptance of the Series 2006 Bonds, the Series 2006 Bondholders shall be deemed to agree that their respective rights shall be governed by the laws of the State of Idaho.

Section 4.2 Partial Invalidity. If any one or more of the covenants or agreements, or portions thereof, provided in this Supplemental Resolution on the part of the University (or of the Trustee or of any Paying Agent) to be performed should be contrary to law, such covenant or covenants, such agreement or agreements, or such portions thereof shall be null and void and shall be deemed separable from the remaining covenants and agreements or portions thereof and shall in no way affect the validity of this Supplemental Resolution or of the Series 2006 Bonds; but the Series 2006 Bondholders shall retain all the rights and benefits accorded to them under the Act or any other applicable provisions of law.

Section 4.3 Savings Clause. Except as amended by this Supplemental Resolution, the Resolution shall remain in full force and effect.

Section 4.4 Conflicting Resolutions; Effective Date. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

ADOPTED AND APPROVED this _____ day of _____, 2006.

THE BOARD OF TRUSTEES OF IDAHO STATE UNIVERSITY

_____
President

ATTEST:

_____
Secretary

EXHIBIT A

DESCRIPTION OF CAES PROJECT

BEA was awarded a contract from the Department of Energy to manage the new Idaho National Laboratory ("INL") for nuclear energy research. As part of the contract, BEA committed to establish the Center for Advanced Energy Studies ("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 of the State of Idaho, the Presidents of each of the Consortium Universities, and BMI 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 building to house CAES.

The CAES Project is planned to open in June 2008 and is expected to be approximately 55,000 square feet. The CAES project will be located on state property north of the University/University of Idaho Center for Higher Education. Pursuant to the CAES Lease, BEA will have use of approximately ___% of the building space and will be responsible for an equivalent portion of the occupancy costs of the building. While the CAES Base Rent received from BEA are expected to be used to pay principal and interest on the Series 2006 Bonds, such payments will be included in Pledged Revenues under the Resolution and the holders of the Series 2006 Bonds will be secured by all of the Pledged Revenues on a parity with the holders of all Bonds issued under the Resolution. The Consortium will share the remaining building space. When fully occupied, the CAES project will have a total of up to 175 people, including approximately 100 faculty, researchers, and staff 50 graduate students; and 25 undergraduate students.

EXHIBIT B

FORM OF SERIES 2006 BOND

R-_____ $_____

UNITED STATES OF AMERICA
STATE OF IDAHO
IDAHO STATE UNIVERSITY
GENERAL REVENUE BONDS
(FEDERALLY TAXABLE), SERIES 2006

Interest Rate	Maturity Date	Dated Date	CUSIP

Registered Owner: CEDE & CO.

Principal Amount: _____ DOLLARS**********

KNOW ALL MEN BY THESE PRESENTS that Idaho State University, a body politic and corporate and an institution of higher education of the State of Idaho (the "University"), for value received, hereby promises to pay, from the Bond Fund hereinafter defined, to the registered owner identified above, or registered assigns, on the maturity date specified above, the principal sum indicated above, and to pay interest thereon from the Bond Fund from the dated date hereof, or the most recent date to which interest has been paid or duly provided for, at the rate per annum specified above, payable on April 1, 2007, and semiannually on each April 1 and October 1 thereafter, until the date of maturity or prior redemption of this Bond. Interest shall be calculated on the basis of a 360-day year and twelve 30-day months.

This Bond is an obligation of the University payable solely in accordance with the terms hereof and is not an obligation, general, special, or otherwise of the State of Idaho, does not constitute a debt, legal, moral, or otherwise, of the State of Idaho, and is not enforceable against the State, nor shall payment hereof be enforceable out of any funds of the University other than the revenues, fees, and charges pledged thereto in the Bond Resolution (defined herein). Pursuant to the Bond Resolution, sufficient revenues have been pledged and will be set aside into the Bond Fund (as defined in the Bond Resolution) to provide for the prompt payment of the principal of, interest on, and redemption price of the Bonds of which this Bond is a part. For a more particular description of the Bond Fund, the revenues to be deposited therein, and the nature and extent of the security afforded thereby, reference is made to the provisions of the Bond Resolution.

Both principal of and interest on this Bond are payable in lawful money of the United States of America to the registered owner hereof whose name and address shall

appear on the registration books of the University (the "Bond Register") maintained by the Corporate Trust Department of U.S. Bank National Association (the "Trustee"), in St. Paul, Minnesota. Interest shall be paid to the registered owner whose name appears on the Bond Register on the fifteenth day of the calendar month next preceding the interest payment date, at the address appearing on the Bond Register, and shall be paid by check or draft of the Trustee mailed to such registered owner on the due date at the address appearing on the Bond Register or at such other address as may be furnished in writing by such registered owner to the Trustee. Principal shall be paid to the registered owner upon presentation and surrender of this Bond at the principal corporate trust office of the Trustee on or after the date of maturity or prior redemption.

This Bond is one of a duly authorized issue of Bonds of like date, tenor, and effect, except for variations required to state numbers, denominations, rates of interest, and dates of maturity, aggregating $10,000,000 in principal amount. The Bonds are issued pursuant to and in full compliance with the Constitution and statutes of the State of Idaho, particularly chapter 38 of Title 33, Idaho Code, and proceedings duly adopted and authorized by the Board on behalf of the University, more particularly the Resolution adopted by the Board on September 17, 1992, as previously amended, supplemented and restated from time to time, including with respect to the Bonds by a Supplemental Resolution by the Board on November 30, 2006, authorizing the issuance of the Bonds (collectively, the "Bond Resolution").

This Bond is one of the General Revenue Bonds (Federally Taxable), Series 2006, of the University issued under the provisions of Title 33, chapter 38, Idaho Code, for the purpose of providing funds with which to (i) construct a facility that will contain the Center for Advanced Energy Studies at the Idaho Falls Center for Higher Education Campus (the "CAES Project"), and (ii) pay expenses properly incident thereto and to the issuance of the Bonds. The principal of, interest on, and redemption price of the Bonds is payable from revenues and funds of the University pledged therefor and consisting generally of the University's tuition, Student Facilities Fee/Facilities, Net Revenues of the Housing System, certain revenues from leasing the CAES Project and certain other fees and revenues, as more particularly set forth in the Bond Resolution.

The Series 2006 Bonds are subject to redemption at the time, in the amounts and at the prices and with such notice all as provided in the Resolution.

The Bonds are initially issued in the form of a separate single certificated fully registered Bond for each maturity, and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC").

**Unless this Bond is presented by an authorized representative of DTC to the University or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE

BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.**

Upon any partial redemption of this Bond, Cede & Co., in its discretion, may request the Trustee to authenticate a new Series 2006 Bond or shall make an appropriate notation on this Bond indicating the date and amount of prepayment, except in the case of final maturity, in which case this Bond must be presented to the Trustee prior to payment.

The Series 2006 Bonds shall not be transferable or exchangeable except as set forth in the Resolution.

[This Bond is transferable by the registered owner hereof in person or by his attorney duly authorized in writing upon presentation and surrender of this Bond at the principal corporate trust office of the Trustee. Upon such transfer, a new Bond, of the same denomination, maturity, and interest rate will be issued to the transferee in exchange therefor.]

Reference is hereby made to the Bond Resolution for the covenants and declarations of the University and other terms and conditions under which this Bond and the bonds of this issue have been issued. The covenants contained herein and in the Bond Resolution may be discharged by making provisions at any time for the payment of the principal of and interest on this Bond in the manner provided in the Bond Resolution.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication hereon shall have been manually signed by the Trustee.

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions, and things required by the Constitution and statutes of the State of Idaho to exist, to have happened, been done, and performed precedent to and in the issuance of this Bond have happened, been done, and performed, and that the issuance of this Bond and the Bonds of this issue does not violate any Constitutional, statutory, or other limitation upon the amount of bonded indebtedness that the University may incur.

IN WITNESS WHEREOF, the Board of Trustees of Idaho State University (the "Board"), has caused this Bond to be executed by the manual or facsimile signature of the President of the Board and of the Bursar of the University and attested by the manual or facsimile signature of the Secretary of the Board, and a facsimile or original of the official seal of the University to be imprinted hereon, as of the dated date set forth above.

IDAHO STATE UNIVERSITY

By:_____
President of the Board of Trustees
of Idaho State University

COUNTERSIGNED:

(SEAL)

By:_____
Bursar

ATTEST:

By:_____
Secretary of the Board of Trustees
of Idaho State University

CERTIFICATE OF AUTHENTICATION

This Bond is one of the General Revenue Bonds (Federally Taxable), Series 2006, of Idaho State University, described in the within-mentioned Bond Resolution.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By:_____
Authorized Signature

Date of Authentication: _____

VALIDATION CERTIFICATE

I hereby certify that I have examined a certified copy of the record of proceedings taken preliminary to and in the issuance of the within bond; that such proceedings and such bond conform to and show lawful authority for the issuance thereof in accordance with the provisions of Title 33, chapter 38, Idaho Code, as amended. Such bond has been issued in accordance with the Constitution and laws of the State of Idaho and shall in any suit, action or proceeding involving its validity be conclusively deemed to be fully authorized by Title 33, chapter 38, Idaho Code, and to have been issued, sold, executed, and delivered in conformity with the Constitution and laws of the State of Idaho and to be valid and binding and enforceable in accordance with its terms, and such bond is incontestable for any cause.

Hon. Lawrence G. Wasden
Attorney General

ASSIGNMENT

FOR VALUE RECEIVED, _____, the undersigned sells, assigns and transfers unto:

_____

(Social Security or Other Identifying Number of Assignee)

_____

(Please Print or Typewrite Name and Address of Assignee)

the within Bond and hereby irrevocably constitutes and appoints _____ of _____ to transfer the said bond on the books kept for registration thereof with full power of substitution in the premises.

Dated:_____

Signature:_____

NOTICE: The signature on this assignment must correspond with the name(s) of the Registered owner as it appears upon the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

SIGNATURE GUARANTEED:

_____

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company and must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

PREPAYMENT PANEL

The following installments of principal (or portions thereof) of this Bond have been prepaid in accordance with the terms of the Resolution.

Date of Prepayment	Principal Prepaid	Signature of Authorized Representative of DTC
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

** Include when Bonds registered with DTC.**
[Bracketed text deleted when Bonds DTC-registered.]

(End of Form of Series 2006 Bond)

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BOND PURCHASE AGREEMENT

Idaho State University
$10,000,000
General Revenue Bonds
(Federally Taxable), Series 2006

November 30, 2006

The Board of Trustees of
Idaho State University
Attn: Ken Prolo, Vice President
for Financial Services
Building #10, 2nd Floor
Campus Box 8219
Pocatello, ID 83209

Ladies and Gentlemen:

The undersigned, Lehman Brothers Inc., as underwriter (the "Underwriter"), hereby offers to enter into this Bond Purchase Agreement with Idaho State University (the "University") which, upon the acceptance by the University of this offer, shall be in full force and effect in accordance with its terms and shall be binding upon the University and the Underwriter.

This offer is made subject to your acceptance and approval on or before 5:00 p.m. Mountain Time, on November 30, 2006. Terms not otherwise defined herein shall have the same meaning as are set forth in the Official Statement referred to hereinafter.

ARTICLE I

1.1 Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and covenants herein set forth, the Underwriter hereby agrees to purchase from the University, and the University hereby agrees to sell to the Underwriter, all but not less than all of the University's General Revenue Bonds (Federally Taxable), Series 2006 (the "Series 2006 Bonds" or the "Bonds") for a purchase price equal to $_____, representing $_____ par amount of the Series 2006 Bonds, plus [net] bond issuance premium of $_____. [Upon the issuance of the Bonds, the University shall pay the Underwriter, by wire transfer, an underwriting fee of $_____.]

1.2 The Bonds. The Bonds are being issued to (i) construct a facility that will contain the Center for Advanced Energy Studies at the Idaho Falls Center for Higher

Education Campus; and (ii) pay a portion of the costs relating to the issuance and sale of the Bonds.

The Bonds shall be dated as of the date of delivery, bear interest at the rates, mature in the amounts and on the dates set forth in Exhibit A hereto and be otherwise as described in the Preliminary Official Statement dated _____, 2006. The Bonds shall be further described in and shall be issued under and pursuant to the Resolution of the Board of Trustees of the University (the "Board") adopted September 17, 1992 as supplemented, amended and restated and a Supplemental Resolution of the Board dated November 30, 2006 (collectively, the "Resolution"), substantially in the form heretofore delivered to the Underwriter, with only such changes therein as shall be mutually agreed upon among us.

1.3 Preliminary Official Statement. The University has previously delivered to the Underwriter the Preliminary Official Statement. The University represents and warrants that the Preliminary Official Statement has been deemed final by the University for purposes of Rule 15c2-12(b)(1) under the Securities Exchange Act of 1934 (the "1934 Act"), except for the omission of no more than offering prices, interest rates, Underwriter's fee, aggregate principal amount and principal amounts per maturity, delivery dates, ratings and other terms of the Bonds depending on such matters. The University hereby ratifies, approves and confirms the distribution and use of the Preliminary Official Statement by the Underwriter in connection with the public offering and sale of the Bonds prior to the availability of the final Official Statement.

1.4 Official Statement. Within seven business days after the date hereof and in sufficient time to accompany any confirmation that requests payment for the Bonds from any customer of the Underwriter, the University shall deliver to the Underwriter at the expense of the University two copies of the final Official Statement executed on behalf of the University by the President or Vice President for Financial Services of the University and a sufficient quantity of conformed copies thereof to enable the Underwriter to comply with paragraph b(4) of Rule 15c2-12 under the 1934 Act and the rules of the Securities and Exchange Commission (the "SEC") and the Municipal Securities Rulemaking Board and to meet the requirements of Section 1.6 hereof, containing only such changes from the Preliminary Official Statement to finalize the terms of the Series 2006 Bonds or as are previously consented to [in writing] by the Underwriter (such final Official Statement, including all appendices thereto, and with such supplements and amendments as are consented to in writing by the Underwriter, being herein called the "Official Statement"). The University hereby authorizes the distribution and use by the Underwriter of the Official Statement in connection with the public offering and sale of the Bonds.

1.5 Amendments or Supplements. If at any time from the date hereof until the Closing (defined below), and for a period of 25 days following the "end of the underwriting period," the beginning of which the University may assume is the Closing Date unless notified otherwise by the Underwriter, any event known to the University relating to or affecting the University or the Series 2006 Bonds or any agreement related to the Series 2006 Bonds shall occur which might affect the accuracy or completeness of

any statement of a material fact contained in the Official Statement or any document incorporated by reference therein, the University shall promptly notify the Underwriter in writing of the circumstances and details of such event. The University will cooperate with the Underwriter in the preparation of such amendments and supplements to the Official Statement as may be advisable, in the reasonable judgment of the Underwriter, to assure that the Official Statement as amended or supplemented will at no time include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made in the Official Statement, in light of the circumstances under which they are made, not misleading.

1.6 Delivery to NRMSIR. The University authorizes the Underwriter, and the Underwriter agrees, to deliver three copies of the Official Statement to each nationally recognized municipal securities information repository ("NRMSIR") not later than seven days after the date of the Official Statement. The Underwriter shall fulfill all other responsibilities imposed upon underwriters by Rule 15c2-12 of the SEC.

1.7 Public Offering. It shall be a condition to the University's obligations to sell and to deliver the Bonds to the Underwriter and to the Underwriter's obligations to purchase, to accept delivery of and to pay for the Bonds that the entire principal amount of the Bonds shall be issued, sold and delivered by the University and purchased, accepted and paid for by the Underwriter at Closing. [The Underwriter agrees to make a bona fide public offering of all the Bonds at a price which does not exceed the initial public offering prices or the yields as set forth on the inside cover page of the Official Statement; however, the Underwriter reserves the right to make concessions to dealers and to change such initial offering prices as the Underwriter shall deem necessary in connection with the marketing of the Bonds.] The Underwriter may reoffer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) at a price lower than the offering prices set forth in the Official Statement. In connection with the offering of the Bonds, the Underwriter may over-allot or effect transactions that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time by the Underwriter without prior notice.

1.8 Closing. At 8:00 a.m., Mountain Daylight Time on _____, 2006, with respect to the Bonds, or at such other time or on such earlier or later date upon which we mutually agree (herein called the "Closing"), the University will deliver or cause to be delivered to the Underwriter the executed Bonds in book entry form and the other documents herein mentioned; and the Underwriter will accept such delivery and pay the purchase price for the Bonds in immediately available funds to the order of U.S. Bank National Association, Salt Lake City, Utah, as Trustee for the Bonds. Such delivery of Bonds shall occur take place at the offices of Ballard Spahr Andrews & Ingersoll, LLP, in Salt Lake City, Utah, or at such other place as the Underwriter may designate.

1.9 In order to assist the Underwriter in complying with paragraph (b)(5) of Rule 15c2-12, the University will undertake, pursuant to the Information Reporting Agreement in the form authorized by the University and attached hereto as Exhibit B, to

send annually to each nationally recognized municipal securities information repository ("NRMSIR's") and to the repository, if any, designated by the State of Idaho, as the state information depository (the "SID") and recognized as such by the Securities and Exchange Commission (the "Commission") for purposes of Rule 15c2-12, and to provide notice of certain material events to the NRMSIR's, the SID and the Municipal Securities Rulemaking Board pursuant to the requirements of Section (b)(5) of Rule 15c2-12.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE UNIVERSITY

To induce the Underwriter to enter into this Bond Purchase Agreement and to sell the Bonds with full realization and appreciation of the fact that the investment value of the Bonds and the ability of the University to sell and the Underwriter to resell the Bonds are in part dependent upon the credit standing of the University, and in consideration of the foregoing and execution and delivery of this Bond Purchase Agreement, the University represents and warrants to the Underwriter as follows:

2.1 The University has been duly organized and is validly existing under the Constitution and laws of the State of Idaho and has all power and authority to consummate the transactions contemplated by this Bond Purchase Agreement and the Official Statement, including the execution, delivery and/or approval of all documents and agreements referred to herein or therein.

2.2 The adoption, execution and delivery of the Resolution, the approval by the University of the Bond Purchase Agreement and the Bonds, and the application of the proceeds of the Bonds for the purposes described in the Official Statement do not and will not conflict with or result in the breach of any of the terms, conditions or provisions of, or constitute a default under, any existing law, court or administrative regulation, decree or order, or any other agreement, indenture, mortgage, lease or instrument by which the University or any of its respective property is or may be bound.

2.3 The University has duly authorized all necessary action to be taken by it for the issuance and sale of the Bonds by the University upon the terms and conditions set forth herein, in the Official Statement, in the Resolution, and in the approval of the Official Statement and the Bonds.

2.4 Except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court or administrative body pending or, to the knowledge of the University, threatened against or affecting the University, or to the knowledge of the University, any meritorious basis therefor, wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition of the University or the transactions contemplated by this Bond Purchase Agreement and the Official Statement, or would have an adverse effect on the validity or enforceability of the Bonds, the Resolution or

any agreement or instrument by which the University is or may be bound, or would in any way adversely affect the existence or powers of the University.

2.5 The University is not in breach of or in default under any existing law, court or administrative regulation, decree or order, or any other agreement, indenture, mortgage, lease, sublease or other instrument to which the University is a party or by which it or its property is or may be bound, and no event has occurred or is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default thereunder, in either case in any manner or to enough extent which could have a material adverse effect on the financial condition of the University or the transactions contemplated by this Bond Purchase Agreement and the Official Statement, or would have an adverse effect on the validity or enforceability in accordance with their respective terms of the Bonds, or the Resolution, or would in any way adversely affect the existence or powers of the University.

2.6 The information contained in the Preliminary Official Statement was, as of its date, and the information contained in the Official Statement was and will be, as of the Closing Date, true and correct in all material respects. The Preliminary Official Statement does not contain, and the Official Statement, as of its date and as of the Closing Date, will not contain any untrue statement of a material fact, and the Preliminary Official Statement does not omit and the Official Statement, as of its date and as of the Closing Date, will not omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; provided, however, that this representation and warranty shall not be deemed to cover or apply to (x) information provided to the University in writing by the Underwriter and included on the cover page of the Preliminary Official Statement or the Official Statement regarding the principal amount, interest rates, maturities and initial public offering prices of the Series 2006 Bonds or (y) statements in the Preliminary Official Statement or the Official Statement under the captions "THE SERIES 2006 BONDS—Book-Entry-Only System", "BOND INSURANCE", or "UNDERWRITER" and in Appendix E and Appendix F thereto.

2.7 Each representation, warranty or agreement stated in any certificate signed by any officer of the University and delivered to the Underwriter at or before the Closing shall constitute a representation, warranty or agreement by the University, as the case may be, upon which the Underwriter shall be entitled to rely.

ARTICLE III

UNDERWRITER'S CONDITIONS

3.1 The Underwriter has entered into this Bond Purchase Agreement in reliance upon the performance by the University of its obligations hereunder, both as of the date hereof and as of the date of Closing. The Underwriter's obligations under this Bond Purchase Agreement are and shall be subject to the following further conditions:

(a) At the time of Closing (i) the Official Statement, the Resolution and this Bond Purchase Agreement shall be in full force and effect and shall not have been amended, modified or supplemented, except as therein permitted or as may have been agreed to in writing by the Underwriter, and (ii) the proceeds of sale of the Bonds shall be paid to the Trustee of the Bonds for deposit or use as described in the Official Statement.

(b) At the time of Closing and in compliance with subsection (b)(5) of SEC Rule 15c2-12, the University and the Trustee shall have executed and delivered the Information Reporting Agreement in the form authorized by the University and attached hereto as Exhibit B.

(c) The Underwriter shall have the right to cancel its obligation to purchase the Bonds if, between the date hereof and the Closing, (i) there shall exist any event that, in the reasonable judgment of the Underwriter, either (A) makes untrue or incorrect in any material respect any statement or information in the Official Statement or (B) is not reflected in the Official Statement but should be reflected therein in order to make the statements and information therein not misleading in any material respect, or (ii) legislation shall be enacted, or actively considered for enactment by the Congress, with an effective date prior to the date of Closing, or a decision by a court of the United States shall be rendered, or a ruling or regulation by the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall be made, the effect of which is that (A) the Bonds are not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or (B) the Resolution is not exempt from the registration, qualification or other requirements of the Trust Indenture Act of 1939, as amended and as then in effect, or (iii) a stop order, ruling or regulation by the Securities and Exchange Commission shall be issued or made, the effect of which is that the issuance, offering or sale of the Bonds, as contemplated herein or in the Preliminary Official Statement or the Official Statement, is in violation of any provision of the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect, or (iv) there shall have occurred any outbreak or escalation of hostilities or mobilization in anticipation thereof, any terrorist activities, or any national or international calamity or crisis, financial or otherwise, which, in the sole opinion of the Underwriter, materially and adversely affects the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for sale of such Bonds, or (v) there shall be in force a general suspension of trading on the New York Stock Exchange or minimum or maximum prices for trading substantially all listed securities thereon shall have been fixed and be in force, or maximum ranges for prices for such securities shall have been required to be in force on the New York Stock Exchange, whether by virtue of a determination by that Exchange or by order of the Securities and Exchange Commission or any other governmental authority having jurisdiction, or (vi) a general banking moratorium shall have been declared

by either federal or New York authorities having jurisdiction and be in force or (vii) any order, decree or injunction of any court of competent jurisdiction or any judicial proceeding or any order, ruling, regulation or administrative proceeding by any governmental body or agency shall have been enacted, the purpose or effect of which is to prohibit the issuance, offering or sale of the Bonds as contemplated hereby or by the Official Statement, or to prohibit the performance by the University of its obligations under the Resolution or this Bond Purchase Agreement in accordance with their respective terms; and

(d) At or prior to the Closing for the Bonds, the Underwriter shall receive the following relating to the series of Bonds being delivered at such Closing:

(1) The approving opinion of Ballard Spahr Andrews & Ingersoll, LLP ("Bond Counsel"), dated the date of Closing, in substantially the form included as Appendix __ to the Official Statement;

(2) The supplemental opinion of Ballard Spahr Andrews & Ingersoll, LLP, dated the date of Closing and addressed to the Underwriter in substantially the form attached hereto as Exhibit C;

(3) The opinion of Bradley H. Hall, counsel to the University, in substantially the form attached hereto as Exhibit D;

(4) The University's certificate or certificates signed by its Vice President for Financial Services dated the date of the Closing to the effect that (A) no litigation is pending or, to its knowledge, threatened (i) to restrain or enjoin the collection of revenues pledged or to be pledged under the Resolution (ii) in any way contesting or affecting any authority for the issuance of the Bonds, the validity of the Bonds or the Resolution, this Bond Purchase Agreement, or (iii) in any way contesting the powers or operation of the University; (B) to the best of his knowledge, the descriptions and information contained in the Official Statement are correct in all material respects except that no view need be expressed about the information under the captions "THE SERIES 2006 BONDS—Book-Entry-Only System", "BOND INSURANCE", or "UNDERWRITER" and in Appendix E and Appendix F thereto; (C) such descriptions and information, as of the date of the Official Statement, did not and, as of the date of Closing, do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; (D) at the time of the Closing, no default or event of default has occurred and is continuing which, with the lapse of time or the giving of notice, or both, would constitute a default or an event of default under the Resolution, this Bond Purchase Agreement or any other material agreement or material instrument to which the University is a party or by which it is or may be

bound or to which any of its property or other assets is or may be subject; (E) the Resolution authorizing or approving the execution of this Bond Purchase Agreement, the Information Reporting Agreement, the Official Statement, and the form of the Bonds has been duly adopted by the Board and have not been modified, amended or repealed; (F) no event affecting the University has occurred since the date of the Official Statement that either makes untrue or incorrect, as of the date of Closing, any statement or information relating to the same and contained in the Official Statement or that should be disclosed therein in order to make the statements and information therein, in light of the circumstances under which they were made, not misleading; (G) the representations of the University herein are true and correct in all material respects as of the date of Closing;

(5) Two copies of the Resolution;

(6) Satisfactory evidence that the Bonds are rated "Aaa" by Moody's Investors Service, Inc., and "AAA" by Standard & Poor's and have underlying ratings of ["A2" and "A," respectively;]

(7) Ten copies of the Official Statement related to the Bonds executed on behalf of the University;

(8) An original executed copy of the CAES Lease Agreement (as defined in the Resolution);

(9) Two specimens of the Bonds;

(10) Evidence that a copy of the Official Statement has been filed with the Treasurer of the State of Idaho, pursuant to Idaho Code Section 67-1222;

(11) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter or Bond Counsel may reasonably request.

ARTICLE IV

FEES AND EXPENSES

All expenses and costs of the University incident to the performance of its obligations in connection with the authorization, issuance and sale of the Bonds to the Underwriter, including the costs of printing of the Bonds, advertising costs, the costs of posting, printing, duplicating and mailing the Preliminary Official Statement, the Official Statement, the fees of consultants and rating agencies, the initial fee of the Trustee in connection with the issuance of the Bonds, and the fees and expenses of Bond Counsel and counsel for the University shall be paid out of funds made available by the University. All out-of-pocket expenses of the Underwriter, except for expenses of the University advanced by the Underwriter for which the Underwriter will be reimbursed by

the University, including travel and other expenses and the fees and expenses of any counsel employed by it, shall be paid by the Underwriter.

ARTICLE V

GENERAL PROVISIONS

Any notice or other communication to be given to the University under this Bond Purchase Agreement may be given by delivering the same in writing, at the University's address set forth above, and any such notice or other communication to be given to the Underwriter may be given by delivering the same in writing to Lehman Brothers Inc., 701 Fifth Avenue, Suite 7101, Seattle, WA 98104.

This Bond Purchase Agreement is made solely for the benefit of the University and the Underwriter (including the successors or assigns of the Underwriter), and no other person, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. All agreements, representations and warranties of the University in this Bond Purchase Agreement shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriter and shall survive the delivery of and payment for the Bonds.

The approval of the Underwriter when required hereunder or the determination of its satisfaction with respect to any document referred to herein shall be in writing signed by the Underwriter and delivered to the University. This Bond Purchase Agreement shall become legally effective upon mutual acceptance and approval.

This Bond Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

LEHMAN BROTHERS INC.

By:_____
Richard B. King
Senior Vice President

ACCEPTED:

IDAHO STATE UNIVERSITY

By:_____
Kenneth R. Prolo
Vice President of Financial Services
and Bursar

EXHIBIT A

IDAHO STATE UNIVERSITY
$10,000,000
GENERAL REVENUE BONDS
(FEDERALLY TAXABLE), SERIES 2006

Purchase Price:

Principal Amount	$_____
Plus Net Premium	_____
Purchase Price	$_____

Interest on the Idaho State University General Revenue Bonds (Federally Taxable), Series 2006 (the "Series 2006 Bonds") is payable on April 1, 2007 and semiannually on each April 1 and October 1 thereafter. Principal on the Series 2006 Bonds is payable on the dates, and the Series 2006 Bonds will bear interest at the rates, set forth below:

Maturity (April 1)	Principal Amount	Interest Rate	Yield
2007			
2008			
2009			
2010			
2011			
2012			
2013			
2014			
2015			
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			

Maturity (April 1)	Principal Amount	Interest Rate	Yield
2031			
2032			
2033			
2034			

Redemption Provisions:

Optional Redemption of the Series 2006 Bonds

The Series 2006 Bonds are subject to redemption, in whole or in part, at the option of the University at any time or from time to time upon notice as hereinafter provided, on any date prior to their maturity at a redemption price equal to 100% of the principal amount of such Series 2006 Bonds plus the "Make-Whole Premium," if any, as described below, plus the accrued interest, if any, thereon to the redemption date.

The amount of the Make-Whole Premium with respect to any Series 2006 Bond to be redeemed will be equal to the excess, if any, of:

(1) the sum of the present values, calculated as of the redemption date, of:

(a) each interest payment that, but for such redemption, would have been payable on the Series 2006 Bond or portion thereof being redeemed on each interest payment date occurring after the redemption date (excluding any accrued interest for the period prior to the redemption date); and

(b) the principal amount that, but for such redemption, would have been payable at the final maturity of the Series 2006 Bond being redeemed; over

(2) the principal amount of the Series 2006 Bond being redeemed.

The present values of interest and principal payments referred to in clause (1) above shall be determined in accordance with generally accepted principles of financial analysis. These present values will be calculated by discounting the amount of each payment of interest or principal from the date that each such payment would have been payable, but for the redemption, to the redemption date at a discount rate equal to the "comparable treasury yield" (as defined below) plus 25 basis points. The Make-Whole Premium will be calculated by an independent investment banking institution of national standing appointed by the University (which may be the Underwriter). If the University fails to appoint an independent investment banker at least 45 days prior to the redemption date, or if the independent investment banker appointed by the University is unwilling or unable to make the calculation, the calculation will be made by an independent investment banking institution of national standing appointed by the Trustee.

For purposes of determining the Make-Whole Premium, "comparable treasury yield" means a rate of interest per annum equal to the weekly average yield to maturity of

United States Treasury Securities that have a constant maturity that corresponds to the remaining term to maturity of the Series 2006 Bonds, calculated to the nearest 1/12th of a year. The comparable treasury yield will be determined as of the third Business Day immediately preceding the applicable redemption date.

The weekly average yields of United States Treasury Securities will be determined by reference to the most recent statistical release published by the Federal Reserve Bank of New York and designated "H.15(519) Selected Interest Rates" or any successor release. If the H.15 statistical release sets forth a weekly average yield for United States Treasury Securities having a constant maturity that is the same as the remaining term calculated as set forth above, then the comparable treasury yield will be equal to such weekly average yield. In all other cases, the comparable treasury yield will be calculated by interpolation on a straight-line basis, between the weekly average yields on the United States Treasury Securities that have a constant maturity closest to and less than the remaining term (in each case as set forth in the H.15 statistical release or any successor release). Any weekly average yields calculated by interpolation will be rounded to the nearest 1/100th of 1%, with any figure of 1/200th of 1% or above being rounded upward. If weekly average yields for United States Treasury Securities are not available in the H.15 statistical release or otherwise, then the comparable treasury yield will be calculated by interpolation of comparable rates selected by an independent investment banker selected in the manner described above.

Mandatory Redemption of the Series 2006 Bonds

The Series 2006 Bonds maturing on April 1, 2007 shall be subject to mandatory redemption and retirement prior to maturity, in part, pro rata and not by lot, on the date of payment of each Mandatory Redemption Amount. The portion of the principal amount of each Series 2006 Bond to be redeemed (per $5,000 original principal amount) on each Mandatory Redemption Date and the resulting principal amount of each Series 2006 Bond remaining outstanding (per $5,000 original principal amount) upon each such redemption are shown in the following table:

Mandatory Redemption Date (April 1)	Principal Amount to be Redeemed (Per $5,000 original Mandatory Redemption Amount)	Remaining Principal Amount (Per $5,000 original Mandatory Redemption Amount)

* Final maturity

EXHIBIT B

INFORMATION REPORTING AGREEMENT

Re: $_____ principal amount of General Revenue Bonds (Federally Taxable), Series 2006 (the "Series 2006 Bonds" or the "Bonds"), dated as of the date of delivery, of Idaho State University (the "Issuer") and issued pursuant to a Supplemental Resolution, adopted November 30, 2006 (the "Resolution") which names U.S. Bank National Association, as Trustee (the "Trustee")

THIS INFORMATION REPORTING AGREEMENT (the "Agreement") is executed and delivered by the Issuer and the Trustee, as of the date set forth below, in order for the Issuer to authorize and direct the Trustee, as the agent of the Issuer, to make certain information available to the public, as herein provided.

W I T N E S S E T H:

1. Background. The Issuer has resolved to issue the Bonds pursuant to the Resolution. The CUSIP number assigned to the final maturity of the Bonds is _____.

2. Appointment of Trustee. The Issuer hereby appoints the Trustee and any successor Trustee acting as such under the Resolution to be the Issuer's agent under this Agreement to disseminate the information furnished by the Issuer hereunder in the manner and at the times provided herein and to discharge the other duties assigned.

3. Information to be Furnished by the Issuer. The Issuer hereby covenants for the benefit of the registered and beneficial owners of the Bonds that, as long as the Bonds are outstanding under the Resolution, the Issuer will deliver the following information to the Trustee:

(a) Within 180 days after the end of the Issuer's fiscal year, the audited financial statements of the Issuer, together with the report thereon of the Issuer's independent auditors, beginning with Fiscal Year ended June 30, 2007.

(b) The other financial, statistical and operating data for said fiscal year of the Issuer in the form and scope similar to the financial, statistical and operating data contained in "SECURITY FOR THE SERIES 2006 BONDS," "HISTORICAL PLEDGED REVENUES AND DEBT SERVICE" and, in the event the Bonds are called, the financial data contained in "DEBT SERVICE REQUIREMENTS" of the Issuer's Official Statement.

(c) In a timely manner, notice of any of the following events with respect to the Bonds, if material:

1. Principal and interest payment delinquencies on the Bonds;

2. Nonpayment related defaults;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Modifications to rights of Bondholders;

7. Bond calls;

8. Defeasances;

9. Release, substitution or sale of property securing repayment of the Bonds;

10. Rating changes; and

11. Notice of a failure of the Issuer to provide the annual financial information specified in Section 3(a) and 3(b) hereof.

4. Manner and Time by Which Information is to be made Public by the Information Agent.

(a) The information required to be delivered to the Trustee pursuant to Sections 3(a) and 3(b) shall be referred to as the Continuous Disclosure Information (the "Continuous Disclosure Information") and the notices required to be delivered to the Trustee pursuant to Section 3(c) shall be referred to as the Event Information (the "Event Information").

(b) Not later than five business days after the receipt of any Continuous Disclosure Information or any Event Information, the Trustee will deliver the information as provided in the following subsection (c).

(c) It shall be the Trustee's duty to:

1. deliver the Continuous Disclosure Information to the Repositories once it is received from the Issuer;

2. deliver the Event Information to the Repositories and the MSRB once it is received from the Issuer; and

3. determine the identity of all Repositories to which Continuous Disclosure Information and Event Information must be sent under the rules and regulations promulgated by the MSRB or by the SEC and to determine the existence of any SID by calling the SEC's Public Reference Room at (202) 942-8090.

(d) The Trustee shall have no duty or obligation to disclose any information other than (i) Continuous Disclosure Information that the Trustee actually has received from the Issuer and (ii) Event Information about which the Trustee has received notice from the Issuer. Any such disclosures shall be required to be made only as and when specified in this Agreement and only to those entities specified in this Section 4. The Trustee's duties and obligations are only those specifically set forth in this Agreement and the Resolution, and the Trustee shall have no implied duties or obligations.

(e) On or before the 31st day of January of each year, the Trustee shall provide to the Issuer written notice of the names of the Repositories to which the Trustee has sent Continuous Disclosure Information during the preceding calendar year and the names of the Repositories to which the Trustee proposes to send Continuous Disclosure Information during the current calendar year.

5. Indemnification.

(a) The Trustee shall have no obligation to examine or review the Continuous Disclosure Information and shall have no liability or responsibility for the accurateness or completeness of the Continuous Disclosure Information disseminated by the Trustee hereunder. The Continuous Disclosure Information shall contain a legend to such effect.

(b) The Issuer hereby agrees to hold harmless and to indemnify the Trustee, its employees, officers, directors, agents and attorneys from and against any and all claims, damages, losses, liabilities, reasonable costs and expenses whatsoever (including attorneys' fees and expenses, whether incurred before trial, at trial, or on appeal, or in any bankruptcy or arbitration proceedings), which may be incurred by the Trustee by reason of or in connection with the disclosure of information in accordance with this Agreement, except to the extent such claims, damages, losses, liabilities, costs or expenses result directly from the willful misconduct or gross negligence of the Trustee in the performance of its duties under this Agreement.

6. Compensation. The Issuer hereby agrees to compensate the Trustee for the services provided and the expenses incurred pursuant to this Agreement in an amount to be agreed upon from time to time hereunder. Such compensation shall be in addition to any fees previously agreed upon with respect to the fiduciary services of the Trustee in its capacity as the Trustee.

7. Enforcement. The obligations under this Agreement of the Issuer shall be for the benefit of the registered and beneficial holders of the Bonds. Any holder of the Bonds then outstanding, including any Beneficial Owner of the Bonds (as defined in the Resolution), may enforce specific performance of such obligations by any judicial proceeding available, provided however, that a default under this Agreement will not be a default under the Resolution.

8. Definitions. As used herein, the following terms shall have the following meanings:

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Official Statement" shall mean the final official statement relating to the Bonds dated _____, 2006.

"Repository" shall mean (i) each nationally recognized municipal securities information repository recognized by the SEC from time to time pursuant to the Rule and (ii) any SID.

"Rule 1 5c2-12" shall mean Rule 15c2-12, as amended, promulgated by the SEC under the Securities Exchange Act of 1934, as amended.

"SEC" shall mean the Securities and Exchange Commission.

"SID" means any state information depository of the State of Idaho.

9. Amendments and Termination. This Agreement may be amended with the mutual agreement of the Issuer and the Trustee and without the consent of any registered or beneficial holders of the Bonds under the following conditions:

(a) the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person or type of business conducted;

(b) this Agreement, as amended, would have complied with the requirements of Rule 15c2-12 at the time of the primary offering, after taking into account any amendments or interpretations of Rule 15c2-12, as well as any change in circumstances; and

(c) the amendment does not materially impair the interests of holders of the Bonds, as determined by parties unaffiliated with the Issuer (such as the Trustee or nationally recognized bond counsel).

Any party to this Agreement may terminate this Agreement by giving written notice of its intent to terminate to the other parties at least thirty (30) days prior to such termination, provided that no such termination shall relieve the obligation of the Issuer to comply with Rule 15c2-12(b)(5) either through a successor agent or otherwise.

The Issuer's next annual report must explain, in narrative form, the reasons for any such amendment or termination and the impact of the change in the type of operating data or financial information being provided or, in the case of accounting principles, the presentation of such operating data or financial information.

The undertaking contained in this Agreement shall be in effect from and after the issuance and delivery of the Bonds and shall extend to the earlier of (i) the date all principal and interest on the Bonds shall have been paid pursuant to the terms of the Resolution; (ii) the date that the Issuer shall no longer constitute an "obligated person" within the meaning of Rule 15c2-12; or (iii) the date on which those portions of Rule 15c2-12 that require this written undertaking (a) are held to be invalid by a court of competent jurisdiction in a nonappealable action, (b) have been repealed retroactively, or (c) in the opinion of counsel who is an expert in federal securities laws, acceptable to the Issuer or the Trustee, otherwise, do not apply to the Bonds. The Issuer shall notify the Repositories if this Agreement is terminated pursuant to (iii), above.

10. Successor Trustee. Upon the transfer of the duties created under the Resolution from the current Trustee to a successor Trustee, such successor Trustee shall succeed to the duties under this Agreement without any further action on the part of any party, and the then current Trustee shall have no further duties or obligations upon the transfer to a successor Trustee. Such Successor Trustee may terminate this Agreement or cause it to be amended as provided in paragraph 9.

11. Notices. Notices and the required information under this Agreement shall be given to the parties at their addresses set forth below under their signatures or at such places as the parties to this Agreement may designate from time to time.

12. Counterparts. This Agreement may be executed in one or more counterparts, and each such instrument shall constitute an original counterpart of this Agreement.

13. Governing Law. This Agreement shall be governed by the laws of the State of Idaho.

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this Agreement to be executed and delivered by a duly authorized officer of each of them, all as of this _____ day of _____, 2006.

IDAHO STATE UNIVERSITY

By_____
Kenneth R. Prolo
Vice President of Financial Services

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By_____
Kim R. Galbraith
Vice President

EXHIBIT C

SUPPLEMENTAL OPINION OF
BALLARD SPAHR ANDREWS & INGERSOLL, LLP,

EXHIBIT D

OPINION OF COUNSEL TO IDAHO STATE UNIVERSITY

[Idaho State University letterhead]

December ___, 2006

The Board of Trustees of
Idaho State University
Campus Box 8219
Pocatello, ID 83209

Ballard Spahr Andrews & Ingersoll, LLP
201 South Main Street, Suite 600
Salt Lake City, UT 84111

Lehman Brothers Inc.
701 Fifth Avenue, Suite 7101
Seattle, WA 98104

Re: General Revenue Bonds (Federally Taxable), Series 2006 in the Principal Amount of $10,000,000

Ladies and Gentlemen:

As General Counsel to Idaho State University (the "University"), I have reviewed certain documents in connection with the issuance and sale by the University of the above-captioned bonds (the "Bonds"), including the Resolution of the Board of Trustees of the University (the "Board") adopted on September 17, 1992 as previously amended, supplemented and restated (the "Original Resolution") and as further supplemented and amended dated November 30, 2006, authorizing the issuance and sale of the Bonds (the "Supplemental Resolution," and, together with the Original Resolution as previously supplemented, the "Resolution"), the Preliminary Official Statement dated _____, 2006, and the Official Statement dated _____, 2006 (the "Official Statement"), and such other documents as I deemed necessary to render this opinion. Capitalized terms used as defined terms in this opinion have the meaning assigned to such terms in the Resolution. This opinion is rendered under the Bond Purchase Agreement dated November 30, 2006, between the University and Lehman Brothers Inc. (the "Bond Purchase Agreement").

Based upon my examination, it is my opinion that:

1. The University is an institution of higher education and a body politic of the State of Idaho, duly and validly created and existing pursuant to the laws of the State of Idaho, with full legal right, power, and authority (i) to issue bonds of the University pursuant to the Resolution; (ii) to adopt the Resolution; (iii) to enter into the Bond Purchase Agreement; (iv) to pledge the Pledged Revenues (as defined in the Resolution) to secure the payment of the principal of and interest on the Bonds; (v) to execute and deliver the CAES Lease Agreement (as defined in the Resolution); and (vi) to carry out and consummate the transactions contemplated by the Resolution, the CAES Lease Agreement and Bond Purchase Agreement.

2. The provisions of the Resolution, the execution and delivery of the Bond Purchase Agreement and the CAES Lease Agreement, and the performance by the University of the transactions contemplated thereby will not conflict with or constitute a breach of, or default under, any commitment, note, agreement or other instrument to which the University is a party or by which it or any of its property is bound, or any provision of the Idaho Constitution or laws or any existing law, rule, regulation, ordinance, judgment, order or decree to which the University or its Board is subject.

3. Based upon conferences with and representations of officials of the University, the statements in the Official Statement under the subheading "Idaho State University" under the caption "INTRODUCTORY STATEMENT" and under the captions "SECURITY FOR THE SERIES 2006 BONDS," "THE CAES PROJECT," "THE UNIVERSITY," "SOURCES OF FUNDING FOR THE UNIVERSITY," "UNIVERSITY GOVERNANCE AND ADMINISTRATION" and "LITIGATION" contained in the Official Statement are true and correct in all material respects and do not contain an untrue statement or omission of a material fact, it being understood that, in rendering this opinion, I am not expressing an opinion with respect to financial, statistical or operating data contained under these captions of the Official Statement. I hereby consent to the inclusion of my name as counsel to the University in the section of the Official Statement entitled "LEGAL MATTERS" and on the cover page thereof.

4. Except as described in the Official Statement, there is no action, suit, proceeding, official inquiry or investigation, at law or in equity, pending which (i) questions the existence or powers of the Board or the University or the title to office of any present official of the University; (ii) seeks to prohibit, restrain or enjoin the sale, issuance or delivery of any of the Bonds or the execution and delivery of the Bond Purchase Agreement or the CAES Lease Agreement; (iii) affects the collection of the Pledged Revenues pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge of the revenues and other funds and accounts under the Resolution; (iv) contests the completeness or accuracy of the Official Statement; or (v) contests any authority for the issuance of the Bonds, and the adoption of the Resolution, or the execution and delivery of the Bond Purchase Agreement or the CAES Lease Agreement or the validity of any proceedings taken by the University in connection with the issuance or sale of the Bonds.

Very truly yours,

Bradley H. Hall
University Counsel

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INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO

SUBJECT

Amendments to University of Idaho Faculty-Staff Handbook Sections 5300 "Copyrights, Protectable Discoveries and Other Intellectual Property Rights," and 5400 "Employment Agreement Concerning Intellectual Property."

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies and Procedures, Section V.M.2.c.

BACKGROUND

Section 5300 of the University of Idaho Faculty Staff Handbook sets out UI policy concerning copyrights, maskworks, and patents as they arise from the work of university employees and students and from the use of university resources, including the assignment of ownership and development of such intellectual property. This section was part of the 1979 Handbook but was revised in a significant way 1) in July of 1992 to reflect changes in applicable federal law, and 2) in January of 1995 to reflect the then change in the Regents' intellectual property and the then conflict of interest rule (IDAPA 08.01.09.101.03.c).,

Section 5400 of the Handbook sets out the agreement concerning patents and copyrights that all employees must sign. This section was added to the Handbook in June of 1988 and revised in July of 1992. Temporary revisions of this form occurred in 2003 and 2005, pending internal approval through the institution's process of final revisions.

DISCUSSION

The University of Idaho encourages the creation of scholarly works as an integral part of its mission. University participation in the development, marketing, and dissemination of educational materials has as its aim the improvement of the quality, effectiveness, and efficiency of student learning and of faculty and staff development. The University recognizes its obligation to transfer technology and useful discoveries to society. With respect to all types of intellectual property, the rights and obligations of the University of Idaho, its employees and students and other third parties are governed by sections 5300 and 5400.

The proposed amendments to Faculty-Staff Handbook sections 5300 and 5400 update the policy and employee agreement, and clarify the rights and obligations of employees and students related to all types of intellectual property. The amendments are the result of the work of an ad-hoc committee of the Faculty Council, which included staff, students and faculty, and have been approved by

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO - continued

the Faculty Council and the general faculty. They are presented to the Board for approval pursuant to Board policy section V.M.2.c., which requires State Board approval of institutional policies and amendments thereto that address intellectual property and the division and use of royalties from patents.

Faculty-Staff Handbook Sections 5300 and 5400, including tracked changes, are attached.

IMPACT

The intellectual property section of the University's Faculty-Staff Handbook has not been updated since 1995. Terminology in this area has evolved such that the handbook needs updating. In addition, some parts of the current handbook lack clarity which has led to instances of confusion over the rights and obligations of faculty, staff and students with respect to intellectual property created or used by them.

The proposed amendments update terminology and add clarity to the rights and obligations of the University and of its employees and students in dealing with intellectual property, all in line with the University's renewed focus on an environment of openness and transparency. There is no financial impact, nor is there any material change in the University's rights to intellectual property.

ATTACHMENTS.

Attachment 1 – Proposed Section 5300	Page 3
Attachment 2 – Redline version – Section 5300	Page 9
Attachment 3 – Proposed Section 5400	Page 17
Attachment 4 – Redline version – Section 5400	Page 21

STAFF COMMENTS AND RECOMMENDATIONS

These proposed changes have been reviewed by Board staff and have been discussed extensively with University counsel.

Staff recommends approval of the amendments.

BOARD ACTION

Motion to approve amendments to University of Idaho Faculty-Staff Handbook Sections 5300 "Copyrights, Protectable Discoveries and Other Intellectual Property Rights," and 5400 "Employment Agreement Concerning Intellectual Property."

Moved by _____ Seconded by _____ Carried Yes _____ No _____

Attachment 1

UI FACULTY-STAFF HANDBOOK
CHAPTER FIVE:
RESEARCH POLICIES July 2006

5300

COPYRIGHTS, PROTECTABLE DISCOVERIES AND OTHER INTELLECTUAL PROPERTY RIGHTS

PREAMBLE: This section outlines UI policy concerning copyrights, maskworks, and patents as they arise from university research. Particularly this section discusses the assignment of ownership to such copyrights, maskworks, and patents. This section was part of the 1979 Handbook *but was revised in a significant way 1) in July of 1992 to reflect changes in applicable federal law, 2) in January of 1995 by the addition of subsection C-5 to reflect the change in the Regent' intellectual property and conflict of interest rule (former IDAPA 08.01.09.101.03c), and 3) in 2006 to update terminology and add clarity to the rights and obligations of the University and of its employees and students in dealing with intellectual property . For more information, contact the Research Office (208-885-6651).* [ed. 7-98]

CONTENTS:

A. Introduction
B. Copyrights
C. Protectable Discoveries
D. Dispute Resolution
E. Special Arrangements for Federal, State, and Private Grants
F. Record-Keeping

A. INTRODUCTION. The UI encourages the creation of scholarly works as an integral part of its mission. UI participation in the development, marketing, and dissemination of educational materials has as its aim the improvement of the quality, effectiveness, and efficiency of student learning and of faculty and staff development. The UI recognizes its obligation to transfer technology and useful discoveries to society. With respect to all types of intellectual property, the rights and obligations of UI, its employees and students and other third parties shall be governed by this policy. To the extent permitted by this policy, individuals may enter into contracts with UI to address intellectual property, in which case the contract terms shall control, provided that the contract was entered into in a manner consistent with this policy.

A-1. DEFINITIONS. For purposes of this Section 5300 and Section 5400, the following terms shall have the following meanings:

a. "electronic" shall mean relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.
b. "written" or "in writing" shall include information created, generated, sent, communicated, received, or stored by electronic means, including without limitation email, telecopy, and facsimile transmissions.
c. "natural person or persons" means natural person or persons involved in the creation or development of intellectual property.

B. COPYRIGHTS. UI participation in the development of copyrightable works raises questions concerning the ownership and use of materials in which UI has become an active and intentional partner through substantial investment of resources. This policy is established to clarify the rights of the natural person or persons and the UI regarding ownership and use of copyrightable materials in the absence of a valid written agreement between the natural person or persons and UI. The UI acknowledges the right of faculty and staff members and students to prepare and publish materials that are copyrightable in the name of the natural person or persons and that may generate royalty income for the natural person or persons. (In this policy, "natural person or persons" is to be construed broadly as including producers of creative works in the arts and sciences and creators of literary or

scholarly writing.)

B-1. Coverage. The types of materials to which this policy applies include:

a. Study guides, tests, syllabi, bibliographies, texts, books, and articles.

b. Films, filmstrips, photographs, slides, charts, transparencies, illustrations, and other visual aids.

c. Programmed instructional materials.

d. Audio and video recordings.

e. Simultaneously recorded live audio and video broadcasts.

f. Dramatic, choreographic, and musical compositions.

g. Pictorial, graphic, and sculptural works.

h. Computer software, including computer programs, procedural design documents, program documents, and databases as defined below: *[ed. 7-00]*

(1) "Computer program" means a set of instructions that direct a computer to perform a sequence of tasks.

(2) "Procedural design document" refers to material that describes the procedural steps involved in the creation of a computer program.

(3) "Program document" refers to material created for the purpose of aiding the use, maintenance, or other interaction with a computer program.

(4) "Data base" means a collection of data elements grouped together in an accessible format.

i. Other copyrightable materials, including materials generated in the production of any of the above works.

B-2. Assignment of Ownership. Faculty, staff members, and students retain all rights in the copyrightable materials they create except in the cases of "UI-Sponsored Materials" as defined in Subsection B-2-b below, materials covered by a Grant or Contract as discussed in Subsection E below, and materials covered by a valid written agreement between the natural person or persons and the UI as discussed in Subsection B-5 below. Faculty members, staff members, and students shall co-operate with reasonable requests from UI for the creation of any documents and records needed to vest and memorialize UI's rights, if any.

a. Retention of Rights. Except as otherwise provided in Subsection B-2-b, the natural person or persons involved in the creation or development of intellectual property retain the rights to: (1) copyrightable works produced while on sabbatical leave; (2) study guides and similar materials; and (3) works prepared as part of the general obligation to produce scholarly or other creative works of the natural person or persons, such as, but not limited to articles, books, musical compositions, and works of art.

b. UI-Sponsored Materials. Materials are "UI-Sponsored Materials" within the meaning of this policy if the natural person or persons: (1) was commissioned specifically in writing by UI or one of its distinct units to develop the material as part of his or her employment duties and the writing states that the resulting works would be considered "UI Sponsored"; (2) received extra pay from UI to prepare the specific materials pursuant to a valid written agreement providing that the extra pay is consideration for the preparation of the specific materials; (3) received release time from regular duties to produce the specific materials; or (4) made "substantial use" of UI resources in the creation or development of the specific materials, provided however that the use of UI resources regularly and customarily available to him/her as part of his/her regular employment or as part of

his/her regular academic enterprise, shall not be considered "substantial use" of UI resources.

B-3. Registration of Copyrightable Materials. Absent a valid written agreement otherwise, UI Sponsored Materials are to be registered in the name of the Regents of the University of Idaho or its' assignee. UI or its designee has the right to file registrations of UI Sponsored copyrightable works.

B-4. Royalties and Income.

a. Out of the gross receipts from royalties and other income from sale or rental of UI Sponsored Materials, the UI, college, department, other unit, or UI's designated agent may recover reasonable expenses that it incurred in the development, marketing, or dissemination of the materials.

b. Absent a valid written agreement to the contrary, the net proceeds are distributed as follows: 40 percent to the natural person or persons, 40 percent to UI or its designated agent, and 20 percent to the college or service unit of the natural person or persons. At least half of the share allocated to the college or other unit is given to the department of the natural person or persons for use in furtherance of its goals.

c. UI retains a right to royalty-free internal use of any materials designated UI Sponsored under this policy.

B-5. Written Agreements.

a. The provost represents UI in negotiating agreements with the natural person or persons pursuant to this policy. The natural person or persons of copyrightable material may negotiate with the provost and arrive at a mutually agreeable contract. The provost consults with the dean or departmental administrator of the department of the natural person or persons in drafting these agreements. (For purposes of this policy, "dean" includes persons with equivalent administrative capacities.)

b. Valid written agreements concerning copyright ownership, use of copyrighted materials, and distribution of royalties and income from copyrightable works which are entered into by one or more natural person or persons and the provost supersede the provisions of this Section 5300. To be valid, such agreements must (1) comply with the terms of any relevant Grants or Contracts as discussed in Subsection E below, (2) comply with the policies of the UI Board of Regents, (3) comply with UI agreements with the Idaho Research Foundation (IRF), and (4) comply with Idaho state and federal law.

B-6. Use of UI-Sponsored Materials. Use of UI Sponsored Materials under this policy is subject to the following conditions:

a. Internal Use. Internal use is use by anyone employed by UI, or attending the UI as a student, while acting within the scope of his or her employ or academic enterprise, or any agent of UI acting within the scope of his or her agency, either directly or through a grant or contract, or by any UI unit. Internal use of UI Sponsored Materials for the same general purpose for which they were developed, and revision of such materials, do not require the prior approval or notification of any of the natural person or persons. However, for as long as any natural person or persons involved in the creation or development of UI Sponsored Materials remains a UI employee or student, such natural person or persons may, in a professionally appropriate manner, propose revisions of the material.

b. External Use. External use is any use other than that defined in Subsection B-6-a. above. Licensing or sale of UI Sponsored Materials for external use must be preceded by a valid written agreement between the natural person or persons and UI or the UI's designated agent specifying the conditions of use, and including provisions concerning updating or revision of the materials.

B-7. Protection.

a. Allegations of unauthorized use or copyright infringement of UI Sponsored Materials should be made to the

Intellectual Property Committee for investigation. The committee will recommend appropriate action to the provost.

b. If such action is initiated by UI alone or in concert with the natural person or persons, the costs are borne by UI or UI's agent. Proceeds from the action in excess of costs are shared as provided in Subsection B-4-b.

c. If the natural person or persons involved in the creation or development of the allegedly infringed intellectual property desires to institute a suit and UI decides not to act, UI will co-operate either by assigning to the natural person or persons such rights as are necessary for the natural person or persons to pursue redress or by some other reasonable method acceptable to UI. The costs of the suit will be born by the natural person or persons desiring to sue, who will also obtain any monetary relief obtained from the alleged infringer due to the prosecution of the suit.

B-8. Liability. When either UI or the natural person or persons involved in the creation or development of materials copyrighted by UI or its assignee is alleged to have violated personal or property rights, UI or its designated agent assumes responsibility for the defense against such allegation and the satisfaction of any judgment rendered against UI or the natural person or persons except insofar as liability of governmental entities is limited by Idaho Code 6-903 as currently written or later amended.

B-9. Waiver. Any natural person or persons governed by Section 5300 B waives any claim that otherwise legal use of the material by UI, its agents, employees, distinct units, or IRF creates legal liability by UI, its agents, employees, distinct units, or IRF on any theory of indirect liability for allegedly infringing actions of third parties.

C. PROTECTABLE DISCOVERIES. "Protectable Discoveries," for purposes of this Section 5300 is defined to include anything which might be protected by utility patent, plant patent, design patent, plant protection certificate, maskwork, or trade secret. All Protectable Discoveries made by UI employees at any of its facilities in the course of programs carried on by UI or made by persons in the course of working on such programs or projects under contracts or agreements with UI belong to UI. The natural person or persons involved in the creation or development of such Protectable Discoveries shall assign to UI all such (1) Protectable Discoveries, (2) applications for legal protection of such Protectable Discoveries, and (3) utility patents, plant patents, design patents, and plant protection certificates resulting from such Protectable Discoveries. Absent an valid written agreement to the contrary, any Protectable Discoveries made by UI employees or such other natural person or persons identified above with the use of facilities (other than library resources, normal office use, incidental use of the UI internet network consistent with UI internet use policy, and other facilities for which the person has paid use fees) owned by UI or made available to it for project or research purposes are deemed to have been made in the course of working on a research program or project of UI.

C-1. Ownership By Other Than UI. A Protectable Discovery made by a natural person or persons wholly on his or her own time outside of his or her duties at UI and without the use of UI facilities (other than library resources, normal office use, incidental use of the UI internet network consistent with UI internet use policy, and other facilities for which the person has paid use fees) belongs to that natural person or persons, even though it falls within the field of competence relating to the person's UI position. This provision also allows any Protectable Discovery made by a natural person or persons in the course of private consulting services carried out by the person in conformance with the UI's policy on professional consulting and additional workload [see 3260] to be assigned to the consulting sponsor.

C-2. IRF and UI Processes. UI and the Idaho Research Foundation (IRF) agree that all Protectable Discoveries made by natural person or persons in the course of working on a UI research program or project must be submitted to IRF for acceptance. If a Protectable Discovery is accepted by IRF for development, management, marketing, licensing, or assignment in any manner for the purposes of this policy, UI must cause such property to be conveyed, assigned, or transferred to IRF. IRF has full power to manage such rights and to enter into contracts and licensing concerning such rights, including the right to join in agreements with other nonprofit intellectual property-management entities. *[rev. 7-97, 7-06]*

a. Upon submission of intellectual property to IRF, IRF must make a formal written decision to pursue commercialization for that property within three months or return the rights to UI. If IRF does not file for protection of the intellectual property within eighteen months of the date the disclosure was submitted, the rights are returned to UI. If IRF submits a provisional patent application for intellectual property protection, a "full" and non-provisional patent application must be submitted within nine months of the date of the submission of the provisional patent or the rights to the property are returned to UI. The property may remain with IRF for a second eighteen-month period if both UI and IRF agree. *[add. 7-97; ed. 7-98]*

b. The IRF shall submit semi-annual reports, as long as it owns the property, to both the inventor/natural person or persons and UI on (1) the status of the application until such time that protection is granted, (2) the marketing activities for the property being serviced, and (3) an accounting for funds received from the property. In the event that IRF has been unsuccessful in transferring a property or filing a patent application within three years after its first acceptance, IRF must notify UI in writing and the property shall be transferred to UI. *[add. 7-97, rev. 7-06]*

c. If IRF determines not to pursue commercialization of a Protectable Discovery that it has accepted it shall re-convey, assign, and transfer the Protectable Discovery back to the University. The University may elect to pursue commercialization of the Protectable Discovery or, subject to controlling federal law, including but not limited 37 CFR 401 "Bayh-Dole"), reconvey, assign and transfer the Protectable Discovery to the natural person or persons involved in the creation of the intellectual property.

C-3. Proceeds. IRF will make provision to share the net proceeds, management, and licensing of any Protectable Discovery assigned to IRF as follows:

a. Legal and development expenses incurred by IRF constitute a lien on the net proceeds until paid.

b. Absent a valid written agreement to the contrary, the net proceeds in excess of such expenses shall be distributed as follows: 40 percent to the natural person or persons; 40 percent to IRF for tax-exempt purposes; and 20 percent to the college or service unit of the natural person or persons. At least half of the share allocated to the college or other unit is given to the department of the natural person or persons for use in furthering its goals.

C-4. Ownership Questions. Questions as to the ownership of a Protectable Discovery or division of proceeds between persons involved in development of such discoveries and departments are referred in the first instance to the Intellectual Property Committee. The disputes will be decided in accordance with Section 5300(D).

Note: rule is gone and Regent's policy does not require this.

D. DISPUTE RESOLUTION. From time to time, disputes will inevitably occur concerning ownership of the intellectual property (copyrights and Protectable Discoveries) contemplated in this Section 5300. Resolution of such disputes shall be achieved by the following procedure:

D-1. Intellectual Property Committee. The Intellectual Property Committee (IP Committee) shall be an Ad Hoc Committee formed when necessary by appointments made by the Provost, in consultation with the Chair of Faculty Council and the President of the Graduate and Professional Student Association (GPSA). Normally the IP Committee shall be composed of five faculty members and two graduate students. The Provost shall appoint the chair from among the faculty members. In the event the GPSA shall fail to appoint one or more student members, the IP Committee may nonetheless be formed by the Provost and conduct business without the GPSA student representatives.

D-2. Recommendation by the Intellectual Property Committee. The IP Committee considers, investigates, and makes recommendations toward resolution of disputes concerning (1) ownership of copyrightable materials and Protectable Discoveries, and (2) allegations or unauthorized use or copyright infringement of UI Sponsored Materials. It reviews all relevant evidence submitted to it before making its recommendation to the provost. The IP Committee's recommendation is to be made no later than 60 days after receiving the matter for consideration. The IP

Committee's recommendation is determined by a majority of all its members voting by secret ballot at a meeting at which over one-half its appointed members are present. No member may participate in any matter in which his or her ownership rights are being determined.

D-3. Decision by the Provost. After receiving the recommendation of the IP Committee, the provost makes a decision concerning ownership or infringement. The provost's decision is made no later than 30 days after receiving the IP Committee's recommendation. That decision is transmitted in writing to the natural person or persons and to his or her departmental administrator and dean.

D-4. Appeal of the Decision of the Provost. The decision of the Provost may be appealed to the President of the University. Further appeals shall be made as from any other decision of an administrative body under the laws of the State of Idaho in effect from time to time.

E. SPECIAL ARRANGEMENTS FOR FEDERAL, STATE, AND PRIVATE GRANTS. Nothing in this policy shall prevent UI from accepting research grants from, and conducting research for, agencies of the United States upon terms and conditions under applicable provisions of federal law or regulations that require a different disposition of rights in any form of intellectual property. Moreover, nothing herein shall prevent cooperative arrangements with other agencies of the state of Idaho for research. Where receipt of a grant in support of research from any nonprofit agency or group may be dependent upon acceptance of terms and conditions of the established intellectual property policy of the grantor that differ from those stated herein, UI may specifically authorize acceptance of such grant upon such terms and conditions. UI may also specifically authorize contractual arrangements with an industrial sponsor for different disposition of rights in any form of intellectual property resulting from its sponsored research.

F. RECORD-KEEPING. See Section 5500 for record-keeping procedures that are recommended in order to safeguard the property rights of UI or the faculty member in research and potentially patentable results.

[For form of employment agreement concerning patents, see 5400.]

Attachment 2

UI FACULTY-STAFF HANDBOOK
CHAPTER FIVE:
RESEARCH POLICIES July ~~2000~~2006

5300

COPYRIGHTS, PROTECTABLE DISCOVERIES AND OTHER INTELLECTUAL PROPERTY RIGHTS~~MASKWORKS, AND PATENTS~~

PREAMBLE: This section outlines UI policy concerning copyrights, maskworks, and patents as they arise from university research. Particularly this section discusses the assignment of ownership to such copyrights, maskworks, and patents. This section was part of the 1979 Handbook *but was revised in a significant~~major~~ way 1) in July of 1992 to reflect changes in applicable federal law, 2) ~~and~~ in January of 1995 by the addition of subsection C-5 to reflect the change in the Regents= intellectual property and conflict of intent rule (former IDAPA 08.01.09.101.03c), and 3) in 2006 to . ~~Unless otherwise noted, the text is as of July 1996.~~ For more information, contact the Research Office (208-885-6651).* [ed. 7-98]

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A. Introduction
B. Copyrights ~~and Maskworks~~
C. ~~Patents~~Protectable Discoveries
D. Dispute Resolution
E. Special Arrangements for Federal, State, and Private Grants
F. Record-Keeping

A. INTRODUCTION. The ~~university~~ UI encourages the creation of scholarly works as an integral part of its mission. UI participation in the development, marketing, and dissemination of educational materials has as its aim the improvement of the quality, effectiveness, and efficiency of student learning and of faculty and staff development. The ~~university~~ UI recognizes its obligation to transfer technology and useful discoveries to society. With respect to all types of intellectual property, the rights and obligations of UI, its employees and students and other third parties shall be governed by this policy. To the extent permitted by this policy, individuals may enter into contracts with UI to address intellectual property, in which case the contract terms shall control, provided that the contract was entered into in a manner consistent with this policy.

A-1. DEFINITIONS. For purposes of this Section 5300 and Section 5400, the following terms shall have the following meanings:

a. "electronic" shall mean relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.
b. "written" or "in writing" shall include information created, generated, sent, communicated, received, or stored by electronic means, including without limitation email, telecopy, and facsimile transmissions.
c. "natural person or persons" means natural person or persons involved in the creation or development of intellectual property..

B. COPYRIGHTS ~~AND MASKWORKS~~. UI participation in the development of copyrightable works ~~and maskworks~~ raises questions concerning the ownership and use of materials in which UI has become an active and intentional partner through substantial investment of resources. This policy is established to clarify the rights of the natural person or persons ~~authors~~ and the UI~~university~~ regarding ownership and use of copyrightable materials ~~and maskworks~~ in the absence of a valid written agreement between the natural person or persons ~~author~~ and UI. The

~~university~~ UI acknowledges the right of faculty and staff members and students to prepare and publish materials that are copyrightable in the ~~author~~'~~s~~ name of the natural person or persons and that may generate royalty income for the ~~author~~natural person or persons. (In this policy, "~~author~~"-"natural person or persons" is to be construed broadly as including producers of creative works in the arts and sciences and creators of literary or scholarly writing.)

B-1. Coverage. The types of materials to which this policy applies include:

a. Study guides, tests, syllabi, bibliographies, texts, books, and articles.

b. Films, filmstrips, photographs, slides, charts, transparencies, illustrations, and other visual aids.

c. Programmed instructional materials.

d. Audio and video recordings.

e. Simultaneously recorded ~~l~~live audio and video broadcasts.

f. Dramatic, choreographic, and musical compositions.

g. Pictorial, graphic, and sculptural works.

h. Computer software, including computer programs, procedural design documents, program documents, ~~maskworks,~~ and data~~-~~bases as defined below: *[ed. 7-00]*

(1) "Computer program" means a set of instructions that direct a computer to perform a sequence of tasks.

(2) "Procedural design document" refers to material that describes the procedural steps involved in the creation of a computer program.

(3) "Program document" refers to material created for the purpose of aiding the use, maintenance, or other interaction with a computer program.

~~**(4)** "Maskwork" refers to a series of related images, however fixed or encoded, including but not limited to pattern generation tapes, (a) having or representing the predetermined three-dimensional pattern of metallic, insulating, or semiconductor material present or removed from the layers of a semiconductor chip product and (b) in which series the relation of the images to one another is that each image has the pattern of the surface of one form of the semiconductor chip product.~~

(~~4~~5) "Data base" means a collection of data elements grouped together in an accessible format.

i. Other copyrightable materials, including materials generated in the production of any of the above works.

B-2. Assignment of Ownership. Faculty, ~~and~~ staff members, and students retain all rights in the copyrightable materials ~~and maskworks~~ they create except in the cases of "~~university~~UI-~~S~~sponsored~~"~~ ~~m~~Materials" as defined in Subsection B-2-b below~~[see B-2-b]~~, materials covered by ~~the terms of~~ a ~~g~~Grant or ~~c~~Contract as discussed in Subsection E below, and materials covered by a valid written agreement between the natural person or persons ~~author~~ and the ~~university~~UI as discussed in Subsection B-5 below. Faculty members, staff members, and students shall co-operate with reasonable requests from UI for the creation of any documents and records needed to vest and memorialize UI's rights, if any.

a. Retention of Rights. Except as otherwise provided in Subsection B-2-b, the natural person or persons involved in the creation or development of intellectual property~~In particular, authors~~ retain the rights to: (1) copyrightable works produced while on sabbatical leave~~, unless there is a valid written agreement to the contrary~~; (2) study guides and similar materials~~ not specifically commissioned by UI and the preparation of~~

~~which did not involve substantial use of UI resources [see B-2 b(4)]~~; and (3) works prepared as part of the ~~author's~~ general obligation to produce scholarly or other creative works of the~~-~~ natural person or persons, such as, ~~as well as works that customarily have been considered the property of the author, including~~ but not limited to articles, books, musical compositions, and works of art.

b. ~~University~~UI-Sponsored Materials. Materials are "UI-~~s~~Sponsored Materials" within the meaning of this policy if the natural person or persons ~~author~~: (1) was~~were specifically~~ commissioned specifically in writing by UI or one of its distinct units to develop the material~~s~~ as part of his or her ~~regular~~ employment duties and the writing states that the resulting works would be considered "UI Sponsored."; (2) received extra pay from UI to prepare the specific materials pursuant to a valid written agreement providing that the extra pay is consideration for the preparation of the specific materials; (3) received release time from regular duties to produce the specific materials; or (4) made "substantial use" of UI resources ~~(such as computer centers, audiovisual service units, or other similar department service centers)~~ in the creation or ~~their~~ development of the specific materials, provided however that the use of ~~unless~~ UI ~~accepts or waives reimbursement for such use; limited use of secretarial support, use of the library for which special charges are not normally assessed, and other routine use of UI resources are~~ resources regularly and customarily available to him/her as part of his/her regular employment or as part of his/her regular academic enterprise, shall not be considered ~~to be~~ "substantial~~"~~ use" of UI resources.

B-3. Registration of Copyrightable Materials ~~and Maskworks~~. ~~UI or its designee is responsible for applying to the U.S. Copyright Office for registration of copyrightable materials when under this policy materials have been finally designated UI-sponsored. Such application must be made no later than 60 days after the materials have been designated UI-sponsored.~~ Absent a valid written agreement otherwise~~to the contrary~~, UI ~~-S~~sponsored ~~m~~Materials are to be ~~copyrighted and maskworks~~ registered in the name of the Regents of the University of Idaho or its~~UI~~'~~s~~ assignee. UI or its designee has the right to file registrations of UI Sponsored copyrightable works.

B-4. Royalties and Income.

a. Out of the gross receipts from royalties and other income from sale or rental of UI~~-s~~Sponsored M~~m~~aterials, the UI~~university~~, college, department, other unit, or UI's designated agent may recover reasonable expenses that it incurred in the development, marketing, or dissemination of the materials.

b. Absent a valid written agreement to the contrary, the net proceeds are distributed as follows: 40 percent to the natural person or persons~~author(s)~~, 40 percent to UI or its designated agent, and 20 percent to the ~~author's~~ college or service unit of the natural person or persons. At least half of the share allocated to the college or other unit is given to the ~~author's~~ department of the natural person or persons for use in furtherance of its goals.

c. UI retains a right to royalty-free internal use of any materials designated UI ~~-s~~Sponsored under this policy.

B-5. Written Agreements.

a. The provost represents UI in negotiating agreements with the natural person or persons ~~authors~~ pursuant to this policy. The natural person or persons ~~author~~ of copyrightable material may negotiate with the provost and arrive at a mutually agreeable contract. The provost consults with the ~~author's~~ dean or departmental administrator of the department of the natural person or persons ~~and dean~~ in drafting these agreements. (For purposes of this policy, "dean" includes persons with equivalent administrative capacities.)

b. Valid written agreements concerning copyright ownership, use of copyrighted materials, and distribution of royalties and income from copyrightable works which are ~~and income~~ entered into by one or more ~~an author~~natural person or persons and the provost ~~may~~ supersede the provisions of this Section 5300. ~~this policy and are binding, provided they are in compliance with the regents' rules, UI agreements with the Idaho Research Foundation (IRF), and other UI contractual agreements.~~ To be valid, such agreements must (1) comply with the terms of any relevant Grants or Contracts as discussed in Subsection E below, (2) comply with the ~~rules~~policies of the UI Board of Regents, (3) comply with UI agreements with the Idaho Research Foundation (IRF), and 4) comply with Idaho state and federal law.

B-6. Use of ~~University~~UI-Sponsored Materials. Use of UI ~~s~~Sponsored ~~copyrightable m~~Materials under this policy is subject to the following conditions:

a. Internal Use. Internal use is use by anyone employed by UI, or attending the UI as a student, while acting within the scope of his or her employ or academic enterprise, or any agent of UI acting within the scope of his or her agency, either directly or through a grant or contract, or by any UI unit.

~~(1)~~ Internal use of UI ~~s~~Sponsored M~~m~~aterials for the same general purpose for which they were developed, and revision of such materials, do~~es~~ not require the prior approval or notification of any of the natural person or persons. ~~by the author unless there is a valid written agreement to the contrary between the author and the provost or designee.~~ However~~Even so~~, for as long as any ~~the author~~ natural person or persons involved in the creation or development of UI Sponsored Materials remains a UI employee or student, such natural person or persons may, in a professionally ~~he or she may propose reasonable revisions of the materials. If the author and the departmental administrator cannot agree on~~ appropriate manner~~revisions~~, proposed ~~d~~ revisions of the material~~the question will be referred to the author~~'~~s dean for final determination.~~

~~(2) If the use is to be for a purpose other than that for which the materials were developed, the author, as long as he or she remains a UI employee or student, may propose reasonable revisions before each instance of such use. If the author and the departmental administrator cannot agree on appropriate revisions, the questions will be referred to the author's dean. If the author and the dean cannot agree on appropriate revisions, the author may withdraw the materials from use.~~

~~(3) If withdrawn materials have been copyrighted, UI may assign its rights to the author, subject to a valid written agreement between UI and the author regarding further internal or external use of the materials and division of income from any subsequent use.~~

~~(4) When the author ceases to be a UI employee or student, UI retains the right to make internal use of the materials without the author's consent unless the author and UI have agreed in writing on different conditions for subsequent internal use of the materials and the procedures for their revision.~~

b. External Use. External use is any use other than that defined in ~~a~~ Subsection B-6-a. above. Licensing or sale of UI ~~s~~Sponsored ~~m~~Materials for external use must be preceded by a valid written agreement between the natural person or persons ~~author~~ and UI or the UI's ~~university's~~ designated agent specifying the conditions of use, and including provisions concerning updating or revision of the materials.

B-7. Protection.

a. Allegations of unauthorized use or copyright infringement of UI ~~s~~Sponsored ~~m~~Materials should be made to the Intellectual Property Committee for investigation. The committee will recommend appropriate action to the provost.

b. If such action is initiated by UI alone or in concert with the ~~author~~natural person or persons, the costs are borne by UI or UI's agent. Proceeds from the action in excess of costs are shared as provided in Subsection B-4-b.

c. ~~If the action is initiated by the author and UI decides not to act, UI assigns to the author such rights as are necessary for the author to pursue redress. The costs are borne by the author, and the proceeds go to the author.~~ If the natural person or persons involved in the creation or development of the allegedly infringed intellectual property desires to institute a suit and UI decides not to act, UI will co-operate either by assigning to the natural person or persons such rights as are necessary for the natural person or persons to pursue redress or by some other reasonable method acceptable to UI. The costs of the suit will be born by the natural person or persons desiring to sue, who will also obtain any monetary relief obtained from the alleged infringer due to the

prosecution of the suit.

B-8. Liability. When either UI or the ~~author~~ natural person or persons involved in the creation or development of materials copyrighted by UI or its assignee is alleged to have violated personal or property rights, UI or its designated agent assumes responsibility for the defense against such allegation and the satisfaction of any judgment rendered against UI or the natural person or persons ~~author~~ except insofar as liability of governmental entities is limited by Idaho Code 6-903 as currently written or later amended.

B-9. Waiver. Any natural person or persons governed by Section 5300 B waives any claim that otherwise legal use of the material by UI, its agents, employees, distinct units, or IRF creates legal liability by UI, its agents, employees, distinct units, or IRF on any theory of indirect liability for allegedly infringing actions of third parties.

C. ~~PATENTS~~PROTECTABLE DISCOVERIES. "Protectable Discoveries," for purposes of this Section 5300 is defined to include anything which might be protected by utility patent, plant patent, design patent, plant protection certificate, maskwork, or trade secret. All Protectable Discoveries made by UI employees at any of its facilities in the course of programs carried on by UI or made by persons in the course of working on such programs or projects under contracts or agreements with UI belong to UI. The natural person or persons involved in the creation or development of such Protectable Discoveries shall assign to UI all such (1) Protectable Discoveries, (2) applications for legal protection of such Protectable Discoveries, and (3) utility patents, plant patents, design patents, and plant protection certificates resulting from such Protectable Discoveries. Absent an valid written agreement to the contrary, any Protectable Discoveries made by UI employees or such other- natural person or persons identified above with the use of facilities (other than library resources, normal office use, incidental use of the UI internet network consistent with UI internet use policy, and other facilities for which the person has paid use fees) ~~All patentable inventions made by UI employees at any of its facilities in the course of projects or research programs carried on by UI or made by persons in the course of working on such programs or projects under contracts or agreements with UI belong to UI. The inventor(s) assign all such inventions, patent applications, and resulting patents as directed by UI. Any such inventions made by UI employees or such other persons in the course of their employment by or for UI or with the use of facilities (other than library resources and normal office use)~~ owned by UI or made available to it for project or research purposes are deemed to have been made in the course of working on a research program or project of UI.

C-1. Ownership By Other Than UI. A Protectable Discovery ~~An invention~~ made by a natural person or persons wholly on his or her own time outside of his or her duties at UI and without the use of UI facilities (other than library resources, ~~and~~ normal office use, incidental use of the UI internet network consistent with UI internet use policy, and other facilities for which the person has paid use fees) belongs to that natural person or persons~~person~~, even though it falls within the field of competence relating to the person's UI position. This provision also allows any Protectable Discovery ~~invention~~ made by a natural person or persons~~person~~ in the course of private consulting services carried out by the person in conformance with the UI's policy on professional consulting and additional workload [see 3260] to be assigned to the consulting sponsor.

C-2. IRF and UI Processes. UI and the Idaho Research Foundation (IRF) agree that all Protectable Discoveries ~~inventions~~ made by natural person or persons~~persons~~ in the course of working on a UI research program or project must be submitted to IRF for acceptance. If a Protectable Discovery ~~such property~~ is accepted by IRF for development, management, marketing, licensing, or assignment in any manner for the purposes of this policy, UI must cause such property to be conveyed, assigned, or transferred to IRF. IRF has full power to manage such ~~patent~~ rights and to enter into contracts and licensing concerning such rights, including the right to join in agreements with other nonprofit intellectual property~~patent~~ management entities. *[rev. 7-97, 7-06]*

a. Upon submission of intellectual property to IRF, IRF must make a formal written decision to pursue commercialization for that property within three months or return the rights to UI. If IRF does not file for protection of the intellectual property within eighteen months of the date the disclosure was submitted, the rights are returned to UI. If IRF submits a provisional patent application for intellectual property protection, a "full" and non-provisional patent application must be submitted within nine months of the date of the submission of the provisional patent or the rights to the property are returned to UI. The property may remain with IRF for a second

eighteen-~~-~~month period if both UI and IRF agree. *[add. 7-97; ed. 7-98]*

b. The IRF shall submit semi-annual reports, as long as it owns the property, to both the inventor/~~author~~ ~~the~~ natural person or persons and UI on 1) the status of the application until such time that protection is granted, 2) the marketing activities for the property being serviced, and 3) an accounting for funds received from the property. In the event that IRF has been unsuccessful in transferring a property or filing a patent application within three years after its first acceptance, IRF must notify UI in writing and the property shall be transferred to UI. *[add. 7-97, rev. 7-06]*

c. If IRF determines not to pursue commercialization of a Protectable Discovery that it has accepted it shall re-convey, assign, and transfer the Protectable Discovery back to the University. The University may elect to pursue commercialization of the Protectable Discovery or, subject to controlling federal law, including but not limited 37 CFR 401 "Bayh-Dole"), reconvey, assign and transfer the Protectable Discovery to the natural person or persons~~person~~ involved in the creation of the intellectual property.

C-3. Proceeds. IRF will make provision to share the net proceeds, management, and licensing of any ~~patent~~ Protectable Discovery assigned to IRF as follows:

a. Legal and development expenses incurred by IRF constitute a lien on the net proceeds until paid.

b. Absent a valid written agreement to the contrary, the net proceeds in excess of such expenses shall be distributed as follows: 40 percent to the ~~inventor(s)~~natural person or persons;~~,~~ 40 percent to IRF for tax-exempt purposes;~~,~~ and 20 percent to the college or service unit of the natural person or persons ~~inventor(s)~~. At least half of the share allocated to the college or other unit is given to the ~~inventor's~~ department of the natural person or persons for use in furthering its goals.

C-4. Ownership Questions. Questions as to the ownership of a~~n~~ Protectable Discovery~~invention~~ or division of proceeds between persons involved in development of such discoveries and departments are referred in the first instance ~~inventors and departments are referred~~ to the Intellectual Property Committee. The disputes will be decided in accordance with Section 5300(D). ~~final decision is made by the provost after a review of the findings and conclusions of the committee and is binding.~~

~~**C-5. Provost Reports.** As required by rule promulgated by the Regents (IDAPA 08.01.09.03c), the provost shall report two weeks in advance of the state board meeting on patent, copyright, and technology transfer activities that have occurred at the institution since the prior meeting of the board. With respect to patents, that report will also indicate whether employees of the institution or of its research foundation have a financial interest in the company to which the intellectual property was transferred. Terms of any licensee or technology transfer contract will be made available in confidence upon request for inspection by the state board.~~
Note: rule is gone and Regent's policy does not require this.

D. DISPUTE RESOLUTION. From time to time, disputes will inevitably occur concerning ownership of the intellectual property (copyrights~~, maskworks,~~ and ~~patents~~Protectable Discoveries) contemplated in this Section 5300~~policy~~. Resolution of such disputes shall be achieved by the following procedure:

D-1. Intellectual Property Committee. The Intellectual Property Committee (IP Committee) shall be an Ad Hoc Committee formed when necessary by appointments made by the Provost, in consultation with the Chair of Faculty Council and the President of the Graduate and Professional Student Association (GPSA). Normally the IP Committee shall be composed of -five faculty members and two graduate students. The Provost shall appoint the chair from among the faculty members. In the event the GPSA shall fail to appoint one or more student members, the IP Committee may nonetheless be formed by the Provost and conduct business without the GPSA student representatives.~~is composed of five faculty members appointed each year by the Committee on Committees. The term of membership on the panel is three years, with initial terms staggered to form a rotation pattern. The Committee on Committees selects the chair.~~

D-2. Recommendation by the Intellectual Property Committee. The IP C~~c~~ommittee considers, investigates, and

makes recommendations toward resolution of disputes concerning (1) ownership of ~~maskworks and~~ copyrightable ~~and patentable~~ materials and Protectable Discoveries, and (2) allegations or unauthorized use or copyright infringement of UI ~~s~~Sponsored ~~m~~Materials. It reviews all relevant evidence submitted to it before making its recommendation to the provost. The IP C~~c~~ommittee's recommendation is to be made no later than 60 days after receiving the matter for consideration. The IP ~~c~~Committee's recommendation is determined by a majority of all its members voting by secret ballot at a meeting at which over one-half its appointed members are present. No member may participate~~s~~ in any matter in which his or her ownership rights are being determined.

D-3. Decision by the Provost. After receiving the recommendation of the IP ~~c~~Committee, the provost makes a decision concerning ownership or infringement. The provost's decision is made no later than 30 days after receiving the IP ~~c~~Committee's recommendation. That decision is transmitted in writing to the ~~author~~ natural person or persons ~~or inventor~~ ~~Protectable Discvoery~~ and to his or her departmental administrator and dean.

D-4. Appeal of the Decision of the Provost. The decision of the Provost may be appealed to the President of the University. Further appeals shall be made as from any other decision of an administrative body under the laws of the State of Idaho in effect from time to time.

E. SPECIAL ARRANGEMENTS FOR FEDERAL, STATE, AND PRIVATE GRANTS. Nothing in this policy shall prevent UI from accepting research grants from, and conducting research for, agencies of the United States upon terms and conditions under applicable provisions of federal law or regulations that require a different disposition of ~~patent~~ rights in any form of intellectual property. Moreover, nothing herein shall prevent cooperative arrangements with other agencies of the state of Idaho for research. Where receipt of a grant in support of research from any nonprofit agency or group may be dependent upon acceptance of terms and conditions of the established ~~patent~~ intellectual property policy of the grantor that differ from those stated herein, UI may specifically authorize acceptance of such grant upon such terms and conditions. UI may also specifically authorize contractual arrangements with an industrial sponsor for different disposition of ~~patent~~ rights in any form of intellectual property resulting from its sponsored research.

F. RECORD-KEEPING. See Section 5500 for record-keeping procedures that are recommended in order to safeguard the property rights of UI or the faculty member in research and potentially patentable results.

[For form of employment agreement concerning patents, see 5400.]

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5400

EMPLOYMENT AGREEMENT CONCERNING INTELLECTUAL PROPERTY

PREAMBLE: UI uses the following form of employment agreement concerning patents and copyrights. This section was added to the Handbook *in June of 1988 and revised in July of 1992, given a substantial but temporary revision in April 2003 and given a second temporary revision in April 2005. For further information, contact the Technology Transfer Office (208-885-4630) or the Office of the Faculty Secretary (208-885-6151).*

ADDITIONAL NOTICE: The UI uses the Memorandum of Understanding form of agreement concerning patents and copyrights with non-employee students and visitors participating in university research activities. This allows the non-employee student to participate in the university's patent/copyright income distribution program (FSH 5300) while protecting the interests of the faculty, staff, student, and university. This section was added to the Handbook *in May 2003. For further information, contact the Research Office (208-885-6651).*

Employment Agreement Regarding Intellectual Property
Between
The University of Idaho and _____

As an employee of the University of Idaho (the university), I acknowledge that I am subject to the policies and rules of the Regents of the University of Idaho (Regents) published at the Idaho State Board of Education's website http://www.idahoboardofed.org/policies/index.asp and to the policies and procedures of the university as published in the university's *Faculty-Staff Handbook* and *Administrative Procedures Manual.*

Pursuant to those policies, I hereby agree to the following:

A. With regard to protectable discoveries (which include discoveries potentially protectable as a utility patent, plant patent, design patent, plant variety protection certificate, maskwork, and trade secret):

A-1. I understand that under UI policy FSH 5300, the university owns all protectable discoveries made by UI employees at any of its facilities in the course of projects or research programs carried on by UI or made by persons in the course of working on such programs or projects under contracts or agreements with UI. I will exercise my best effort in notifying the university's Research Office of potentially pprotectable discoveries conceived or first reduced to practice in whole or in part in the course of my university responsibilities. If in doubt about the protectability of adiscovery, I will confer with the university's Research Office.

A-2. I will exercise my best effort in notifying the university's Research Office of potentially protectable discoveries conceived or first reduced to practice in whole or in part through the use of university resources when that use is more than incidental (FSH 5300). Again, if in doubt as to what is incidental use I will confer with the university's Research Office.

A-3. I agree to collaborate with the university in the assignment of rights, title and interests in such protectable discoveries, as required by the policies of the Regents and the university.

A-4. I will exercise my best efforts in providing relevant documentation and participate in actions to complete the assignment of rights, title and interests in such protectable discoveries.

A-5. I will refrain from actions which jeopardize the university's potential rights, including any action which might create a statutory bar preventing grant of patent on an otherwise patentable invention. I recognize that publication, public use, sale or offering for sale of such protectable discovery may create a statutory bar. When in doubt, I will consult with the university's Research Office.

B. I acknowledge that some of the copyrightable materials that I create may be the property of the university as

explained in FSH 5300 B. I acknowledge that I have read these provisions and agree to them. I will cooperate with reasonable requirements of the university to promptly assign or confirm in writing any possible right I might otherwise have in any copyrightable work when such right belongs to university according to FSH 5300 B.

C. I agree to inform all students and visiting scholars wishing to participate in my university research programs, about the university "Memorandum of Understanding Regarding Research Participation and the University Intellectual Property Rights" available from the Technology Transfer Office and about the FSH 2300 - Article II.2 Student Code of Conduct. I will not allow any student or visiting scholar to participate in my university research program who has not signed a copy of the "Memorandum of Understanding Regarding Research Participation and the University Intellectual Property Rights" or an alternative document negotiated between the university's Research Office and the individual.

D.. Attached to this agreement are 1. a Disclosure of Invention Work in Progress, and 2. a Disclosure of Prior Contracts (together the "Disclosures"). The Disclosures set forth inventions and/or work with prior employers or firms with which I currently consult that may be protectable discoveries. The work referenced in the Disclosures is excluded specifically from the university's ownership claims so long as no university facilities (other than library resources, normal office use, incidental use of the university's internet network consistent with university's internet use policy, and other facilities for which the person has paid use fees) are used in further development of the works referenced in the Disclosures

E. I acknowledge that I am under no consulting or other obligation to any third person, organization or corporation that is in conflict with this Intellectual Property Agreement with respect to rights to protectable discoveries or copyrightable materials. **[NOTE - Any individual who believes that s/he cannot comply with this provision must contact the University Research Office and Idaho Research Foundation]**

_____	_____
Signature	Title
_____	_____
Printed Name	Date

Memorandum of Understanding
Regarding Research Participation
And
University Intellectual Property Rights

This memorandum of understanding is entered into by _____, a student at the University of Idaho ("participant"), _____, a professor/researcher at University of Idaho ("faculty"), and the Regents of the University of Idaho ("Regents").

The participant is involved in research activities or enrolled in _____, which may involve working on research or design projects. These activities or projects may or may not result in the development of intellectual property in which the University of Idaho ("UI") and/or a sponsor may have a proprietary interest.

Therefore, it is important that the participant, faculty, and the UI have a full understanding of the participant's rights and obligations regarding these proprietary interests, and intellectual property. This memorandum sets forth the understanding of the parties.

a. The participant acknowledges receipt of copies of the relevant intellectual property policies of the Regents and the UI.

b. The participant agrees to promptly disclose any discoveries he/she makes that may be protectable under any intellectual property theory, including patent and copyright.

c. The participant has the right to submit any thesis, dissertation, or other academic product based upon or resulting from his/her work as part of the fulfillment of the requirements for obtaining an undergraduate, masters, or doctoral degree from the UI resulting from collaboration with the UI provided that such submission is done in a manner that does not crate a statutory bar to the later grant of patent rights in an otherwise protectable discovery.

d. In exchange for the opportunity to participate in these projects and the right to receive royalties, the participant agrees to assign his/her right, title, and interest in any research or other project outcome, including intellectual property rights, derived from the participant's work in this class or research activities to the UI. This assignment vests rights in the UI as provided for in the UI's intellectual property policies and is subject to the participant's right to share in royalties in the same manner as employees of the UI.

Participant _____ Date _____

Supervising Faculty _____ Date _____

DISCLOSURE OF INVENTION WORK IN PROGRESS

This disclosure is made this ___ day of _____, 20__, as part of that Employment Agreement Regarding Intellectual Property between The University of Idaho (UI) and _____, a student or employee of UI (the "Inventor"), dated this ___ day of _____, 20 __. This Disclosure lists all inventions and developments of the Inventor made prior to employment by, or matriculation as a student at, UI. Subject to UI legal review and verification by UI's Technology Transfer Officer, the UI acknowledges that the inventions and developments listed below constitute the property of the Inventor or the party with whom the Inventor has contracted. A brief description of each invention is provided.

INVENTION	DATES OF WORK	RIGHTS OWNED BY

DISCLOSURE OF PRIOR CONTRACTS

This disclosure is made this ___ day of _____, 20__, as part of that Employment Agreement Regarding Intellectual Property between The University of Idaho (UI) and _____, a student or employee of UI (the "Inventor"), dated this ___ day of _____, 20 __. This Disclosure lists all contractual obligations of the Inventor entered into prior to employment by, or matriculation at, UI. Subject to UI legal review and verification by UI's Technology Transfer Officer, the UI acknowledges that prior contracts that remain in effect may be honored by the Inventor. A brief description of each contract is provided below. The types of contracts listed below include, but are not limited to, employment, non-disclosure, non-compete, and fiduciary obligations.

COMPANY OR PERSON	TYPE OF CONTRACT	RELEVANT TERMS

5400

EMPLOYMENT AGREEMENT CONCERNING INTELLECTUAL PROPERTY

PREAMBLE: UI uses the following form of employment agreement concerning patents and copyrights. This section was added to the Handbook *in June of 1988 and revised in July of 1992, given a substantial but temporary revision in April 2003 and given a second temporary revision in April 2005. For further information, contact the Technology Transfer Office (208-885-4630) or the Office of the Faculty Secretary (208-885-6151).*

~~*SPECIAL NOTICE: The April 2005 revision is only temporary and will expire July 1, 2006 unless superseded earlier.*~~

ADDITIONAL NOTICE: The UI uses the Memorandum of Understanding form of agreement concerning patents and copyrights with non-employee students and visitors participating in university research activities. This allows the non-employee student to participate in the university's patent/copyright income distribution program (FSH 5300) while protecting the interests of the faculty, staff, student, and university. This section was added to the Handbook *in May 2003. For further information, contact the Research Office (208-885-6651).*

Employment Agreement Regarding Intellectual Property
Between
The University of Idaho and _____

As an employee of the University of Idaho (the u~~U~~niversity), I acknowledge that I am subject to the policies and rules of the Regents of the University of Idaho (Regents) published at the Idaho State Board of Education's website http://www.idahoboardofed.org/policies/index.asp and to the policies and procedures of the u~~U~~niversity as published in the university's ~~University~~ *Faculty-Staff Handbook* and ~~the University~~ *Administrative Procedures Manual.*

Pursuant to those policies, I hereby agree to the following:

A. With regard to ~~inventions~~protectable discoveries (which include discoveries potentially protectable as a utility patent, plant patent, design patent, plant variety protection certificate, maskwork, and trade secret):

A-1. I understand that under UI policy FSH 5300, the university owns all ~~patentable~~ protectable~~inventions~~ discoveries made by UI employees at any of its facilities in the course of projects or research programs carried on by UI or made by persons in the course of working on such programs or projects under contracts or agreements with UI. I will exercise my best effort in notifying the u~~U~~niversity's Research Office of potentially p~~atentable inventions~~protectable discoveries conceived or first reduced to practice in whole or in part in the course of my university responsibilities. If in doubt about the ~~patentability~~ protectability of a~~n invention~~discovery, I will confer with the u~~U~~niversity's Research Office.

A-2. I will exercise my best effort in notifying the u~~U~~niversity's Research Office of potentially ~~patentable inventions~~ protectable discoveries conceived or first reduced to practice in whole or in part through the use of u~~U~~niversity resources when that use is more than incidental (FSH 5300). Again, if in doubt as to what is incidental use I will confer with the u~~U~~niversity's Research Office.

A-3. I agree to collaborate with the university in the assignment of rights, title and interests in such protectable discoveries, as required by the policies of the Regents ~~Board of~~ and the university~~, of rights, title and interests in such patentable inventions.~~

A-4. I will exercise my best efforts in providing relevant documentation and participate in actions to complete the assignment of rights, title and interests in such ~~patentable inventions~~protectable discoveries.

A-5. I will refrain from actions which jeopardize the university's potential rights, including any action which might create a statutory bar preventing grant of patent on an otherwise patentable invention. I

recognize that publication, public use, sale or offering for sale of such protectable discovery may create a statutory bar. When in doubt, I will consult with the university's Research Office.

B. I acknowledge that some of the copyrightable materials that I create may be the property of the university as explained in FSH 5300 B. I acknowledge that I have read these provisions and agree to them. I will cooperate with reasonable requirements of the university to promptly assign or confirm in writing any possible right I might otherwise have in any copyrightable work when such right belongs to university according to FSH 5300 B.~~in the State Board of Education Policies and Procedures Section V.M.3.b., the Board of Regents and the University of Idaho claim no ownership interest in works submitted for publication by faculty, students, and contractors. Employees, students, and contractors retain the right to copyright and publish their own works. That is, as a general rule, all rights to copyrightable material are the property of the creator. The distribution of royalties, if any, is a matter between the creator and his/her publishers and licensees. However, the university may elect, by contract or policy, to claim an interest in the copyrightable material produced, in whole or in part, by their employees and contractors. For example, different treatment may be accorded by the university in cases of specific contracts providing for an exception where the university may employ personnel for the purpose of producing a specific work. Different treatment may be deemed necessary to reflect the contribution of the university to the work as in the case of software, mask works for microcircuit chips, or audiovisual material, or where a sponsored agreement requires otherwise. Specifically, the university policy, except as provided by FSH 5300, is that all rights in copyright shall remain with the creator.~~

C. I agree to inform all students and visiting scholars wishing to participate in my university research programs, about the university "Memorandum of Understanding Regarding Research Participation and the University Intellectual Property Rights~~Patent Rights and Copyright~~" available from the Technology Transfer Office and about the FSH 2300 - Article II.2 Student Code of Conduct. I will not allow any student or visiting scholar to participate in my university research program who has not signed a copy of the "Memorandum of Understanding ~~r~~Regarding ~~r~~Research Participation and the University Intellectual Property Rights~~Patent Rights and Copyrights~~" or an alternative document negotiated ~~by~~ between the university's Research Office and the individual.

D. ~~I certify that I am under no consulting or other obligation to any third person, organization or corporation that is, or could be reasonably construed to be, in conflict with this agreement with respect to rights to inventions or copyrightable materials~~. Attached to this agreement are 1. a Disclosure of Invention Work in Progress, and 2. a Disclosure of Prior Contracts (together the "Disclosures"). The Disclosures set forth inventions and/or work with prior employers or firms with which I currently consult that may be protectable discoveries. The work referenced in the Disclosures is excluded specifically from the university's ownership claims so long as no university facilities (other than library resources, normal office use, incidental use of the university's internet network consistent with university's internet use policy, and other facilities for which the person has paid use fees) are used in further development of the works referenced in the Disclosures

E. ~~I will not enter into any agreement creating copyright or patent obligations in conflict with this agreement.~~ I acknowledge that I am under no consulting or other obligation to any third person, organization or corporation that is in conflict with this Intellectual Property Agreement with respect to rights to protectable discoveries or copyrightable materials. **[NOTE - Any individual who believes that s/he cannot comply with this provision must contact the University Research Office and Idaho Research Foundation]**

_____	_____
Signature	Title
_____	_____
Printed Name	Date

Memorandum of Understanding
Regarding Research Participation
And
University ~~Patent Rights and Copyrights~~Intellectual Property Rights

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The participant is involved in research activities or enrolled in _____, which may involve working on research or design projects. These activities or projects may or may not result in the development of ~~patentable subject matter and/or copyrightable work products~~intellectual property in which the University of Idaho ("UI") ~~university~~ and/or a sponsor may have a proprietary interest.

Therefore, it is important that the participant, faculty, and the ~~university~~ UI have a full understanding of the participant's rights and obligations regarding these proprietary interests, and intellectual property~~copyright, and patent rights~~. This memorandum sets forth the understanding of the parties.

a. The participant acknowledges receipt of copies of the relevant ~~patent/copyright~~intellectual property policies of the Regents ~~of the University of Idaho~~ and the U~~I~~niversity of Idaho.

b. The participant agrees to ~~make~~ promptly disclose any discoveries he/she makes that may be protectable under any intellectual property theory, including patent and copyright. ~~his/her best effort to disclose to the Technology Transfer Office any of~~ ~~his/her discoveries~~ ~~he/she makes that may be patentable .~~

c. The participant has the right to submit any thesis, dissertation, or other academic product based upon or resulting from his/her work as part of the fulfillment of the requirements for obtaining an undergraduate, master~~'~~s, or doctoral degree from the ~~university~~ UI ~~or~~ resulting from collaboration with the UI~~university~~ provided that such submission is done in a manner that does not crate a statutory bar to the later grant of patent rights in an otherwise protectable discovery.

d. In exchange for the opportunity to participate in these projects and the right to receive royalties, the participant agrees to assign his/her right, title, and interest in any research or other project outcome, including ~~copyright or patent~~intellectual property rights, derived from the participant's work in this class or research activities to the UI~~university~~. This assignment vests rights in the UI~~university~~ as provided for in the UI~~university~~'s ~~copyright and patent~~ intellectual property policies ~~attached hereto~~ and is subject to the participant's right to share in royalties in the same manner as employees of the UI~~university~~.

Participant _____ Date _____

Supervising Faculty _____ Date _____

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COMPANY OR PERSON	TYPE OF CONTRACT	RELEVANT TERMS

REFERENCE: APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: V. FINANCIAL AFFAIRS
M. Intellectual Property **April 2002**

2. Intellectual Property

   a. Claim of ownership interest. The State Board of Education, on behalf of the state of Idaho, and the Board of Regents, on behalf of the University of Idaho, claim ownership of any invention or patentable discovery developed under any of the following circumstances:

      (1) Arising from any work performed by an employee of the State Board during the course of his duties to the agency, school or institution;

      (2) Arising from any work performed by an employee of the State Board using state resources not similarly available to members of the general public; or

      (3) Arising from any work performed by an employee of the State Board under contract in a program or project sponsored by a State Board agency, school or institutions or a closely related research foundation.

   b. Disclaimer of ownership interest. The State Board of Education and the Board of Regents of the University of Idaho claim no ownership interest in any invention or patentable discovery developed by the employees or contractors under the following circumstances:

      (1) When the work is performed outside their assigned duties; and

      (2) When the employee/contractor is without benefit of State facilities except those available to members of the general public, such as libraries.

   c. Policy review – Agencies, institutions and the school under the governance of the State Board must secure to the state of Idaho their ownership interest in inventions and patentable discoveries. Agency, school and institutional policies setting out patent administration, including evaluating, financing, assignment, marketing, protection, and the division and use of royalties, as well as amendments thereto, must be submitted to the State Board for its review and approval.

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INSTITUTION / AGENDA
UNIVERSITY OF IDAHO

SUBJECT

Site lease of two University of Idaho parking lots.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Policies and Procedures, Section V.I.5.b.1.

BACKGROUND

In 1990, the Board of Regents of the University of Idaho acquired 24,772 sq. ft. (less than one acre) of land located northeast of the UI Student Union Building. This acquired land and some additional property that UI has leased from the adjoining railroad was developed and has been used as a remote parking area for about 90 vehicles. UI Parking Services estimates revenue from parking permits and fines attributable to this site at about $8,000 per year. Annual maintenance and operations expenses for this site are approximately $2,673.

DISCUSSION

A local developer, Johnson & Stephens, LLC, is interested in constructing a mixed use development on land they recently acquired, which is between the parking lots and other UI property. The developer has inquired about the availability of these two small UI parking lots. UI staff is supportive of this mixed use development of neighboring property at a major entrance to campus and is proposing a site lease of these remote parking lots at a competitive market rate.

The proposed lease will substantially increase current revenue from the property, eliminate operating expenses and guarantee an income stream for so long as the property is leased. The proposed lease provides a term to 2068 and establishes a rent schedule with escalations that average 2.4% annually for the term of the lease. The annual income stream is unrestricted and may be applied to any needs identified by UI administration. The property and any beneficial improvements constructed by the tenant will revert to UI at the end of the term.

IMPACT

Approval of this site lease will impose no direct costs on UI. The UI is providing land and existing parking lots only. There is adequate available parking of the same grade (blue permits) to make up for the loss of 90 spaces without constructing additional parking spaces. Under the lease, UI will not be responsible for any ongoing maintenance costs and the property will be returned in substantially the same or improved condition upon termination of the lease. The rent schedule attached to the lease provides a fixed (though escalating) payment for the duration of the lease which starts at $16,800 per year for the first five years.

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO - continued

ATTACHMENTS

Attachment 1	Site Lease
Attachment 2	Exhibit A - Site Map
Attachment 3	Exhibit B – Rent Schedule

STAFF COMMENTS AND RECOMMENDATIONS

Parking is an important dynamic of an educational institution. Staff would like a more detailed explanation from the UI regarding the additional parking to be provided and how this proposal does not negatively affect the overall parking situation on the campus.

With the previous comment in mind, and assuming the University does have sufficient additional parking available, staff recommends approval.

BOARD ACTION

A motion to authorize the Vice President for Finance and Administration at the University of Idaho to execute a site lease with Johnson & Stephens, LLC, in substantial conformance to the form submitted to the Board.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

SITE LEASE

THIS SITE LEASE is entered into as of the ____day of December, 2006, by and between THE BOARD OF REGENTS OF THE UNIVERSITY OF IDAHO, a state educational institution and body politic and corporate organized and existing pursuant to the Constitution and laws of the State of Idaho ("Landlord") and Johnson & Stephens, LLC ("Tenant"). This agreement is hereinafter referred to as the "Lease".

RECITALS

A. Landlord is the owner of certain real property shown in Exhibit A ("Premises"). The Landlord desires to enter into a ground lease for the Premises with Tenant. Said Lease to commence as of the date entered into and with occupation of Premises by Tenant to commence on July 1, 2008; and

B. Premises are currently improved as paved parking lots and all Premises parking improvements are owned by Landlord; and

C. Landlord and Tenant agree that Premises shall continue to be maintained and utilized for such parking purposes for the term of this Lease unless and until such a time as Tenant deems, and Landlord consents pursuant to paragraph 9, other site improvements will provide a higher and better use of the Premises to the Tenant and are beneficial to Tenant's project on this and/or close sites in the Neighborhood. Pursuant to such determination, any and all improvements of the Premises shall be the sole cost, expense and responsibility of the Tenant, its assigns, heirs or successors in interest to the Lease, including, but not limited to the construction, maintenance, insurance, and taxation of said improvements. At the end of the term of the Lease, said additional improvements will revert to the Landlord in functional use as specified in paragraph 6 below; and

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

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

2. **Premises:** Landlord hereby leases to Tenant, subject to the conditions expressed herein, certain real property located in the City of Moscow in Latah County, Idaho, specifically shown in Exhibit A attached hereto and incorporated herein. As used herein the term "Premises" refers solely to the real property, including the existing parking improvements (including but not limited to asphalt paving, striping, lights, curbing, and landscaping).

3. **Term:** Except as early termination is provided in paragraph 20 of this Lease, this Lease shall be effective from the date entered into and shall expire on June 30, 2068. Tenant's

occupation of Premises, and rights and duties associated with such occupation shall commence on July 1, 2008. Prior to July 1, 2008, Landlord shall remain responsible for the Premises and shall have all rights and obligations to Premises.

4. **Rent:** The Premises are leased to the Tenant for the amount shown in Exhibit B "Rent Schedule". The amounts are payable on or before July 1 of each year commencing July 1, 2008. Premises rent shall be made payable to Bursar, University of Idaho, and mailed to the attention of "General Accounting, University of Idaho, Moscow ID 83844-3166."

5. **Maintenance, Repair and Replacement:** Through June 30, 2008, Landlord shall maintain and repair Premises in the usual and customary manner in which it manages all of its other paved parking facilities. On and after July 1, 2008, Tenant shall maintain, repair and replace the Premises over the Term of this Lease. Tenant shall not be permitted to construct new buildings without the written consent of Landlord and in accordance with the provisions of paragraph 9 of this Lease.

6. **Surrender of Premises:** If the Tenant has made improvements to the Premises (as provided by paragraph 9 of this Lease), then Tenant agrees to return the improved Premises to the Landlord with said improvements in a clean, operational, and functional condition. Otherwise Tenant shall surrender Premises to Landlord in a condition that ensures the immediate functional use of no less than fifty (50) parking spaces. All such repair or replacement of the parking facilities to render the parking lot functional shall be completed at Tenant's sole cost and expense. Tenant agrees to restore Premises to a condition satisfactory to Landlord. Tenant shall not be entitled to compensation for any value attributed to the improvements surrendered under the terms of this Lease. In the event the improved Premises are not returned in a clean, operational, and functional condition or Premises are not economically viable, or are physically obsolete for Landlord, Landlord shall notify Tenant of such inadequacies within thirty (30) days of termination. Functional, economic, and physical obsolescence shall be determined by an independent appraisal performed by at least one but not more than three qualified appraisers agreed to by both parties after Landlord's thirty (30) day notification. Upon a determination of obsolescence by selected appraiser(s), Landlord shall provide Tenant with an additional ninety (90) days to correct the situation. In the event Tenant fails to correct the inadequacies within this time period, Landlord may take reasonable actions to cure such obsolescence of the improvements and make the Premises clean, operational, and functional, for use as a parking lot (as described above in this section) and invoice the itemized charges to Tenant for prompt payment.

7. **Taxes:** Tenant shall pay all applicable taxes, license fees, special assessments or other charges (if any) which may become due or which may be lawfully assessed against Premises, against Tenant, against the business conducted on Premises and against any and all improvements thereon during or for the period of the term of this Lease even if such charges are not due and payable until after termination of this Lease.

8. **Right to Assign:** Tenant shall not assign this Lease or sublet the Premises, or any part or portion thereof, without the prior written consent of the Landlord. Landlord shall not unduly withhold consent of assignment of this Lease or of any subletting when such

subtenancy is exclusively for the permitted uses. Notwithstanding any assignment, Tenant shall continue to be bound and obligated by the terms, conditions, covenants and provisions of this Lease until the assignee shall execute and deliver to Landlord an instrument by the terms and provisions of which such assignee shall assume and agree to be bound by and to perform all of the terms, conditions, covenants and obligations of Tenant under this Lease. Upon the execution and delivery of such instrument, Tenant shall be relieved and discharged of and from all obligations under this Lease accruing from and after the date of execution of the instrument. Unless otherwise assumed by the assignee and such assumption is enforceable by Landlord, no assignment of this Lease shall release, waive or discharge Tenant from any liability or obligation arising from or accruing prior to the date any assignee assumes and agrees to be bound by and to perform all of the terms, conditions, covenants and obligations of Tenant under this Lease. Landlord's consent to one assignment shall not waive Tenant's obligation to obtain Landlord's consent or Landlord's right to object to any future assignment.

In the event of sale, transfer or assignment by Landlord of Landlord's interest in the property on which the Premises are located, Landlord shall cause such successor in interest to expressly assume in writing all of Landlord's duties and obligations pursuant to this Lease. Upon receipt of such assumption by the successor in interest, Landlord shall be released from any and all obligations or duties arising under this Lease.

9. **Permitted Uses, Improvements and Prohibited Uses:** Tenant shall use and occupy Premises for the sole and exclusive purpose of maintaining and operating a vehicle parking lot. Tenant or Tenant's assignee may request permission from Landlord to change the permitted uses and make improvements to the property. Landlord's approval of such request shall not be unreasonably withheld, so long as the improvements and corresponding change in use may be readily used by the Landlord for residential, office, and/or retail/commercial uses immediately upon surrender to Landlord as provided in paragraph 6 of this Lease. Tenant shall not use Premises for any of the following uses: a gun range; the sale of guns as a primary use; cemetery; mortuary; any establishment engaged in the business of selling, exhibiting or delivering pornographic or obscene materials, books, magazines or videos; junk yard; recycling facility or stockyard; automotive maintenance or repair facility.

10. **Utilities:** Tenant agrees to pay all utilities required by Tenant for the use of Premises.

11. **Indemnification and Insurance:** Upon occupation as provided in paragraph 3 of this Lease, Tenant is required to carry the types and limits of insurance shown in this insurance clause, and to provide Landlord with a Certificate of Insurance. At any time, Landlord reserves the right to amend insurance requirements or require a security bond if circumstances warrant such action. Additionally and at its option, Landlord may request certified copies of required policies and endorsements. Such copies shall be provided within ten (10) days of Landlord's request. All insurers shall have a Best's rating of AV or better and be licensed and admitted in Idaho. Tenant shall furnish Landlord with a certificate of insurance executed by a duly authorized representative of each insurer, showing compliance with the insurance

requirements set forth below. All policies required shall be written as primary policies and not contributing to nor in excess of any coverage Landlord may choose to maintain. All certificates shall provide for thirty (30) days' written notice to Landlord prior to cancellation or material change of any insurance referred to therein. All policies shall name State of Idaho and the Regents of the University of Idaho as an additional insured. Certificates shall be mailed to: P.O. Box 443162, Moscow, ID 83844-3162, Attn: Risk Management. All policies shall contain waiver of subrogation coverage or endorsements.

Failure of Landlord to demand such certificate or other evidence of full compliance with these insurance requirements or failure of Landlord to identify a deficiency from evidence that is provided shall not be construed as a waiver of Tenant's obligation to maintain such insurance. Failure to maintain the required insurance may result in termination of this Agreement at Landlord's option. By requiring insurance herein, Landlord does not represent that coverage and limits will necessarily be adequate to protect Tenant, and such coverage and limits shall not be deemed as a limitation on Tenant's liability under the indemnities granted to Landlord in this Site Lease. Tenant shall require any subtenants to comply with the insurance provisions of this Site Lease. In the event Tenant is not occupying space and is enforcing the subtenant's compliance with these insurance provisions, Tenant shall not be responsible, as a requirement of this Site Lease, to maintain the specific insurance required below.

Tenant shall obtain or require subtenant's to obtain insurance of the types and in the amounts described below.

A) Commercial General and Umbrella Liability Insurance. Tenant (or subtenant) shall maintain Commercial General Liability (CGL) and, if necessary, commercial umbrella insurance with a limit of not less than **$1,000,000** each occurrence and in the aggregate. If such CGL insurance contains a general aggregate limit, it shall apply separately to the Demised Premises and shall not be less than **$1,000,000.** CGL insurance shall be written on standard ISO occurrence form (or a substitute form providing equivalent coverage) and shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury, and liability assumed under an insured contract including the tort liability of another assumed in a business contract.

B) Commercial Auto Insurance. Tenant (or subtenant) shall maintain a Commercial Auto policy with a Combined Single Limit of $1,000,000; Underinsured and Uninsured Motorists limit of $1,000,000; Comprehensive; Collision; and a Medical Payments limit of $10,000. Coverage shall include Non-Owned and Hired Car coverage.

C) Personal property. Tenant (or subtenant) shall purchase insurance to cover Tenant's (or subtenant's) personal property. In no event shall Landlord be liable for any damage to or loss of personal property sustained by Tenant (or subtenant), whether or not insured, even if such loss is caused by the negligence of Landlord, its employees, officers or agents.

D) Workers' Compensation. Where required by law, Tenant (or subtenant) shall maintain all statutorily required coverages including Employer's Liability.

12. **Property Encumbrances:** This Lease is subject to all applicable restrictions, reservations, limitations, and other rights of record, and is subject to any and all easements for public utilities of record.

13. **Hazardous Materials:** Tenant shall not, nor shall it allow others to, accumulate, use, or store on the Premises materials classified as hazardous, biomedical or toxic waste except in compliance with environmental laws and other applicable state, federal, or local laws, rules or regulations. Tenant shall comply and require subtenants to comply with any lawful order by an entity with authority to regulate the use, accumulation, storage or disposal of hazardous waste. As used herein, the term "environmental laws" shall mean the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended (CERCLA), the Resource Conservation Recovery Act, as amended (RCRA), the Federal Water Pollution Control Act, the Clean Air Act and any similar local, state or federal law, rule, ordinance or regulation. As used herein, the term "hazardous materials" shall mean any hazardous substance, pollutants, contaminants, or other hazardous waste or toxic substances defined in any environmental laws including, without limitation, petroleum and petroleum products, asbestos and asbestos containing materials, PCBs and urea-formaldehyde.

Tenant hereby agrees to indemnify, defend, and hold Landlord harmless from and against any and all claims, damages, liabilities, costs, expenses (including reasonable attorneys' fees), causes of action and judgments arising out of or related to hazardous materials existing in, or under the Premises subsequent to Tenant's occupation of the Premises. Tenant shall not be liable for any pre-existing conditions on the Premises or conditions occurring during Landlord's use of the Premises.

14. **Waste and Nuisance Prohibited:** Tenant shall comply, during the term of this Lease, with all applicable laws affecting the Premises, the violation of which might result in any penalty assessed upon the Landlord or forfeiture of the Landlord's title to the Premises. Tenant shall not commit, or suffer to be committed, any waste on the Premises or improvements, or any nuisance.

15. **Remedies and Forbearance/Waivers:** No delay or omission on the part of the Landlord or Tenant to exercise any right or power granted herein shall impair any such right or power nor shall be construed as a waiver thereof, and every such right or power may nevertheless be exercised.

16. **Officials, Agents. and Employees Not Personally Liable:** It is agreed that in no event shall any official, officer, employee or agent of the Landlord, nor any official, officer, employee or agent of the Landlord be in any way personally liable or responsible for any covenant or agreement herein contained, whether expressed or implied, nor for any statement, representation or warranty made herein or in any way connected with this Lease.

17. **Quiet Enjoyment:** Landlord covenants that the Tenant shall have the peaceful and quiet enjoyment of the Premises for the term of the Lease.

18. **Right of Entry:** Tenant shall permit the Landlord and the agents and employees of the Landlord to enter into and upon the Premises at all reasonable times for the purpose of inspecting the same for compliance with the terms of this Lease; provided, however, that Landlord shall first give twenty four (24) hours written notice of its desire to inspect Premises. Such notice for right of entry and inspection procedures shall not apply during an emergency in which such notice is impractical and Landlord's access to Premises is necessary for preservation of life and/or property.

19. **Right of First Refusal:** In the event that at any time during the Term of this Lease Landlord shall receive from any third party a bona fide offer to purchase all or any portion of the Premises at a price and terms acceptable to Landlord, Landlord shall give written notice of such purchaser's price and terms to Tenant ("**Notice**") and Tenant shall have thereafter a thirty (30) day exclusive right and option to purchase Premises at the same, or better price and terms as given in the Notice. Tenant may exercise such option if at all, by timely giving Landlord written notice of its exercise within the thirty (30) day period. If Tenant shall fail to exercise such option within such thirty (30) day period, Landlord shall thereafter be free to sell the Premises to such third party on the same terms and conditions as set forth in the Notice. If Premises is not sold by Landlord within one (1) year thereafter to the same third party (or affiliate of such third party) and on the same price and terms as given in the Notice, then the right of first refusal herein shall be restored.

20. **Tenant's Right to Early Termination:** Except as provided by this paragraph, Tenant shall have the right to terminate this Lease at any time with a one (1) year written notice to Landlord. Said right to terminate Lease early shall continue in effect throughout the term of this Lease so long as the Premises are being used exclusively as a parking lot. Upon initiation of any building construction or once maintenance for exclusive parking use has ceased on Premises, the right to early termination is extinguished until such time as parking is restored to the extent described in paragraph 6.

21. **Default:** In the event Landlord shall at any time deem Tenant or any subtenant in breach of this Lease, Landlord shall promptly notify Tenant, in writing, stating specifically the nature of any such alleged breach. Tenant shall not be deemed to be in default hereunder unless Tenant fails to cure any such default within ninety (90) calendar days after its receipt of such written notice. In the event of default, Landlord shall have the right to terminate Lease in addition to all rights and remedies provided by law.

22. **Attorney Fees and Costs:** In the event that either party to this Lease shall enforce any of the provisions hereof in any action at law or in equity the prevailing party to such litigation shall be entitled to recover from the other party or parties all costs and expenses, including reasonable attorney fees, incurred therein.

23. **Integration:** This Lease embodies the entire agreement regarding the disposition of the rights associated with the Premises and represents the understanding of the parties relating to the subject matter herein and supersedes all prior understandings relating thereto. This Lease shall not be modified except in writing signed by all parties to be bound.

24. **Execution of Documents:** The parties agree that they shall sign or cause to be signed all documents necessary to the effectuation of this Lease or any of the provisions herein.

25. **Authority to Enter Lease:** Landlord has the authority to enter into this Lease and that the execution, delivery of this Lease and the performance of the contractual obligations set forth herein are not in violation of any federal, state, or local statute, ordinance, rule or regulation and that no consents not already obtained are required. Individuals signing on behalf of Landlord and Tenant have the delegated authority to obligate their respective entity as provided by this Lease.

24. **Notices:** All notices under this Lease shall be in writing and shall be deemed to have been duly given on the date of service if served personally on the party to whom notice is to be given, or on the date of mailing if mailed to the party to whom notice is to be given by registered or certified United States mail, postage prepaid, and properly addressed as follows:

If to the Landlord: Regents of the University of Idaho
Attn: Vice President, Finance and Administration
University of Idaho
Moscow ID 83844-3168

If to the Tenant: Johnson & Stephens, LLC
11245 N Eastshore Dr.
Hayden ID 83835-7505

The addresses provided above may be changed and additional addresses or notices may be specified from time to time by notice given in writing in accordance with this Section.

25. **Binding Effect:** This Lease shall be binding upon and shall inure to the benefit of the heirs, personal representatives, successors and assigns of the parties.

26. **Severability:** If any term or provision of this Lease or the application of it to any person or entity or circumstances shall to any extent be invalid or unenforceable, the remainder of this Lease or the application of such term or provision to persons, entities or circumstances, other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and shall be enforced to the extent permitted by law.

27. **Headings:** Section headings contained herein are for convenience and reference and are not intended to define or limit the scope of any provisions of this Lease.

28. **Counterparts:** This Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

29. **Time of the Essence:** Time is of the essence in this Lease, and of each and every covenant, term, condition, and provisions thereof.

30. **Nondiscrimination and Affirmative Action:** Landlord and Tenant shall not discriminate against any employee or applicant for employment in the performance of this Lease, with respect to tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, sex, color, religion, age, status as disabled or a veteran, or physical or mental handicaps, national origin or ancestry. Breach of this covenant may be regarded as a material breach of this Site Lease. Landlord and Tenant certify that they do not, and will not maintain segregated facilities or accommodations on the basis of race, color, religion or national origin. Regarding any position for which an employee or an applicant is qualified, the Landlord and Tenant agree to take affirmative action to employ, train, advance in employment, and retain individuals in accordance with applicable laws and regulations including:

A) For nondiscrimination based on race, color, religion, sex or national origin, this includes, but is not limited to, the U.S. Constitution, and Parts II and IV of Executive Order 11246, September 24, 1965 (30 FR 12319). Grantee disputes related to compliance with its obligations shall be handled according to the rules, regulations, and relevant orders of the Secretary of Labor (See 41 CFR 60-1.1).

B) For nondiscrimination based on Disabled or Vietnam Veterans this includes, but is not limited to, the Vietnam Era Veterans Readjustment Assistance Act of 1972, as amended (38 U.S.C. 4012)(the Act); Executive Order 11701, January 24, 1973 (38 CFR 2675, January 29, 1973); and the regulations of the Secretary of Labor (41 CFR Part 60-250).

C) For nondiscrimination based on the Handicapped this includes, but is not limited to, Section 503 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 793)(the Act); Executive Order 11758, January 15, 1974; and the regulations of the Secretary of Labor (41 FR Part 60- 741).

D) For nondiscrimination based on Age this includes, but is not limited to, executive Order 11141, February 12, 1964 (29 CFR 2477).

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

31. **Venue, Governing Law:** Any legal proceeding instituted between the parties shall be in the courts of the County of Latah, State of Idaho, and each of the parties agrees to submit to the jurisdiction of such courts. It is further agreed that this Agreement shall be governed by the laws of the State of Idaho.

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

LANDLORD:

BOARD OF REGENTS OF THE
UNIVERSITY OF IDAHO

By_____
Lloyd E Mues, Vice President
Finance and Administration

Date_____

TENANT:

JOHNSON & STEPHENS, LLC

By_____
Russell L Johnson

By_____
James L Stephens

Date_____

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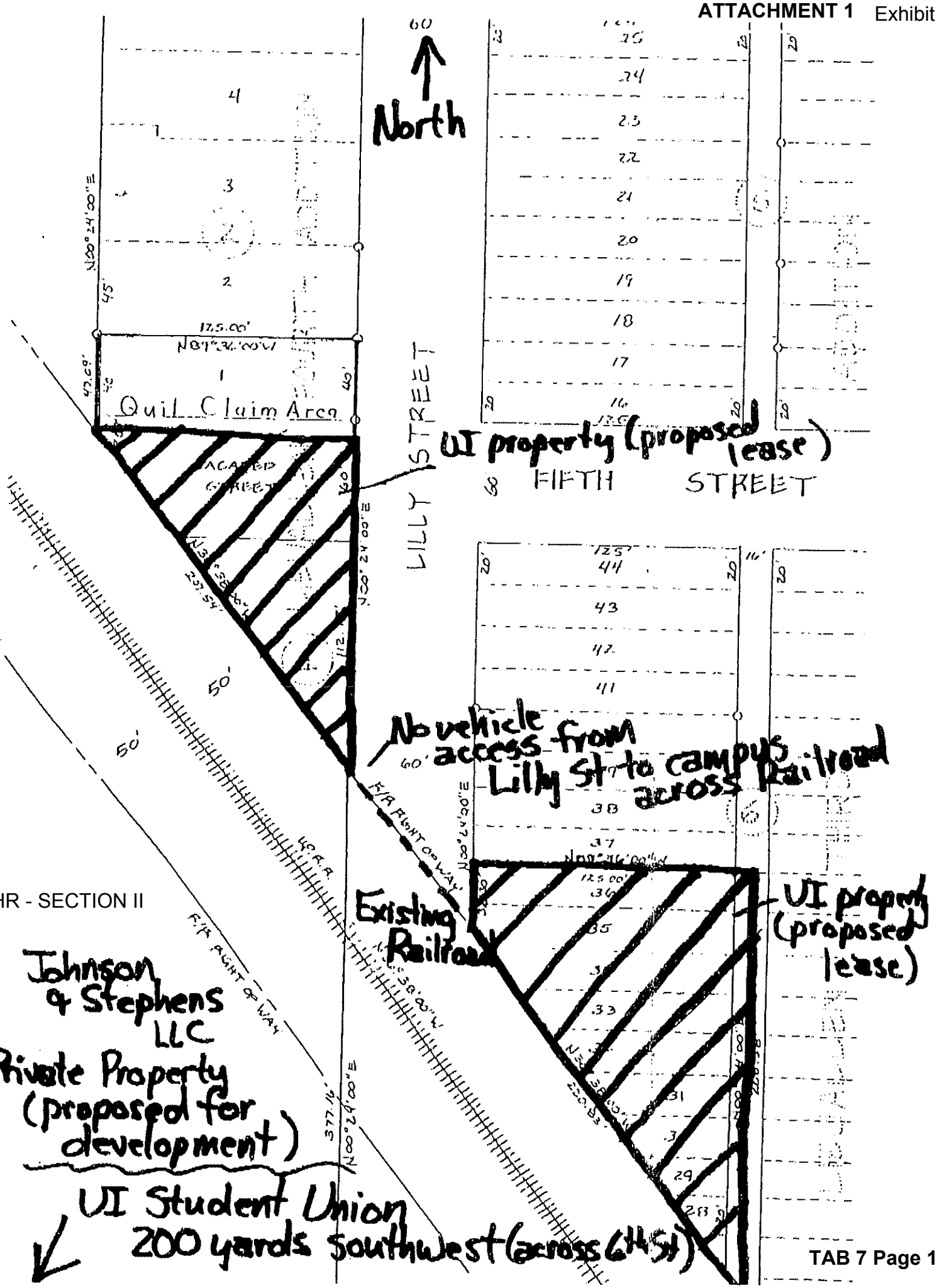

BAHR - SECTION II

ATTACHMENT 2

Exhibit B
Rent Schedule

Annual Rent

July 2008 through June 2013	$16,800/yr
July 2013 through June 2018	$18,816/yr
July 2018 through June 2023	$21,074/yr
July 2023 through June 2028	$23,603/yr
July 2028 through June 2033	$26,435/yr
July 2033 through June 2038	$29,607/yr
July 2038 through June 2043	$33,160/yr
July 2043 through June 2048	$37,139/yr
July 2048 through June 2053	$41,596/yr
July 2053 through June 2058	$46,588/yr
July 2058 through June 2063	$52,179/yr
July 2063 through June 2068	$58,440/yr

REFERENCE: APPLICABLE STATUTE, RULE, OR POLICY

5. Disposal of Real Property

   a. Temporary Permits

      Permits to make a temporary and limited use of real property under the control of an institution, school or agency may be issued by the institution, school or agency without prior Board approval.

   b. Board approval of other transfers

      (1) Leases to use real property under the control of an institution, school or agency require prior Board approval - if the term of the lease exceeds five (5) years or if the lease revenue exceeds two hundred fifty thousand dollars ($250,000).

      (2) Easements to make a permanent use of real property under the control of an institution, school or agency require prior Board approval - unless easements are to public entities for utilities.

      (3) The transfer by an institution, school or agency of any other interest in real property requires prior Board approval.

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INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO

SUBJECT

The University of Idaho (UI) requests approval to proceed with a contract for pouring and vending rights.

APPLICABLE STATUTE, RULE, OR POLICY

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

BACKGROUND

The UI issued a Request for Proposal (RFP) for pouring and vending rights on May 5, 2006. Following the evaluation process, UI determined that a proposal presented by Idaho Beverages Inc., which provides Pepsi products, was in the best interest of the University of Idaho.

DISCUSSION

UI requests permission to grant Idaho Beverages Inc., exclusive pouring and vending rights.

IMPACT

The agreement is for a five (5) year term with options to renew annually for an additional five (5) years. The vendor shall compensate the University of Idaho $212,000 annually for rights granted.

STAFF COMMENTS AND RECOMMENDATIONS

This contract is for soft drink and other products from the proposed vendor of Pepsi products. The Cover Sheet and attached agreement, Attachment 1, mention 'syrup' and 'bottled water'. Also attached is the Request for Proposal related to this item, Attachment 2.

Staff recommends approval of the contract with the provisions noted in the proposed motion.

BOARD ACTION

A motion to authorize the Vice President for Finance and Administration at the University of Idaho to execute a contract with Idaho Beverages, Inc., in substantial consistency with the draft submitted as part of this agenda item.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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REFERENCE: APPLICABLE STATUTE, RULE, OR POLICY

6. Disposal of Personal Property

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

   a. First Refusal

      When the property has a value greater than five thousand dollars ($5,000), the institution, school or agency must first make a good faith effort to give other institutions, school and agencies under Board governance the opportunity of first refusal to the property before it turns the property over to the Department of Administration or otherwise disposes of the property.

   b. Sale of Services

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

   c. Inter-agency Transfer

      Transfer of property from one Board institution, school or agency to another institution, school or agency under Board governance may be made without participation by the State Board of Examiners or the Department of Administration, but such transfers of property with a value greater than two hundred fifty thousand dollars ($250,000) require prior Board approval.

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University of Idaho

Purchasing Services
645 West Pullman Road
P.O. Box 441202
Moscow, Idaho 83844-4350
208-885-6123
208-885-6060 FAX
juliam@uidaho.edu

October 18, 2006

Gary Prasil, President
Idaho Beverages
2108 First Avenue, North
Lewiston, Idaho 83501

Subject: University of Idaho Agreement Number UI-605

Dear Gary,

Enclosed please find two original agreements in accordance with the University of Idaho's Request for Proposals Number 06-58M for Pouring and Vending Rights.

Please sign both original copies and return one to me:

Julia R. McIlroy
University of Idaho
Purchasing Services
PO Box 441202
Moscow, Idaho 83844-1202

If you have any questions, please call me at 885.6123, or e-mail juliam@uidaho.edu.

Thank you for doing business with the University of Idaho.

Best regards,

Julia R. McIlroy

Julia R. McIlroy
Senior Buyer

UNIVERSITY OF IDAHO
AGREEMENT NUMBER UI-605

The University of Idaho (hereinafter called the University) hereby awards to Idaho Beverages, Inc. (hereinafter called the Contractor) agreement number UI-605 to furnish Pouring and Vending services to the University, as specified in University of Idaho Request for Proposals Number
06-58M, in accordance with the terms and conditions of the Request for Proposals.

This agreement is supplemented by a) University of Idaho Request for Proposals Number 06-58M; b) Idaho Beverages' response dated May 31, 2006; and c) University of Idaho General Terms and Conditions, which have been agreed to by the parties and by this reference are made a part hereof as though fully set forth herein. To the extent such terms, conditions, or provisions may be in conflict or be inconsistent, their order of authority shall be as follows:
1) University of Idaho Agreement Number UI-605; 2) University of Idaho Request for Proposals Number 06-58M; 3) Idaho Beverages' response dated May 31, 2006; and 4) University of Idaho General Terms and Conditions.

1.1 NOTICES

Any notice under this Agreement shall be in writing and be delivered in person or by public or private courier service (including U.S. Postal Service Express Mail) or certified mail with return receipt requested or by facsimile. All notices shall be addressed to the parties at the following addresses or at such other addresses as the parties may from time to time direct in writing:

the University:

University of Idaho
Purchasing Services
PO Box 441202
Moscow, Idaho 83844-1202
Attn.: Julia McIlroy
Phone: (208) 885-6123
Fax: (208) 885-6060

Copy to:
Assistant Vice President
Auxiliary Services
PO Box 442014
Moscow, Idaho 83844-2014
Phone:
Fax:

the Contractor:

Idaho Beverages
2108 First Avenue North
Lewiston, Idaho 83501
Attn: Gary Prasil

Phone: (208) 743-6535
Fax: (208) 746-2273

Any notice shall be deemed to have been given on the earlier of: (a) actual delivery or refusal to accept delivery, (b) the date of mailing by certified mail, or (c) the day facsimile delivery is verified. Actual notice, however and from whomever received, shall always be effective.1.2 SEVERABILITY

The terms and conditions of this Agreement are declared severable if any term or condition of this Agreement or the application thereof to any person(s) or circumstance(s) is held invalid. Such invalidity shall not affect other terms, conditions, or applications which can be given effect without the invalid term, condition, or application.

1.3 BID PRICE

The bid price shall include everything necessary for the prosecution and completion of this Agreement, including, but not limited to, furnishing all materials, equipment, management, superintendence, labor, and service, except as otherwise provided in this Agreement. Prices quoted on the Bid Form shall include all freight and/or delivery charges. In the event of a discrepancy between the unit price and the total price, the unit price will govern and the total price will be adjusted accordingly.

1.4 TERM OF AGREEMENT

The initial term of this agreement shall be five (5) years, commencing upon the date of execution by the University. The term of this agreement may, if mutually agreed in writing, be extended by one (1) year increments for a total of five (5) additional years, provided the Contractor receives written notice of each extension at least thirty (30) days prior to the expiration date of such term or extension. During extension periods, all terms and conditions of this Agreement shall remain in effect.

1.5 EXCLUSIVITY AND FINANCIAL INCENTIVE

Contractor shall have 100% exclusive pouring and vending services to the University for the term of this agreement. Contractor shall provide the following financial incentive to the University : $212,000.00 per year throughout the term of the agreement as outlined in 1.4. Contractor shall submit quarterly payments due by the last business day of each quarter, with final payment per fiscal year due by June 30. All payments shall be sent to:

Assistant Vice President
Auxiliary Services
PO Box 442014

Moscow, Idaho 83844-2014

1.6 ANNUAL BUSINESS REVIEW

The Parties shall meet annually in person to conduct a business review. The meeting will be be scheduled between June 15th and August 15,th, and will include, but not be limited to, discussion of past year performance and recommended changes for the upcoming year. Contractor shall bring sufficient financial data to the meeting to show all elements of the past year's performance.

1.7 VENDING REPORTS

Contractor shall provide monthly vending reports to University that verify the number of machines on campus, location, machine type, features and the monthly revenue.

1.8 FISCAL OPERATING YEAR

Due to the University annual fiscal schedule, the operating year for vending reports will begin June 1st and terminate May 31st each year.

1.9 SYRUP SUPPLY SYSTEM

Contractor shall provide the "Bag in a Box" syrup delivery system. If Contractor wishes to install a different system, such installation shall be subject to University review and written approval. If the syrup delivery system changes, it shall be changed throughout the entire campus so that there is a consistent delivery system across campus.

1.10 BOTTLED WATER

Contractor shall provide an off-brand water with a retail price-point below $1.00 per bottle.

1.11 CONTRACT MANAGEMENT

The contract will be managed by the University's Auxiliary Services Administration Office. This management includes but is not limited to the collection of all payments, machine locations, scheduling of upgrades, vandal card coordination, any reconciliation and coordination of any meetings. All initial communications regarding contract administration and management shall be made through the Auxilary Services Administration Office. Contractor shall not initiate conversations with other University departments or divisions without first notifying and obtaining the permission of the Assistant Vice President for Auxiliary Services. Formal notices under this contract shall be distributed as provided in section 1.1.

1.12 UNIVERSITY PROGRAM SPONSORSHIPS

The Parties will discuss programs that are determined by the University to be sponsorship opportunities for the Contractor, within the scope of this Contract, with the exception of the Lionel Hampton Jazz Festival and Vandal Athletics, which are agreed uponsponsorship opportunities. The distribution of income from this Contract to sponsored programs shall be determined solely by the University. Contractor, at the request of the Assistant Vice President for Auxiliary Services, will work directly with each individual program for the specific marketing solutions for each sponsored program, which shall correspond to the dollar amount allocated to that program from Contract income for the sponsorship.

1.13 VANDAL CARD READERS

Contractor is responsible for purchase and maintenance of the Vandal Card readers on all vending machines. The University will work cooperatively with the Contractor as needed for repairs and installation. The University will maintain the Vandal Card infrastructure.

1.14 INDEMNITY AND INSURANCE COVERAGE

INDEMNITY CLAUSE

Contractor shall indemnify, defend and hold the State of Idaho, and University and its governing board, employees, agents, and assigns harmless from and against any and all claims, losses, damages, injuries, liabilities and all costs, including attorneys fees, court costs and expenses and liabilities incurred in or from any such claim, arising from any breach or default in the performance of any obligation on Contractor's part to be performed under the terms of this Agreement, or arising from any act, negligence or the failure to act of Contractor, or any of its agents, contractors, employees, invitees or guests.

This clause shall survive the termination of this Agreement.

INSURANCE CLAUSE

General Requirements

CONTRACTOR is required to carry the types and limits of insurance shown in this insurance clause, and to provide UNIVERSITY with a Certificate of Insurance. Certificates shall be provided (7) seven days prior to CONTRACTOR'S use of UNIVERSITY premises.

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

All insurers shall have a Best's rating of AV or better and be licensed and admitted in Idaho. Prior to use of premises, CONTRACTOR shall furnish UNIVERSITY with a certificate of insurance executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements set forth below. All policies required shall be written as primary policies and not contributing to nor in excess of any coverage UNIVERSITY may choose to maintain.

All certificates shall provide for thirty (30) days' written notice to UNIVERSITY prior to cancellation or material change of any insurance referred to therein.

All policies shall name State of Idaho and the Regents of the University of Idaho as an additional insured. Certificates shall be mailed to: P.O. Box 443162, Moscow, ID 83844-3162, Attn: Risk Management.

All policies shall contain waiver of subrogation coverage or endorsements.

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

Failure to maintain the required insurance may result in termination of this Agreement at UNIVERSITY's option.

CONTRACTOR shall provide certified copies of all insurance polices required above within then (10) days of UNIVERSITY's written request for said copies.

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

Required Insurance Coverage.

CONTRACTOR shall obtain insurance of the types and in the amounts described below.

Commercial General and Umbrella Liability Insurance. CONTRACTOR shall maintain commercial general liability (CGL) and, if necessary, commercial umbrella insurance with a limit of not less than **$5,000,000** each occurrence and in the aggregate. If such CGL insurance contains a general aggregate limit, it shall apply separately to the Demised Premises and shall not be less than **$5,000,000.**

CGL insurance shall be written on standard ISO occurrence form (or a substitute form providing equivalent coverage) and shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury, food borne illness and contamination, and liability assumed under an insured contract including the tort liability of another assumed in a business contract.

Commercial Auto Insurance. CONTRACTOR shall maintain a Commercial Auto policy with a Combined Single Limit of $1,000,000; Underinsured and Uninsured Motorists limit of $1,000,000; Comprehensive; Collison; and a Medical Payments limit of $10,000. Coverage shall include Non-Owned and Hired Car coverage.

Personal property. CONTRACTOR shall purchase insurance to cover CONTRACTOR's personal property. In no event shall UNIVERSITY be liable for any damage to or loss of personal property sustained by CONTRACTOR, whether or not insured, even if such loss is caused by the negligence of UNIVERSITY, its employees, officers or agents.

Workers' Compensation. Where required by law, CONTRACTOR shall maintain all statutorily required coverages including Employer's Liability at $1,000,000 limit.

1.15 CONTINUATION DURING DISPUTES

Notwithstanding the existence of any dispute between the Parties regarding this Agreement, each party will continue to perform the obligations required of it under this Agreement during the continuation of any such dispute, unless enjoined or prohibited by any court with jurisdiction over the matter.

1.16 INVOICES

All invoices must contain the name of the University department, purchase order number, itemization of materials and services, and correct Agreement pricing. A packing slip referencing current pricing must accompany each order.

Invoices for payment must be submitted by the Contractor to:

University of Idaho
Accounts Payable
PO Box 444244
Moscow, ID 83844-4244

1.17 ENTIRE AGREEMENT

This Agreement constitutes the entire Agreement between the parties. No change thereto shall be valid unless agreed upon in writing by the Parties and signed by the individuals with authority to bind each party.
The effective date of this Agreement is September 1, 2006.

UNIVERSITY OF IDAHO		IDAHO BEVERAGES	
SIGN	_____	SIGN	_____
PRINT	_____	PRINT	_____

TITLE _____ TITLE _____

DATE _____ DATE _____

Request for Certificate of Insurance for
Certificate Holder (State of Idaho and the Regents of the University of Idaho)

RETURN A COPY OF THESE INSTRUCTIONS WITH YOUR CERTIFICATE.

The organization or individual ("Insured") seeking to [negotiate an Agreement or use facilities] with the University of Idaho ("Certificate Holder") is required to carry the types and limits of insurance shown in this Request, and to provide Certificate Holder with a Certificate of Insurance.

All insurers shall have a Best's rating (or equivalent) of AV or better and be licensed and admitted in Idaho. Prior to inception of grant or contract, Insured shall furnish Certificate Holder with a certificate of insurance executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements set forth below. All policies required shall be written as primary policies and not contributing to nor in excess of any coverage Certificate Holder may choose to maintain.

- Certificate Holder and Additional Insured shall read:

  State of Idaho and the Regents of the University of Idaho
  Attn: Risk Management
  P.O. Box 443162
  Moscow, ID 83844-3162

- Description area of certificate shall read: Attn: [Dept for type of Agreement or facility]
- All certificates shall provide for thirty (30) days' written notice to Certificate Holder prior to cancellation or material change of any insurance referred to in the certificate.
- All policies, other than Workers Compensation, shall name Certificate Holder as an additional insured.
- Failure of Certificate Holder to demand a certificate or other evidence of full compliance with these insurance requirements or failure of Certificate Holder to identify a deficiency from evidence that is provided shall not be construed as a waiver of Insured's obligation to maintain such insurance.
- Failure to maintain the required insurance may result in termination of this grant or contract at the Certificate Holder's option.
- By requiring this insurance, Certificate Holder does not represent that coverage and limits will necessarily be adequate to protect Insured, and such coverage and limits shall not be deemed as a limitation on Insured's liability under the terms of the grant or contract.

Required Insurance Coverage. Insured shall obtain insurance of the types and in the amounts described below.

- Commercial General and Umbrella Liability Insurance. Insured shall maintain commercial general liability (CGL) and, if necessary, commercial umbrella insurance with a limit of not less than **$1,000,000** each occurrence and in the aggregate.
- CGL insurance shall be written on standard ISO occurrence form (or a substitute form providing equivalent coverage) and shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury, and liability assumed under an insured contract including the tort liability of another assumed in a business contract.
- Insured shall maintain Automobile Liability in the amount of $1,000,000 Combined Single Limit.

Coverage shall include Non-Owned and Hired Car coverage.

- If liquor is served, Insured must comply with all policies and procedures established by the Regents of the University of Idaho, including policies regarding a valid liquor license and service procedures. Liquor Legal Liability is required, at a limit of $1,000,000. It is acceptable to have this provided by the caterer or other liquor supplier, as long as State of Idaho and the Regents of the University of Idaho are named as an additional insured on the Liquor Legal Liability policy.
- Personal property. Insured shall purchase insurance to cover Insured's personal property. In no event shall Certificate Holder be liable for any damage to or loss of personal property sustained by Insured, whether or not insured, even if such loss is caused by the negligence of Certificate Holder, its employees, officers or agents.
- Workers' Compensation. Where required by law, Insured shall maintain all statutorily required Workers Compensation coverages. Coverage shall include Employer's Liability, at minimum limits of $100,000 / $500,000 / $100,000.

If you have additional questions, please contact:

Nancy Spink, Risk Management Officer, University of Idaho.
PH (208) 885-6177. FAX (208) 885-9490
nspink@uidaho.edu

Purchasing Services
645 West Pullman Road
P.O. Box 441202
Moscow, Idaho 83844-1202

REQUEST FOR PROPOSALS NO. 06-58M

FOR

POURING AND VENDING SERVICES

For Additional Information, Please Contact:
Julia R. McIlroy, Senior Buyer
Phone (208) 885-6123
Fax (208) 885-6060
juliam@uidaho.edu
www.purchasing.uidaho.edu

Date Issued: May 5, 2006

Proposals Due: May 31, 2006 @ 4:00 p.m.

SECTION 1 - INSTRUCTIONS TO PROPOSERS

1-1 SCOPE OF WORK

The University of Idaho (herein referred to as the University) is soliciting proposals for a campus-wide pouring and vending services contract.

1-2 PROPOSAL SUBMISSION

Proposal must be **SEALED and CLEARLY IDENTIFIED** with the Request for Proposals' number, due date and time, Proposer's name and address, and submitted no later than 4:00 p.m., Pacific Time, on May 31, 2006 to University of Idaho Purchasing Services, 645 West Pullman Road, P.O. Box 441202, Moscow, ID 83844-1202.

A facsimile response or an electronic response to this Request for Proposals does not meet the requirement of a sealed proposal and will not be accepted.

The proposal must be signed by such individual or individuals who have full authority from the Proposer to enter into a binding Agreement on behalf of the Proposer so that an Agreement may be established as a result of acceptance of the proposal submitted. By reference, the terms and conditions set forth in the Request for Proposals shall serve as the Agreement terms and conditions. In addition, the laws of the State of Idaho shall apply. No other terms and conditions will apply unless submitted as a part of the proposal response and accepted by the University.

Proposals received after the exact time specified for receipt will not be considered.

1-3 REQUEST FOR PROPOSAL SCHEDULE

5/5/06	Request for Proposals issued
5/31/06	Proposals Due @ 4:00 p.m.

1-4 INQUIRIES

All inquiries concerning this request shall be submitted in writing and received by the University's office of Purchasing Services no later than 4:00 p.m., Pacific Time, on May 24, 2006 to:

Julia R. McIlroy, Senior Buyer
University of Idaho
Purchasing Services
645 West Pullman Road
P.O. Box 441202
Moscow, ID 83844-1202
Telephone: (208) 885-6123
Fax: (208) 885-6060
E-mail: juliam@uidaho.edu

Proposers should consider Purchasing Services as the first and prime point of contact on all matters related to the procedures associated with this RFP. If additional information is needed from any source, Purchasing Services will work with the Proposer and with the various offices of the University to gather that information.

1-5 INTERPRETATION, CORRECTIONS, OR CHANGES IN RFP

Any interpretation, correction, or change in the RFP will be made by addendum by the University. Interpretations, corrections, or changes to the RFP made in any other manner will not be binding, and no Proposer may rely upon any such interpretation, correction, or change.

1-6 MODIFICATION OR WITHDRAWAL OF PROPOSALS

A Proposer may modify or withdraw a proposal at any time prior to the specified time and date set for the proposal closing. Such a request for modification or withdrawal must be in writing, and executed by a person with authority as set forth under paragraph 1-2 above, or by facsimile notice subsequently confirmed in writing.

1-7 ERASURES AND INTERLINEATIONS

Erasures, interlineations, or other changes in the proposal must be initialed by the person(s) signing the proposal.

1-8 ACKNOWLEDGMENT OF ADDENDUMS TO RFP

Receipt of an addendum to this RFP must be acknowledged by a Proposer on the Proposal Response Certification (Attachment A).

1-9 PROPOSAL COPIES

Seven (7) complete copies of the proposal shall be submitted to the University.

1-10 OFFER ACCEPTANCE PERIOD

A proposal shall constitute an offer to contract on the terms and conditions contained in this RFP and the proposal. Said proposal shall constitute an irrevocable offer for ninety (90) calendar days from the proposal opening date, even if the University makes one or more counter offers.

1-11 REJECTION OF PROPOSALS

The University in its sole discretion, expressly reserves the right to reject any or all proposals or portions thereof, to reissue a Request for Proposal, and to waive informalities, minor irregularities, discrepancies, and any other matter or shortcoming.

1-12 PROPOSAL PRICE

The prices submitted in the proposal shall include everything necessary for the prosecution and completion of the Agreement including, but not limited to, furnishing all materials and all management, supervision, labor

and service, except as may be provided otherwise in the Agreement Documents. In the event of discrepancy between the unit prices and their extensions, the total price will be adjusted accordingly. In the event of discrepancy between the sum of the extended total prices, the Total Proposal Price will be adjusted accordingly. The proposal price shall not include any allowance for Idaho State sales/use tax.

The University will evaluate the total price for the basic requirements with any options(s) exercised at the time of award. Evaluation of options will not obligate the University to exercise the option(s).

The University may reject an offer if it is materially unbalanced as to process for the basic requirements and the option quantities. An offer is unbalanced when it is based on prices significantly less than cost for some work and prices that are significantly overstated for other work.

1-13 TERM OF AGREEMENT

The initial term of this agreement shall be five (5) years, commencing upon the date of execution by the university. The term of this agreement may, if mutually agreed upon in writing, be extended by one (1) year increments for a total of five (5) additional years, provided written notice of each extension is given to the bidder at least thirty (30) days prior to the expiration date of such term or extension. In the event funding approval is not obtained by the University, this Agreement shall become null and void effective the date of renewal. During extension periods, all terms and conditions of this Agreement shall remain in effect.

1-14 AWARD OF AGREEMENT

The University shall make the award to the responsible Proposer whose proposal will be most advantageous to the University with respect to price, conformance to the specifications, quality, and other factors as evaluated by the University. The University is not required or constrained to award the Agreement to the Proposer proposing the lowest price.

The University may award an Agreement on the basis of initial offers received, without discussion; therefore, each initial offer should contain the offerer's best terms from a cost and technical standpoint.

1-15 PUBLIC AGENCY

The Contractor has agreed to extend contract usage to other public agencies, such as any city or political Subdivision of this state, including, but not limited to counties; school districts; highway districts; port authorities; instrumentalities of counties, cities or any political subdivision created under the laws of the State of Idaho; any agency of the state government; or any city or political subdivision of another state.

1-16 PROPOSAL CONFIDENTIALITY

Each Proposer agrees that the contents of each proposal submitted in response to this RFP is confidential, proprietary, and constitutes trade secret information as to all technical and financial data, and waives any right of access to such proposals, except as provided for by law. Except as determined by the University's Office of Purchasing Services, in its sole discretion, no information will be given regarding any proposals or evaluation progress until after an award is made, except as provided by law.

1-17 RECORD OF PURCHASES

Contractor will provide Purchasing Services a detailed usage report of items/services ordered, quantities, and pricing under this Agreement upon request.

1-18 APPEAL OF AWARD

A Proposer aggrieved by the award of an Agreement may file an appeal by writing to the Manager of Purchasing Services. The appeal must be received by the Manager of Purchasing Services within five working days after the award is made, must describe the basis for the appeal, and must include all argument and evidence the Proposer wishes the Manager of Purchasing Services to consider. Keeping track of the date an award is made is the responsibility of the Proposer(s).

SECTION 2 - INSTRUCTIONS FOR PREPARING PROPOSALS

2-1 GENERAL

To aid in the evaluation process, it is required that all responses comply with the items and sequence as presented in paragraph 2-2, RFP Response Outline. Paragraph 2-2 outlines the minimum requirements and packaging for the preparation and presentation of a response. Failure to comply may result in rejection of the response. The proposal should be specific and complete in every detail, prepared in a simple and straight-forward manner.

Proposers are expected to examine the entire Request for Proposals, including all specifications, standard provisions, and instructions. Failure to do so will be at the Proposer's risk. Each Proposer shall furnish the information required by the invitation. It is required that proposal entries be typewritten. Periods of time, stated in number of days, in this request or in the Proposer's response, shall be in calendar days. Propose your best price on each item.

2-2 RFP RESPONSE OUTLINE

A. Response Sheet: The proposal Response Certification (page 5) shall be attached to the front of the proposal and shall contain the Proposer's certification of the submission. An official who has full authority to enter into an Agreement shall sign it.

B. Background and History: Describe the company, organization, officers or partners, number of employees, and operating policies that would affect this Agreement. State the number of years your organization has been continuously engaged in business.

C. References: The Proposer shall provide a minimum of three (3) references including names of persons who may be contacted, title of person, addresses, phone numbers, and e-mail, where products or services similar in scope to the requirements of this RFP have been provided.

D. Experience and Support: Describe Proposer's experience in performing the requested services.

E. Costs: Include itemized costs for all components and features to be delivered. Costs should be identified as one-time or continuing. Purchase prices, lease prices, installation charges, and maintenance charges must be identified. All equipment prices must be stated as FOB: Moscow, ID.

F. Warranties: Describe warranties provided by the Proposer. Include discussions of any additional support provided after the sale.

G. Proposer Exceptions: Describe any exceptions to the terms and conditions contained within this document.

SECTION 3 - TECHNICAL SPECIFICATIONS & BID FORM

This Request for Proposal ("RFP") represents an opportunity for each respondent to provide examples of its management, marketing and operational strategies, innovation and creativity, and understanding of the University of Idaho communities and objectives.

Proposals should define the market size and potential market capture, identify specific sales and revenue objectives of the University, and include assumptions, expectations and commitments required to obtain these financial and operational goals. Each proposal should also include management, service and reporting commitments, together with specific suggestions regarding communication, planning and performance review. The expectations, rights, and responsibilities of both the University and the supplier will be identified and reviewed at the outset of the contract.

Proposals should create a comprehensive, integrated beverage program that will increase customer satisfaction by providing quality products, easier access, state-of-the-art equipment with top selections, technology, and improved distribution and locations throughout the campus. It should target aggressive sales and profitability goals for achieving substantial growth in beverage sales campus-wide. As importantly, the University is interested in collaborative and innovative strategies and programs which support and advance its broad objectives. The University specifically solicits your creative ideas and recommendations.

The University anticipates a contract that provides 90/10 rights for the selected beverage supplier to sell and promote the sale of beverages throughout the University, and food operations. Beverages may include, without limitation, carbonated and non-carbonated artificially flavored drinks, packaged waters, fruit and/or vegetable juices, fruit and/or juice containing drinks, coffee and tea products, and drink and beverage bases in the form of syrups, whether powders, crystals, concentrates or otherwise, from which such drinks and beverages can be prepared.

SECTION 4 - PROCUREMENT PROCESS

4-1 PROPOSER LIST AND QUALIFICATION EVALUATION

After the established date for receipt of proposals, a listing of Proposers submitting proposals will be prepared, and will be available for public inspection.

Qualifications and proposals submitted by interested Proposers will be reviewed and evaluated based on the evaluation factors set forth in the RFP.

4-2 PROPOSAL CLASSIFICATION

For the purpose of conducting discussions with individual offerers, if required, proposals will initially be classified as:

A. Potentially Acceptable
B. Unacceptable

Discussions may be conducted with any or all of the Proposers whose proposals are found acceptable or potentially acceptable. Offerers whose proposals are unacceptable will be notified promptly. The Manager of Purchasing will establish procedures and schedules for conducting oral and/or written discussions.

Proposers are advised that the University may award an Agreement on the basis of initial offers received, without discussions; therefore, each initial offer should contain the offerer's best terms from a cost and technical standpoint.

4-3 PROPOSER INVESTIGATION

The University will make such investigations as it considers necessary to obtain full information on the Proposers selected for discussions, and each Proposer shall cooperate fully in such investigations.

4-4 FINAL OFFERS AND AWARD OF AGREEMENT

Following any discussions with Proposers regarding their technical proposals, alternative approaches, or optional features, a number of the firms may be requested to submit best and final offers. The committee will rank the final Proposers for the project, giving due consideration to the established evaluation criteria. The committee will propose award to the proposal which is found to be most advantageous to the University, based on the factors set forth in the Request for Proposals.

SECTION 5 - EVALUATION PROCESS

The University reserves the right to reject any or all proposals, or portions thereof. The selection of a successful Proposer, if any, will be made based upon which proposal the University determines would best meet its requirements and needs.

5-1 EVALUATION CRITERIA

The evaluation criteria are listed below:

- Beverage Operations and Management Plan
Innovative and creative management, marketing and operational strategies and programs

- Contract Administration, Communication and Reporting
Process to assure continual, optimal performance
Accurate and user-friendly reporting tools and controls
Highly flexible and inclusive contract administration procedures and operations management

- Financial Structure and Total Economic Value
Non-volume related initiative commitments
Volume related commitments
Price support for products purchased from supplier
Performance incentives
Commissions

- Team Experience, Commitment and References
Qualifications of respondent and personnel committed to the contract
Past experience in maximizing similar beverage-related opportunities
Resources available to assure meeting an aggressive transition and implementation schedule

SECTION 6 - GENERAL CONTRACTUAL TERMS AND CONDITIONS

6-1 AGREEMENT TERMS AND CONDITIONS

The submission of a proposal herein constitutes the agreement of any Proposer that any Agreement to be drawn as the result of an award herein shall be prepared by the University and shall include at a minimum, all terms and conditions set forth in this RFP. The submission of a proposal shall further constitute the agreement of each Proposer that it will not insist on the use of standard contract agreements, documents, or forms, and that it waives any demand for the use of its standard agreements.

6-2 ASSIGNMENT

No assignment of this Agreement or of any right accruing under this Agreement shall be made, in part or in whole, by Contractor without the written consent of the University. Notwithstanding any assignment, Contractor shall remain fully liable on this Agreement and shall not be released from performing any of the terms, covenants, and conditions of this Agreement.

6-3 TERMINATION FOR CONVENIENCE

The University may terminate this Agreement, in whole or in part, at any time by written notice to the Contractor. The Contractor shall be paid its reasonable costs, including reasonable close-out costs and a reasonable profit on work performed up to the time of termination. The Contractor shall promptly submit its termination claim for payment. If the Contractor has any property in its possession belonging to the University, the Contractor will account for the same and dispose of it in the manner the University directs.

6-4 TERMINATION FOR DEFAULT

If the Contractor does not deliver the materials in accordance with the Contract delivery schedule, or if the Contract is for services and the Contractor fails to perform in the manner called for in the Contract, or if the Contractor fails to comply with any other provisions of the Contract, the University may terminate this Contract for default. Termination shall be effected by serving on the Contractor a notice of termination setting forth the manner in which the Contractor is in default. The Contractor will be paid a reasonable price for materials delivered and accepted, or services performed in accordance with the manner of performance set forth in the Contract.

6-5 APPLICABLE LAW AND FORUM

This Agreement shall be construed in accordance with, and governed by the laws of the State of Idaho. Any legal proceeding related to this Agreement shall be instituted in the courts of the county of Latah, state of Idaho, and Contractor agrees to submit to the jurisdiction of such courts.

6-6 LAWS, REGULATIONS AND PERMITS

The Contractor shall give all notices required by law and comply with all applicable Federal, State, and local laws, ordinances, rules and regulations relating to the conduct of the work. The Contractor shall be liable for all violations of the law in connection with work furnished by the Contractor, including the Contractor's subcontractors.

6-7 GENERAL QUALITY

All of the Contractor's work shall be performed with the highest degree of skill and completed in accordance with the Agreement Documents.

6-8 PROOF OF COMPLIANCE WITH AGREEMENT

In order that the University may determine whether the Contractor has complied with the requirements of the Agreement Documents, the Contractor shall, at any time when requested, submit to the University properly authenticated documents or other satisfactory proofs as to compliance with such requirements.

6-9 PAYMENT AND ACCEPTANCE

Except as otherwise provided herein, payments shall be due and payable within (30) days after acceptance of such goods or services or after receipt of properly completed invoice, whichever is later. No advance payment shall be made for goods or services furnished pursuant to this Agreement.

6-10 CONTINUATION DURING DISPUTES

The Contractor agrees that notwithstanding the existence of any dispute between the parties, insofar as possible under the terms of the Agreement to be entered into, each party will continue to perform the obligations required of it during the continuation of any such dispute, unless enjoined or prohibited by any court.

6-11 SEVERABILITY

If any term or condition of this Agreement or the application thereof to any person(s) or circumstances is held invalid, such invalidity shall not affect other terms, conditions or applications which can be given effect without the invalid term, condition or application; to this end the terms and conditions of this Agreement are declared severable.

6-12 INTEGRATION

This Agreement constitutes the entire Agreement between the parties. No change thereto shall be valid unless in writing communicated in the stipulated manner, and signed by the University and the Contractor.

6-13 BINDING EFFECT

This Agreement is for the benefit only of the parties hereto and shall inure to the benefit of and bind the parties hereto and their respective heirs, legal representatives, successors, and assigns.

6-14 APPROPRIATIONS CLAUSE

If the term of this Agreement is longer than one year, the University's obligations and liabilities hereunder are subject to the appropriation of funds from the State of Idaho, which appropriation shall be in the State of Idaho's sole discretion, from revenues legally available to the University for the ensuing fiscal year for the purposes of this Agreement. If the State of Idaho does not appropriate the funds for the purpose of this Agreement, the Agreement shall terminate and neither party shall have any further obligations hereunder.

6-15 IRS SECTION 501(C)(3) AND SECTION 115 CONSIDERATIONS

If any provision of this Agreement may cause the University to lose its status as an Internal Revenue Code Section 501(c)(3) corporation, this Agreement shall be voidable. In the alternative, at the sole option of the University, the offending provision(s) shall be modifiable such that the provision(s) will no longer cause the University to lose its status as a 501(c)(3) corporation. The terms of the modification shall be subject to agreement in writing by all parties.

6-16 COMPLIANCE WITH GOVERNOR'S EXECUTIVE ORDER

In the event any provision of this Agreement shall cause the University to be in violation of any of the Governor of Idaho's Executive Orders, then this Agreement shall be voidable at the sole option of the University.

6-17 NON-USE OF NAMES AND TRADEMARKS

Contractor shall not use the name, trade name, trademark, or other designation of the University, or any contraction, abbreviation, or simulation any of the foregoing, in any advertisement or for any commercial or promotional purpose (other than in performing under this Agreement) without the University's prior written consent in each case.

6-18 CONTRACTOR REPRESENTATIONS

Contractor represents and warrants the following: (a) that it is financially solvent, able to pay its debts as they mature, and possessed of sufficient working capital to provide the equipment and goods, complete the services, and perform its obligations required hereunder; (b) that it is able to furnish any of the plant, tools, materials, supplies, equipment, and labor required to complete the services required hereunder and perform all of its obligations hereunder and has sufficient experience and competence to do so; (c) that it is authorized to do business in Idaho, properly licensed by all necessary governmental and public and quasi-public authorities having jurisdiction over it and the services, equipment, and goods required hereunder, and has or will obtain all licenses and permits required by law; and (d) that it has visited the site of the project and familiarized itself with the local conditions under which this Agreement is to be performed.

6-19 REGENTS' APPROVAL

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

6-20 SURVIVAL OF TERMS

The terms and provisions hereof, and all documents being executed hereunder, if any, including, without limitation, the representations and warranties, shall survive this Agreement and shall remain in full force and effect thereafter.

6-21 HEADINGS

The headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation hereof.

6-22 ADDITIONAL ACTS

Except as otherwise provided herein, in addition to the acts and deeds recited herein and contemplated to be performed, executed and/or delivered by the parties, the parties hereby agree to perform, execute and/or deliver or cause to be performed, executed and/or delivered any and all such further acts, deeds and assurances as any party hereto may reasonably require to consummate the transaction contemplated hereunder.

6-23 TIME OF ESSENCE

All times provided for in this Agreement, or in any other document executed hereunder, for the performance of any act will be strictly construed, time being of the essence.

6-24 WAIVER

No covenant, term or condition or the breach thereof shall be deemed waived, except by written consent of the party against whom the waiver is claimed, and any waiver of the breach of any covenant, term or condition shall not be deemed to be a waiver of any other covenant, term or condition herein. Acceptance by a party of any performance

by another party after the time the same shall have become due shall not constitute a waiver by the first party of the breach or default of any such covenant, term or condition unless otherwise expressly agreed to by the first party in writing.

6-25 FORCE MAJEURE

Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefore, governmental restrictions, governmental regulations, governmental controls, enemy or hostile governmental action, civil commotion, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform (except for financial ability), shall excuse the performance, except for the payment of money, by such party for a period equal to any such prevention, delay or stoppage.

6-26 NO JOINT VENTURE

Nothing contained in this Agreement shall be construed as creating a joint venture, partnership, or agency relationship between the parties.

6-27 INFORMATION TRUE AND CORRECT

All documents, agreements and other information provided to the University by Contractor or which Contractor has caused to be provided to the University are true and correct in all respects and do not omit to state any material fact or condition required to be stated, necessary to make the statement or information not misleading, and there are no other agreements or conditions with respect thereto.

6-28 EQUAL OPPORTUNITY

Contractor represents and agrees that it will not discriminate in the performance of this Agreement or in any matter directly or indirectly related to this Agreement on the basis of race, sex, color, religion, national origin, disability, ancestry, or status as a Vietnam veteran. This non-discrimination requirement includes, but is not limited to, any matter directly or indirectly related to employment. Breach of this covenant may be regarded as a material breach of Agreement.

6-29 CONFIDENTIALITY

The parties hereto agree that the terms and conditions of this Agreement shall be held in confidence except as required by or for applicable disclosure laws, financing sources, enforcement of the Agreement, mergers and acquisitions, or as otherwise mutually agreed by the Parties, and such agreement shall not be withheld unreasonably.

6-30 UNIVERSITY'S RULES, REGULATIONS, AND INSTRUCTIONS

Contractor will follow and comply with all rules and regulations of the University and the reasonable instructions of University personnel. The University reserves the right to require the removal of any worker it deems unsatisfactory for any reason.

SECTION 7 – INDEMNITY, RISKS OF LOSS, INSURANCE

7-1 RISK OF LOSS

Until all improvements, equipment, or goods to be provided under this Agreement are installed on property owned or controlled by University and working properly, Contractor and its subcontractors of any tier shall bear all risks of all loss or damage to the improvements, equipment, or goods, excluding loss or damage caused by acts, omissions, or negligence of the University. Once all improvements, equipment, or goods to be provided under this Agreement are installed on property owned or controlled by University and working properly, the risk of all loss or damage shall be borne by University, excluding loss or damage caused by acts, omissions, or negligence of the Contractor. Contractors shall require its subcontractors of any tier to bear the same risk of loss and .

7-2 INDEMNIFICATION

Contractor shall indemnify, defend and hold the University and the State of Idaho harmless from and against any and all claims, losses, damages, injuries, liabilities and all costs, including attorneys fees, court costs and expenses and liabilities incurred in or from any such claim, arising from any breach or default in the performance of any obligation on Contractor's part to be performed under the terms of this Agreement, or arising from any act, negligence or the failure to act of Contractor, or any of its agents, subcontractors, employees, invitees or guests. Contractor, upon notice from the University, shall defend the University at Contractor's expense by counsel reasonably satisfactory to the University. Contractor, as a material part of the consideration of the University, hereby waives all claims in respect thereof against the University.

Contractor shall: (a) notify the University in writing as soon as practicable after notice of an injury or a claim is received; (b) cooperate completely with the University and/or the University's insurers in the defense of such injury or claim; and (c) take no steps such as admission of liability which would prejudice the defense or otherwise prevent the University from protecting the University's interests.

7-3 Insurance

7.3.1 General Requirements

7.3.1.1 Contractor and its subcontractor(s) of any tier are required to carry the types and limits of insurance shown in this insurance clause, section 8.0, and to provide University with a Certificate of Insurance ("certificate"). All certificates shall be coordinated by the Contractor and provided to the University within seven (7) days of the signing of the contract by the Contractor. Certificates shall be executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements set forth below. All certificates shall provide for thirty (30) days' written notice to University prior to cancellation, non-renewal, or other material change of any insurance referred to therein as evidenced by return receipt of United States certified mail. Said certificates shall evidence compliance with all provisions of this section 8.0. Exhibit A of this Agreement contains a Request for Certificate of Insurance which shall be given to the insurance broker or agent of the Contractor and its subcontractor(s) of any tier, upon award of bid to Contractor.

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

7.3.1.3 All insurance required hereunder shall be maintained in full force and effect with insurers with Best's rating of AV or better and be licensed and admitted in Idaho. All policies required shall be written as primary policies and not contributing to nor in excess of any coverage University may choose to maintain. Failure to maintain the required insurance may result in termination of this Agreement at University's option.

7.3.1.4 All policies except Workers Compensation and Professional Liability shall name University as Additional Insured. The Additional Insured shall be stated as: "State of Idaho and The Regents of the University of Idaho". Certificate Holder shall read: "University of Idaho." Certificates shall be mailed to: University of Idaho, Risk Management, P.O. Box 443162, Moscow, ID 83844-3162.

7.3.1.5 Failure of University to demand such certificate or other evidence of full compliance with these insurance requirements or failure of Institution to identify a deficiency from evidence that is provided shall not be construed as a waiver of the obligation of Contractor and its subcontractor(s) of any tier to maintain such insurance.

7.3.1.6 No Representation of Coverage Adequacy. By requiring insurance herein, University does not represent that coverage and limits will necessarily be adequate to protect Contractor and its subcontractor(s) of any tier, and such coverage and limits shall not be deemed as a limitation on the liability of the Contractor and its subcontractor(s) of any tier under the indemnities granted to University in this Agreement.

8.1.7 Contractor is responsible for coordinating the reporting of claims and for the following: (a) notifying the Institution in writing as soon as practicable after notice of an injury or a claim is received; (b) cooperating completely with University in the defense of such injury or claim; and (c) taking no steps (such as admission of liability) which will prejudice the defense or otherwise prevent the University from protecting its interests.

7.3.2 Required Insurance Coverage.

Contractor and its subcontractor(s) of any tier shall at its own expense obtain and maintain:

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

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

7.3.2.3 Business Personal Property. Contractor and its subcontractor(s) of any tier shall purchase insurance to cover Business Personal Property of Contractor and its subcontractor(s) of any tier. In no event shall University be liable for any damage to or loss of personal property sustained by Contractor, even if such loss is caused by the negligence of Institution, its employees, officers or agents. Waiver of subrogation language shall be included.

7.3.2.4 Workers' Compensation. Contractor and its subcontractor(s) of any tier shall maintain all coverage statutorily required of the Contractor and its subcontractor(s) of any tier, and coverage shall be in accordance with the laws of Idaho. Contractor and its subcontractor(s) of any tier shall maintain Employer's Liability with limits of not less than $100,000 / $500,000 / $100,000.

7.3.2.4 Professional Liability. If professional services are supplied to Institution, Contractor and its subcontractor(s) of any tier, Contractor and its subcontractor(s) of any tier shall maintain Professional

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

UNIVERSITY OF IDAHO
GENERAL TERMS AND CONDITIONS

1. THIS ORDER EXPRESSLY LIMITS ACCEPTANCE TO THE TERMS AND CONDITIONS STATED HEREIN. ALL ADDITIONAL OR DIFFERENT TERMS PROPOSED BY CONTRACTOR ARE OBJECTED TO AND ARE HEREBY REJECTED, UNLESS OTHERWISE PROVIDED FOR IN WRITING BY THE PURCHASING MANAGER, UNIVERSITY OF IDAHO.

2. CHANGES: No alteration in any of the terms, conditions, delivery, price, quality, quantity or specifications of this order will be effective without the written consent of the University of Idaho Department of Purchasing Services.

3. PACKING: No charges will be allowed for special handling, packing, wrapping, bags, containers, etc., unless otherwise specified.

4. DELIVERY: For any exceptions to the delivery date as specified on the order, Contractor shall give prior notification and obtain approval thereto from the University of Idaho Department of Purchasing Services. With respect to delivery under this order, time is of the essence and order is subject to termination for failure to deliver within the timeframe specified in this order.

5. SHIPPING INSTRUCTIONS: Unless otherwise instructed, all goods are to be shipped prepaid and allowed, FOB Destination.

6. ORDER NUMBERS: Agreement order numbers or purchase order numbers shall be clearly shown on all acknowledgments, shipping labels, packing slips, invoices, and on all correspondence.

7. REJECTION: All goods, materials, or services purchased herein are subject to approval by the University of Idaho. Any rejection of goods, materials, or services resulting from nonconformity to the terms, conditions or specifications of this order, whether the goods are held by the University of Idaho or returned, will be at Contractor's risk and expense.

8. QUALITY STANDARDS: Brand names, models, and specifications referenced in herein are meant to establish a minimum standard of quality, performance, or use required by the University. No substitutions will be permitted without written authorization of the University of Idaho Department of Purchasing Services.

9. WARRANTIES: Contractor warrants that all products delivered under this order shall be new, unless otherwise specified, free from defects in material and workmanship, and shall be fit for the intended purpose. All products found defective shall be replaced by the Contractor upon notification by the University of Idaho. All costs of replacement, including shipping charges, are to be borne by the Contractor.

10. PAYMENT, CASH DISCOUNT: Invoices will not be processed for payment nor will the period of computation for cash discount commence until receipt of a properly completed invoice or invoiced items are received and accepted, whichever is later. If an adjustment in payment is necessary due to damage or dispute, the cash discount period shall commence on the date final approval for payment is authorized. Payment shall not be considered late if a check or warrant is available or mailed within the time specified.

11. LIENS, CLAIMS AND ENCUMBRANCES: Contractor warrants and represents that all the goods and materials delivered herein are free and clear of all liens, claims or encumbrances of any kind.

12. TERMINATION: In the event of a breach by Contractor of any of the provisions of this Agreement, the University of Idaho reserves the right to cancel and terminate this Agreement forthwith upon giving written notice to the Contractor. Contractor shall be liable for damages suffered by the University of Idaho resulting from Contractor's breach of Agreement.

13. TRADEMARKS: Contractor shall not use the name, trade name, trademark, or any other designation of the University, or any contraction, abbreviation, adaptation, or simulation of any of the foregoing, in any advertisement or for any commercial or promotional purpose (other than in performing under this Agreement) without the University's prior written consent in each case.

14. OSHA REGULATIONS: Contractor guarantees all items, or services, meet or exceed those requirements and guidelines established by the Occupational Safety and Health Act.

15. TAXES: The University of Idaho is exempt from payment of Idaho State Sales and Use Tax. In addition, the University is generally exempt from payment of Federal Excise Tax under a permanent authority from the District Director of the Internal Revenue Service. Exemption certificates will be furnished as required upon written request by Contractor. If Contractor is required to pay any taxes incurred as a result of doing business with the University of Idaho, it shall be solely responsible for the payment of those taxes. If Contractor is performing public works construction, it shall be responsible for payment of all sales and use taxes.

16. BINDING EFFECT: This Agreement is for the benefit only of the parties hereto and shall inure to the benefit of and bind the parties and their respective heirs, legal representatives, successors and assigns.

17. ASSIGNMENTS: No Agreement, order, or any interest therein shall be transferred by Contractor to any other party without the approval in writing of the Purchasing Manager, University of Idaho. Transfer of an Agreement without approval may cause the recission of the transferred Agreement at the option of the University of Idaho.

18. WAIVER: No covenant, term or condition, or the breach thereof, shall be deemed waived, except by written consent of the party against whom the waiver is claimed, and any waiver of the breach of any covenant, term, or condition herein. Acceptance by a party of any performance by another party after the time the same shall have become due shall not constitute a waiver by the first party of the breach or default unless otherwise expressly agreed to in writing.

19. FORCE MAJEURE: Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes thereof, governmental restrictions, governmental regulations, governmental controls, enemy or hostile governmental action, civil commotion, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform (except for financial ability), shall excuse the performance by such party for a period equal to any such prevention, delay or stoppage.

20. NO JOINT VENTURE: Nothing contained in this Agreement shall be construed as creating a joint venture, partnership, or employment or agency relationship between the parties.

21. PRICE WARRANTY FOR COMMERCIAL ITEMS: Contractor warrants that prices charged to the University of Idaho are based on Contractor's current catalog or market prices of commercial items sold in substantial quantities to the general public and prices charged do not exceed those charged by Contractor to other customers purchasing the same item in like or comparable quantities.

22. NONDISCRIMINATION: Contractor represents and agrees that it will not discriminate in the performance of this Agreement or in any matter directly or indirectly related to this Agreement on the basis of race, sex, color, religion, national origin, disability, ancestry, or status as a Vietnam veteran. This non-discrimination requirement includes, but is not limited to, any matter directly or indirectly related to employment. Breach of this covenant may be regarded as a material breach of Agreement.

23. UNIVERSITY REGULATIONS: Contractor shall follow and comply with all rules and regulations of the University and the reasonable instructions of University personnel.

24. GOVERNING LAW: This Agreement shall be construed in accordance with, and governed by the laws of the State of Idaho. Any legal proceeding related to this Agreement shall be instituted in the courts of the county of Latah, state of Idaho, and Contractor agrees to submit to the jurisdiction of such courts.

Exhibit A – Request for Certificate of Insurance from Contractor*
***If bid is awarded to Contractor**
Page 1 of 2

Give this form to your insurance agent / broker

***Agents/ Brokers: RETURN A COPY OF THESE INSTRUCTIONS WITH YOUR CERTIFICATE*.**

Certificates without a copy of these instructions will not be accepted.

Contractor and its subcontractors of any tier ("Insured") are required to carry the types and limits of insurance shown in this Request, and to provide University of Idaho ("Certificate Holder") with a Certificate of Insurance within seven (7) days of the signing of this Contract.

- Certificate Holder shall read:

  State of Idaho and the Regents of the University of Idaho
  Attn: Risk Management
  P.O. Box 443162
  Moscow, ID 83844-3162

- Description area of certificate shall read: Attn: Contract for Services

- All certificates shall provide for thirty (30) days' written notice to Certificate Holder prior to cancellation or material change of any insurance referred to in the certificate.

- All insurers shall have a Best's rating of AV or better and be licensed and admitted in Idaho.

- All policies required shall be written as primary policies and not contributing to nor in excess of any coverage Certificate Holder may choose to maintain.

- All policies (except Workers Compensation and Professional Liability) shall name the following as Additional Insured: 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.

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

- Failure to maintain the required insurance may result in termination of this grant or contract at the Certificate Holder's option.

- By requiring this insurance, Certificate Holder does not represent that coverage and limits will necessarily be adequate to protect Insured, and such coverage and limits shall not be deemed as a limitation on Insured's liability under the terms of the grant or contract.

- A copy of this certificate request must be sent with the Certificate.

Exhibit A – Request for Certificate of Insurance from Contractor*
***If bid is awarded to Contractor**
Page 2 of 2

Required Insurance Coverage. Insured shall obtain insurance of the types and in the amounts described below.

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

- Commercial Auto Insurance. Insured shall maintain a Commercial Automobile Policy with a Combined Single Limit of not less than $1,000,000; Underinsured and Uninsured Motorists limit of not less than $1,000,000; Comprehensive; Collision; and a Medical Payments limit of not less than $5,000. Coverage shall include Non-Owned and Hired Car coverage. Waiver of subrogation language shall be included.

- Business Personal Property and/or Personal Property. Insured shall purchase insurance to cover Insured's personal property. In no event shall Certificate Holder be liable for any damage to or loss of personal property sustained by Insured, whether or not insured, even if such loss is caused by the negligence of Certificate Holder, its employees, officers or agents.

- Workers' Compensation. Where required by law, Insured shall maintain all statutorily required Workers Compensation coverages. Coverage shall include Employer's Liability, at minimum limits of $100,000 / $500,000 / $100,000.

- Professional Liability. If professional services are supplied to the Institution, Insured shall maintain Professional Liability (Errors & Omissions) insurance on a claims made basis, covering claims made during the policy period and reported within three years of the date of occurrence. Limits of liability shall be not less than one million dollars ($1,000,000).

If you have additional questions, please contact:

Carry Salonen, Risk Specialist, University of Idaho.
PH (208) 885-7177. FAX (208) 885-9490
csalonen@uidaho.edu

University of Idaho

Purchasing Services
645 West Pullman Road
Moscow, Idaho 83844-1202
208-885-6123
208-885-6060
juliam@uidaho.edu

Date: May 23, 2006

To: All Interested Bidders

From: Julia R. McIlroy, Senior Buyer

Subject: Request for Proposals No. 06-58M ~ Campus-Wide Pouring & Vending Rights

This letter will serve as Addendum Number One to the above referenced RFP. The following change will be made:

Proposals due date & time: June 14, 2006 @ 2:00 p.m. (local time)

All terms and conditions of the RFP remain the same.

Failure to acknowledge this addendum may result in rejection of your proposal. Acknowledgement should accompany your offer.

If you need additional information, please call (208) 885-6123, or e-mail juliam@uidaho.edu.

Thank you for your interest in the University of Idaho.

_____
(Company)

_____
(Signature)

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INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO

SUBJECT

Adoption of a resolution and authorization for re-conveyance of real property near Pierce, Idaho, back to the United States of America

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Policies and Procedures, Section V.I.5.b.3.

BACKGROUND

In 1985 the United States of America granted 66.54 acres of unimproved forest land near Pierce, Idaho to the Board of Regents of the University of Idaho (UI). The property had been managed by the federal government as part of the Clearwater National Forest's Pierce Work Center, but was declared as surplus property and conveyed to the Regents at no cost. The conveyance restricted use of the property to continued use for educational purposes related to UI's anthropology programs. Per the deed, failure to comply with the restrictions could result in the University being obligated to pay market value for the subject property.

The property was of historic significance because of artifacts and land alterations related to the intensive methods of recovery of gold undertaken by Chinese miners during the local gold rush of the 1860's. The University has utilized the property for research and teaching opportunities in accordance with federal restrictions, and has made no improvements to the property.

DISCUSSION

UI programs related to the property have been of diminishing interest to students and faculty, and it has become more difficult for UI to demonstrate ongoing educational uses affiliated with the property. Consequently, the UI Department of Sociology, Anthropology, and Justice Studies has concluded that the property is no longer of benefit to its programs. Simultaneously, the United States Forest Service has contacted the University to inquire about the possibility of acquiring at least a portion of their formerly surplused property for purpose of constructing a storage building on this remote parcel for explosives related to wild land fire suppression.

The 1985 quitclaim deed and the federal program under which the property was granted to the Regents provides the option for UI to voluntarily return the surplus property if UI can no longer abide by the terms and conditions of the 1985 grant of real property. To comply with federal requirements for re-conveyance, the Board of Regents of the University of Idaho must adopt a resolution and send a letter to the Federal Real Property Assistance Program indicating a desire to voluntarily return the land back to the federal government. Upon receipt of the

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO - continued

resolution and letter, the federal government will prepare a re-conveyance document in substantial consistency with the one attached to this agenda item for execution by the Board of Regents or its designee.

IMPACT

Adoption of the resolution and authorization of the re-conveyance of property will impose no costs on UI. The property has little remaining educational program value, and retention of the property will result in continued operation and maintenance costs, as well as costs for programs of diminishing academic interest. Failure to deliver programs consistent with the restrictions on the property could result in a determination of non-compliance with the federal grant and the payment of all or a portion of market value for the fee interest in this property that is no longer of programmatic value to the University.

STAFF COMMENTS AND RECOMMENDATIONS

Staff agrees with the statements and conclusions of the University regarding the university's need to re-convey this property to the Federal government due to a decline in educational use and the Federal government's need to reuse some of the property in question. The following documents are attached as follows:

- Resolution .....Exhibit A
- Deed of Voluntary Reconveyance .....Exhibit B
- US Department of Education Notice .....Exhibit C
- Letter Relinquishing Pierce Property .....Exhibit D
- Location of Subject Property .....Exhibit E

Staff recommends approval of the university request as noted in the following motion.

BOARD ACTION

A motion to adopt the attached resolution and authorize the Vice President for Finance and Administration at the University of Idaho to execute re-conveyance documents in substantial conformance to the form submitted to the Board.

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

5. Disposal of Real Property

   a. Temporary Permits

      Permits to make a temporary and limited use of real property under the control of an institution, school or agency may be issued by the institution, school or agency without prior Board approval.

   b. Board approval of other transfers

      (1) Leases to use real property under the control of an institution, school or agency require prior Board approval - if the term of the lease exceeds five (5) years or if the lease revenue exceeds two hundred fifty thousand dollars ($250,000).

      (2) Easements to make a permanent use of real property under the control of an institution, school or agency require prior Board approval - unless easements are to public entities for utilities.

      (3) The transfer by an institution, school or agency of any other interest in real property requires prior Board approval.

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RESOLUTION

The Board of Regents of the University of Idaho duly adopted the following resolution during a meeting held November 30, 2006.

WHEREAS, by Quitclaim Deed from the United States of America, acting by and through the Secretary of Education by the Acting Administrator for Management Services, to the Regents of the University of Idaho, dated September 11, 1985 and recorded as Instrument Number 142476 on October 28, 1985 in the records of the County of Clearwater (the "1985 Deed"), the United States conveyed unto the Regents of the University of Idaho a certain tract of land, containing 66.54 unimproved acres, designated as a portion of the former USFS Administrative Work Center in Pierce, Idaho (the "Property"); and

WHEREAS, the 1985 Deed specified that title to the Property is conveyed to the Regents of the University of Idaho subject to certain conditions subsequent (the "Conditions Subsequent"), grants the Regents of the University of Idaho the option to voluntarily return the Property if they can no longer abide by those terms and conditions; and if concurred to by the U.S. Department of Education and the General Services Administration; and

WHEREAS, the approval of the Board of Regents of the University of Idaho is required for the University of Idaho to exercise the voluntary return of the Property; and the Board of Regents of the University of Idaho hereby wish to exercise that option.

BE IT FURTHER RESOLVED that Lloyd E. Mues, Vice President of Finance and Administration for the University of Idaho, shall have the authority to execute those documents necessary to carry out the intent of this resolution.

BOARD OF REGENTS OF THE UNIVERSITY OF IDAHO

BY:_____
Laird Stone
President

ATTEST BY: _____
Milford Terrell
Secretary

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DEED OF VOLUNTARY RECONVEYANCE

This AGREEMENT is made this _____ day of _____, 2006, between the BOARD OF REGENTS OF THE UNIVERSITY OF IDAHO, a body politic and corporate organized and existing under the constitution and laws of the State of Idaho("GRANTOR"), and the UNITED STATES OF AMERICA, pursuant to § 203(k) of the Federal Property and Administrative Services Act of 1949, as amended ("Act"), P. L. No. 81-152, 63 Stat. 377, 40 U.S.C. § 471 et seq., Reorganization Plan No. 1 of 1953, the Department of Education Organization Act of 1979, P. L. No. 96-88, 93 Stat. 668, 20 U.S.C. § 3401 et seq.

I. RECITALS

1. On September 11, 1985, the UNITED STATES OF AMERICA, acting by and through the Secretary of Education, acting by and through the Administrator for Management Services of the Department of Education, conveyed certain real property in Clearwater County, State of Idaho, formerly known as Pierce Work Center, near Pierce, Idaho, and consisting of approximately 66.54 acres of unimproved land ("Property") to GRANTOR, by Quitclaim Deed ("Deed"). The Deed was recorded on October 28, 1985 as Document 142476 in the Auditor and Ex-Officio Recorder's office in Clearwater County, Idaho. The property is more particularly described on Exhibit A of the Deed.

2. The conveyance was made expressly subject to certain covenants and conditions subsequent contained in the Deed, which the GRANTOR expressly assumed and agreed to observe and perform, including provisions that require that the Property be used for educational purposes in accordance with a program and plan ("Plan") set forth in the application of GRANTOR dated September 27, 1984, which had been approved by the Secretary of Education.

3. The Deed further provided that in the event of a breach of conditions set forth in the Deed, whether caused by the legal or other inability of the GRANTOR, its successors or assigns,

to perform any of the obligations set forth, all right, title, and interest in and to the Property shall, at the option of the UNITED STATES OF AMERICA, revert to and become the property of the UNITED STATES OF AMERICA, which shall have an immediate right of entry thereon, and the GRANTOR, its successors or assigns, shall forfeit all right, title, and interest in and to the Property and in any and all of the tenements, hereditaments, and appurtenances thereunto belonging.

4. GRANTOR, determining that continued compliance with its Plan is no longer practical for achieving Grantor's educational mission, is desirous of reconveying the Property to the UNITED STATES OF AMERICA and was authorized to execute this Deed of Voluntary Reconveyance agreement by a resolution of the Board of Regents of the University of Idaho November 30, 2006.

II. AGREEMENT

5. In consideration of one dollar, the mutual agreements contained herein, other good and valuable consideration, the receipt of which is hereby acknowledged, and in performance of the agreements contained herein, GRANTOR grants and conveys the Property to the UNITED STATES OF AMERICA. GRANTOR warrants that it has not alienated, conveyed, or encumbered any interest in the Property, that on the date this instrument is executed and delivered, the above identified Property is and shall be free and clear from any claim, demand, lien or any other encumbrance whatsoever made, done or suffered by GRANTOR or any other person or entity claiming under it, and that it conveys all right, title, and interest to the Property to the UNITED STATES OF AMERICA.

6. GRANTOR warrants that the Property is in good order, condition, and repair, and is free from any waste.

7. GRANTOR warrants and agrees that it shall provide protection to and maintenance of the Property at all times until such time as the title is actually returned to and accepted by the UNITED STATES OF AMERICA. Such protection and maintenance shall conform to the standards prescribed by the General Services Administration in FMR 102-75.545 now in effect.

8. The UNITED STATES OF AMERICA, by its acceptance of this Deed of Voluntary Reconveyance agreement hereby releases GRANTOR from all of the obligations imposed by the Deed with respect to the Property.

IN WITNESS WHEREOF, the GRANTOR has caused this instrument to be executed in its behalf by its duly authorized officers and its seal affixed on this ____ day of _____, 2006.

BOARD OF REGENTS OF THE UNIVERSITY OF IDAHO

GRANTOR

By: _____
Lloyd E Mues
Vice President for Finance and Administration
University of Idaho

ACKNOWLEDGEMENT

LATAH COUNTY

STATE OF IDAHO

On this _____ day of _____, 2006, personally appeared before me, a Notary Public in and for the State of Idaho, Lloyd E Mues, who executed the foregoing instrument in his capacity as Vice President for Finance and Administration of the University of Idaho, who acknowledged the foregoing instrument to be his free act and deed in his said capacity and the free act and deed of the Board of Regents of the University of Idaho.

IN WITNESS WHEREOF, I have set my hand and seal on this _____ day of _____, 2006.

_____
Notary Public

My Commission Expires: _____

K:\SHARED\FRPA\Barbara\FRPA\2006 Misc Ltrs\Jun\Centenary College Voluntary Reconveyance Deed.doc

December 5, 2006

Barbara L Shawyer
Federal Real Property Assistance Program
400 Maryland Ave SW 2E117
Washington DC 20202-4553

Dear Ms Shawyer:

This letter is notification to the US Department of Education that the Board of Regents of the University of Idaho has decided to voluntarily return land conveyed to the University of Idaho on September 11, 1985 via Contract No. SA-X-ID-106. The US Forest Service has requested the property to be returned to achieve various management purposes.

Enclosed is a resolution of the University of Idaho's governing board which is the legal entity currently holding title to the subject property. It is my understanding that the Department of Education will prepare the necessary conveyance documents in accordance with the intent of the executed resolution. Please do not hesitate to contact Gerard Billington, University of Idaho Real Estate Officer, PO Box 443162, Moscow ID 83844-3162 if you have any questions or need additional information. Should you wish to utilize e-mail, you may contact Gerard at gerardb@uidaho.edu.

Sincerely,

Lloyd E Mues
Vice President, Finance & Administration

Enclosure

C: Roberta Morin, Realty Specialist, Clearwater National Forest
12730 Hwy 12, Orofino ID 83544

University of Idaho
College of Letters, Arts
and Social Sciences
P.O. Box 443154
Moscow, Idaho 83844-3154
208-885-6426
Fax 208-885-8964

October 11, 2006

MEMORANDUM

TO: Lloyd Mues, Financial Vice President
University of Idaho

FROM: Katherine G. Aiken, Dean
College of Letters, Arts & Social Sciences

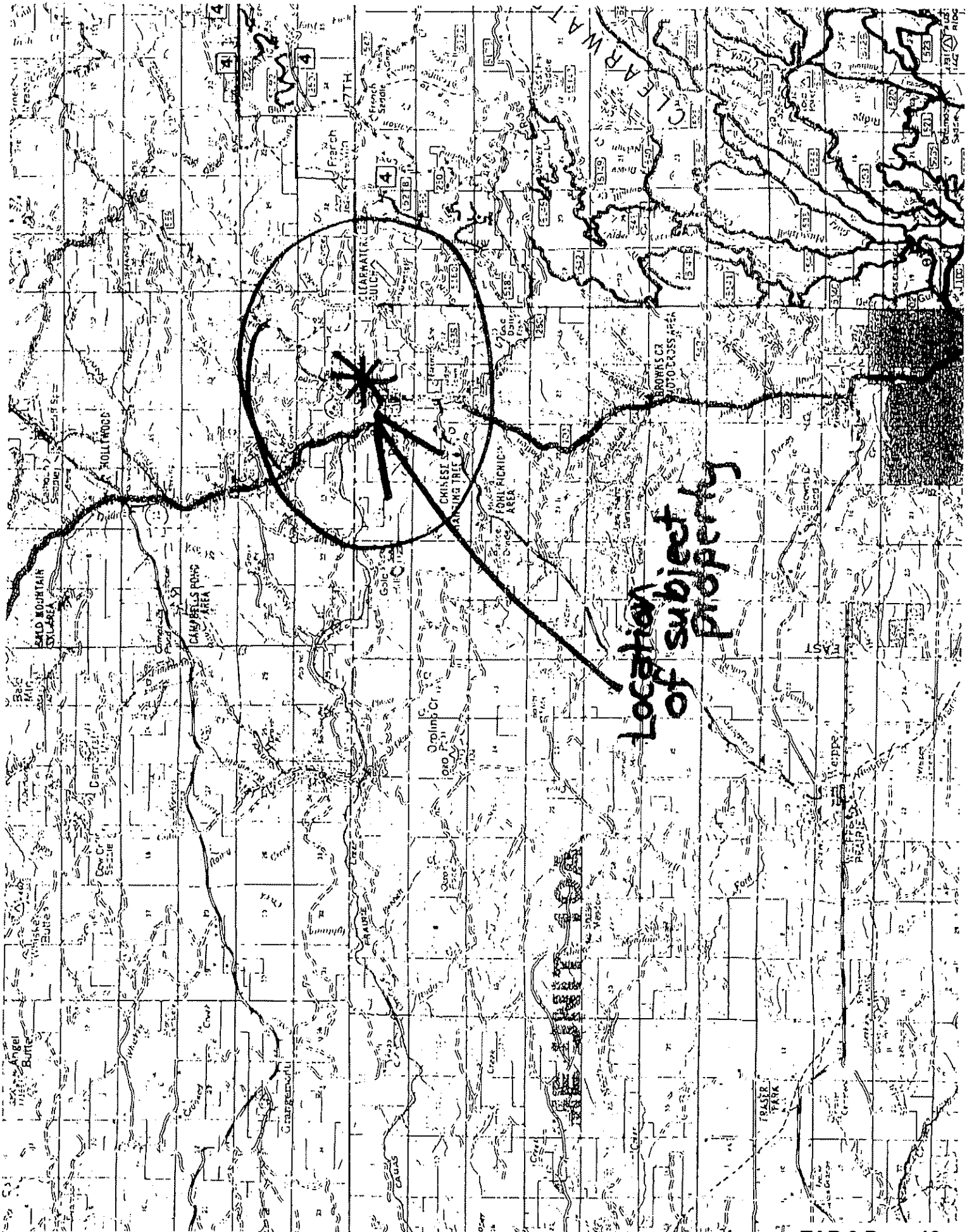
RE: Relinquishing Pierce Property

In 1985, the University of Idaho accepted property near Pierce, Idaho exclusively for specific uses related to anthropology. The United States Department of Education's original grant of the property assigned programmatic responsibilities to the University of Idaho Department of Sociology, Anthropology, and Justice Studies. SAJS would like to be freed from these responsibilities and at the same time the Clearwater National Forest (the original owner) wants to use a portion of the property for construction of an explosives storage building.

Originally, it was intended that the property in question support several multi-year archaeological excavations. However, the site artifact density turned out to be quite low, making it impractical to implement these excavations. Sociology, Anthropology and Justice Studies has tried over the past few years to create a new program that would utilize the property without impacting adversely the archaeological materials that remain. This has not been a success.

As a result, the Pierce property is no longer of any significant programmatic interest to Sociology, Anthropology and Justice Studies. If faculty members and/or students desire to work on the site in the future, they would be able to gain access through the United States Forest Service Special Use Permit program. Consequently, returning this property will not harm the research interests of SAJS. Since the USFS is required to protect the archaeological site under federal legislation, the University of Idaho decision to give up the property will not result in an abrogation of responsibility to protect the site.

To enrich education through diversity the University of Idaho is an equal opportunity/affirmative action employer.


Location of subject property
CLEARWATER JUNCTION
CHINESE FISHING TREE
FOWLER PICNICS AREA
BROWNS CA MOTOCROSS AREA
CAMPBELLS POND AREA
BALD MOUNTAIN SCENIC AREA
HOLLYWOOD
Farch
Grangeville
Angel Butte
Cottonwood
Cow Cr
Deer Cr
Orofino Cr
Prairie
Fraser Park
Prairie City
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Vesta
EAST
7TH
ARMAT

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INSTITUTION / AGENCY AGENDA
LEWIS-CLARK STATE COLLEGE

SUBJECT

Lewis-Clark State College requests approval to enter into a management agreement with College Town Development Idaho, LLC, to manage a residence hall ("Clearwater Hall") financed by the developers.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Sections V.I.1. through V.I.3.

REFERENCE

October 2004	LCSC informed Board of shortage of residence hall space.
December 2004	Board asked for a needs presentation and competitive RFP.
January 2005	Board asked for review of private enterprise building any necessary residence halls and/or advantages of self-financing without a lease consideration.
March 2005	Board approved the sale of tax-exempt bonds to fund the construction of a residence hall. However, LCSC promised to provide adequate time for private industry to intervene prior to a financial commitment by the College.
October 2005	Board approved the sale of two lots to provide land for private development of a residence hall.
June 2006	Board approved the management agreement for the first of the two privately-developed residence halls ("College Place").

BACKGROUND

Lewis-Clark State College pursued private/public partnerships as a means of providing needed housing for LCSC students. During its January 2005 meeting, the Board had asked LCSC to pursue the possibility of allowing student housing needs to be met through the private sector renting directly to students without a financial obligation to the College for construction. In addition, the Board asked that LCSC pursue other funding alternatives rather than a lease arrangement guaranteeing a return to a private developer.

During the March 2005 meeting, the Board approved the issuance of a tax-exempt bond to fund a new residence hall with the promise from LCSC it would pursue the possibility of encouraging private enterprise to construct a facility and rent directly to the students. The goal was to have new and affordable housing by Fall Term 2006.

INSTITUTION / AGENDA
LEWIS-CLARK STATE COLLEGE - continued

In October 2005, the Board approved the sale of two lots owned by the College, adjacent to campus, that were needed by the developer to facilitate construction of the first of the two residence hall projects ("College Place"). A site for a second new residence hall ("Clearwater Hall") was obtained in downtown Lewiston by a second private developer (College Town Development Idaho, LLC).

Both College Place and Clearwater Hall were opened for occupancy by LCSC students at the beginning of the Fall 2006 semester and are now in operation. This agenda item seeks Board approval of the management agreement for the more recently-completed facility—Clearwater Hall.

DISCUSSION

Lewis-Clark State College has long needed additional student housing. New residence halls will help provide a safe and functional living environment for students and will help the College attain its goal of improved recruitment and retention of non-commuting students.

New student housing will provide the College with more flexibility for accommodating current students while older/decrepit residence halls are taken off-line to provide facility/system upgrades to address serious safety and efficiency needs. The new residence halls have enabled the College to provide housing to approximately 60 students who would otherwise have been housed in a local commercial hotel (an "emergency" arrangement used for the past three years) due to space limitations in existing housing. The new, privately-developed residence halls also will allow the College to plan for renovation of a dilapidated older facility ("Talkington Hall")—to address life safety and energy conservation needs

During the process of requesting zoning changes to allow a multi-family structure to be built at the location identified, the Lewiston City Council strongly encouraged the developers to: a) work with the College to secure a management agreement, and b) construct projects with the intent of allowing only LCSC students as tenants. Subsequently, the attached draft agreement was negotiated for the Clearwater Hall facility. The essence and main points of the agreement are as follows:

1. LCSC ("Manager") will manage the facility for the Owner and will rent the rooms to students during the school year and, during the summer, to both students ("Students") and to others ("Program Participants") attending courses and other events conducted on the LCSC campus. The initial lease rate paid to Owner will be $390 per month per resident. This minimum "Monthly Rate" will be adjusted annually by mutual agreement of the parties.

INSTITUTION / AGENCY AGENDA
LEWIS-CLARK STATE COLLEGE - continued

2. As is done with current Residence Hall students, rental agreements will be issued by LCSC in its own name. LCSC will collect rents in advance at the beginning of the semester or other rental period.

3. The initial term of the Management Agreement will be 10 years.

4. As an inducement for the Owners to construct the projects, LCSC will agree to fill the College Place Residence (adjacent to campus on 4th Street) and the Clearwater Hall Residence (downtown at 5th Street and Main) on a pro-rata basis until both facilities have achieved 100% occupancy before allowing Students and Program Participants to reside in any other LCSC-owned or managed residence facilities; provided, however, that LCSC shall have the right to house up to 78 student athletes at Clark Hall, irrespective of the occupancy in the College Place Residence or Clearwater Hall Residence.

5. Manager shall bear certain maintenance and operating costs, including residence hall staffing, janitorial support, maintenance of the grounds, and maintenance of the interior of the facility. LCSC shall also be responsible for marketing and renting the rooms as part of LCSC's Residence Life Program.

6. Owner shall be responsible for taxes; insurance on the facility; and the maintenance and repair of roof, windows, doors, exterior of the building, building envelope, heating and cooling, and HVAC systems. Manager will be responsible for arranging for Owner's repairs, but will pay for those repairs from an Owner's Reserve Account which will be funded by Owner.

7. Manager shall be entitled to receive a management fee based on the gross revenues generated by the Clearwater Hall Residence. This management fee will be advanced to LCSC on a monthly basis after rent for the month is received from LCSC, except that if LCSC fails to obtain the equivalent of 85% of total occupancy, computed as hereinafter provided for a month, Owner will be under no obligation to advance the management fee to LCSC for that month. The parties shall determine the amount of the management fee to which LCSC is entitled in the following manner:

    (a) 100% to 95% of total occupancy – 4%
    (b) Less than 95% to 90% of total occupancy – 3%
    (c) Less than 90% to 85% of total occupancy – 2%

INSTITUTION / AGENCY AGENDA
LEWIS-CLARK STATE COLLEGE - continued

Presentation to the Board of the Clearwater Hall management agreement was somewhat delayed while each party (and legal counsel) ensured that all operational procedures were clearly stipulated in the agreement. The proposed management agreement for Clearwater Hall closely mirrors the management agreement for College Place, approved by the Board in June 2006. Daily operations of the new residence hall have conformed to the letter and spirit of the proposed management agreement since the facility was occupied at the end of August 2006. As stated in the proposed agreement, the Owner ("College Town Development Idaho, LLC") understands that the terms of the agreement are contingent upon State Board of Education approval.

IMPACT

The agreement would provide funding for the management of the residence hall project and provide a structure to incorporate the privately developed and constructed project into the residence hall program of Lewis-Clark State College.

ATTACHMENTS

Attachment 1: College Town Development Idaho LLC – Management Agreement for Clearwater Hall

STAFF COMMENTS AND RECOMMENDATIONS

Staff has reviewed the accompanying management agreement for Clearwater Hall and has compared that agreement with the one for College Place. The differences include the following:

- Term: Clearwater – 10 years; College Place – 5 years with multiple 5-year renewal terms
- Clearwater has commercial space on ground floor; College Place does not. LCSC has no responsibility for commercial space, although LCSC facilities and security personnel do have access to alarm and other utilities when required.
- Occupancy Fee: Clearwater - $390/month, College Place - $375/month Clearwater includes daily Summer Rent split 50/50 with owner
- Calculation of Management Fee:
  - College Park: annual calculation covering Fall, Spring, and Summer terms Not achieving occupancy rates in one term affects annual fee
  - Clearwater: separate calculation for Fall, Spring, and Summer terms. Not achieving occupancy rates in one term does not affect calculation in other terms
- Vending revenue: Clearwater – LCSC, College Place – owner

Staff recommends approval.

INSTITUTION / AGENCY AGENDA
LEWIS-CLARK STATE COLLEGE - continued

BOARD ACTION

A motion to approve the request by Lewis-Clark State College to enter into a management agreement with College Town Development Idaho, LLC, to allow LCSC to administer and rent a privately developed and funded residence hall, and to authorize the Vice President for Administrative Services to sign the enclosed management agreement and represent the Idaho State Board of Education on documents related to this transaction.

Moved by _____ Seconded by _____ Carried Yes ___ No ___

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COLLEGE TOWN STUDENT HOUSING

MANAGEMENT AGREEMENT
FOR PROPERTY AT 402-418 MAIN STREET
LEWISTON, IDAHO

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EXHIBITS:

Exhibit A: Legal Description of Project
Exhibit B: Project Plans and Specifications
Exhibit C: Owner FF&E
Exhibit D: Reserved.
Exhibit E: Form of Project Management Financial Report
Exhibit F: Form of Annual Budget
Exhibit G: Form of Residence Program Terms, Conditions, Rules, and Regulations
Exhibit H: Form of Rental Agreement
Exhibit I: Signage Criteria
Exhibit J: Student Tenant Permitted FF&E

MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT ("**Agreement**") is made as of the 23rd day of August 2006 ("**Effective Date**"), by and between COLLEGE TOWN DEVELOPMENT IDAHO LLC, a Washington limited liability company ("**Owner**"), and STATE OF IDAHO, ACTING BY AND THROUGH THE STATE OF IDAHO BOARD OF EDUCATION AS BOARD OF TRUSTEES FOR LEWIS-CLARK STATE COLLEGE ("**Manager**").

RECITALS

A. Owner is the owner of record of that certain real property described in Exhibit A attached hereto and incorporated herein by this reference ("**Property**"), and the building and improvements located thereon as set forth on Exhibit B attached hereto and incorporated herein by this reference ("**Building**"). Except for the Retail Spaces (as defined below), the Property and the Building together with any other improvements now or hereafter located on the Property is herein collectively referred to as the "**Project**."

B. Owner desires to develop the Project for the purposes of retaining Manager to utilize and manage the Project as part of Manager's Residence Program for Student Tenants (as those terms are defined herein) attending Lewis Clark State College (the "**College**"), and Manager desires to manage the Project on behalf of Owner for the purpose of providing additional residential living options for students attending the College.

C. Owner is willing to develop the Project at its sole cost and expense in a form and manner acceptable to Manager based on Manager's willingness to enter into this Agreement, and Manager is willing to manage the Project in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the above recitals and mutual covenants contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Owner and Manager agree as follows:

AGREEMENT

1. Development.

1.1 Scope of Development. Owner agrees, at its sole cost and expense, to redevelop the Project substantially in conformance with Exhibit B attached hereto and incorporated herein by this reference. For purposes of this Agreement, the Project shall include all areas of the Building exclusive of the Retail Spaces, including without limitation, all Residences (as defined below), hallways, lobby areas, storage areas, and mailrooms of the Building, and each all as set forth in more detail on Exhibit B. As used herein, "**Residences**" shall comprise those portions of the Project intended as primary accommodation and housing for Student Tenants, including each single bedroom (each, a "**Residence Unit**"), a "**Common Room**", which adjoins a pod of from one (1) to five (5) Residence Units, a lounge area, and a

study lounge, all as set forth in Exhibit B. Each of the Residences, and Residence Units, shall be equipped with the Owner FF&E (as defined below) which is set forth in more detail in Exhibit C.

1.2 Development Period. As of the Effective Date, Owner shall undertake development of the Project substantially in accordance with Exhibit B such that the same shall be Ready for Management (as those terms are defined below) on or before August 23, 2006 ("**Target Delivery Date**"). Notwithstanding the foregoing, the Manager shall not be required to accept delivery of the Project prior to the Target Delivery Date. For purposes of this Agreement, "**Ready for Management**" shall mean that certain date when (a) Owner obtains and provides to Manager temporary or permanent certificate of occupancy for the Project, (b) the Project is otherwise ready for possession and the Residences are ready and available for inhabitation by Student Tenants; provided that Owner shall be entitled to complete certain punch list items, landscaping, and other required items of completion to the Project that do not preclude Owner from obtaining the foregoing occupancy certificate and otherwise do not prohibit Manager from performing its obligations under the Rental Agreements, including without limitation delivering the Residences to Student Tenants for access and possession as contemplated in this Agreement and the Rental Agreements, and (c) Owner is otherwise ready, willing and able to deliver the same to Manager in accordance with this Agreement.. The date of August 23, 2006, or the date when the Project is Ready for Management, whichever is later, is sometimes hereinafter referred to as the "**Commencement Date**" or the "**Delivery Date**".

1.3 Delivery Date Contingency. Notwithstanding anything to the contrary in Section 1.2 above, in the event Owner is unable to make the Residences Ready for Management on or before the Target Delivery Date, Owner shall not be liable to Manager for damages, claims or liability, including any indirect or consequential damages, arising from or related to any such delay or failure by Owner to make the Residences Ready for Management, and the delivery thereof to Manager, as provided for in Section 1.2 above. In the event Owner is unable to comply with the Target Delivery Date, and such failure to comply is not the direct or indirect result of any Manager Delay (as defined below), Manager's sole and exclusive remedies shall be to require Owner to (i) assist Manager in procuring and contracting temporary housing for all Student Tenants with valid Rental Agreements (as those terms are defined below) reasonably acceptable to Owner and Manager; (ii) to reimburse Manager not more often than monthly for any costs directly related to the procurement and use of such temporary housing, but only to the extent that such costs exceed the then-applicable aggregate rent received by Manager pursuant to any and all valid Rental Agreements in effect for which such temporary housing has been procured; and (iii) abate all **Rent Installments** (**"Rent Installments"** means the periodic payments of Minimum Monthly Rent or Minimum Daily Rent and any Owner's Additional Rent or Pro-Rata Rent payable to Owner under this Agreement) from the Target Delivery Date until such time as the Residences are Ready for Management.

For purposes of this Section 1.3, a "**Manager Delay**" shall mean any delay caused by Manager in the performance of any of its obligations hereunder, including without limitation the action or inaction of Manager, its employees and agents, or the gross negligence or willful misconduct by the same.

2. Term of Agreement.

2.1 Initial Term. The initial term of this Agreement ("**Initial Term**") shall commence on August 23, 2006 ("**Commencement Date**"), and shall continue thereafter until the latter of the last day of the one-hundred-twentieth (120^{th}) month thereafter or expiration of the last Rental Agreement (as defined below) validly entered into by Manager ("**Expiration Date**"). Notwithstanding the foregoing, the Management Responsibility (as defined below) shall not arise, and Manager shall not be obligated regarding the same, until that certain date on which Owner makes the Residences Ready for Management and delivers the same to Manager as contemplated herein ("**Management Commencement Date**").

2.2 Right of First Offer.

2.2.1 Right of First Offer. Owner shall grant Manager a right of first offer (the "**ROFO**") to purchase the Project; provided that (a) this Agreement shall be in full force and effect, and (b) there shall not exist any Event of Default or any facts which with the giving of notice or passage of time, or both, would constitute an Event of Default. If at any time during the Initial Term or any Extended Terms Owner intends to offer the Project for sale, Owner shall provide written notice of such intention to Manager (the "**ROFO Notice**"). For sixty (60) days after receipt of the ROFO Notice (the "**ROFO Negotiation Period**"), Owner and Manager shall negotiate in good faith regarding terms for a sale of the Project to Manager. During the ROFO Negotiation Period, Owner will not actively market the Project and Owner will not negotiate with any potential purchasers of the Project other than Manager. If Owner and Manager agree on terms on which Owner will sell the Project to Manager during the ROFO Negotiation Period, such terms will be documented in a purchase and sale agreement ("**PSA**") to be executed between Owner and Manager. If Owner and Manager do not execute a PSA during the ROFO Negotiation Period, or if Manager is in monetary default under this Agreement at the time of the ROFO Notice, then the ROFO granted hereunder shall lapse and Owner will be free to market the Project for sale. Notwithstanding the foregoing, the ROFO shall remain in full force and effect in the event Owner fails to market the Project or removes the Project from sale for any reason.

2.2.2 ROFO Personal. The ROFO, and the respective provisions set forth in this Section 2.2, are personal to, and for the exclusive benefit of, the Manager, and no Transferee other than a Permitted Transferee (as those terms are defined below) shall have any right, title or interest whatsoever in the ROFO granted to Manager under this Section 2.2.

2.2.3 Affiliate and Other Permitted Transfers. Notwithstanding anything to the contrary herein, the ROFO shall not apply to any purchase, merger, consolidation, joint venture or reorganization of Owner (an "**Ownership Change**"), or any transfer of the Project to any affiliate of Owner. For purposes of this Section 2.2.3, "**Affiliate**" shall mean any corporation, partnership, or other entity: (a) which owns or controls the majority of ownership interests of Owner, either directly or indirectly through other entities; (b) the majority of ownership interests of which is owned or controlled by Owner; (c) the majority of whose ownership interests is owned or controlled by an entity described in (a); or (d) which owns or controls a majority of the ownership interests of Owner.

2.3 Voluntary Termination. Either party may terminate this Agreement without cause by providing the other party with written notice of termination in accordance with Section 17 herein on or before March 1st of any year during the Initial Term or any Renewal Term ("**Termination Notice**"). Following proper delivery of a Termination Notice, this Agreement shall terminate on August 14th of the then applicable calendar year, and thereafter, each of the parties shall fully and unconditionally released from the terms and conditions of this Agreement from and after the date of termination subject to any terms and conditions herein that expressly survive expiration or sooner termination of this Agreement.

3. Management of Residences.

3.1 Delegation of Management Responsibility. Commencing on the Commencement Date, Owner hereby engages and appoints Manager as the sole and exclusive manager and operator of the Residences, and Manager hereby accepts such appointment from Owner, which such appointment shall empower and obligate Manager to exclusively supervise, direct and control management and operation of the Residences in accordance with the terms and conditions set forth in this Agreement ("**Management Responsibility**"). Notwithstanding the foregoing, Manager's Management Responsibility under this Agreement or otherwise shall not include, nor shall Manager have any rights or responsibilities for, the management and/or operation of any of the retail spaces located on the first floor of the Building in which the Project is located, but specifically excluding that portion of the first floor of the Building identified as Manager's Management Responsibility, all as set forth in more detail on Exhibit B ("**Retail Spaces**"). As used herein, the term "Project" specifically excludes the Retail Spaces.

3.2 Scope of Management Responsibility. Pursuant to the Management Responsibility, and subject to the terms and conditions set forth in this Agreement, Manager shall have the exclusive responsibility, duty and obligation to service, promote, operate and manage the Residences on a day-to-day basis in an efficient and economical manner at Manager's sole cost and expense ("**Manager Expenses**"). Without limiting the foregoing, and in addition to other requirements and subject to any other limitations as may otherwise be set forth in this Agreement, Manager shall perform and otherwise provide the following services, and incur at its sole cost any Manager Expenses related thereto or arising thereunder, as follows:

(a) hire, employ, manage and at all times maintain adequate staffing necessary to undertake and perform the Management Responsibility; as well as determine and implement personnel policies and practices relating to the management and operation of the Project generally, terms and conditions of employment, recruiting, screening, selection, hiring, training, compensation, employee benefits, supervision, discipline, dismissal and replacement;

(b) unless otherwise provided for and set forth herein, establish all relevant prices, price schedules, rates, rate schedules, rents, lease charges and concession charges for the Project and the Residences specifically;

(c) negotiate and administer Rental Agreements with Student Tenants pursuant to the Residence License (as those terms are defined below);

(d) negotiate and administer in its own name, or in the name and on behalf of Owner as and where applicable, any leases and licenses for all appropriate areas of the Project;

(e) provide marketing and sales services for the Project in conformance with College requirements and standards;

(f) obtain and keep in full force and effect in accordance with applicable law, in its own name, or in Owner's name as applicable, any and all license and permits to the extent the same is within the control of Manager;

(g) negotiate, enter into, and administer in its own name, or in the name and on behalf of Owner as and where applicable, any contracts, licenses and purchase orders for services, inventories, provisions, and supplies that are necessary for maintenance and operation of the Project, and to use the same exclusively in the management and operation of the Project;

(h) institute in its own name, or in the name of Owner as and where applicable, any and all legal actions or proceedings necessary for, or incident to, operation and maintenance of the Project; provided, however, the Manager is not required to institute or to participate as a party in litigation with Owner's contractors, subcontractors, architects, engineers or agents in any dispute arising from the original development or construction of the Project by Owner;

(i) maintain the facilities associated with the Project in good repair and condition as set forth in more detail pursuant to Section 7.1 herein, including without limitation the Owner Maintenance Obligations and Owner FF&E subject to the provisions of Section 7.2 below;

(j) collect all rent, security deposits, charges, fees, sums and other amounts due from Student Tenants of the Residences in accordance with this Agreement and the Rental Agreement;

(k) maintain a comprehensive system of management records, books and accounts which shall belong to Owner. Owner and any party designated by Owner shall have at all times access to such records, accounts and books, including without limitation all files, rent rolls, invoices, receipts, and other materials pertaining to the Residences and/or this Agreement, all of which Manager covenants to keep safe, available and separate from any records not relating to the Residences, Manager's Management Responsibility and/or this Agreement;

(l) provide Owner on or before the fifteenth (15^{th}) day of each month during the Initial Term and any Renewal Terms a report substantially in the form attached hereto as Exhibit E and incorporated herein by this reference;

(m) prepare not later than thirty (30) days following the Commencement Date and not later than March 1st of each year of the Initial Term and any Renewal Terms thereafter, an annual budget substantially in the form attached hereto as Exhibit F and incorporated herein by this reference;

(n) Deliver to Owner not later than August 1st, January 1st, and May 15th respectively in each Lease Year of the Initial Term and any Extended Terms an "**Occupancy Schedule**" for the upcoming Rental Term (as hereinafter defined). The Occupancy Schedule shall set forth the anticipated occupancy of the Project for the upcoming Rental Term, the identifying number, but not the name, of each Student Tenants or other occupant, room number of the Residence Unit occupied by such person, and the Rental Rate to be paid for each such Residence Unit. The Occupancy Schedule shall be updated monthly by the Monthly Occupancy Reports to be submitted under Section 5.4.4, provided that, during the Summer Rental Term (as hereinafter defined), such update shall be retrospective;

(o) Reserved;

(p) use reasonable care to provide, at all times, for the safety and security of the Project, including without limitation the Project, Student Tenants and their personal property, guests and invitees;

(q) perform such other tasks as are customary and usual in the operation of a residential living facility of a class and standing equal to the Project and as otherwise required to operate and maintain the Project as contemplated under this Agreement or as may be reasonably specified by Owner from time to time; and

(r) negotiate and administer, in its own name and on its own behalf, concession agreements for all appropriate areas of the Project. Manager shall be entitled to receive and retain all commissions and other compensation payable as a result of those concession agreements.

3.3 Reimbursement of Expenses and other Payment to Manager. All Owner Expenses (as defined below) properly and validly incurred by Manager in accordance with the terms and conditions of this Agreement shall be for the account of, on behalf of, and at the expense of Owner. For administrative and economic efficiency, the parties agree that Owner Expenses will be accumulated by Manager until the total of those unpaid Owner Expenses equals at least One Hundred Dollars ($100) before Manager submits an invoice for those accumulated Owner Expenses to Owner. For the same reasons, Manager agrees that it will not invoice Owner for minor repair costs which are an Owner's Expense where materials used have a value of less than Twenty Five Dollars ($25) per job and are taken from Manager's existing inventory of low-cost materials and where any work is performed by Manager's salaried employees during their regular work day. Owner shall reimburse any Owner Expenses within thirty (30) days following submission of an invoice to Owner for such expenditure by Manager. Any invoice not paid within such thirty (30) day period shall bear interest from the date of the invoice at the Agreed Rate (as hereinafter defined) until paid. Other amounts payable by Owner to Manager under this

Agreement (including Management Fees as hereinafter defined) shall bear interest from the due date of such payment at the Agreed Rate.

3.4 Conditions to Management Responsibility. Unless otherwise expressly provided in this Agreement, Manager shall be temporarily excused from its obligations under this Agreement:

(a) to the extent and whenever Manager shall be prevented from compliance with such obligation(s) by events of Force Majeure (as defined below); or

(b) to the extent that such obligations cannot reasonably be performed a result of any breach of any representation, warranty or covenant contained in this Agreement or default hereunder by Owner.

4. Manager's Compensation.

4.1 Management Fees. For purposes of this Section 4.1 specifically, and the Agreement generally, the following terms shall as follows: (a) the fall semester during which Student Tenants are in occupancy under fall semester Rental Agreements (as defined below) beginning on approximately August 20th and ending approximately December 31st, shall hereinafter be referred to as the **"Fall Rental Term"**, (b) the spring semester during which Student Tenants are in occupancy under spring semester Rental Agreements beginning approximately January 1st, and ending approximately May 19th, shall hereinafter be referred to as the **"Spring Rental Term,"** and (c) the period between the Spring Rental Term and the Fall Rental Term beginning May 20th and ending August 19th shall hereinafter be referred to as the **"Summer Rental Term,"** each of which periods is hereafter sometimes referred to as a **"Rental Term"** or collectively as **"Rental Terms"**, and in the aggregate which are collectively referred to as a **"Lease Year"**). During the Initial Term and any Renewal Terms, Owner shall pay Manager a management fee based upon the Rent Installments remitted to Owner under the terms of this Agreement. Within ten (10) days after the end of each Rental Term, Owner shall advance to Manager a certain percentage of the Rent Installments collected and paid to Owner during such Rental Term as a management fee ("**Management Fee**") based on the following methodology:

(a) Determine the gross Rent Installments paid to Owner during the preceding Rental Term.

(b) Determine the gross Rent Installments which would have been generated for the entire preceding Rental Term if Student Tenants had occupied one hundred percent (100%) of the Residence Units (excluding only one Residence Unit in the RD Apartment) for the entire preceding Rental Term and had paid Rent Installments for such entire Rental Term at the Minimum Monthly Rental Rate (as defined below) in effect for such Lease Year.

(c) Divided the amount computed under Item (a) by the amount computed under Item (b) to determine the actual percentage of total occupancy for the preceding

Rental Term. If the resulting percentage is less than eighty-five percent (85%), Manager shall not be entitled to receive any Management Fee for the preceding Rental Term.

(d) If the percentage computed under Item (c) equals or exceeds eighty-five percent (85%), then the Management Fee shall be calculated as follows:

(i) Four percent (4%) of Rent Installments paid to Owner if the percentage is ninety-five percent (95%) or higher.

(ii) Three percent (3%) of the Rent Installments paid to Owner if the percentage is less than ninety-five percent (95%) but greater than or equal to ninety percent (90%).

(iii) Two percent (2%) of the Rent Installments paid to owner if the percentage is less than ninety percent (90%) but is greater than or equal to eighty-five percent (85%).

(e) For the purpose of computing the Management Fee for the Summer Rental Term, the entire Rent Installment to be remitted to the Owner on or before May 5 for the month of May will be considered part of the Rent Installments paid to Owner for the Spring Rental Term. Daily Rent collected and paid to Owner during the portion of the month of May which is included in the Summer Rental Term shall be considered rent paid to Owner for the Summer Rental Term. Daily Rent collected and paid to Owner for occupancy during the month of August will not be paid to Owner until September but will also be considered rent paid to Owner for the Summer Rental Term. The portion of the January Rent Installment to be paid in December under Section 5.5.1(g) will be considered part of the Rent Installments paid to Owner in the Spring Rental Term.

5. Leasing Requirements.

5.1 Rental Agreement. Subject to Section 5.2 below, Manager shall lease available occupancy in the Residence Units of each of the Residences exclusively to registered students in good standing with the College and other persons participating in programs affiliated with the College and, during the Summer Rental Term, other persons to whom Residence Units are rented by Manager (all being hereinafter referred to as "**Student Tenants**"), all pursuant to the College's residence hall program and in accordance with the terms and conditions governing the same established and promulgated by the College from time to time ("**Residence Program**"), which such Residence Program's terms, conditions and guidelines are set forth in Exhibit G attached hereto and incorporated herein by this reference. In the event of any conflict between the Residence Program and this Agreement, this Agreement shall control to the extent of such conflict. For purposes of this Section 5 specifically and this Agreement generally, and subject to anything to the contrary herein, Owner hereby grants Manager an exclusive license during the Initial Term and any Extension Terms to enter into lease agreements with Student Tenants for occupancy of the Residences and related administration of the same as contemplated in this Agreement ("**Residence License**"). The residence License is also expressly subject to Owner's right to lease Residence Units reserved in Section 5.7 herein. For each and every leasing of

occupancy in the Residences to a Student Tenant, Manager shall, in its own name, enter into and execute a rental agreement in the form attached hereto as Exhibit H and incorporated herein by this reference ("**Rental Agreement**") at rental rates, not less than the applicable Minimum Rental Rates as set forth below. Manager shall provide Owner with a copy of each executed Rental Agreement not later than ten (10) days following execution of each such Rental Agreement. Subject to Owner's assumption rights/obligations pursuant to Section 5.8 herein, Manager may redact the names of the Student Tenants from the copies of the Rental Agreements provided to the Owner.

5.2 Minimum Monthly and Daily Rental Rates. The "**Minimum Monthly Rent**" for the first Lease Year shall be Three Hundred Ninety and no/100 Dollars ($390.00) per Residence Unit, inclusive of the cost of local telephone and basic cable TV in the Common Room of each pod of Residence Units and broadband internet service in each Residence Unit. No later than February 15, 2007, and on or before February 15th in each subsequent Lease Year, Owner and Manager shall, by mutual agreement, determine the Minimum Monthly Rent for the upcoming Lease Year. Notwithstanding the foregoing, the Minimum Monthly Rent shall increase annually at the rate of not less than three percent (3%) per Lease Year. The "**Minimum Daily Rent**" shall be one thirtieth (1/30th) of the Minimum Monthly Rent.

5.3 Additional Rent – Summer Term. The parties expect that during the Summer Rental Term, Manager may be able to rent Residence Units at a daily rental rate which is in excess of the Minimum Daily Rent. The amount of such excess is hereinafter referred to as **"Additional Rent,"** and such Additional Rent actually collected will be shared between Owner and Manager as follows:

(a) Owner shall be entitled to receive all Additional Rent from the Summer Rental Term actually collected by Manager until Owner has received an amount for the Lease Year equal to eighty-five percent (85%) of the product which results from multiplying the number of Residence Units in the Project (excluding only one Residence Unit in the RD Apartment) times the Minimum Monthly Rental Rate in effect for the Lease Year, times twelve (12) months.

(b) Thereafter, any Additional Rent for the Summer Rental Term actually received by Manager shall be paid one-half (1/2) to Owner and the remaining one-half (1/2) shall be retained by Manager.

5.4 Additional Rent – Fall and Spring Terms. The parties understand that any rent in excess of the Minimum Monthly Rent which is payable by Student Tenants during either the Fall or Spring Rental Terms, together with all forfeitures, unearned rent or other payments attributable to occupancy during either the Fall or Spring Rental Terms shall be retained by and belong to Manager.

5.5 Remittance of Rent.

5.5.1 **Duty to Collect**. Irrespective of Manager's ability or inability to actually collect any Rent Installments and any other sums due and payable from occupants under existing Rental Agreements, Manager hereby covenants that for the Fall Rental Term and Spring Rental Terms, it shall pay Owner the Minimum Monthly Rent for each Residence Unit occupied by a Student Tenant on the first day of each month during the Fall Rental Term and the Spring Rental Term (it being understood that September shall be considered the first month of the Fall Rental Term and that Minimum Monthly Rent payment for September will not be increased because that period includes a part of the month of August during which Student Tenants are in occupancy nor will the Minimum Monthly Rent payment for the month of May be reduced because that month includes a part of the month of May during which Student Tenants are not in occupancy), plus Pro-Rata Rent, as hereinafter defined. Monthly Rent Installments during the Fall and Spring Semester Rental Terms shall be computed by multiplying the number of Units occupied on the first day of each month, beginning with the month of September by the Minimum Monthly Rent as determined under Section 5.2. In addition to the foregoing, and after taking into account any adjustments reflected in the September 20th payment and the January 20th payment provided below, the Manager shall pay to Owner, as part of the applicable Rent Installment,. the pro-rata portion of the Minimum Monthly Rent payable for the preceding month by a Student who occupies a Residence Unit after the first day of the preceding month ("**Pro-Rata Rent**"); Provided, further that Owner shall not be entitled to Pro-Rata Rent for a Residence Unit if Owner has received the Minimum Monthly Rent for that Residence Unit for the preceding month. Irrespective of when rent is collect by Manager, Monthly Rent Installments shall be remitted to Owner as follows:

(a) September 5th – Seventy-five percent (75%) of Rent Installment. for the month of September.

(b) September 20th – The remainder of the September Rent Installment, after adjustment for rent refunds and late registrations

(c) October 5th – Rent Installment for the month of October.

(d) November 5th – Rent Installment for the month of November.

(e) December 5th – Rent Installment for the month of December.

(f) December 26th – Seventy-five percent (75%) of the Rent Installment for the month of January based upon occupancy for the month of December.

(g) January 20th – The remainder of the January Rent Installment after adjustment for non-returns, refunds and late registration

(h) February 5th – Rent Installment for the month of February.

(i) March 5th – Rent installment for the month of March.

(j) April 5th – Rent Installment for the month of April

(k) May 5th – Rent Installment for the month of May.

Manager shall collect and remit an entire Minimum Monthly Rent Payment for the month of December for each Student Tenant occupying a Residence Unit on December 1, even though school is not in session for the latter portion of December. Manager will also collect and remit an entire Minimum Monthly Rent Payment for the month of January for each Student Tenant occupying a Residence Unit on the first day of the spring semester even though that day will be after the 1st day of January.

5.5.2 Summer Rental Term. Irrespective of Manager's ability or inability to actually collect the Minimum Daily Rent, Manager hereby covenants that for the Summer Rental Term, it shall pay Owner the Minimum Daily Rent for each day a Residence Unit is occupied by a Student Tenant, plus an amount equal to any Owner's Additional Rent actually collected by Manager. Minimum Daily Rent and any Owner's Additional Rent owing for a month during the Summer Rental Term shall be remitted to Owner by the 10th day of the following month.

5.5.3 Method of Payment. The amounts to be remitted to Owner under this Section 5 shall be placed is a separate Agency Account within the College's accounting system and shall be disbursed from said Agency Account as provided herein.

5.5.4 Occupancy Reports. At the time Rent Installments are remitted to Owner, Manager shall submit an "**Occupancy Report**" identifying each Residence Unit occupied during the period for which the Rent Installment is paid and, for the Summer Rental Term, the period the Residence Unit was occupied.

5.6 Delinquent or Missed Rent Installments. Any Rent Installment or other charges, sums or fees which are due and payable by Manager under the provisions of this Agreement and which are not paid when due shall bear interest from the date due until paid at an annual rate (hereinafter the "**Agreed Rate**") equal to five percent (5%) in excess of prime rate published in the Wall Street Journal as such rate changes from time to time.

5.7 Lease-Up Schedule.

(a) Manager hereby covenants and agrees that it shall use commercially reasonable efforts to market and fully lease-up the Residences each and every Lease Year.

(b) With regard to leasing-up of the Residences specifically, Manager shall lease occupancy in the Residences on a floor-by-floor basis beginning with the lowest floor in each Building and progressing to the next highest floor until all floors in the Building are fully occupied. Under no circumstances shall Manager be entitled to lease any Residence Unit on any

higher floor until occupancy on the immediately lower floor of the Building has been fully leased up pursuant to validly executed Rental Agreements for all of the available Residence occupancy on such immediately lower floors of each Building without first obtaining the Owner's written consent, which consent shall not be unreasonably withheld,, conditioned or delayed. By way of example, Manager would not be permitted to lease occupancy on the fourth floor of one Building until occupancy for the third floor of the Building had been fully leased in compliance with this Section 5.7(b). Additionally, in the event Manager is unable to fully lease ninety percent (90%) occupancy of the Residences for any given Rental Term, inclusive of the RD Apartment (as that term is defined below), then any and all remaining, unoccupied Residence Units not subject to valid Rental Agreements shall, after the forty-fifth (45th) day of that Rental Term, be unavailable to Manager for the then applicable Rental Term without Owner's prior written consent, which consent shall not be unreasonably withheld, conditioned, or delayed subject to Section 5.7(c) below. For purposes of this Section 5.7(b), Manager and Owner have designated Unit 212, A, B and C a pod composed of Units 212B and 212C and the adjoining Common Room (212A) as the residential director apartment ("**RD Apartment**"). One Residence Unit within the RD Apartment shall not be subject to, or included in the calculation of, Rent Installments, and shall not require execution of a valid Rental Agreement to be included in calculation of occupancy on any floor of the Building. The second Residence Unit in the RD Apartment shall not be rented by Manager to a Student Tenant and shall be used exclusively as an office and conference room for the Residence Director and the Residence Assistants. Manager shall have no obligation to pay Minimum Monthly or Daily Rent for this second Residence Unit while so used, but this second Residence Unit shall not be considered to be occupied for the purposes of calculating percentage of occupancy for any purpose under this Agreement.

(c) **Owner's Right to Lease Residence Units**. In the event Manager is unable in any given Rental Term to lease all of the Residence Units in the Project after the forty-fifth (45th) day of that Rental Term, Owner shall have the exclusive right, but not the obligation, to lease any such unoccupied Residence Units for the then current Rental Term or any remainder term thereof to tenants that Owner may solicit and accept, provided, that prior to placing any occupant in available Residence Units then managed by Manager, Owner must first provide Manager with a five-day (5) written notice of the occupant Owner intends to place in a Unit. In the event Manager refuses to accept the proposed occupant, Manager must respond in writing within such five-day (5) period as to why it rejects the proposed occupant and also within such five-day (5) period, Owner and Manager shall attempt to mutually agree as to whether the occupant shall be entitled to take procession of a Unit. Failure to agree shall result in a decision being made no later than five (5) days of the expiration of the initial five-day (5) notice period by LCSC's Vice-President for Administrative Services and a good faith decision by the Vice-President of Administrative Services shall be binding upon both parties. The exercise of any Owner Leasing Rights shall be documented by Owner executing a form of Lease Agreement prepared by Owner utilizing the same format that Manager is then using for all other Units. Manager shall have no responsibility for the collection of rent from Owner's tenants, nor shall Manager be responsible for the actions of said tenants or the repair or replacement of damage caused by said tenants.

5.8 Owner's Right to Deal Directly with Student Tenants. In the event of any Event of Default, early termination of this Agreement, or other event which results in the

removal or replacement of Manager, Owner shall have the right but not the obligation, in its sole discretion, to (a) assume any or all of the Rental Agreements with Student Tenants for the then-applicable Lease Session and step into all of the rights, duties and obligations of Manager thereunder (and Manager shall draft any and all Rental Agreements with Student Tenants to authorize the same), or (b) enter into a new lease agreement with any or all of the Student Tenants for the then-remaining Lease Period. In the event Owner does not elect to assume the Rental Agreements or enter into new lease agreements with any or all of the Student Tenants for the then-applicable Lease Session, such Rental Agreements so affected shall be deemed terminated without any liability to Owner. Manager hereby covenants to include any and all relevant provisions in the Rental Agreements to effect the provisions of this Section 5.8. The rights set forth in this Section 5.8 shall explicitly be in addition to, and not subject to offset against, any default remedies provided to Owner pursuant to Section 11 of this Agreement. Notwithstanding the foregoing provisions of this Section 5.8, Owner agrees that if the termination occurs during the Fall or Spring Rental Terms, Owner will assume from Manager those Rental Agreements which conform to the provisions of Exhibit H, as that Rental Agreement may from time to time be amended with the approval of Owner, for the remainder of the then-current Rental Term, so long as the Rental Agreement provides for rent which is at least equal to the then applicable Minimum Monthly Rent. Manager shall promptly pay Owner all prepaid rent received by Manager upon the Rental Agreements assumed by Owner, which pre-paid rent shall be determined by proration as of the termination date. Manager shall also remit to Owner the unexpended portions of security and other deposits made by Student Tenants whose Rental Agreements are assumed by Owner.

6. Use of Residences.

6.1 Residential Area. The Project, and the Residences and Residence Units, shall be used for the primary housing of Student Tenants and other incidental uses reasonably related thereto and in support thereof in accordance with the Residence Program or otherwise as Manager sees fit, provided that nothing herein shall authorize Manager to use or allow use of the Residences in any manner contrary to the terms and conditions of the Rental Agreement ("**Permitted Use**").

6.2 Compliance with Applicable Laws and Prohibited Uses. Manager shall not allow the Residences, or any portion thereof, to be occupied or used contrary to any applicable statute, rule, order, ordinance, requirement or regulation, or in any manner which would: (a) violate any certificate of occupancy affecting the same; (b) cause injury to the improvements or overload the floors; (c) constitute a public or private nuisance or waste; or (d) increase the cost of Owner's Insurance (as defined below) maintained by Owner relating to the Residences (collectively, the "**Prohibited Uses**"). Manager hereby covenants and agrees that it will promptly, upon discovery of any Prohibited Use, take all reasonable steps necessary to compel the discontinuance of such use. In the event that any Prohibited Use results in an increase in the cost or expense of Owner's Insurance, Manager shall pay any such increased costs or expenses in Owner's Insurance in connection with such Prohibited Use.

6.3 **Prohibited Use of Retail Spaces**. Owner hereby covenants not to lease or otherwise allow any of the Retail Spaces to be used as a pornographic bookstore or any other pornographic entertainment operation.

7. Maintenance and Repair of the Residences.

7.1. Manager Duties, Obligation and Liabilities.

7.1.1 **Manager's Maintenance Duties**. Pursuant to the Management Responsibility, Manager shall be responsible for, and the Management Expenses shall include, the obligation to maintain, repair and replace, as and when necessary, all aspects of the Project, including, without limitation, the Residences and all janitorial and trash removal services relating thereto ("**Manager Maintenance Duties**"). Additionally, Manager's Maintenance Duties shall additionally include any and all of Owner's Maintenance Duties (as defined below) in the event any of the same are caused by, result from, or are otherwise attributable, whether directly or indirectly, the negligence or willful misconduct of Manager, including, without limitation, any of the same arising under or as a result of the Management Responsibility.

7.1.2 **Manager's Changes and Alterations.** Manager, at its sole cost and expense as a Management Expense, may make any modifications, improvements, alterations or additions to the Residences ("**Alterations**"), provided that such Alterations (a) do not affect the exterior appearance of the Building; (b) do not or add or subtract from the square footage of the Residences, including without limitation any floor area of the Building and/or any Residences therein; (c) do not otherwise affect the structural, electrical or mechanical systems of the Building and/or Residences; and (d) do not in the aggregate cost in excess of Fifteen Thousand and no/100 Dollars ($15,000.00) in any twelve (12) month period. Any other Alteration by Manager shall require Owner's prior written consent, which consent shall be in Owner's reasonable discretion to condition, delay or withhold. Notwithstanding the foregoing, prior to Manager undertaking any Alteration, Manager shall (w) notify Owner not less than ten (10) days prior to beginning such Alteration; (x) deliver to Owner a copy of the plans for such Alteration, if any; (y) properly obtain and deliver to Owner copies of any and all necessary permits required under Applicable Laws (as defined below) to undertake and complete such Alteration; and (z) perform and complete all Alterations in a good and workmanlike manner in compliance with Applicable Laws. Along with any request for Owner's consent, and prior to commencement of any Alteration or delivery of any materials to the Residences, Manager shall first furnish Owner with the names and addresses of all contractors performing work on the Alteration. Manager shall be liable for any damages and shall pay all costs and expenses, including Attorneys' Fees (as defined below) incurred by Owner in any way connected to or arising from claims and liabilities resulting from the negligence on the part of itself, its employees or its officers in the performance or completion of such Alteration. Unless otherwise notified by Owner in writing, Manager shall remove at its sole cost and expense any and all Alterations upon expiration of the Initial Term or any Renewal Terms, or the sooner termination of this Agreement, and shall repair any damage related thereto such that the Residences is restored to prior condition preceding each such Alteration.

7.1.3 Mechanic's Liens. Manager shall not suffer or permit any mechanic's lien or other lien to be filed against all or any portion of the Project because of any Authorized Repair, Alteration, or other work, labor, services, equipment or materials supplied or claimed to have been supplied to the Residences at the request of Manager, or anyone holding all or any portion of the Project through Manager, including any Student Tenants. If any such lien is filed against all or any portion of the Project, Owner shall give Manager immediate notice of the filing and Manager shall cause the lien to be discharged within thirty (30) days after Owner's demand. For the purposes hereof, the term "discharge" shall mean the payment of the lien or the posting of a bond with respect thereto allowed under Idaho law. If Manager fails to discharge such lien within such period, in addition to any other right or remedy Owner may have, after five (5) days prior written notice to Manager, Owner may, but shall not be obligated to, discharge the lien by paying to the claimant the amount claimed to be due or by procuring the discharge in any other manner that is now or may in the future be permitted by law. Any amount paid by Owner, together with all reasonable and actual costs, fees and expenses in connection therewith, including Owner's reasonable Attorneys' Fees, together with interest thereon at the Agreed Rate, shall be repaid by Manager to Owner on demand by Owner. Manager shall be liable for any damages and shall pay costs, damages, expenses, including Attorneys' Fees, and shall be solely liable for any liabilities, penalties, claims, demands and obligations, resulting from such lien.

7.2 Owner's Duties, Obligations and Liabilities.

(a) Unless otherwise expressly provided for herein, Owner shall be financially responsible for, but Manager shall undertake as part of the Management Responsibility, the maintenance, repair, and replacement, as and when necessary, of all aspects of the Project, expressly excluding any Management Responsibility and/or Manager's Maintenance Duties relating to the Project, but including without limitation (i) all structural and mechanical elements of the Project, including all foundations, exterior walls, roof structure, window, gutters, and exterior glazing, exterior doors, and Building envelope, (ii) all electrical, mechanical, HVAC, water, telecommunications, and other utility systems, lines and conduits located within the Building, (iii) the elevator, (iv) Owner's Additional Maintenance Obligation (as defined in Section 7.2(c)), and (v) all aspects of the Retail Spaces ("**Owner Maintenance Obligations**"). Manager shall be authorized to incur costs on account of the Owner without Owner's prior written consent for any Owner Maintenance Obligations which are less than five hundred dollars ($500.00) per incident and less than five thousand dollars ($5000.00) in the aggregate during any given Rental Term; provided, however, that these limitations shall not apply and Owner's prior written consent shall not be required if immediate repairs are reasonably necessary to prevent further damage to the Project. Owner also agrees that it will not unreasonably withhold, condition or delay any consent required under this Section 7.2(a). Costs incurred by Manager for Owner Maintenance Obligations are Owner Expenses and shall be reimbursed to Manager as provided in Section 3.3.

(b) Additionally, Owner shall, at its sole cost and expense, provide certain furnishings, fixtures, and equipment for the Residences and each Residence Unit as set forth on Exhibit C, ("**Owner FF&E**"). The parties recognize that the repair and replacement of the Owner FF&E, to the extent the costs of such repairs and replacement is not properly payable from tenant security deposits, is the joint obligation of the parties; provided that Manager shall

be responsible for undertaking all such maintenance, repair, and replacement obligations as part of the Management Responsibility. The Cost of such maintenance, repair and replacement of Owner's FF&E shall be paid one-half (1/2) by Owner and one-half (1/2) by Manager. Owner's share of such cost is an Owner Expense and shall be reimbursed to Manager as provided in Section 3.3.

(c) Owner shall also be responsible for the cost incurred by Manager to repair or replace any damage, deterioration or defects in the Project resulting from defects in the original design, materials or workmanship of the Project ("**Owner's Additional Maintenance Obligation**"); provided that Manager gives the Owner written notice of the damage, deterioration or defect within one (1) year of the date the Project is ready for Management. The cost of satisfying Owner's Additional Maintenance Obligation expense and shall be reimbursed to Manager as provided in Section 3.3.

7.3 Maintenance of Landscaping. Manager shall also be responsible for the maintenance of the landscaping and irrigation systems on the south side of the Building. Lawn mowing, trimming of shrubbery and other routine maintenance shall be done by Manager, at Manager's expense. All other costs, including, without limitation, servicing, repair or replacement of irrigation systems or their components, replacement of planting or poor drainage problems will be an Owner's Expense and will be reimbursed to Manager as provided in Section 3.3; provided that Owner shall not be responsible for any such costs resulting from Manager's negligence or willful misconduct in Manager's performance of Owner's landscaping obligations.

7.4 Taxes. Owner shall pay, before delinquency all real estate and personal property taxes assessed against the land and improvements of which the Project is a part and against the Owner FF&E.

7.5 Utilities. Owner shall timely pay, when due, all charges and costs for utilities or services furnished to the Project, including water, sewer, gas and electricity, together with broadband internet, for each Residence Unit and basic cable and local telephone service to each Common Room.

7.6 Common/Shared Costs. In the event any of the Residences share any utilities, services, equipment, or the like ("**Shared Resources**") which fall under Owner's Maintenance Duties, and/or the Building, excluding the Residences but including without limitation the Retail Spaces, share any Shared Resources which fall under Manager's Maintenance Duties, then such Shared Costs shall be paid by Manager pursuant to Manager's Maintenance Duties on a pro-rata basis based on the proportion that the gross square footage of the Residences comprise of the Building, and by Owner pursuant to Owner's Maintenance Duties on a pro-rata basis based on the gross square footage of the Building excluding the Residences but expressly including the Retail Spaces.

7.7 Failure to Comply. Any failure by Owner or Manager to comply with this Section 7 shall be deemed a default of this Agreement and shall be governed pursuant to and in accordance with Section 11 below.

8. Insurance.

8.1 Owner's Insurance. Owner shall keep the Project insured in an amount equivalent to their full insurable replacement cost thereof against loss or damage by fire and such other risks as are customarily covered with respect to such property, including sprinkler leakage, windstorms, hail, explosions, vandalism, theft, malicious mischief, civil commotion and such other coverage capable of being covered by a standard coverage insurance policy. Owner shall additionally carry commercial general liability insurance covering the Project, which policy shall have a combined single limit of not less than One Million and no/100 Dollars ($1,000,000.00), per occurrence, coverage on an occurrence basis, with a deductible of not more than Ten Thousand and no/100 Dollars ($10,000.00) (collectively, "**Owner's Insurance**"). Such Owner's Insurance shall name Manager as an additional insured.

8.2 Manager's Insurance. Manager, at its sole cost and expense, shall keep any and all of Manager's inventory, equipment, furniture, fixtures and other personal property located in or used in connection with the Residences ("**Manager's Personal Property**") insured in an amount equivalent to the full insurable replacement cost against loss or damage by fire and such other risks as are customarily covered with respect to such property, including sprinkler leakage, windstorms, hail, explosions, vandalism, theft, malicious mischief, civil commotion and such other coverage capable of being covered by a standard coverage insurance policy. Manager may additionally, at Manager's option and, at its sole cost and expense, carry business interruption and extra expense insurance in a sufficient amount to protect Manager against any additional costs and lost income associated with interruption of its business from the Project for a period not less than one (1) year (collectively, "**Manager's Insurance**").

8.3 General Provisions. All policies required under Sections 8.1 and 8.2 shall be written by companies licensed in the state in which the Project is located; provided, however, that Manager is authorized to insure its property through the State of Idaho Self-Insured Risk Program. Each such policy shall be evidenced by a certificate of insurance issued by the insurance company issuing the policy. The certificate or certificates of insurance for the policy or policies to be provided under Section 8.1, together with a copy of the endorsement naming Manager as an additional insured under Owner's commercial general liability insurance, shall be promptly provided to Manager by Owner. The certificate or certificates of insurance for the policy or policies to be provided under Section 8.2 shall be promptly provided to Owner by Manager. Each certificate shall provide the policy with respect to which the certificate is issued, shall not be cancelled unless at least twenty (20) days prior written notice of cancellation shall have been mailed to the party to whom the certificate is to be provided.

8.4 Blanket Insurance Coverage. Nothing in this Section 8 shall prevent Owner from maintaining insurance of the kinds and in the amounts required by Section 8.1 under a blanket insurance policy or policies covering other properties owned or operated by Owner in addition to the Project; provided, however, that (a) each policy contains the various provisions and coverage amounts required by this Section 8, and (b) the certificate for such policy includes a statement from the insurer setting forth the coverage maintained and the amounts exclusively allocated to the Project.

8.5 Release and Waiver of Subrogation. Notwithstanding any other provision of this Agreement, Owner and Manager each hereby waives, releases and discharges the other, its agents and employees from all claims whatsoever arising out of loss, claim, expense, damage or destruction covered or coverable by insurance required by Sections 8.1 and 8.2 or covered by other casualty insurance it may carry (a "**Loss**"), notwithstanding that such Loss may have been caused by the other, its agents or employees. Owner and Manager each hereby agrees to look to its insurance coverage only upon such Loss. Owner's Insurance described in Section 8.1 shall contain a waiver of subrogation clause as to Manager. Manager's Insurance required by Section 8.2 shall contain a waiver of subrogation clause as to Owner.

9. Compliance with Laws.

9.1 Generally. As of the Delivery Date, Owner represents and warrants that the Project complies with all current laws, ordinances, orders, rules, regulations and requirements of all federal, state, municipal and other governmental bodies having jurisdiction over the Project as of the Commencement Date ("**Applicable Laws**"). Manager shall as of the date of the Delivery Date and throughout the Initial Term and any Renewal Term comply with any and all Applicable Laws, including without limitation any and all Applicable Laws with regard to the Residences and the Project generally, the Management Responsibility, Maintenance and Repair Obligations, Rental Agreements, and the Student Tenants and Residence Program.

9.2 Compliance with Hazardous Materials Laws. Manager shall comply with all federal, state and local laws, ordinances, codes, regulations, orders and decrees, as they now exist or are hereafter amended, including all policies, interpretations, guidelines, directions, or recommendations ("**Hazardous Materials Laws**") relating to industrial hygiene, environmental protection or the use, analysis, generation, manufacture, storage, presence, release, disposal or transportation of any petroleum products, flammable explosives, asbestos, urea formaldehyde, polychlorinated biphenyls, radioactive materials or waste, or other hazardous, toxic, contaminating or polluting materials, substances or wastes, including any materials defined as "hazardous substances," "hazardous wastes," "hazardous materials" or "toxic substances" (collectively, "**Hazardous Materials**") under any such Hazardous Materials Laws. For purposes of this Agreement, any reference to Applicable Laws shall include any and all Hazardous Materials Laws as applicable.

Manager shall manage the Residences pursuant to its Management Responsibility in a manner designed to prevent the release of any Hazardous Materials. If any release of any quantity of Hazardous Materials occurs in, on, under or about the Residences and/or the Project generally of which Manager is or becomes aware, Manager shall promptly notify all appropriate governmental agencies and Owner. Manager shall promptly and fully investigate, remediate and remove all such Hazardous Materials released by Manager, its employees, agents or invitees, in accordance with all applicable governmental requirements and shall restore the affected portions of the Residences and/or Project. Manager shall promptly provide Owner with copies of all reports, analyses and correspondence in Manager's possession relating to such release and the remediation thereof. Upon expiration or earlier termination of this Agreement, Manager shall cause all Hazardous Materials located in, on, under or about the Residences and/or Project as a result of the acts or omissions of Manager to be removed from the Project and transported for

use, storage or disposal in compliance with all applicable Hazardous Materials Laws. Manager shall not take any remedial action in response to the presence of any Hazardous Materials in, on, about or under the Residences and/or the Project generally, nor enter into any settlement agreement, consent decree or other compromise with respect to any claims relating to the Residences and/or the Project generally without first notifying Owner of Manager's intention to do so and affording Owner ample opportunity to appear, intervene or otherwise protect Owner's interest with respect thereto. At the expiration or earlier termination of this Agreement, Manager shall remove all tanks or fixtures which were placed in the Residences (and the Project generally as and where applicable) by Manager during the term of this Agreement and which contain, have contained or are contaminated with, Hazardous Materials. Notwithstanding the foregoing, Manager shall not be financially responsible for any costs, including, but not limited to, remediation costs, resulting from the activities of Student Tenants, their guests or invitees, in the Project unless such costs also resulted from the negligence or willful misconduct of Manager, including, without limitation, Manager's duties, obligations and liabilities pursuant to the Management Responsibility and the Manager Maintenance Duties.

Manager shall notify Owner in writing immediately upon receiving notice of: (a) any enforcement, clean-up, removal or other governmental or regulatory action effecting the Residences instituted, completed or threatened pursuant to any Hazardous Materials Laws; (b) any claim made or threatened by any person against Manager, Owner or the Residences and the Project generally, relating to damage, contribution, cost recovery, compensation, loss or injury resulting from or claimed to result from any Hazardous Materials; and (c) any reports made to any environmental agency arising out of or in connection with any Hazardous Materials in, on or about the Residences and the Project generally or with respect to any Hazardous Materials removed from the Residences and the Project generally. Manager shall also provide to Owner, as promptly as possible, and in any event within five (5) business days after Manager first receives or sends the same, copies of all claims, reports, complaints, notices, warnings or asserted violations relating in any way to the Residences or Manager's use thereof. Upon written request of Owner, Manager shall promptly deliver to Owner copies of hazardous waste manifests, if Manager is required by applicable law to obtain such manifests, reflecting the legal and proper disposal of all such Hazardous Materials removed or to be removed from the Residences and the Project generally. All such manifests shall list Manager or its agent as a responsible party and in no way shall attribute responsibility for any such Hazardous Materials to Owner.

9.3 Hazardous Materials Representation by Owner. Owner warrants to its actual knowledge, that except as disclosed in the environmental assessment prepared by Jim Kolva and Associates, dated November 10, 2005, and the Asbestos Survey of the Adams Building, 405 Main Street, Lewiston, Idaho prepared by EnviroScience, dated December, 2006 (the "**Environmental Assessments**"), which Environmental Assessments Manager hereby acknowledges that it has received and reviewed, that no hazard substance, toxic waste, or other substance has been produced, disposed of, or is or has been kept on the Project. Owner further warrants that to Owner's actual knowledge, no items disclosed in the Environmental Assessments will subject the Manager to any damages, penalty, or other liability under any applicable local, state or federal law or regulation. Further, Owner represents to Manager that, to its actual knowledge, neither Owner nor any other person has caused the generation, storage or

release of Hazardous Materials in, on, about or upon the Project (including but not limited to the Residences), except as disclosed in the Environmental Assessments, the Good Faith Survey and/or in accordance with Hazardous Materials Laws and prudent industry practices regarding construction of the Property (including, but not limited to, the Residences).

9.4 Hazardous Substances Indemnification. Manager shall defend and hold harmless Owner and Owner's officers, directors, partners, managers, members, employees, agents, successors and assigns against any and all claims, and shall pay all costs and expenses arising from all liabilities, damages, penalties, forfeitures, losses, obligations, investigation costs, remediation and removal costs, natural resource damages and expenses (including Attorneys' Fees) (collectively "**Damages**") arising in whole or in part, directly or indirectly, from (a) the presence or release of Hazardous Materials, in, on, under, upon or from the Residences and the Project generally as a result of acts or omissions of Manager or its employees, agents or invitees; (b) the transportation or disposal of Hazardous Materials to or from the Residences and the Project generally by, at the request or with the permission of Manager, its employees, agents or invitees; (c) the violation of any Hazardous Materials Laws by Manager, its employees or agents; (d) the failure of Manager, its employees or agents to comply with the terms of this Section 9; or (e) the use, storage, generation or disposal of Hazardous Materials in, on or abut the Residences and the Project generally by Manager or its employees, agents contractors, assignees, sublessees or invitees during the Initial Term and any Renewal Terms. Owner shall defend (with legal counsel reasonably acceptable to Manager) and hold harmless Manager, its officers, directors, employees, agents, successors and assigns against any and all Damages arising out of the presence or release of Hazardous Materials in, on or about the Residences and the Project generally released by Owner, its employees, agents, contractors or invitees (other than Manager) or resulting from any breach of the representation and warranty contained in Section 9.3 above. The parties recognize that neither party is indemnifying the other for Damages arising out of acts of third parties not under either party's control. The respective rights and obligations of Owner and Manager under this Section 9 shall survive the expiration or earlier termination of this Agreement. Notwithstanding the foregoing, Manager shall have no indemnity obligations with respect to claims, costs or expenses resulting from the actions of Student Tenants, their guests or invitees in the Project, unless the matter giving rise to such claims, costs or expenses also results from the negligence or willful misconduct of Manager.

9.5 Discrimination. Owner assures and certifies that it will comply with all applicable provisions of the Americans with Disabilities Act of 1990 (42 U.S.C. §§ 12101-12213) and the Idaho State Law Against Discrimination, as well as the regulations adopted thereunder (collectively, the "**ADA Rules & Regulations**"). Owner, at Owner's expense, will provide that the Project complies with the minimum legal/regulatory requirements of the ADA Rules and Regulations at the time of acceptance by Manager and during the term of the Agreement. Manager shall have sole responsibility and liability for managing the placement of Student Tenants in rooms which are appropriate under ADA Rules and Regulations. Neither Owner nor Manager shall have any obligation to the other under this Agreement to make any part of the Project ADA-compliant outside the minimum legal/regulatory requirements, notwithstanding the fact that Manager may have more Student Tenants requiring such rooms than are available and/or that can be made available by relocating other Student Tenants.

10. General Liabilities.

10.1 Indemnity by Manager. Manager covenants and agrees to defend, indemnify and hold Owner, its agents, and employees harmless from and against all claims, losses, liabilities, damages, costs and expenses, including attorneys' fees and costs, arising out of or in connection with any breach of this Agreement, including but not limited to, (a) any breach of Manager's representation, warranties, covenants, obligations and duties under this Agreement, (b) any failure by Manager to comply with Applicable Laws, (c) any liabilities related to an Event of Default by Manager, and (d) any liabilities arising under Rental Agreements between Manager and Student tenants, including without limitation any liabilities arising as a result of Manager's removal and/or the termination of this Agreement by Owner; provided, however, that the indemnity obligations of Manager are subject to the limitations of liability contained in Idaho Code, Title 6, Chapter 9.

10.2 Indemnity by Owner. Owner covenants and agrees to defend, indemnify and hold Manager, its agents, and employees harmless from and against all claims, losses, liabilities, damages, costs and expenses, including attorneys' fees and costs, arising out of or in connection with any breach of this Agreement, including but not limited to, (a) any breach of Owner's representation, warranties, covenants, obligations and duties under this Agreement, (b) any failure by Owner to comply with Applicable Laws, and (c) any liabilities related to an Event of Default by Owner, provided, however, that the indemnity obligations of Owner are, by agreement of the parties, subject to the same monetary limitations of liability contained in Idaho Code, Title 6, Chapter 9 which would apply if Owner was a governmental entity under the laws of the State of Idaho.

11. Defaults of Owner and Manager and Right to Cure.

11.1 Events of Default. The occurrence of any of the following constitutes an "**Event of Default**" or "**Manager Default**" by Manager under this Agreement:

(a) Manager fails to take possession of the Project on August 20, 2006, or such later date when the Project is Ready for Management as provided for in Section 1.2 of this Agreement;

(b) Manager fails to collect and remit to Owner the amounts due to Owner under this Agreement when due and such failure continues for five (5) days after Owner notifies Manager of Manager's failure to pay such amounts when due;

(c) Manager fails to perform any of Manager's non-monetary obligations under this Agreement and the failure continues for a period of thirty (30) days after Owner notifies Manager in writing of such failure; provided that if Manager cannot reasonably cure its failure within such thirty (30) day period, Manager's failure shall not constitute an Event of Default if Manager commences to cure such failure within said thirty (30) day period and thereafter diligently pursues cure of the same;

(d) The existence at any time during the Initial Term and/or any Renewal Terms of any material misrepresentation, omission in any financial statements, correspondence or other information provided to Owner by or on behalf of Manager in regard to the following: (a) Manager's leasing of Residences to Student Tenants or others; (b) any proposed or attempted Transfer; or (c) any consent or approval Manager requests under this Agreement; and

(e) Manager makes a general assignment or general arrangement for the benefit of creditors; or otherwise files a Petition, voluntarily or involuntarily for adjudication of bankruptcy or for reorganization or loses its accreditation with the State Board of Education for the state of Idaho.

11.2 **Remedies**. Upon the occurrence of any Event of Default and failure to cure as provided for in Section 12.1 above, at any time and from time to time, and without preventing Owner from exercising any other right or remedy, Owner may exercise any one or more of the following remedies:

(a) Owner may terminate this Agreement effective on the date Owner specifies in its written termination notice to Manager. In the event of such termination, unless otherwise assumed by Owner as provided below and subject to any required assumption under the provisions of Section 5.8, Manager shall, at its sole cost and expense, cause the removal of all Student Tenants from the Project and shall deliver the same to Owner in good condition and repair, less reasonable wear and tear, not later than thirty (30) days from the date of Owner's notice of termination. Additionally, Owner may recover from Manager and Manager will pay to Owner on demand all damages Owner incurs by reason of Manager's default, including, any amount necessary to compensate Owner for all reasonable out-of-pocket costs and expenses incurred by Owner proximately caused by Manager's failure to perform its obligations under this Agreement including costs related to relocation. Except as specifically set forth in this section, nothing shall limit or prejudice Owner's right to prove and obtain damages in an amount equal to the maximum amount allowed by Applicable Law, regardless whether such damages are greater than the amounts set forth in this section. In addition to, and not subject to offset against, any of Owner's other rights to collect damages as provided for herein, whether or not Owner terminates this Agreement as provided for under these remedies, Owner may recover from Manager, and Manager will pay to Owner, on demand, any amounts due to Owner which Manager has failed to collect and remit to Owner as required hereunder, including without limitation any Rent Installments which arise and/or relate to any period following termination during which Student Tenants reside in the Project prior to removal by Manager as provided for herein. In addition to, and not subject to offset against, any of Owner's other rights to collect damages as provided for herein, whether or not Owner terminates this Agreement as provided for under these remedies, Owner may recover from Manager, and Manager will pay to Owner, on demand, any amounts due to Owner which Manager has failed to collect and remit to Owner as required hereunder

(b) Subject to the provisions of Section 5.8 requiring assumption by Owner and in addition to Owner's termination rights set forth above, Owner may elect to terminate this Agreement and assume some or all of the then-outstanding Rental Agreements in accordance with Section 5.8 herein. In the event Owner elects to assume some or all of the then-

outstanding Rental Agreements or Owner is required to assume some or all of the outstanding Rental Agreements under the provisions of Section 5.8, Manager will immediately assign such Rental Agreements and surrender all management records to Owner (subject to Manager's right to retain copies of such records) and shall remit to Owner all tenant security deposits being held by Manager, and Manager shall have no further rights as Manager under this Agreement with respect to such Rental Agreements;

(c) Owner may perform any obligation on Manager's behalf which Manager has failed to perform, including Manager's obligations to remove Student Tenants following notice of termination, without waiving Owner's rights under this Agreement at law or in equity, and without releasing Manager from any obligation under this Agreement. The costs and expenses of Owner, including reasonable overhead and attorneys' fees, arising from or related to the performance of any such obligations of Manager shall be subject to reimbursement by Manager and otherwise expressly be included as part of any damages claims and/or right of recovery available to Owner under this Agreement or Applicable Law; or

(d) Exercise any other rights in law or equity under Applicable Laws, including remedies not explicitly provided for in this Agreement. Each remedy or right of Owner provided for in this Agreement will be cumulative and will be in addition to every other right or remedy provided for in this Agreement, or now or hereafter existing at law, in equity, by stature or otherwise. The exercise or the beginning of the exercise by Owner of any one or more of such rights or remedies will not preclude the simultaneous or later exercise by Owner of any or all other rights or remedies.

11.3 Owner Default. If the Owner defaults in the performance of any of its obligations under this Agreement, (a default includes failure to perform any of the required obligations of this contract and/or material misrepresentation or omission in any financial statement, correspondence or other information provided to Manager by or on behalf of Owner in connection with Owner's performance of this Agreement and any material misrepresentation made by Owner in this Agreement), which default continues for a period of more than five (5) days after receipt of written notice from Manager specifying such default if the default is the failure to make a payment to Manager when due or more than thirty (30) days after receipt of written notice from Manager specifying such default in the case of any other default, except that if the default requires more than thirty (30) days for remedy, then if Owner fails to commence curing such default within the thirty (30) day period or fails to thereafter diligently continue curing such default until completion, then Manager may elect one or more of the following remedies.

(a) Manager may terminate this Agreement effective on the date Manager specifies in its written termination notice to Owner. If Manager terminates this Agreement, Manager may recover from Owner and Owner will pay to Manager on demand all damages Manager incurs by reason of Owner's default, including, any amount necessary to compensate Manager for all reasonable out-of-pocket costs and expenses incurred by Manager proximately caused Manager by Owner's failure to perform its obligations under this Agreement including costs related to relocation of Student Tenants. Except as specifically set forth in this Section, nothing in this Section limits or prejudices Manager's right to prove and obtain damages

in an amount equal to the maximum amount allowed by the Laws, regardless whether such damages are greater than the amounts set forth in this Section. Manager may perform any obligation on Owner's behalf which Owner has failed to perform, without waiving Manager's rights under this Agreement, at law or in equity and without releasing Owner from any obligation under this Agreement.

(b) Except as specifically set forth in this Section, if the Owner breaches any of the provisions of this Agreement, Manager will be entitled to enjoin such breach and will have the right to invoke any right or remedy allowed at law, in equity, by statute or otherwise including summary proceedings and other remedies not provided for in this Agreement. Each remedy or right of Manager provided for in this Agreement will be cumulative and will be in addition to every other right or remedy provided for in this Agreement, or now or hereafter existing at law, in equity by statute or otherwise. The exercise or the beginning of the exercise by Manager of any one or more of such rights or remedies will not preclude the simultaneous or later exercise by Manager of any or all other rights or remedies, at its option and may incur any reasonable expense necessary to perform the obligation of the Owner and thereafter be reimbursed by Owner for all such costs and expenses incurred by Manager plus interest at the Agreed Rate, which shall be payable as a cash payment to Manager or in the alternative Manager may offset Owner's obligation by an appropriate reduction in the amounts next coming due from Manager to Owner under this Agreement.

Owner will reimburse and compensate Manager on demand for any costs, fees and expenses Manager incurs in connection with, resulting from or related to an Event for Default and Manager's exercise of any or all default remedies as provided for herein, and regardless whether suit is commenced or judgment is entered. Such loss includes all reasonable Attorneys' Fees (as defined below) which Manager incurs investigating, negotiating, settling or enforcing any of Manager's rights or remedies or otherwise protecting Manager's interests under this Agreement. In addition to the foregoing, Manager is entitled to reimbursement of all of Manager's fees, expenses and damages, including reasonable Attorneys' Fees Manager incurs in connection with protecting its interest in any bankruptcy or insolvency proceeding involving Owner, including any proceeding under any chapter of the Bankruptcy Code; by asserting or defending a claim; by defending a preference or fraudulent transfer action; by exercising and advocating rights under Section 365 of the Bankruptcy Code; by proposing a plan of reorganization and objecting to competing plans; and by filing motions for relief from stay. Such fees and expenses are payable on demand, or, in any event, upon assumption or rejection of this Agreement in bankruptcy.

11.4 Mitigation of Damages. Either party agrees to use its best reasonable efforts to mitigate its damages in connection with any damage claim it may have against the other arising out of or in connection with this Agreement.

12. Insolvency. [Intentionally Deleted]

13. Damage and Destruction.

13.1 Repair Obligations. Other than a Casualty (as defined below) caused by the negligence or willful misconduct of Manager pursuant to its covenants, obligations and duties pursuant to this Agreement or otherwise, and subject to the terms of Section 13.2, in the event the Residences or any portion thereof is damaged by fire or other casualty (a "**Casualty**"), for which Owner is carrying or required by this Agreement to carry insurance, Owner shall repair such damage at its expense. In the event of a Casualty, Rent Installments shall be suspended or abated to the extent and for the period the Project is rendered uninhabitable for the Permitted Use and until such time that the Project has been restored to the condition immediately prior to such damage or destruction, which such condition shall render the Project Ready for Management as contemplated under this Agreement. If the Casualty is an insured loss or a loss required to be insured under the provisions of this Agreement, as long as Owner is diligently pursuing collection of the insurance proceeds, repair shall commence upon receipt of the proceeds, provided that, in any case, the repair shall commence as soon as reasonably possible after the event of damage, but in no event, subject to Force Majeure, later than one-hundred-twenty (120) days after the damage. Owner shall not be obligated to repair Manager's personal property, equipment or improvements installed by Manager or any personal property of any Student Tenants. Notwithstanding anything to the contrary contained herein, Owner's obligation to repair under this Section 13.1 shall be limited to the extent of the insurance proceeds available to Owner for such restoration. Additionally, in the event that any Casualty comprises more than fifty percent (50%) of the Project, then Owner, in its sole discretion, may terminate this Agreement forthwith by providing Manager with written notice of its intention to terminate within thirty (30) days after the date of the Casualty. In the event of a Casualty, Manager agrees that it will proceed with reasonable diligence at its sole cost to rebuild, repair and/or replace its signs, fixtures and equipment.

13.2 Termination Rights. If any damage or destruction to the Project cannot in Owner's reasonable judgment be repaired within one-hundred-eighty (180) days following the date of damage, Owner shall give Manager written notice thereof within thirty (30) days after the date of damage, and either Manager or Owner may terminate this Agreement by delivering written notice to the other within thirty (30) days after the date Manager receives Owner's notice. If (a) the cost to repair any damage to the Project exceeds fifty percent (50%) of the insurable replacement cost of the Project, or (b) a portion of the damage is uninsurable through the insurance policies required under this Agreement, or if the amount of insurance available to Owner is inadequate to restore the Project and Owner's FF&E to substantially their condition prior to the Casualty and Owner elects not to restore, then Owner shall give Manager written notice of the Owner's election within thirty (30) days after the date of such damage or destruction and thereafter either party shall have the right to terminate this Agreement by written notice to the other party given within sixty (60) days after the date Manager receives such notice of Owner's election not to repair such damage. If the cost to repair damage to the Project that occurs during the last twenty-four (24) months of the Initial Term or any Renewal Term exceeds thirty percent (30%) of the insurable replacement cost of the Project, either party shall have the option to terminate this Agreement by giving written notice to the other party within sixty (60)

days after the date of damage, unless Manager exercises an available Renewal Term option within ten (10) business days after receiving Owner's notice. If this Agreement terminates pursuant to this Section 13, Rent Installments shall be prorated as of the date of damage. Manager shall collect and remit to Owner the rent owed by Student Tenants to said date and Owner shall remit to Manager for payment to Student Tenants and Rent Installments which Owner has received for any period after said date.

14. Condemnation.

14.1 General Rights Upon Condemnation. If all or any portion of the Project are taken under the power of eminent domain exercised by any governmental or quasi-governmental authority (a "**Condemning Authority**"), or are conveyed in lieu thereof (a "**Condemnation**"), this Agreement shall automatically terminate as to the portion condemned as of the date that possession and use are transferred to the Condemning Authority ("**Condemnation Date**"). The Owner shall have the exclusive right to grant possession and use to the Condemning Authority. Owner shall give Manager written notice (a "**Condemnation Notice**") specifying the extent of the taking and the anticipated Condemnation Date promptly after it receives such information. If more than thirty percent (30%) of the Project or more than thirty percent (30%) of the Residence Units are taken by Condemnation, or if as a result of Condemnation, Manager's access to the Project is terminated or materially and substantially interfered with, then in any of such cases Owner shall have the right to terminate this Agreement by giving written notice to Manager within sixty (60) days after the date of the Condemnation Notice. If more than thirty percent (30%) of the Building is taken by Condemnation and Owner elects not to repair, restore, alter or reconstruct the same, either party may elect to terminate this Agreement by giving written notice within sixty (60) days after the date of the Condemnation Notice. Any such termination shall be effective as of the Condemnation Date. If this Agreement is terminated pursuant to this Section 14.1, Owner and Manager shall be released from any liability arising after the termination date, but all Rent Installments and all other amounts payable under this Agreement shall be prorated and paid or remitted as of the termination date in the same manner as Rent Installments are to be prorated and paid or remitted under Section 13.2. If this Agreement is not terminated as provided for hereunder, Rent Installments, and all other amounts payable under this Agreement shall be reduced pro-rata based upon the percentage of the Project's net rentable floor area condemned, or if no floor area of the Project is taken, then the reduction shall be an equitable reduction reflecting the degree to which the Manager has been adversely affected by the taking. Owner shall make such repairs and alterations necessary to restore the portion of the Project not condemned to a condition reasonably satisfactory for Manager's use; provided that (i) at least three (3) years of the Initial Term or any Renewal Term remain, and (ii) that Owner's obligation shall be limited to the amount of the Condemnation Award (as defined below) available therefor after deducting all costs of obtaining the Condemnation Award. Within sixty (60) days after the amount of the Condemnation Award available for restoration is known, Owner shall give Manager reasonable notice of the repairs and alterations Owner anticipates making to restore the portion of the Project not condemned. If Manager reasonably determines that the anticipated repairs and alterations are insufficient to restore such portion of the Project to a condition reasonably satisfactory for Manager's use, Manager shall have the right to terminate this Agreement by giving notice to Owner within ten (10) days after receiving Owner's notice describing the repairs and alterations.

14.2 Award. Owner shall be entitled to receive the entire award in any Condemnation ("**Condemnation Award**"), including any award for the value of any unexpired portion of the Term of this Agreement. Manager shall have a right to claim and recover from the Condemning Authority, but not from Owner, such compensation as may be separately recoverable by Manager. Manager shall be entitled to claim an award in a condemnation proceeding for any loss resulting from loss of housing contracts with students, Manager's relocation expenses and/or the taking of Manager's personal property, to the extent such claims are recoverable.

15. Assignment and Subletting.

15.1 Restriction on Transfer. Manager shall not sublet all or any portion of the Project, and not assign, mortgage, pledge or otherwise encumber or transfer this Agreement, or any interest herein, or in any manner assign, mortgage, pledge, or otherwise encumber or transfer its interest or estate in all or any portion of the Project (each a "**Transfer**"), and each such party a ("**Transferee**") without obtaining Owner's prior written consent in each and every instance, which consent shall be in Owner's sole discretion to condition, grant or deny, specifically including Owner's right to condition its consent upon Manager agreeing to remain liable to Owner under the terms of this Agreement. This preclusion, however, shall not apply to Manager merging with or otherwise becoming a part of any other institution for higher education.

15.2 Transfer Requirements. In the event Owner consents to a Transfer by Manager as contemplated in Section 15.1 above, such Transfer shall, at a minimum, comply with the following requirements:

(a) Any Transfer shall operate to transfer to the Transferee all of Manager's right, title and interest in this Agreement and all of Manager's estate or interest in the Project. Manager shall remain liable to Owner for all obligations under this Agreement, notwithstanding any Transfer of this Agreement.

(b) Any Transferee shall assume, by written, recordable instrument, all of Manager's obligations under this Agreement arising and related to a period subsequent to the date of Transfer. Such assumption agreement shall state that the same is made by the Transferee for the express benefit of Owner as a third party beneficiary. A copy of the agreement evidencing the Transfer, in a form and content satisfactory to Owner, fully executed and acknowledged by Transferee, together with a certified copy of a properly executed corporate resolution (if the Transferee is a corporation) authorizing the execution and delivery of such Transfer agreement, shall be sent to Owner at least ten (10) days prior the effective date of the Transfer.

(c) Any Transfer shall be subject to all the provisions, covenants and conditions of this Agreement. Manager and any Transferee shall remain liable for all obligations under this Agreement, as it may be amended from time to time, without notice to the Transferee.

(d) Manager shall reimburse Owner for any and all reasonable costs incurred by Owner, including reasonable Attorneys' Fees paid or payable to outside counsel, occasioned by such Transfer.

15.3 Restriction From Further Assignment. Notwithstanding any consent by Owner to any Transfer, no Transferee shall Transfer all or any portion of the Project, and no assignee shall further assign its interest in this Agreement or its interest or estate in all or any portion of the Project, or lease all or any portion of the Project, without Owner's prior written consent in each and every instance.

16. Signs.

16.1 Proprietary Marks.

16.1.1 Owner Marks. Subject to Section 16.2 below, Manager will operate the Project under the Owner's proprietary marks ("**Owner's Marks**"), which such Owner Marks shall be used in any Advertising (as defined below) by Manager. For the purposes of this Agreement, Owner hereby grants Manager a temporary, non-exclusive, royalty-free, fully paid-up Renewal Extended Terms. Any violation of this license by Manager shall deemed to be an Event of Default.

16.1.2 Manager Marks. For purposes of Advertising the Project, Manager hereby grants Owner a temporary, non-exclusive, royalty-free, fully paid-up license to use the Manager's proprietary marks ("**Manager's Marks**," and together with the Owner Marks, the "**Marks**") in accordance with the terms and conditions of this Agreement during the Initial Term and any Renewal Terms.

16.1.3 Protection of Marks. The parties hereto acknowledge and agree that protection of the Owner Marks and Manager Marks is important; accordingly Owner and Manager shall immediately notify the other party of any infringement or dilution of or challenge to the use of the respective Marks granted hereunder, and will not, absent a court order or the other party's prior written consent, communicate with any person regarding any such infringement, dilution, challenge or claim. The parties covenant to cooperate to the fullest extent possible in any action taken by a party to protect and/or defend their respective Mark from any such infringement, dilution, challenge or claim.

16.2 Co-Branding. Owner and Manager shall each be permitted to advertise and promote the Residences strictly in accordance with the following:

16.2.1 Owner Obligations. Except in connection with the Retail Spaces, Owner shall, during the Initial Term and any Renewal Terms, prominently reference the Manager Marks in any advertisements, promotional materials, web sites, etc. ("**Advertising**") undertaken by Owner with regard to the Project and the Residences.

16.2.2 Manager Obligations. During the Initial Term and any Renewal Terms, Manager shall prominently reference the Owner Marks in any Advertising, including without limitation any materials associated with the Residence Program.

16.3 Signage.

Manager may, at its sole cost, erect signs on the interior or the exterior of the Project Building, provided that such sign or signs (a) do not cause any structural or other damage to the Project Building; (b) do not violate applicable governmental laws, ordinances, rules or regulations; (c) do not violate any existing restrictions affecting the Project; and (d) are approved in advance by Owner in accordance with Owner's signage criteria attached hereto as Exhibit I and incorporated herein by this reference ("**Signage Criteria**"). Manager, upon vacating the Residences and the Project generally or removing or altering its signs for any reason, shall repair, paint and/or replace the Building surfaces where its signs were attached. Manager shall not disturb signs placed by Owner on or in any part of the Building.

17. Miscellaneous Provisions.

17.1 Access to Residences.

17.1.1 Manager Access. For purposes of the Management Responsibility, Manager shall have free access to the Project twenty-four (24) hours per day, seven (7) days per week basis. Owner and its authorized representatives shall have the right at any and all times to enter any part of the Project for the purpose of inspecting the same, making any necessary changes or modifications to Building systems, making any repairs required or permitted by the terms of this Agreement or conducting any reasonable test or environmental audit of the Project or Manager's operation or use of the Project to determine Manager's compliance with this Agreement. The provisions of this Section 17.1.2 shall not be construed to impose upon Owner any obligations not otherwise explicitly provided for in this Agreement. Notwithstanding the foregoing, in the event Owner desires to enter any of the Residences pursuant to this Section 17.1.1, Owner shall provide Manager with notice of the same and Manager shall within three (3) business days provide notice to the Student Tenants residing in the applicable Residences of Owner's intended entry thereon. In the event any consent is required to be obtained from any Student Tenants pursuant to Owner's entry into any of the Residence, Manager shall obtain such necessary consents of the Student Tenants within not more than an additional three (3) business days. The consent requirement set out above shall not apply in the case of an emergency when Owner's immediate entry is reasonably necessary to prevent damage to deterioration of the Project. In the event of any Owner entry into the Residences, Owner shall at all times be accompanied by a representative of Manager. Owner may, during the progress of any such work in the Project and/or Property, take all material in, to and upon said Project and/or Property that may be required therefore, and store any necessary materials, tools and equipment at the Project and/or Property, without the same constituting an eviction of Manager or any Student Tenants in whole or in part (and any and all Rent Installments reserved shall not abate pursuant to exercise of any of Owner's rights hereunder, including but not limited to any loss or interruption of Manager's business or otherwise and Manager shall have no claim for damages); provided that such storage is done in a safe and secure manner and does not

otherwise unreasonably interfere in any material respect with Manager's and the Permitted Use by Student Tenant's of the Project. Owner shall not be liable for, and the obligations of Manager shall not be affected by, inconvenience, disturbance, loss of business or other damage caused by Owner in connection therewith, provided that Owner makes reasonable efforts to avoid interfering with the conduct of Manager's business, except to the extent caused by Owner's negligence or willful misconduct. The provisions of this Section 17.1, and any other provisions in this Agreement that require Owner notice to Student Tenant and/or mandate Student Tenant consent to Owner's entry shall be included as provisions of the Rental Agreement.

17.1.2 Exhibition of Residences. Owner shall have the right during normal business hours at any time during the Initial Term and any Renewal Term, following reasonable notice as defined in Section 17.1, to enter the Project for the purpose of exhibiting the same for any purpose in Owner's reasonable discretion.

17.3 Estoppel Certificates. Owner and Manager shall, each without charge at any time and from time to time, within ten (10) business days after written request by the other party, execute and deliver to the requesting party or any person whom the requesting party may designate, an estoppel certificate certifying: (a) that each of the terms of this Agreement is unmodified and in full force and effect (or, if there have been modifications, that the same is in full force and effect, as modified, and stating the modifications); (b) the dates to which the Rent Installments have been paid in advance; (c) whether or not there are then existing any breaches or defaults by such party or the other party known by such party and specifying such breach or default, if any; (d) whether or not there are then any setoffs or defenses against the enforcement of any term of this Agreement (and, if so, specifying the same and the steps being taken to remedy the same); and (e) such other statements or certificates as Owner, Manager or any Mortgagee may reasonably request. It is the intention of the parties that any statement delivered pursuant to this Section 17.3 may be relied upon by any persons dealing with Owner, Manager or the Residences.

17.4 Notices. All notices, demands and requests which may be or are required to be given by either party to the other shall be in writing and shall be sent by United States certified mail, postage prepaid, or by a nationally recognized independent overnight courier service, addressed to Owner at 9 South Washington Street, Suite 600, Spokane, Washington 99201 with a copy to Shaun A. Gill, Cairncross & Hempelmann, P.S., 524 Second Avenue, Suite 500, Seattle, WA 98104, and addressed to Lewis-Clark State College, 500 8th Avenue, Lewiston, Idaho, 83501, Attention Vice-President for Administrative Services, with a copy to attorney, Robert Brown, 321 13th Street, Lewiston, Idaho, 83501, and any other address which is not a post office box as either party may from time to time designate by written notice to the other. Any notice, demand or request which is given as described shall be deemed to be given on the business day following the date it is delivered to a courier or three (3) days after it is deposited in the United States mail.

17.5 Annual Statements. Upon request by Owner, Manager shall promptly deliver to Owner a copy of Manager's rent roll (which shall not identify the residents by name consistent with the Family Educational Right and Privacy Act, 20 U.S.C. 1232g) and other information related to the operation of the Project and the Building. Such records may contain

confidential or proprietary information and shall only be used by the Owner to communicate the current financial status of the Project and/or Property and shall, except as follows, be kept confidential by the Owner. Owner may further disclose such financial statement(s) to its mortgage lender (or potential lender), accountants or other financial advisors or analysts, or any potential purchaser of the Project, provided that they have also agreed to the foregoing limit on use and confidentiality.

17.6 Owner's Continuing Obligations. The term "**Owner**," as used in this Agreement so far as obligations on the part of Owner are concerned, shall mean only the Owner or Owners of fee title to the Property at the time in question, and upon any transfer, the then grantor shall, subject to the conditions set forth below, be automatically freed and relieved after the date of such transfer of all liability for the performance of any obligation on the part of the Owner contained in this Agreement thereafter to be performed. As conditions precedent to the foregoing relief from liability: (i) any funds in the hands of such Owner or the then grantor at the time of such transfer, in which Manager has an interest, shall be turned over to the grantee; (ii) any amount then due and payable to Manager by Owner or the then grantor under any provision of this Agreement shall be paid to Manager; and (iii) the grantee shall agree, in writing, for the benefit of Manager that it will assume, pay and perform all payments, terms, covenants and conditions of Owner under this Agreement. The Owner's obligations contained in this Agreement shall, subject to the aforesaid, be binding on Owner's successors and assigns, during and in respect of their respective successive periods of ownership. Nothing herein contained shall be construed as relieving Owner of any of its obligations under this Agreement, or releasing Owner from any obligation to complete the cure of any breach by Owner during the period of its ownership of the Project.

17.7 Intentionally Deleted.

17.8 Severability. If any covenant, condition, provision, term or agreement of this Agreement shall, to any extent, be held invalid or unenforceable, the remaining covenants, conditions, provisions, terms and agreements of this Agreement shall not be affected thereby, but each covenant, condition, provision, term or agreement of this Agreement shall be valid and in force to the fullest extent permitted by law.

17.9 Successors and Assigns. Subject to provisions of this Agreement limiting assignment or sublease by Manager, the covenants contained in this Agreement shall bind and inure to the benefit of Owner, its successors and assigns, and Manager and its permitted successors and assigns.

17.10 Relationship of Parties. This Agreement creates the relationship of principal and agent and is not expressly or impliedly intended to create any partnership, joint venture, association or any other relationship between Owner and Manager.

17.11 Prior Agreements. This Agreement, together with the attached exhibits and the written agreements concurrently or hereafter executed and/or delivered pursuant to or in connection with this Agreement, embody the entire agreement between the parties relating to the subject matter hereof, and supersede all prior agreements and understandings between the Owner

and Manager, if any, relating to the subject matter hereof. Manager acknowledges that neither Owner nor any agent of Owner has made any representation or warranty not contained in this Agreement with respect to the Residences and the Project generally, the Building or the suitability or fitness of either for the conduct of Manager's business or operations or for any other purpose.

17.12 No Waiver. No failure by Owner or by Manager to insist upon the performance of any of the terms of this Agreement or to exercise any right or remedy available for a breach thereof, and no acceptance by Owner of full or partial rent from Manager or any third party during the continuance of any such breach, shall constitute a waiver of any such breach or of any of the terms of this Agreement. None of the terms of this Agreement to be kept, observed or performed by Owner or by Manager, and no breach thereof, shall be waived, altered or modified except by a written instrument executed by the waiving party. No express waiver shall waive any default other than the default specified in the express waiver. An express waiver waives the specified default only for the time and to the extent therein stated.

17.13 Owner's Liability Limited. Manager recognizes that Owner is a limited liability company. Manager expressly agrees, anything herein to the contrary notwithstanding, that each and all of the representations and agreements made by Owner are intended to bind only Owner's interest in the Project, and the rents and profits therefrom. No personal liability or personal responsibility is assumed by, nor shall at any time be asserted or enforced against, any of the members, managers, shareholders, partners, directors, officers, employees or agents of Owner on account of any agreements of Owner contained in this Agreement.

17.14 Intentionally Deleted.

17.15 Force Majeure. Whenever a period of time is herein prescribed for action to be taken by either party, said party shall not be liable or responsible for, and there shall be excluded from the computation of any such period of time, any delays due to ("**Force Majeure**"): strikes, riots, terrorist acts, acts of God, delay caused by the failure of a governmental agency to issue a building or occupancy permit despite diligent pursuit thereof, shortages of labor or materials because of priority or similar regulations or order of any governmental or regulatory body, war, or any other causes of any kind which are beyond the reasonable control of said party. Lack of funds or inability to obtain financing shall not be an event of Force Majeure.

17.16 Survival. All obligations (together with interest on monetary obligations at the Agreed Rate) accruing before expiration of the Initial Term or any Renewal Terms shall survive the expiration or other termination of this Agreement. Additionally, Section 4.1 (Manager's Compensation), Section 9 (Compliance with Laws), and Section 10 (General Liabilities), will survive the expiration or other termination of this Agreement.

17.17 Quiet Enjoyment. Owner agrees that to its actual knowledge it is the fee simple owner and record title holder of all of the Project; that it has the full right, power and authority to execute this Agreement; that Manager, upon paying the Rent Installments and keeping all of the covenants of this Agreement, shall have the right (and all sublessees and all

other permitted transferees shall have the right) to lawfully and quietly hold, occupy, and enjoy the Project during the Initial Term or any Renewal Terms without any interference from Owner or anyone claiming by, from or under Owner.

17.18 Brokers; Agency Disclosure. Owner and Manager each represent to the other that it has not been represented by any brokers or finders in connection with this Agreement. Owner and Manager shall each defend and hold harmless the other against all claims of brokers, finders or any like third party claiming any right to a commission or compensation in connection with this Agreement by or through the acts of that party, to the extent permitted by law.

17.19 Governing Law. This Agreement shall be governed by the laws of the state of Idaho.

17.20 Construction. Words and phrases used in the singular shall be deemed to include the plural and vice versa. Nouns and pronouns used in any particular gender shall be deemed to include any other gender. When the word "including" is used in this Agreement, it shall mean "including, but not limited to." Whenever words such as "herein," "hereunder," etc., are used in this Agreement, they shall mean and refer to this Agreement in its entirety and not to any specific section, paragraph or other part of this Agreement. The word "person" includes any natural person, corporation, firm, partnership, limited partnership, limited liability company, trust, estate, unincorporated organization, or other legal or business entity, however designated or constituted. "Business day" means days when national banks are open in Lewiston, Idaho. The caption of each section of this Agreement is for convenience of reference only, and in no way defines, limits or describes the scope or intent of such section.

17.21 Time Is of the Essence. Time is of the essence with respect to the performance of every provision of this Agreement in which time of performance is a factor.

17.22 No Oral Amendments. This Agreement may be modified or amended only by an agreement in writing signed by the parties hereto. No receipt of money by Owner from Manager or any other person after termination of this Agreement, the service of any notice, the commencement of any suit or final judgment for possession of the Residences and the Project generally, shall reinstate, continue or extend the Term of this Agreement, affect any such notice, demand or suit, or imply consent for any action for which Owner's consent is required, unless specifically agreed to in writing by Owner. Any amounts received by Owner may be allocated to any specific amounts due from Manager to Owner as Owner determines.

17.23 Exhibits. All exhibits now or hereafter attached to this Agreement are incorporated into this Agreement in full by this reference. Each party agrees to perform any obligations to be performed by it pursuant to the provisions of all such exhibits.

17.24 Recording. Neither party shall record this Agreement. Promptly after request of either party, the parties hereto will execute and deliver to each other a memorandum of Agreement, in recordable form, setting forth (a) the date of this Agreement; (b) the parties to this Agreement; (c) the Commencement Date and Expiration Date of the Initial Term; and

(d) such other matters as are reasonably requested by either party to be stated therein. Either party may then record the memorandum of Agreement.

17.25 Limitation on Right of Offset. Except as herein provided, neither party shall have the right to offset and shall not reduce any amount owing to the other party under this Agreement, notwithstanding the existence of a bona-fide dispute between Owner and Manager, except that, if a party ("**Delinquent Party**") fails to pay any amount owing to the other party ("**Non-Delinquent Party**") on or before its due date on at least two occasions during any twelve (12) month period and the Non-Delinquent Party gives written notice after the second delinquency that it intends to exercise its right of offset, then, for a period of twelve (12) months following the second delinquency, any restrictions against offset contained in this Agreement shall not apply to Non-Delinquent Party and the Non-Delinquent Party may exercise against the Delinquent Party all rights of offset available at law or equity.

17.26 Manager's Furniture and Equipment. Only Owner and/or Manager shall have the right to transport into and maintain in the Residences furniture and equipment, whether owned or leased by Owner and/or Manager. Manager hereby covenants to include any and all relevant provisions in the Rental Agreement to effect the provisions of this Section 17.26. This section does not apply to the items of furniture and equipment described on Exhibit J.

17.27 Public Records. Owner and Manager acknowledge that all records, including but not limited to, design, construction, and Agreement documents will constitute public records. The Owner shall provide the Manager with a copy of all documents related to the design, construction and management of the Project.

17.28 Rules and Regulations. Manager shall perform, observe and comply with all reasonable nondiscriminatory rules and regulations established by Owner for the Residences and the Project generally from time to time.

17.29 Reserved.

17.30 Attorneys' Fees. If either party brings any lawsuit or arbitration proceeding to enforce or declare any rights under this agreement, including any appeal thereof, the party deemed as the prevailing party by the court or arbitrator hearing the matter shall be entitled to collect from the other party reasonable "**Attorney's Fees**". The Attorney's Fees award shall not be computed in accordance with any court schedule, but shall be such to fully reimburse all Attorney's Fees reasonably incurred by the prevailing party.

18. Building Names.

Owner shall have the exclusive right, in its sole discretion and from time to time, to name the Building and any part of the Residences and the Project generally, which such names shall be included in the Owner Marks.

19. Authority of Manager.

Manager warrants that execution of this Agreement by Manager has been duly authorized by Manager's board of trustees; and no further action, approval, legislative action or approval, or administrative action or approval, or any other action or approval of any kind, is necessary on the part of any branch or agency of the State of Idaho or on the part of Manager, to make this Agreement fully and completely binding upon Manager in accordance with its terms. If Manager does not have authority to enter into this Agreement in accordance with its terms, Manager shall be liable to Owner for all costs and damages arising from such breach of warranty and lack of authority described in this Section 19, and Owner shall have all remedies available to it as described for a Manager Event of Default as described in Section 11 of this Agreement.

20. Future Modifications.

This Agreement represents a new relationship between the parties and both parties recognize that mutually agreeable future modifications of some of its provisions because of unanticipated conditions, events or results, may be beneficial to both parties. Therefore, if a party believes that a provision of this Agreement should be modified, it will notify the other party of the proposed modification and the reason for that change. The parties will then discuss and consider the proposed modification in an effort to arrive at a mutually agreeable solution. However, unless and until the parties both execute a properly authorized and executed written amendment to this Agreement, nothing herein contained shall preclude a party from exercising all rights and remedies granted to that party under this Agreement, as validly amended, particularly including, but not limited to, the right to terminate this Agreement as provided herein.

21. Termination for Failure of Appropriations.

Owner understands that Manager and State of Idaho are governmental entities. Therefore, to the extent, if any, that Manager's obligations hereunder are payable from appropriated funds, this Agreement shall in no way or manner be construed so as to bind or obligate the Manager or the State of Idaho beyond the term of any particular appropriation of funds by the State's Legislature as may exist from time to time. The Manager and State each reserves the right to terminate this Agreement in whole or in part if, in its sole judgment, the Legislature of the State of Idaho fails, neglects, or refuses to appropriate sufficient funds as may be required for the Manager or State to continue such payments, or requires any return or "give-back" of funds required for the Manager to continue payments, or if the Executive Branch mandates any cuts or holdbacks in spending which results in insufficient funds. All affected future rights and liabilities of the parties hereto shall thereupon cease within ten (10) calendar days after notice to the Owner.

22. State Board Approval. This Agreement is subject to approval by the Idaho State Board of Education and shall not be effective or binding upon either of the parties until such approval is given. Once the necessary approval is given, this Agreement shall be effective from and after its Effective Date.

23. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which counterparts shall together constitute a single agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be duly executed as of the day and year first above written.

OWNER:

COLLEGE TOWN DEVELOPMENT IDAHO LLC,
a Washington limited liability company

By: COLLEGE TOWN HOUSING MANAGEMENT LLC, a Washington limited liability company
Its: Managing Member

By: _____
Robert C. Brewster, Manager/Member

MANAGER:

STATE OF IDAHO, ACTING BY AND THROUGH THE STATE OF IDAHO BOARD OF EDUCATION AS BOARD OF TRUSTEES FOR LEWIS-CLARK STATE COLLEGE

By: _____
Chet G. Herbst, Vice President
for Administrative Services
Lewis-Clark State College

STATE OF WASHINGTON)
) ss.
COUNTY OF _____)

I certify that I know or have satisfactory evidence that **Robert C. Brewster, Jr.** is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the manager/member of COLLEGE TOWN HOUSING MANAGEMENT LLC, a Washington limited liability company, managing member of COLLEGE TOWN DEVELOPMENT IDAHO LLC, a Washington limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____, 2006.

_____
(Signature of Notary Public)

_____
(Printed Name of Notary Public)
My Appointment expires _____

STATE OF IDAHO)
) ss.
COUNTY OF NEZ PERCE)

On this _____ day of _____ 2006, before me, the undersigned, a Notary Public in and for the State of Idaho, duly commissioned and sworn, personally appeared, CHET G. HERBST, known to me to be the Vice-President for Administrative Services of Lewis-Clark State College, whose name is subscribed to foregoing agreement and acknowledged to me that he executed the same for and on behalf of the Idaho State Board of Education.

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

_____
(Signature of Notary Public)

_____
(Printed Name of Notary Public)
My Appointment expires _____

EXHIBIT A
LEGAL DESCRIPTION

SITUATE IN NEZ PERCE COUNTY, STATE OF IDAHO TO WIT:

The East part of Lot 2, Block 29, of the City of Lewiston, according to the recorded official plat thereof now on file in the office of the County Recorder of Nez Perce County, Idaho, described as follows:

Commencing at a point on the South line of "E" Street, at the Northeast corner of said Lot 2, Block 29; thence West on the South line of "E" Street a distance of 28 feet; thence Southerly parallel with and 28 feet from the East line of Lot 2, Block 29, of said City of Lewiston, to the North line of Lot 4, of Acres known as Thatcher place; thence Easterly on the said North line of Lot 4 of Acres of said City of Lewiston to the Southeast corner of said Lot 2, Block 29 of said City of Lewiston; thence North on said East line of said Lot 2, Block 29, to the PLACE OF BEGINNING.

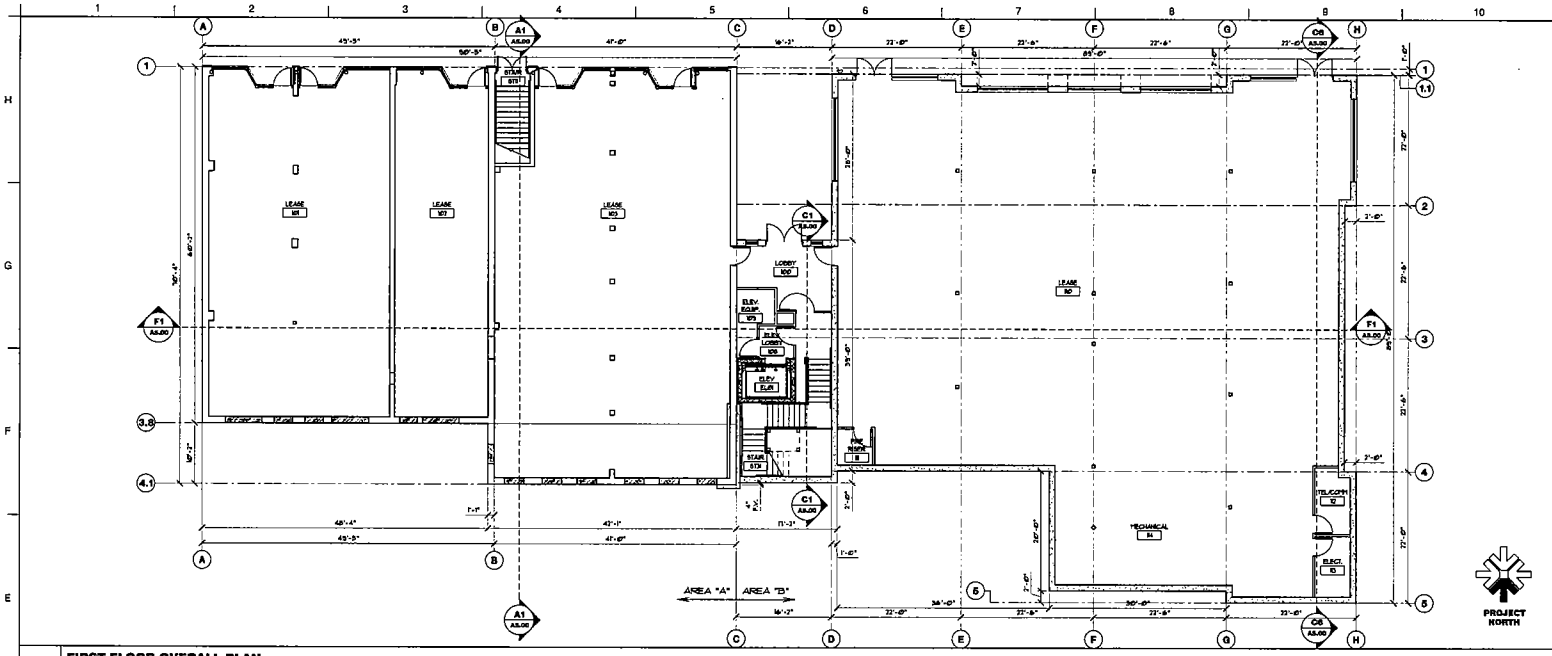
AND ALSO:

Part of Lot 2, Block 29, of the City of Lewiston, Nez Perce County, State of Idaho, according to the official plat of said City now on file in the office of the County recorder, of Nez Perce County, State of Idaho, commencing at a point on the South line of "E" Street at the Northeast corner of Lot owned by Eugene L. Alford in Lot 2, Block 29, of said City as disclosed by that certain Decree of Distribution in the matter of the Estate of A. H. Alford, deceased, recorded in Book 6 of Orders at page 173; thence East on said South line of "E" Street a distance of 32 feet to a point; thence Southerly parallel with and 28 feet from the East line of said Lot 2, Block 29 of said City of Lewiston to the North line of Lot 4 of Acres known as the Thatcher Place; thence Westerly on said North line of said Lot 4 of Acres to the Southeast corner of said Alford lot; thence Northerly on the East line of said Alford lot to the PLACE OF BEGINNING.

AND ALSO:

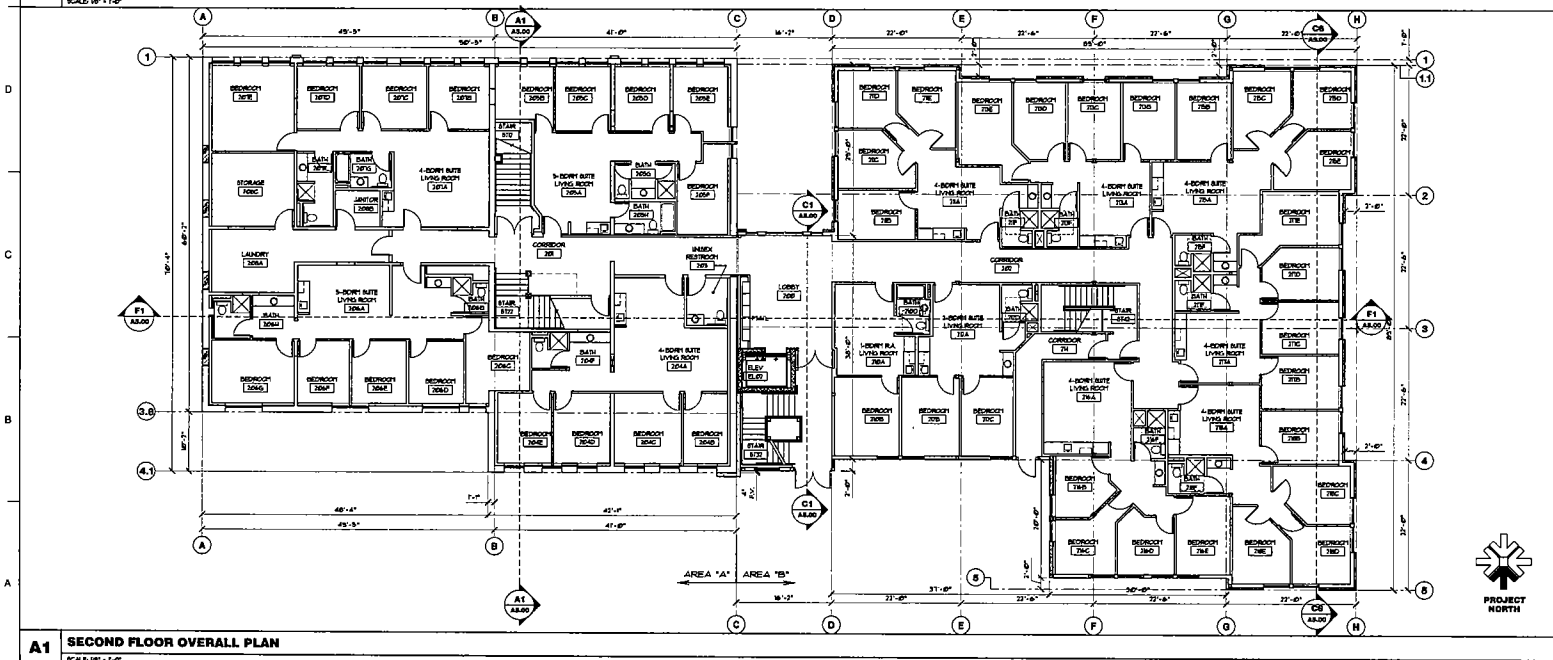
Lot 1, Block 29, ORIGINAL CITY OF LEWISTON, Idaho, according to the recorded plat thereof, ALSO; Commencing at the Southeast corner of Lot 1, Block 29 in the City of Lewiston, County of Nez Perce, State of Idaho; thence Easterly at right angles to the East line of said Lot 1 a distance of 16 feet; thence Northerly and parallel with the said East line of said Lot a distance of 30 feet; thence Northerly a distance of 94.5 feet to a point on said East line of said Lot 1, which point is also the present Southeast corner of the building known as the Weisgerber Building; thence Southerly along the East line of said Lot 1 in said Block 29 to the PLACE OF BEGINNING, said strip of land begin formerly a part of the 5th Street in said City of Lewiston.

EXHIBIT B
PLANS AND SPECIFICATIONS



E1 **FIRST FLOOR OVERALL PLAN**

SCALE: 1/8" = 1'-0"



A1 **SECOND FLOOR OVERALL PLAN**

SCALE: 1/8" = 1'-0"

GENERAL NOTES

CONOVERBOND HOUSING

CONOVERBOND

410 MAIN STREET
LEWISTON, IDAHO

REVISIONS

DESIGN WEST ARCHITECTS, P.A.
284 E. MAIN STREET PULLMAN, WA 99163
PH. (509) 332-3113 FAX (509) 332-3327

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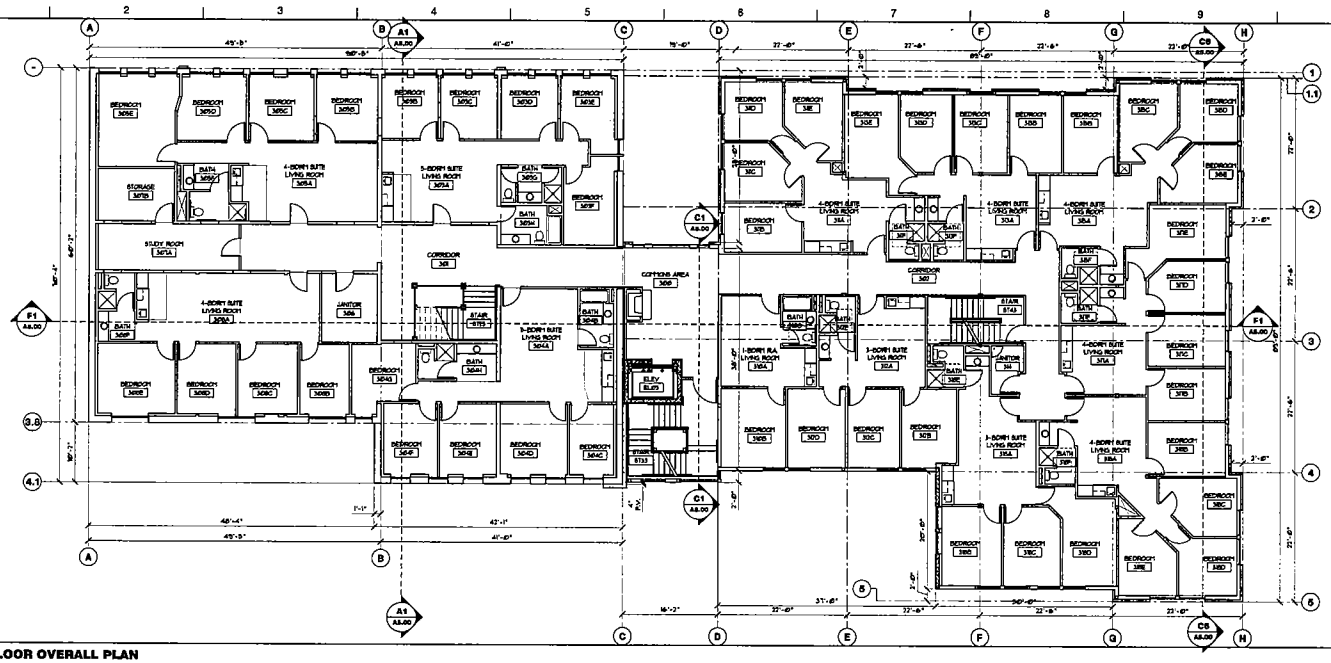
DESIGN CONCEPTS AND DRAWINGS NOT TO BE REUSED WITHOUT WRITTEN PERMISSION OF ARCHITECT

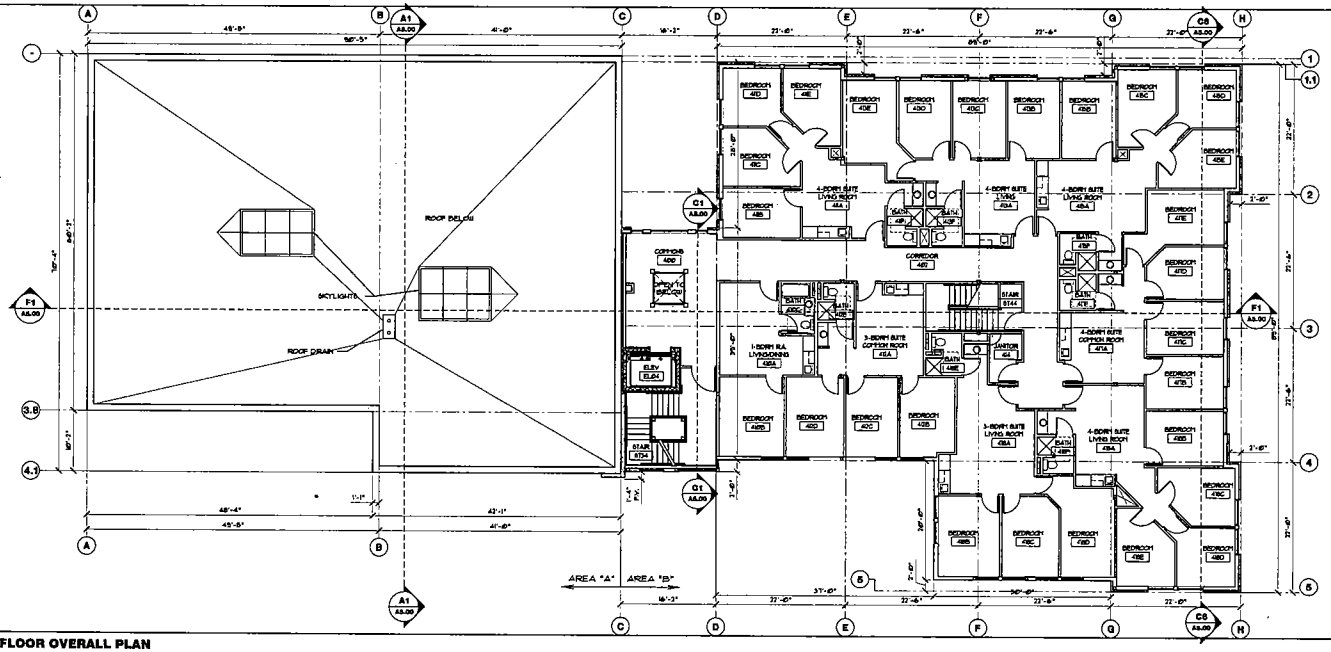
DRAWN BY:	RD, DU
CHECKED BY:	LR, NU
JOB NUMBER	4511
DATE	01/21/2006
SHEET	A3.21

FIRST/SECOND OVERALL PLANS



E1 THIRD FLOOR OVERALL PLAN

SCALE: 1/8" = 1'-0"



A1 FOURTH FLOOR OVERALL PLAN

SCALE: 1/8" = 1'-0"

PROJECT NORTH

GENERAL NOTES

CONOVERBOND HOUSING

CONOVERBOND
410 MAIN STREET
LEWISTON, IDAHO

REVISIONS

DRAWN BY: RO, DU
CHECKED BY: LR, NU
JOB NUMBER: 45-11
DATE: 01/21/2006
SHEET: A3.22

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THIRD/FOURTH OVERALL PLANS

BAHR - SECTION II

EXHIBIT C
OWNER FF&E SCHEDULE

Clearwater Hall
FFE Schedule

Floor	Suite	Beds	Desks	Desk Chairs	Wardrobes	Couch	Loveseat	Chair	Dining Table	Dining Chairs	Refrigerators	Microwaves
2	204	5	5	5	5	1			1	2	1	1
	205	5	5	5	5	1			1	2	1	1
	206	4	4	4	4	1			1	2	1	1
	207	4	4	4	4	1			1	2	1	1
	210	1	1	1	1		1		1	2	1	1
	211	4	4	4	4	1			1	2	1	1
	212	2	2	2	2		1		1	2	1	1
	213	4	4	4	4	1			1	2	1	1
	215	4	4	4	4	1			1	2	1	1
	216	4	4	4	4	1			1	2	1	1
	217	4	4	4	4	1			1	2	1	1
	218	4	4	4	4	1			1	2	1	1
	Lounge					1		2				
3	303	4	4	4	4	1			1	2	1	1
	304	5	5	5	5	1			1	2	1	1
	305	5	5	5	5	1			1	2	1	1
	308	4	4	4	4	1			1	2	1	1
	310	1	1	1	1		1		1	2	1	1
	311	4	4	4	4	1			1	2	1	1
	312	3	3	3	3		1		1	2	1	1
	313	4	4	4	4	1			1	2	1	1
	315	4	4	4	4	1			1	2	1	1
	316	3	3	3	3		1		1	2	1	1
	317	4	4	4	4	1			1	2	1	1
	318	4	4	4	4	1			1	2	1	1
	Lounge					1		2				
4	410	1	1	1	1		1		1	2	1	1
	411	4	4	4	4	1			1	2	1	1
	412	3	3	3	3		1		1	2	1	1
	413	4	4	4	4	1			1	2	1	1
	415	4	4	4	4	1			1	2	1	1
	416	3	3	3	3		1		1	2	1	1
	417	4	4	4	4	1			1	2	1	1
	418	4	4	4	4	1			1	2	1	1
	Lounge					1		2				
	Totals	**117**	**117**	**117**	**117**	**27**	**8**	**6**	**32**	**64**	**32**	**32**

EXHIBIT D

"Intentionally Deleted"

EXHIBIT E
MONTHLY REMITTANCE

Lewis-Clark STATE COLLEGE
Connecting Learning to Life

College Town Monthly Remittance Form

To: Name
Mailing address

For: The Month of September

Date: September 1, 200x

Check # 999999

Headcount: xx

Rate: $xxx.xx

Total $xx,xxx.xx

EXHIBIT F
ANNUAL BUDGET

Lewis-Clark State College
College Town Residence Hall
Lease Year Budget

Revenues:		
Student Housing Charges	$XXXXXX	
Management Fee From Owner	XXXX	
Total Revenues		$XXXXXX
Expenditures:		
Rental Installments to Owners	$XXXXXX	
Payments to Owners for RA rooms	XXXXX	
Custodial Supplies	XXXXX	
Maintenance	XXXX	
Trash Removal	XXXX	
FF&E Repairs	XXXX	
Miscellaneous	XXXX	
Total Expenditures		XXXXXX
Net Operating Results		$ XXX

EXHIBIT G
RESIDENCE HALL TERMS AND CONDITIONS

RESIDENCE HALL TERMS AND CONDITIONS

I. HOUSING DEPOSIT

A. A $100 deposit must accompany the application for student housing. Deposit and contract must be received by before a room assignment will be made. Deposit will not be applied toward room or meal plan charges. When the student leaves the residence hall, the deposit will be refunded less any charges for loss and/or damage to college property or payments for room and board, student fees, other delinquent college obligations or premature termination of contract.

II. ACTIVITY FEE

A non-refundable activity fee of $15 per semester is required of all residence hall students. This fee will be collected when the student pays for room and board.

III. ELIGIBILITY

An individual must be admitted by the College. A student must also be registered for and maintain a minimum of 12 credit hours at LCSC during the contracted period.

IV. PERIOD OF CONTRACT

A student may contract to live in a LCSC Residence Hall for the full academic year or one semester (See Section XVIII, Vacation Periods, for exception). Contractual period begins when LCSC receives a completed housing contract and ends as stated in the contract. All academic year contracts automatically expire on the final day of spring semester exams. Housing for the following year requires completion of a new contract.

V. ROOM AND BOARD PAYMENT/COLLECTION

A. Room and board costs are due on the second official day of the Fall/Spring semester.

B. Late fees will be assessed beginning on the third day of the semester to accounts that are not paid in full or have a signed payment plan contract.

C. Failure to pay room and board costs may result in the withholding of meals AND the termination of this contract by the college.

D. Delinquent accounts will be referred to a commercial collection agency. In addition to any balance owed to the college, you are responsible for the costs of collection, including interest, penalties, collection agency fees, court costs and attorney fees.

VI. CANCELLATION PRIOR to OCCUPANCY

All cancellations must be received in writing at the Office of Residence Life on the date designated below.

Fall Semester

Cancellation received by June 15	Full Refund
Cancellation received by June 16-July 15	$50.00
Cancellation received after July 15	No Refund

Spring Semester

Cancellation received by December 15	Full Refund
Cancellation received by Dec. 16-Dec. 31	$50.00

VII. OCCUPANCY

Occupancy occurs when student has been issued a key to his/her room and/or completed and signed the room inventory form. Actual physical occupancy of the room by student and/or placement of student's possessions within the room is not necessary to constitute occupancy.

VIII. TERMINATION OF CONTRACT BY COLLEGE

The College may terminate the contract under the following conditions:

A. Student fails to comply with the rules and regulations set forth in this Contract, Student Code of Conduct, the Residence Hall Handbook, or other College policies, or any applicable, local, state or federal law.

B. Student fails to pay room and board fees when due.

C. Student misrepresents information on this Contract or other Lewis-Clark State College documents.

D. Student breaches, violates, fails to perform or otherwise is in default of any of the terms and conditions of this Contract. The college specifically reserves the right to immediately remove any individual from the Residence Hall premises if the College, in its sole discretion, determines that the individual presents an immediate danger to himself/herself or others.

IX. TERMINATION OF CONTRACT (AFTER OCCUPANCY)

Students who wish to terminate this contract prior to the end of the contract period are subject to the following terms and conditions (in all cases, the deposit will be forfeited):

A. Under all conditions a Petition for Contract Release must be completed with the Office of Residence Life. This includes students who are getting married, transferring, or withdrawing from the College. Approval or non-approval of the petition is contingent upon meeting the criteria set forth in the petition. Termination of the contract is not guaranteed.

B. A student whose petition is denied shall be obligated for the full amount of the room contract.

C. Students who are required to leave the residence hall due to disciplinary action are still responsible for the entire semester or academic year room rent.

D. Formal check-out with a staff member is required.

X. ROOM REFUND SCHEDULE

This refund schedule is limited to Clark Hall and Parrish House for the 2006-2007 academic year. It does not include the suite-style residences. Refunds for approved housing terminations are based on the following schedule:

Refunds after date of official check-out for approved terminations of the contract, are subject to the following schedule:

FALL SEMESTER

August 25 - September 11	70% refund
September 12 – September 24	60% refund
September 25—October 23	40% refund
October 24 – November 23	20% refund
November 24 - end of semester	No refund

SPRING SEMESTER

January 12 – February 12	60% refund
February 13 – March 12	40% refund
March 13 – April 16	20% refund
April 17 - end of semester	No refund

XI. GENERAL RESIDENCE HALL REGULATIONS

Occupancy in a hall is a privilege extended to the student by the College. The continuation of this privilege is dependent upon the student's reasonable and satisfactory personal conduct and observance of College regulations.

No Alcohol: No alcohol is permitted in the residence halls. Students as individuals on or off campus are subject to the state law and city ordinances pertaining to the possession and consumption of alcoholic beverages and controlled substances. Students are also subject to the State Board of Education Alcohol policy, which is outlined in detail in the Residence Hall Handbook.

Firearms/Weapons/Explosive Substances: Firearms, weapons, explosive substances & devices are prohibited in the residence halls and surrounding areas, including in private vehicles parked on College property. Weapons include, but are not limited to, knives, steel-tipped darts, pellet or BB guns, paintball guns, sling shots, arrows, axes, machetes, numchucks, swords, and throwing stars. Fireworks, gunpowder, explosives, gasoline and other hazardous chemicals or flammable liquids are also prohibited within the residence halls and surrounding areas.

Fire Safety Equipment: Students found to be tampering, damaging or in any way using fire equipment or safety apparatus for other than its intended use may be dismissed from the residence hall, fined and subject to further action by College authorities.

Group Billing: Where individual responsibility for damages to College property can be determined, the individual will be charged. Fines for common area damage will be assessed to the student(s) of the room/floor/hall involved. Willful and/or malicious damaging or stealing of College property is cause for contract cancellation under the terms listed in Section IX, Termination of Contract by College.

Occupants: The room is to be occupied only by the

Right of Entry: The College respects the student's right to privacy; however, the College reserves the right to enter a student's room at any time for health, safety, welfare, and maintenance purposes. Advance notice is given whenever possible. However, in cases where there is probable cause to believe that the student is or has been violating College and/or residence hall regulations, the College can enter a student's room. This right is exercised with great discretion.

XII. COLLEGE REGULATIONS

All students are held responsible for knowing the College regulations and information set forth in the College Catalog, Student Code of Conduct and Residence Hall Handbook. All College rules and regulations as well as residence hall regulations are specifically made a part of the contract by reference.

XIII. ROOM AND BOARD COSTS

All room and board costs, as approved by the State Board of Education, supersede all other information regarding costs. The College reserves the right to change rates. All parties to this agreement agree that room and board rates shall be those approved by the State Board of Education.

XIV. PERSONAL PROPERTY AND LIABILITY

The College shall not be liable for loss of or damage to student's personal property, wherever situated, due to fire, smoke, theft, water or any other casualty or cause. Students are encouraged to provide insurance against loss or damage to their personal property.

XV. FOOD SERVICE

A. Residents of Clark and Talkington Halls are required to maintain a meal plan during the rate period selected.

B. Meal service is not provided during Thanksgiving, Winter, and Spring breaks.

C. Flex dollars Flex dollar plans are included in the suite-style residence halls.

XVI. ROOM ASSIGNMENT

A. The College reserves the right, at its sole discretion, to make assignments and re-assignments of space within the residence halls and to authorize or deny room and roommate changes and to relocate students to or from any room or residence hall.

B. Students occupying a room as a single, but paying for a double will be required to move to a new room, acquire a roommate or pay for a double room as a single room, which will cost an additional $325 per semester.

C. Any student who is assigned but fails to officially check into the hall by the first hour of classes each semester will forfeit the full amount of the deposit and the room will be reassigned.

XVII. VACATION PERIODS

The on-campus residence halls are officially closed between fall and spring semesters. If housing is offered during this time, students will be charged an additional room rent.

XVIII. ENFORCEMENT & RECOVERY OF ROOM

In the event the College should find it necessary to bring legal proceedings to recover possession of the student's room, or to enforce any of the terms of this contract, including the recovery of damages or charges, the student agrees to pay all reasonable attorney's fees, costs and expenses so incurred by the College.

XIX. CONTRACT TRANSFERS

Any student may, at any time, transfer their contract to another registered, continuing, off-campus student who has not otherwise contracted for housing with the College. Eligible parties must obtain approval for the transfer and complete the transfer process together at the Residence Life office. The physical transfer may take place only after proper approval has been granted and all applicable paperwork has been completed.

EXHIBIT H
2006-2007 HOUSING CONTRACT

Lewis-Clark STATE

Residence Hall Contract

Instructions: Please read all sections of this contract before signing: **By signing below I acknowledge that I have read, understand, and agree to all terms and conditions of this contract. Completion of this contract does not guarantee availability of a residence hall space. NO ALCOHOL is permitted in the residence halls.**

Residence Hall Assignment:_____ **Date Assigned:** _____

To be assigned by Residence Hall Staff ONLY.

CONTACT INFORMATION

Last/Family Name: _____ **First/Given Name:**_____

Permanent Mailing Address: _____

City:_____ **State/Province:**_____ **Postal Code:** _____

Country (if applicable):_____ **Home Telephone (include area code):**_____

Email Address: _____ **Cell Phone No.:** _____

Student ID#: _____

PERSONAL INFORMATION

Date of Birth: _____ **Gender:** ☐ **Male** ☐ **Female**

Are you an LCSC athlete: ☐ **Yes** ☐ **No** **Sport:** _____

Please list any physical or medical conditions that should be considered in making a hall/room assignment or that might be necessary to know in case of an emergency:

CLASS: ☐ **Freshman** ☐ **Sophomore** ☐ **Junior** ☐ **Senior** **GPA (required field):**_____

PAYMENT OPTIONS

LCSC Residence Halls are reserved by the SEMESTER or by the YEAR. If you choose the YEAR option, you will need to pay the full amount during the fall semester. Please indicate your choice of payment below:

☐ **SEMESTER** ☐ **YEAR** ***Please indicate which semester & year you are entering***_____

i.e. Fall 2006; Spring 2007

This section is for the Institute of Intensive English Language ONLY. Please check the session(s) you will need a residence hall room.

IIE Student: ☐ **Fall 1** ☐ **Fall 2** ☐ **Spring 1** ☐ **Spring 2** ☐ **Summer 1** ☐ **Summer 2** **YEAR**_____

MEAL PLAN OPTIONS:

Meal Plan A - Unlimited dinners and weekends throughout semester + $450 Flex
Meal Plan B - Unlimited dinners and weekends throughout semester + $350 Flex
Meal Plan C - Unlimited dinners and weekends throughout semester + $250 Flex

Commuter Plan - Clearwater Hall, College Place, Parrish House & CAMP House ONLY = $500 Flex

Clark Hall residents must purchase Meal Plan A, B or C.

Rates are listed on the website at: http://www.lcsc.edu/reslife/Rates%202006-2007.htm

ROOMMATE PREFERENCE

To accommodate your roommate preference, both you and your roommate should send in your contracts within the same time period. I choose to live with: _____

Would you be interested in living with someone of a different cultural or racial background? ☐ **YES** ☐ **No**

Please complete the Personal Preferences listed below. We attempt to match students with similar likes and dislikes to the best of our ability.

PERSONAL PREFERENCES

Words that Best Describe Me
Outgoing/social
Value more quiet/solitude

Sleeping Habits
I am an early morning person.
I am a late night person.

Preferred Room Condition
Perfectly clean
Reasonably straight
Messy
It doesn't matter

Preferred Study Location
In my room
In the library
With music

Smoking

Do you smoke?	Yes	No
Object to it?	Yes	No

Drinking
Do you drink alcoholic beverages?

	Yes	No
Object to it?	Yes	No

Intended Major

_____

Personal Interests

_____

_____

Sports/Recreation Interests

_____

_____

Types of music I like _____

In which Residence Hall would you prefer to live? Please rank 1- first choice; 2 –second choice, etc.

___ College Place – 4 person suites, 88 bed facility with shared kitchenette & living space (4 single bedrooms in each suite); located on 4th Street across from LCSC Bookstore.

___ Clearwater Hall - 4 person suites, 117 bed facility with shared kitchenette & living space (3-5 single bedrooms in each suite); Located in beautiful downtown and approximately 5 blocks from the campus, this hall has a private study lounge and furnished suites.

___ Parrish House (co-ed) Upperclassman; 3.0 GPA or higher – Houses 29 students

___ Clark Hall (co-ed) – Houses 78 students

_____ _____ _____ _____
Student Signature Date Parent/Guardian Signature *(if under 18 years old)* Date

Please mail this signed and completed contract with the $100 room deposit
(If paying by credit card, please remit $103.00 to cover credit card charges. The refund amount will be $100)
to: CONTROLLER'S OFFICE--LEWIS-CLARK STATE COLLEGE--500 8TH AVENUE
LEWISTON, ID 83501

For Cashier's Office Use Only:

Deposit $
GR#
Date

For Residence Life Office Use Only:

EXHIBIT I
SIGNAGE CRITERIA

Signage Criteria.

Exterior: Following Landlord's consent, Tenant shall have the right to place on the exterior of building and windows and at Tenant's sole expense, any signs which are permitted by applicable zoning ordinances and private restrictions. Landlord may refuse consent to any proposed signage that is in Landlord's opinion too large, deceptive, unattractive or otherwise inconsistent with or inappropriate to the Leased Premises or use of any other tenant. Landlord shall assist and cooperate with Tenant in obtaining any necessary permission from governmental authorities or adjoining owners and occupants for Tenant to place or construct the foregoing signs. Tenant shall repair all damage to the premises resulting from the installation or removal of signs installed by Tenant.

Interior: Tenant need not seek Landlord's consent for signage placed on the interior of the building (but excluding the windows), provided that said signage is installed only in that portion of the project administered by the Tenant. Tenant shall repair all damage to the premises resulting from the installation or removal of signs installed by Tenant.

EXHIBIT J

DESCRIPTIONS OF ITEMS OF PERMITTED FURNITURE AND EQUIPMENT

Student Tenants will be permitted to bring the following items and similar items of furniture and equipment into the Units and the adjoining Common Rooms occupied by them:

Electric Fan
Stereo (but not an entertainment center cabinet)
Small Television
Computer, printer and similar computer peripherals
Beanbag chair or small chair
Desk lamp
Clock
Small chair, such as a folding chair
Stand alone bookshelf – small (limited to room size)
Card table & chairs

REFERENCE: APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: V. FINANCIAL AFFAIRS
I. Real and Personal Property Services April 2002

I. Real and Personal Property and Services

1. Authority

   a. The Board may acquire, hold, and dispose of real and personal property pursuant to Article IX, Section 2 and Article IX, Section 10, Idaho Constitution, pursuant to various sections of Idaho Code.

   b. Leases of office space or classroom space by any institution, school or agency except the University of Idaho are acquired by and through the Department of Administration pursuant to Section 67-5708, Idaho Code.

   c. All property that is not real property must be purchased consistent with Sections 67-5715 through 67-5737, Idaho Code, except that the University of Idaho may acquire such property directly and not through the Department of Administration. Each institution, school and agency must designate an officer with overall responsibility for all purchasing procedures.

   d. Sale, surplus disposal, trade-in, or exchange of property must be consistent with Section 67-5722, Idaho Code, except that the University of Idaho may dispose of such property directly and not through the Department of Administration.

   e. If the executive director finds or is informed that an emergency exists, he or she may consider and approve a purchase or disposal of equipment or services otherwise requiring prior Board approval. The institution, school or agency must report the transaction in the Business Affairs and Human Resources agenda at the next regular Board meeting together with a justification for the emergency action.

2. Acquisition of Real Property

   a. Any interest in real property acquired for the University of Idaho must be taken in the name of the Board of Regents of the University of Idaho.

b. Any interest in real property acquired for any other institution, school or agency under the governance of the Board must be taken in the name of the state of Idaho by and through the State Board of Education.

c. This does not preclude a foundation or other legal entity separate and apart from an institution, school or agency under Board governance from taking title to real property in the name of the foundation or other organization for the present or future benefit of the institution, school or agency. (See Section V.E.)

d. Acquisition of an option, lease, or any other present or future interest in real property by or on behalf of an institution, school or agency requires prior Board approval if the term of the lease exceeds five (5) years or if the cost exceeds two hundred fifty thousand dollars ($250,000) annually.

e. Appraisal.

   An independent appraiser must be hired to give an opinion of fair market value before an institution, school or agency acquires fee simple title to real property.

f. Method of sale - exchange of property.

   The Board will provide for the manner of selling real property under its control, giving due consideration to Section 33-601(4), applied to the Board through Section 33- 2211(5), and to Chapter 3, Title 58, Idaho Code. The Board may exchange real property under the terms, conditions, and procedures deemed appropriate by the Board.

g. Execution.

   All easements, deeds, and leases excluding easements, deeds, and leases delegated authority granted to the institutions, school and agencies must be executed and acknowledged by the president of the Board or another officer designated by the Board and attested to and sealed by the secretary of the Board as being consistent with Board action.

3. Acquisition of Personal Property and Services

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

   b. Acquisition or development of new administrative software or systems that materially affect the administrative operations of the institution by adding new services must be reviewed with the executive director before beginning development. When feasible, such development will be undertaken as a joint endeavor by the four institutions and with overall coordination by the Office of the State Board of Education.

INSTITUTION / AGENCY AGENDA

SUBJECT

1st Reading of Proposed Amendments to Board Policy, Section III.T.4 – Intercollegiate Athletics.

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, Sections III.T.4.

BACKGROUND

The June Athletics Report shows each institution's original budget and estimate for the current fiscal year and the original budget for the subsequent year. The December Athletics Report shows each institution's revised estimates of revenues, expenditures and fund balance for the current fiscal year.

In most cases, the institutions revised estimates in the December reports are the same as the subsequent year budget in the June reports. Since the December reports are required to be finalized by the first week in November, the information for fall athletics programs is not readily available. Therefore, the institutions have not revised their estimates.

DISCUSSION

Board policy needs to be updated in order to reflect the current reporting schedule for the Athletic reports during the calendar year.

IMPACT

In order to provide a more meaningful estimate, the December Athletics Report should be moved to the February Board meeting. This will allow the institutions to include the results of their fall sports, including football, in the revised estimates.

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends updating Board policy to reflect the current schedule of Athletics reporting.

BOARD ACTION

A motion to approve for First Reading the changes to Idaho State Board of Education Governing Policies & Procedures, Section III.T.4. – Intercollegiate Athletics.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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2nd Reading (as approved from 1st Reading)

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: III. POSTSECONDARY AFFAIRS
Subsection: T. Intercollegiate Athletics June 2006

T. Intercollegiate Athletics

4. Financial Reporting.

The Board requires that the institutions adopt certain reporting requirements and common accounting practices in the area of intercollegiate athletic financing. The athletic reports shall contain 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 institutions will submit the following reports to the Board:

a. 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.

(1) Actual revenues and expenditures for the fiscal year most recently completed.

(2) Estimated revenues and expenditures for the current fiscal year.

(3) Proposed operating budget for the next budget year beginning July 1.

b. At the ~~December~~ February Board meeting, the following fiscal year's financial information will be reported by each institution:

(1) Actual revenues and expenditures for the prior four (4) fiscal years

(2) Estimated revenues and expenditures for the current fiscal year.

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REFERENCE - APPLICABLE STATUTE, RULE, OR POLICY

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

SUBJECT

Idaho Promise Scholarship – Category B Award

APPLICABLE STATUTE, RULE, OR POLICY

IDAPA 08.01.05.102.01
Sections 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

Idaho's colleges and universities have identified eligible Promise Category B recipients for the fall 2006 semester at a rate of $250/eligible student. Distribution of funds for fall 2006 students has occurred. Remaining funds available for distribution for the spring 2007 semester allow the Board to increase the spring 2007 award to $275. 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. The estimated number of students participating in the program for Fall 2006 is 7,732, and 8,765 for Spring 2007. By increasing the spring award, the estimated expenditure will be $4,343,375. The State appropriation for this program is $4,446,700, leaving a balance of approximately $103,325.

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends approval of the Promise Category B scholarship in the amount of $275 for the Spring semester, 2007. This would equal $525 for the entire 2006-2007 academic year. A small amount would remain in the FY 2007 appropriation.

INSTITUTION / AGENCY AGENDA - continued

BOARD ACTION

A motion to approve the amount of the Idaho Promise Scholarship, Category B, to be $275 for the Spring semester, 2007, for a total of $525 for the 2006-2007 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 2007.

Moved by_____ Seconded by_____ Carried Yes_____ No_____

Promise B Scholarship Adjustment for Spring 2007 - December 2006 Board Meeting

Actual Fall Award Amount	$250
Proposed Spring Award Amount	$315

Institution	Fall Students	Fall Payments to Institutions	% of Total $$
Boise State University	1,823	455,625	22.83%
Idaho State University	1,200	312,500	15.66%
University of Idaho	1,500	395,000	19.79%
Lewis-Clark State College	215	53,000	2.66%
College of Southern Idaho	660	165,000	8.27%
North Idaho College	468	146,250	7.33%
Albertson College	221	52,500	2.63%
Eastern Id. Tech. College	49	15,000	0.75%
N. W. Nazarene University	141	37,500	1.88%
BYU-Idaho	1,455	363,750	18.22%
Total Fall 2006 Recipients:	7,732	$1,996,125	100.00%
BYU-Idaho Summer session estimate	672	168,000	
Est. Spring Recipients, inc. BYU-I summer: (spring estimate Provided by Brenda Reeser@BYU-I)	8,404	$2,164,125	

FY 2007 Appropriation, Promise B	$	4,446,700		
Actual Fall 2006 Students		7,732		
Total Fall 2006 Award @ $250		1,933,000		
Available for Spring 2006	$	2,513,700		
Estimated Spring 2006 and BYUI summer Students		8,765	(see note)	
Proposed Spring 2006 Award	$	275		4,343,375
Proposed Spring 2006 Total	$	2,410,375		
Amount Remaining	$	103,325		
% of Original Appropriation Remaining		2.3%		

Note: Includes BYUI additional 361Spring 07 Promise Students

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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

REFERENCE

Annually — Regular December meetings of the State Board of Education

SUBJECT

Presentation of annual financial audit of the Colleges and Universities by the Board's external auditor.

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. FY 2006 is the second year that Moss Adams has conducted audits of the college and university financial statements.

The audits are conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS), and include an auditor's opinion on the basic financial statements.

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, 2006 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 published documents and the Moss Adams presentation, of the financial report regarding the five noted institutions for state Fiscal Year 2006. 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 audited financial statements present the financial activity at each audited institution and include the following reports:

- Management's Discussion and Analysis (MD&A)
- Statement of Net Assets
- Statement of Revenues, Expenses and Changes in Net Assets
- Statement of Cash Flows
- Notes to the Financial Statements

While the MD&A and Notes help explain the financial activity and some trends, the audited financial statements, MD&A and notes do not attempt to measure the financial health of each institution. At the beginning of the third year of work, the Audit and Finance Committees will resume discussion 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.

Moss Adams has performed in an exemplary manner with respect to keeping the Audit Committee 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 members of the Audit Committee and Board staff.

There has been a much-improved level of communication and expectation between Moss Adams and the institutions compared to the first year (FY 2005) of the engagement. Last year the Audit Committee indicated to Moss Adams this was important to the overall contract, and Moss agreed.

BOARD ACTION

A motion to accept from the Audit Committee the Fiscal Year 2006 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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State Department of Education
Public Schools Agenda

STATE BOARD OF EDUCATION

November 30-December 1, 2006

Idaho State University, Pocatello

A. **Superintendent's Report,** Marilyn Howard

B. **FY 2008 Public Schools Budget Request,** Tim Hill

C. **Property Transfer: Fremont County SD #215 and Sugar-Salem SD #322,** Jana Jones

D. **Appointment to the Idaho State Curricular Materials Selection Committee,** Jana Jones

A. SUBJECT:

Superintendent's Report

B. SUBJECT:

Presentation of the Public School Budget Request for FY 2008

BACKGROUND:

For the last quarter century, the Public School Budget Coalition has met with the State Superintendent of Public Instruction to develop a public school funding budget request. "Membership" has changed over the years, but the core group – representing school administrators, parents, teachers, and elected school trustees – has remained intact. To prepare the FY 2008 request, the coalition also invited representatives of the Office of the State Board of Education, Office of the Governor/Division of Financial Management, Legislative Services, Idaho Tax Commission, and other related interests, to meet and make specific budget recommendations to Dr. Howard. The FY 2008 Public Schools Budget Request took those recommendations into consideration.

DISCUSSION:

Mr. Tim Hill, Deputy Superintendent of School Support Services, State Department of Education, will answer any questions from the Board regarding the budget request.

BOARD ACTION:

This is an informational item only. No action required.

ATTACHMENTS:

1. FY 2008 Public School Support Budget Request
2. FY 2008 Public School Budget Request Highlights

Public School Support Program
Distribution Factor

		2006-2007 Appropriation		2007-2008 Request		Increase / (Decrease)	% Change
1	APPROPRIATIONS / REQUEST						
	a. General Fund	$1,291,587,000		$1,452,100,700		$160,513,700	12.4%
	b. Endowment / Lands, Lottery Dividend, Misc. Revenues	$45,866,800		$53,145,000		$7,278,200	15.9%
	c. Cigarette and Lottery Taxes	5,500,000		7,000,000		1,500,000	27.3%
	TOTAL DEDICATED REVENUES	$51,366,800		$60,145,000		$8,778,200	17.1%
	TOTAL STATE REVENUES	$1,342,953,800		$1,512,245,700		$169,291,900	12.6%
	d. Federal Funds	$175,000,000		$215,000,000		$40,000,000	22.9%
	TOTAL REVENUES	$1,517,953,800		$1,727,245,700		$209,291,900	13.8%
2	PROGRAM DISTRIBUTION						
	a. Transportation	64,316,700		67,032,300		2,715,600	4.2%
	b. Border Contracts	800,000		1,000,000		200,000	25.0%
	c. Exceptional Contracts and Tuition Equivalents	5,750,000		6,075,000		325,000	5.7%
	d. Program Adjustments	435,000		480,000		45,000	10.3%
	e. Salary-based Apportionment	740,842,100		827,991,500		87,149,400	11.8%
	f. Teacher Incentive Award (Natl Bd Cert)	313,200		166,100		(147,100)	-47.0%
	g. State Paid Employee Benefits	132,647,900		153,420,400		20,772,500	15.7%
	h. Unemployment	1,250,000		1,250,000		0	0.0%
	i. Early Retirement Payout	4,750,000		4,750,000		0	0.0%
	j. Substance Abuse	5,500,000		7,000,000		1,500,000	27.3%
	k. Bond Levy Equalization Support Program	6,300,000		10,000,000		3,700,000	58.7%
	Building Student Success:						
	l. Technology Grants	9,800,000		15,000,000		5,200,000	53.1%
	m. Idaho Reading Initiative	2,800,000		2,800,000		0	0.0%
	n. Math Initiative	0		500,000		500,000	NA
	o. Limited English Proficient (LEP)	6,040,000		6,210,000		170,000	2.8%
	p. Idaho Digital Learning Academy	1,100,000		1,600,000		500,000	45.5%
	Professional Development:						
	q. District-directed Professional Development	0		11,250,000		11,250,000	NA
	r. Gifted and Talented (Teacher Training)	500,000		1,500,000		1,000,000	200.0%
	s. Federal Funds for Local School Districts	175,000,000		215,000,000		40,000,000	22.9%
	t. School Facilities Funding (lottery)	10,772,900		20,000,000		9,227,100	85.7%
	u. School Facilities Maintenance Match	5,650,000		5,650,000		0	0.0%
	TOTAL DISTRIBUTIONS	$1,174,567,800		$1,358,675,300		$184,107,500	15.7%
3	Education Stabilization Funds	$0		$0		$0	NA
4	NET STATE FUNDING AVAILABLE	$343,386,000		$368,570,400		$25,184,400	7.3%
5	SUPPORT UNITS	13,500.0		13,800.0		300.0	2.2%
6	DISTRIBUTION FACTOR (Includes $300 for Safe Environment Provisions)		$25,436.00		$26,708.00	$1,272.00	5.0%

FY 2008 Public School Budget Request Highlights

Discretionary Funds $25.2 million

Growth	$ 7.6 million (300 support units x $25,436)
Inflation	$ 6.4 million ($25,436 x 1.81% x 13,800 support units)
Other (balance to 5%)	$11.2 million ($25,436 x 3.19% x 13,800 support units)

Funds necessary for school district and charter school expenses including textbooks, employee medical insurance, utilities, etc.

FY 2007 appropriation	$25,436 per support unit
FY 2008 request	$26,708 per support unit (5% increase)

Support Unit (enrollment) Increase: $19.8 million ($16.7 million salaries, $3.1 million benefits)

Enrollment increased by 5,991 in the 2005-06 school year, bringing total fall enrollment to 262,088. Approximately one-third of this increase (2,029) was in charter schools.

- Virtual charter schools will likely continue to attract a significant number of home-schooled students into the public school system.

- Charter school support units increased by 103.5 in the 2005-06 school year and are estimated to increase by approximately 93 in the 2006-07 school year. The four new charter schools represent approximately 40 support units of this increase.

The SDE will be receiving 2006-07 enrollment by mid-November. Preliminary estimates indicate that charter schools will be increasing enrollment by approximately 1,500 students.

Base Salary Increases (5%), Minimum Instructional Salary: $43.7 million ($36.9 million salaries, $6.8 million benefits)

Base Salaries	**Current**	**Request**
Instructional	$23,906	$25,101
Administrative	$34,773	$36,512
Classified	$19,207	$20,167

Minimum Instructional Salary	**Current**	**Request**
	$30,000	$31,000

Staff Allowance Increases: $39.6 million ($33.4 million salaries, $6.2 million benefits)

Increase in Instructional staff allowance from 1.1 to 1.15 which will fund approximately 678 FTE. Increase in Classified staff allowance from 0.375 to 0.400 which will fund approximately 339 FTE. This request is a component of school reform and will allow school

districts and charter schools to hire instructional staff and classroom aides based on local needs.

PERSI Employer Rate Increase: $4.8 million

Effective in FY 2008, the PERSI employer rate will increase from 10.39% to 11.00%. The state pays into PERSI on behalf of eligible public school employees.

Experience & Education Index: $125 thousand ($106 thousand salaries, $19 thousand benefits)

Request based on FY 2006 actual indexes. The Instructional index has stabilized during the last few years and is not expected to change significantly.

District-Directed Professional Development: $11.25 million

Represents cost of three days of instructional salaries and benefits for training in areas of focus, including math, and costs associated with state response of federal requirement for recruiting highly qualified teachers in low-performing schools. This is a component of school reform.

Gifted / Talented: $1 million

To provide training for advanced placement teachers to teach dual credit classes. This is a component of school reform.

Math Initiative: $500 thousand

Targeted pilot program to develop a math approach for primary grades while the more general professional development funds are used to train teachers for better math instruction in the middle and upper grades. This is a component of school reform.

Idaho Digital Learning Academy (IDLA): $500 thousand

Additional funds requested for expected increase in student enrollment, which addresses school reform by making classes available to students in low-performing and rural schools.

Technology Grants: $5.2 million

Additional funds for high-speed internet access ($2 million), computer replacement ($2.2 million), and integration/training ($1 million).

Transportation: $2.7 million ($1.2 million for inflation @ 1.81%, plus $1.5 million for estimated FY 2008 reimbursements)

Includes funding for provisions of SB 1443 (2004 session) as outlined in Idaho Code 33-1006 (7) for reimbursable pupil transportation costs, and for internet connection, electronic and computer equipment, toll-free telephone service, and education-related visits for home-based virtual schools.

Border Contracts: $200 thousand

Increase in state funding due to elimination of school maintenance & operations property tax.

Exceptional Contracts / Tuition Equivalency: $325 thousand

Additional funds required due to increase in exceptional child enrollment and excess cost rate.

Teacher Incentive (National Board Certification): -$147 thousand

Decrease in number of eligible teachers from 132 to 70.

Safe & Drug-Free: $1.5 million

This request includes an estimated $4.7 million from FY 2008 taxes on tobacco products and lottery winnings, and $2.3 million carryover of income taxes on lottery winnings.

Bond Levy Equalization Support Program: $3.7 million

Increased funding for public school district bond subsidy. Per HB 743 (2006 Legislative Session), this program will be funded by taxes on tobacco products, which will be transferred annually to the general fund, and then appropriated to public schools.

Limited English Proficient (LEP): $170 thousand

Funding to increase the amount per LEP student from $230 to $300. Estimated number of LEP students is 18,200 which is a decrease from 23,000 (FY 2007), due to clarification of classification.

Lottery (School Facilities): $9.2 million

Increase due to estimated annual dividend ($500 thousand), carryover from previous year ($3 million), and fund shift of the Bond Levy Equalization Support Program to taxes on tobacco products.

C. SUBJECT:

Petition to Transfer Property from Fremont County Jt. School District No. 215 to Sugar-Salem Jt. School District No. 322

BACKGROUND:

A petition submitted under the provisions of §33-308, Idaho Code, to transfer approximately one square mile of land from Fremont Jt. School District No. 215 to Sugar-Salem Jt. School District No. 322 has been received in the Department of Education. Also received were comments from both school districts. The request is in compliance with the provisions of Section 33-308, Idaho Code, in that the area is less than fifty square miles, no school is operated in the area, and the property is contiguous to Sugar-Salem Jt. School District.

DISCUSSION:

Fremont County Jt. School District opposes the transfer; Sugar-Salem Jt. School District is in favor. Copies of the petition, letters and map are enclosed. Approximately five children reside in the area proposed to be transferred.

Pursuant to the rules adopted by the State Board, the Department of Education appointed a hearing officer. A copy of all information received was forwarded to said hearing officer and a hearing was held on September 13, 2006. The hearing officer recommended that the petition be approved. This recommendation is attached.

RECOMMENDATIONS:

The State Department of Education does not have a recommendation.

BOARD ACTION:

A motion to approve the hearing officer's recommendation that the petition be approved

Moved by _____ Seconded by _____ Carried Yes ___ No ___

ATTACHMENTS:

1. Petition **
2. Letter from Sugar-Salem Jt. School District No. 215 **
3. Fremont County Jt. School District No. 215 Board of Trustees Meeting Minutes **
4. Maps **
5. Hearing Officer's Recommendation

** ***Note: These materials were not received in electronic form. For more information, contact Deb Stage, 208-332-6853.***

RICHARD A. CARLSON, Hearing Officer
P.O. Box 21
Filer, ID 83328
Telephone and fax: (208) 326-3686

BEFORE THE IDAHO DEPARTMENT OF EDUCATION

****

In re: Petition to Change School District Boundaries,	)	
Shawn Walters, *et al*,	)	RECOMMENDED ORDER
Petitioners,	)	
v.	)	
Sugar- Salem School District No. 322 and Fremont County School District No. 215,	)	
Respondents.	)	

This matter was heard on September 13, 2006 before Hearing Officer Richard A. Carlson. Shawn Walters appeared as a representative of the Petitioners. Superintendent Garry Parker appeared on behalf of School District 215. Superintendent Alan Dunn appeared on behalf of School District 322.

1. NOTICE

This is the recommended order of the Hearing Officer under DAPA 04.11.01.720. It will not become final without action of the agency head. Any party may file a petition for reconsideration of this recommended order with the Hearing Officer issuing the order within fourteen (14) days of the service date of this order. The Hearing Officer issuing this recommended order will dispose of any petition for reconsideration within twenty-

one (21) days of its receipt, or the petition will be considered denied by operation of law. See Section 67-5243(3), Idaho Code.

Within twenty-one (21) days after (a) the service date of this recommended order, (b) the service date of a denial of a petition for reconsideration from this recommended order, or (c) the failure within twenty-one (21) days to grant or deny a petition for reconsideration from this recommended order, any party may in writing support or take exceptions to any part of this recommended order and file briefs in support of the party's position on any issue in the proceeding.

Written briefs in support of or taking exceptions to the recommended order shall be filed with the agency head (or designee of the agency head). Opposing parties shall have twenty-one (21) days to respond. The agency head or designee may schedule oral argument in the matter before issuing a final order. The agency head or designee will issue a final order within fifty-six (56) days of receipt of the written briefs or oral argument, whichever is later, unless waived by the parties or for good cause shown. The agency head (for designee of the agency head) may remand the matter for further evidentiary hearings if further factual development of the record is necessary before issuing a final order.

2. WITNESSES AND EXHIBITS

A. The following persons testified at the hearing:

1. Shawn Walters
2. John Clinger
3. Kendall Berry
4. Phil Baker

B. The following exhibits were admitted at the hearing:

1. June 11, 2006 cover letter from Shawn Walters to Alan Dunn including a two- page Petition to Change District Boundaries along with the following attachments as exhibits:
    A. Map identifying the district boundaries as they are currently;
    B. Map outlining the district boundaries as they would be if the excision/annexation is approved;
    C. A document labeled "Reasons for submitting this Petition"
    D. Copy of District 215's new "Busing Resolution";
    E. Copy of newspaper article referring to District 215's new "Busing Resolution";
    F. Copy of newspaper article referring to District 322's response to District 215's new "Busing Resolution".

2(a). July 7, 2006 FAX transmittal from Garry parker to Deb Stage with minutes of June 15, 2006 Board Meeting.

2(b). June 16, 2006 letter to State Board of Education from District 215 enclosing copy of Petition.

3. District 322's July 5 and July 12, 2006 letters of response to the State Board of Education.

4. Copy of document labeled "District 322's policy regarding other Districts picking up students within the boundaries of District 322".

5. Copy of newspaper article regarding September 13th, 2006 hearing on petition.

6. Summary of property values of all taxable property included in Districts 322 and 215.

7. Debt schedule for District 215.

8. Copy of document labeled "Typical Questions and Answers regarding the proposed excision/ annexation" along with copies of two clarifying e-mail communications.

9. Copy of document labeled " Property Values of All Property Included in Annexation Petition".

A. Written testimony of Phil Baker in opposition to the proposed boundary change.

3. PROCEDURAL BACKGROUND

On or about June 12, 2006 Mr. Shawn Walters filed a "Petition to Change District Boundaries" with School Districts 322 and 215 requesting an alteration of the Districts' boundaries. The effect of the change would be to remove an approximately one square mile area adjacent to the City of Newdale from the Fremont School District 215 and add it to the Sugar- Salem School District 322. Maps of the area proposed for change are in the record marked Exhibits 1(A) and 1(B). The legal description of the area is contained in Exhibit 1 at page one.

In this case, after having received the petition, the Board of School District 215 voted to "send the petition to the state Board of Education for their consideration, if noted there are no safety issues in the students being transported…".[1]

The Board of School District 322 unanimously endorsed the petition and recommended that the State Board of Education approve the requested boundary change.

Representatives of the School Districts, the Petitioners, and the Hearing Officer met for an informal pre-hearing conference on August 23rd to work out the schedule for the hearing, some rules about exchanging witness lists and an exchange of documentary evidence that the parties intended to offer as exhibits. Some other issues were addressed during the pre-hearing conferences i.e. the order of the presentation of witness testimony.

Notice of the public hearing regarding the petition was published in a newspaper of general circulation in the area (the *Rexburg Standard Journal*) on August 26, 2006. The hearing was held on September 13, 2006 in the Teton School and was audio taped with

[1] Ex. 2(a), p.3. In the context of the rest of the minutes of the meeting at which that vote was made it appears that the Board was making an equivocal endorsement of the petition. The Board wanted it noted however, that it was not acknowledging any valid child safety concerns described in the petition or otherwise.

the consent of all parties. The original audio- tapes of the hearing will be kept by the Hearing Officer.

At the conclusion of the receipt of testimony and evidence the parties were invited to present oral or written statements (arguments) in support of their respective positions but none did.

This Recommended Order is based on a careful review of the record including the documentary evidence and oral testimony presented at the hearing as well as a review and application of law. This Recommended Order constitutes the Hearing Officer's analysis of the relevant issues, his findings of fact, and his conclusions of law.

4. APPLICABLE LAWS, REGULATIONS AND STANDARDS

Idaho Code 33-308 and IDAPA 08.02.01.050 provide citizens the right to petition the Board of Education for alterations of school district boundaries. That statute and rule require an analysis of two issues:

1. Will the excision as proposed leave a school district with a bonded debt in excess of the limit prescribed by law;

2. Is the excision and annexation in the best interests of the children residing in the area described in the petition. In determining the best interests of the children, the hearing officer shall consider all relevant factors, which may include:

i. The safety and distance of the children from the applicable schools;

ii. The views of the interested parties as these views pertain to the interests of the children residing in the petition area;

iii. The adjustment of the children to their home and neighborhood environment;

iv. The suitability of the school(s) and school district which is gaining students in terms of capacity and community support.

IDAPA 08.01.01.050 makes the Idaho Rules of Administrative Procedure of the Attorney General, IDAPA 04.11.01 et seq. applicable to hearings on petitions for school district boundary alterations. The Petitioners in this case have the burden of presenting evidence on the two issues described above and proving their "case" by a preponderance of evidence.

5. WILL THE ALTERATION LEAVE SCHOOL DISTRICT 215 WITH A BONDED DEBT IN EXCESS OF THE LIMIT PRESCRIBED BY LAW?

The proposed change of district boundaries will not leave School District 215 with bonded indebtedness in excess of the limit prescribed by law. That finding and conclusion is based on the following:

a. A summary of market values of the property that both districts rely on as a tax base is contained in Exhibit 6 which shows that the value of taxable real property in District 215 exceeds one billion dollars ($1,000,000,000.);

b. The oral testimony of Mr. Walters explaining Exhibit 7- a "Net Debt Service Schedule for District 215"- to the effect that District 215's indebtedness is approximately sixteen million dollars ($16,000,000.);

c. The oral testimony of Mr. Baker – a member of the School District 215 Board – confirming that his District's bonded indebtedness is approximately sixteen million dollars ($16,000,000.)[2]

The District is allowed a bond indebtedness no greater than five (5) per-cent of the previous year's total actual (not adjusted) value of its property tax base. Subtracting the market value of the property in the area proposed for excision (approximately $1,400,000) from School District 215's tax base will leave it very substantially below the upper limit of indebtedness imposed by statute.

[2] Exhibit 'A' is a written copy of the oral testimony Mr. Baker gave (almost, but not quite, matching his oral testimony) and it contains a reference to the District's bonded indebtedness of sixteen million dollars ($16,000,000.)

6. IS THE EXCISION AND ANNEXATION IN THE BEST INTERESTS OF THE CHILDREN RESIDING IN THE AREA DESCRIBED IN THE PETITION?

IDAPA 08.02.01 Rule 50 requires consideration of "all relevant factors" which have a bearing on the "best interests of the children residing in the area described in the petition". The Rule gives some examples of factors that can be considered but is not an exclusive list. Mr. Walters written statement explaining the reasons for the petition when he submitted it touches on most, if not all, of the factors set out in Rule 50 and are all relevant in considering the "best interests of the children". He wrote, in part:

"In making this request we have not considered the relative strengths and qualities of the two districts; we simply consider ourselves to be a part of Sugar-Salem School District 322 community. We also believe that this change will be in the best interest of the five (5) school age children currently affected, and we believe the impact to both districts will be minimal. The following outlines our reasoning for this request:

*1. **District 322 on three sides**. The one-mile square as defined in the Petition is bordered by District 322 on three sides, the north, east, and south sides. The current boundaries create an almost island effect with the homes on this short stretch. This does not seem logical.*

*2. **Center mile originally undeveloped**. When the district boundaries were realigned in the 1950s, there were no homes located on this one-mile stretch of 8000 East. Residents of the homes to the north and to the south requested and were allowed to be included in District 322, but there were no residents to represent the one-mile stretch in the middle. Fifty years ago, including this one-square mile within the boundaries of District 215 impacted no one. Little did those involved in this decision realize that they were creating a hardship on those who would build there in the future. Placing this stretch within the boundaries of School District 322 would square up the boundaries, allowing the students in the middle segment to attend school (riding the same bus) with their neighbors living to the north and to the south.*

*3**. In the midst of a 322 Community**. All of the seven homes to the south, and all of the four homes north, and all of the 140 homes to the east including the City of Newdale that surround this one-mile stretch are included in District 322. The residents residing in the eight homes included in this one-square mile are a part of the surrounding community that includes over 160 homes. With the exception of these eight homes, all of the residents are designated to attend school in District 322.*

*4**. All students attend District 322**. Although this one-mile stretch is currently in District 215, none of the students living on this road have gone to District 215; all students have gone to District 322. (Two homes located next to highway 33 but still in this one-mile stretch did send students to District 215 in the 1960's, but began sending*

their children to District 322 in the 70's because according to them "that's where their friends attended." Every student in this one-mile block since that time has attended school in District 322.)

*5**. District 2I5's New Busing Policy**. Although Idaho has an "Open Enrollment policy" allowing students to attend school in the district they choose, School District 215 has recently enacted a busing agreement with District 322 that does not allow a District 322 bus to pick up students residing within the borders of District 215 even if the District 322 bus travels directly in front of the home. As of this fall, in order for our children to attend the same school as their neighbors and surrounding community, we will have to load our children in the car and drive them either one half mile to the north, or to the south to catch a district 322 bus within the boundaries of District 322. Allowing the children to walk this 1/2 mile poses an increased safety risk, and driving them each morning and afternoon is very inconvenient and unnecessary. All of this makes no sense since a District 322 bus passes directly in front of our homes as it picks up and drops off students living both north and south of this one-mile stretch and no District 215 bus travels this road. A District 322 bus has been picking up all the students on this one-mile stretch since homes started being built here in 1980. A District 322 bus has been picking up students on the homes built prior to that on Highway 33 since the 1970's. (District 215' s new policy on other Districts busing students within District 215 boundaries is outlined in Exhibit D. Also attached as Exhibit E and Exhibit F are two articles found in the Standard Journal reporting on District 215's new busing policy.)*

*6**. Distance.** The distance from the center of this one-mile stretch to the Sugar Salem High School is 7.5 miles. The distance from the same location to the Fremont High School is 10 miles.*

*7. **Annual Petition**. Although we consider ourselves to be a part of the School District 322 community and our children have not attended school anywhere else, we must annually petition District 322 Board of Trustees each February 1 to assure that our children will be allowed to attend District 322 for the following school year. While we appreciate the district's willingness to grant our yearly requests, granting this request for a change in district boundaries would eliminate this annual task and the possibility of denial. Removing this constant "uncertainty" would definitely be in the best interest of the children. The children's concern over being allowed to attend District 322 is even more heightened with District 2l5's new busing policy.*

*8**. Grass Roots Support**. Of the fifteen eligible voters that reside within the area of the Petition, fourteen have been contacted and all fourteen have signed the Petition To Change District Boundaries. 9. Minimal effect to tax base. As no students living in this one-square mile attend school in District 215, there will be no reduction of students. We do recognize that District 215 will lose tax base on the eight homes and approximately one square mile of agricultural land. Given the massive size of District 215's tax base verses the relatively modest tax base of District 322, we think an insignificant change in tax base should not be a deciding factor to the request. The following data shows the relative size comparisons of the two Districts' tax bases. Note that District 2I5's 1999 tax base was five (5) times larger than District 322's; however, District 2I5's increase (growtb in tax base) from 1999 to 2004 was nine (9) times larger than District 322's increase ($200,369,061 vs. $22,040,275). Given the current growth in Fremont County, there appears to be no reason that this tremendous expansion of tax base in Fremont*

County will not continue. As District 215's tax base continues to race upward, District 215 will never miss the tax base derived from this one-square mile.

	1999 Tax Base	*2004 Tax Base*	*Increase*	*% Increase*
Dist. 215	*$682,074,692*	*$882,443,753*	*$200,369,061*	*29.4%*
Dist. 322	*$141,381,578*	*$163,421,853*	*$22,040,275*	*15.6%*

(Data obtained from Idaho Department of Education Website, "Tax levies for school purposes")

As Petitioners, we trust that the Board of Trustees of both Districts will recognize that residing in the far southeast corner of District 215 and being almost completely surrounded by District 322, we strongly perceive ourselves as being a part of the District 322 community. We look forward to being "full patrons" of District 322 and we trust that both Districts will focus on what is best for the students and the families involved."[3]

Most of the statements quoted above are uncontroverted by other evidence and appears to represent the prevailing sentiment in the affected community. However, there are several that should be addressed in light of other evidence in the record:

1. Mr. Walters' reference to a "bussing agreement" in point No.5 above is somewhat of a mischaracterization- it would be more accurate to say School District 215 implemented a new bussing policy which prohibits District 322 busses from picking students up inside District 215 territory. While there appears to have been some attempt by the two school boards to work out an agreement that would have allowed District 215 busses to pick up children in District 322[4] at their doorsteps, there was ultimately no agreement. Absent an agreement, children cannot be picked up in front of their homes and will have to walk to or be dropped off at a designated bus stop some distance from where they have been picked up.

Mr. Berry's description of the traffic in the area- some of it including heavy truck traffic- along with his testimony about reduced visibility on at least one stretch of road in

[3] See Exhibit 1-C.
[4] See testimony of Mr. Baker and Exhibit 'A'.

the area where children might walk or get on a bus supports Mr. Walters' conclusion that District 215's new policy will increase the safety risk to schoolchildren.

Mr. Baker pointed out that the travel distance to school from the middle of the affected area to the elementary school will actually increase if the proposed annexation were to occur. However, if students can get to their stop and then on the bus safely a school bus is the safest form of transportation for getting children to school – compared even to walking, bicycling, riding with their parents or driving themselves or with friends.[5] When students are more likely to drive themselves to school, i.e. during their high school years, the distance they will have to drive will be shorter (and presumably safer) if the excision/annexation is approved. All things considered, District 215's new bussing policy imposes a marginally greater safety risk on the students in the area who attend District 322 schools and who will no longer be picked up directly outside their homes.

CONCLUSION

Based on the evidence in the record this Hearing Officer finds that the Petitioner has proved , by a preponderance of evidence, that:

(1) the excision of the subject property, as proposed, will not leave the Fremont School District 215 with a bonded debt in excess of the limit prescribed by law;

(2) the excision and annexation, as proposed, is in the best interests of the children residing in the area described in the petition.

Based on the discussion, analysis, findings and conclusions of law set forth above this

[5] According to safety statistics Mr. Walters provided in his oral testimony.

Hearing Officer recommends that the Board of Education approve this pending petition.

DATED this____ day of October, 2006.

_____
Richard A. Carlson, Hearing Officer

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the ____ day of October, 2006, he served a true and correct copy of the foregoing document upon the following persons by U.S. Mail, postage pre-paid:

Shawn Walters
P.O. Box 177
Newdale, ID 83436

Garry Parker- Superintendent
School District No. 215
147 N. 2nd W.
St. Anthony, ID 83445

Alan Dunn- Superintendent
School District No. 322
P.O. Box 150
Sugar City, ID 83448

Deb Stage
Idaho Department of Education
P.O. Box 83720
Boise, ID 83720-0027

_____
Richard A. Carlson

D. SUBJECT:

Appointment to the Idaho State Curricular Materials Selection Committee

BACKGROUND:

The Administrative Rules of the Idaho Board of Education, IDAPA 08.02.03.128, describe the membership of the Idaho State Curricular Materials Selection Committee. Membership on the committee is for a term of five years with the exception of the representatives from the State Department of Education and the Division of Vocational Education, whose terms are for one year each.

DISCUSSION:

Currently there are four openings on the Selection Committee for the state's four colleges of education. The open position being recommended for appointment at this time is for the University of Idaho. This recommendation is for a complete five-year term.

This leaves one Boise State University position, one Lewis-Clark State College, and one Idaho State University position not filled. Applications for these positions will be submitted by the end of the year and presented at the February Board meeting.

RECOMMENDATION:

The State Department of Education recommends the appointment of Dr. Rodney McConnell, College of Education, University of Idaho to represent one of the state's four colleges of education. This appointment is for a period of five years.

BOARD ACTION:

The State Board of Education moves to approve the request for an appointment to the Idaho State Curricular Materials Selection Committee as submitted.

Moved by _____ Seconded by _____ Carried Yes ___ No ___

ATTACHMENTS:

1. Rodney McConnell letter of interest and professional vitae

October 10, 2006

Val Fenske, Coordinator
Curriculum & Technology Center, B-25
Idaho Department of Education
PO Box 83720
Boise, ID 83720-0027

Dear Ms. Fenske:

I am writing to express my interest in an appointment to the Idaho Curricular Materials Selection Committee. Though I am new to Idaho and the University of Idaho, I have public school and university teaching experience in both Wyoming and Texas. My public school background is in secondary language arts and my university teaching background includes a wide variety of content and pedagogy courses. While my current research is focused on the nature of instruction in language arts, my past research interests have focused on both reading and writing curricula for secondary schools.

If appointed, I look forward to working with Dr. Howard and the Idaho State Board of Education in the selection of curricular materials.

I appreciate your consideration.

Sincerely,

Rodney McConnell, Ph.D.
College of Education
University of Idaho
PO Box 443082
Moscow, ID 83844-3080
208-885-7637
rmac@uidaho.edu

Rodney K. McConnell

Address

PO Box 9201
Moscow, Idaho
208-885-3576 (University of Idaho office)
208-835-4021 (Residence)
208-874-3577 (Cell)
rmac@uidaho.edu

Educational Background

2006 Doctor of Philosophy in Education. University of Wyoming, Laramie, Wyoming. Curriculum and Instruction.

1997 Master of Arts in Education. University of Wyoming, Laramie, Wyoming. Curriculum and Instruction.

1994 Bachelor of Arts in Education. University of Wyoming, Laramie, Wyoming. English Education.

Honors and Awards

2003 Van Dyke Scholarship, Graduate Scholarship, College of Education, University of Wyoming

2002 Faculty Award for Outstanding Service to the Educational Profession, College of Education, University of Wyoming

Teaching Experience

2006 - University of Idaho, College of Education, Assistant Professor, Curriculum and Instruction

Teaching Assignment
ED 302: Curriculum, Instruction, and Assessment Strategies

Other Responsibilities
Advisement of Undergraduate Students
Service on Graduate Committees

2004 – 2006 University of Houston – Victoria, School of Education and Human Development
Assistant Professor, Curriculum and Instruction

Teaching Assignment
C&I 3323: Instructional Design
RDG 4362: Workshop Approach to Reading and Writing (Online)
C&I 4300: Generic Secondary Teaching Methods (Online)
FED 3321: Foundations of Education
C&I 6314: Classroom Practice, Process, and Procedure (Online)
ESE 4303: Early School Education Student Teaching
MSE 4303: Middle School Education Student Teaching
SED 4303: Secondary School Student Teaching

Other Responsibilities
Advisement of Undergraduate and Graduate Students
Teaching Excellence Committee
Student Appeals Committee

2000-2004 University of Wyoming, College of Education, Temporary Assistant Lecturer/PDS Clinical Faculty

Teaching Assignment
EDST 2000: Becoming a Teacher
EDST 3000: Teacher as Decision Maker
EDEL 4500: Residency in Teaching
EDSE 3540: Teaching Reading in the Content Area
EDCI 5870: The Role of Education in American Democracy
EDCI 4140/5140: Storytelling
EDCI 5959: Wyoming Leadership Associates Program

Other Responsibilities
Coordination of School/University Partnership activities in Carbon County School District #1, Carbon County, Wyoming
Advisement of undergraduate students

2004 Laramie County Community College, Laramie Campus, Adjunct Faculty

Teaching Assignment
EDFD 2100: Educational Psychology

2003-2004 University of Wyoming Casper Center, Temporary Assistant Lecturer

Teaching Assignment
EDCI 4140/5140: Storytelling
EDCI 4160/5160: Trends in Children's Literature

2000-2003 Western Wyoming Community College, Rock Springs, Wyoming, Adjunct Faculty

Teaching Assignment:
LIBS 2280 Literature for Children
EDFD 2040: Foundations of Learning
EDCI 2041: Practicum 1B, Foundations of Learning
EDFD 2020: Foundations of Education
EDCI 2021: Practicum 1A, Foundations of Education
LIBS 2140: Storytelling

1999-2000 McKinney High School, McKinney Independent School District, 1 Duval Street, McKinney, Texas.

Teaching Assignment:
English I (9th grade) Pre-AP
English I (9th grade)

1999-2000 Collin County Community College, Plano, Texas, Adjunct Faculty, Division of Humanities and Social Sciences, Sheril Cobb, Coordinator.

Teaching Assignment:
Spring 2000, English 1302
Fall 1999, English 1301

1998-1999 University of Wyoming, College of Education. Assistant Temporary Lecturer, Department of Secondary Education, Dr. Norm Peterson, Chair.

Teaching Assignment:
EDUC 4250: Becoming a Reflective Practitioner: Specific Pedagogy in English
EDUC 4000: Becoming a Reflective Practitioner: Practicum
LIBS 4140/5140: Storytelling
EDUC 2000: Becoming a Teacher
LIBS 5120: Young Adult Fiction

Summer 1999
EDCI 5020: Curriculum Workshop in Language Arts
EDCI 5320: Writing Process in the Classroom
LIBS 5120: Young Adult Fiction

Other Responsibilities
Committee work as needed; Advisement of undergraduate education students

1997 (Fall) University of Wyoming, College of Education. Assistant Temporary Lecturer. Division of Lifelong Learning and Instruction, Dr. Pat McClurg, Chair.

Teaching Assignment
EDUC 4250: Becoming a Reflective Practitioner: Specific Pedagogy in English
EDUC 4000: Becoming a Reflective Practitioner: Practicum
LIBS 4140/5140: Storytelling

Other Responsibilities
Coordinator of Lab School Writing Center
Advisement of undergraduate English education majors

1997 (Summer) University of Wyoming, College of Education, Temporary Assistant Lecturer. Division of Leadership and Human Development, Dr. Dee Hopkins, Chair.

Teaching Assignment
LIBS 4140/5140: Storytelling

For the 1998/99 academic year and the Fall 1997 semester, I was on unpaid leave of absence from Albany County School District Number One, Laramie, Wyoming where I taught grades 10-12 English classes.

1994-1998 Laramie High School, Albany County School District Number One, Laramie, Wyoming.

Teaching Assignment (Grades 10-12)
English 10
English 10 & Reading
Survey of American Literature
Short Story
Writer's Workshop
Science Fiction Literature
Reading Skills
Developmental Reading

Other Responsibilities
Student Council Sponsor (1995-1997)
Co-chair, Steering Committee, North Central Association School Accreditation
Building Intervention Team
Multi-Cultural Steering Committee
Curriculum Development Committee
Presentation and Communication Committee

1994-1998 Summer Employment
University of Wyoming, Student Educational Opportunities, Upward Bound/Math Science Initiative Project. Janet Kumerfeldt, Academic Coordinator.

Teaching Assignment (Grades 9-11):
English (Writing and Literature)
Research Skills
Speaking and Presentation Skills
Scientific Journal Writing

Other Responsibilities
Symposium Coordinator
Field Trip Sponsor
Student Advisor
Study Hall Supervisor
Assistant Academic Coordinator (1997)

Publications

Middle school students, teachers, and parents: contracting for success. *Journal of instructional psychology*. vol. 24, no. 4. 1997, December. p. 246.

International/National Papers and Presentations

Pouring Philosophical Piers: Grounding PDS Faculty and Students in the Agenda for Education in a Democracy. 2002 Professional Development Schools National Conference, Orlando, Florida, March, 2002.

Recruitment and Retention: Building and Maintaining a PDS Alliance in Higher Education. 2002 Professional Development Schools National Conference, Orlando, Florida, March, 2002.

Taking the Next Step: Growing Our Own PDS Faculty. 2001 National Network for Educational Renewal Annual Conference, September, 2001.

Making It Up as We Go: Successes and Struggle of Three New Professional Development Sites. 2001 National Network for Educational Renewal Annual Conference, September, 2001.

Ancestral Archives: Legacies of Family Lore. National Council Teachers of English 1997 Spring Conference, Charlotte, North Carolina.

Operating a Writing Center for Pre-School to Junior High. 21st Conference on English, University of Wyoming, June 1993.

Regional Papers and Presentations

Playing with Reader Response in Poetry. A Conference for Teachers, Fully Engaged: Enhancing Learning Through Play and Interplay, The Inland Northwest Council of Teachers of English and the Northwest Inland Writing Project, Moscow, ID, October 5, 2006.

Rosenblatt and Probst Meet Chez Salazar: Alternatives to the Traditional Literature Classroom. Wyoming Interdisciplinary Conference. October 1996.

State and Local Papers and Presentations

The Reading and Writing Classroom. Bridges to Literacy Conference, Cheyenne, Wyoming. June, 1997.

Time, Ownership, and Response for Writers. Wyoming Writing Project, Cheyenne, Wyoming. June, 1997.

What Should a Writing Classroom Look Like? Wyoming Educational Leadership Conference, Gillette, Wyoming. October, 1996.

Writing in Multiple Genres. Wyoming Writing Project. Gillette, Wyoming. March, 1996.

Professional Organizations

Association for Supervision and Curriculum Development
International Reading Association
National Council of Teachers of English
Phi Kappa Phi

Service and Leadership

Member, Secondary Partners Advisory Board, Wyoming School/University Partnership (1995-96)
Member, Building Intervention Team, Laramie High School (1996-98)
Member, Multi-Cultural Steering Committee, Albany County School District Number One (1995-97)
Member, 25th University of Wyoming Conference on English Organization Committee
Co-chair, Laramie High School Steering Committee, North Central Accreditation Association (1996-97)
Sponsor, Laramie High School Student Council (1996-98)
Member, Curriculum Development Committee, Laramie High School (1996-97)
Judge, Wyoming State Science Fair (1997, 1998)
Member, 2000-2010 Language Arts Textbook Selection Committee, McKinney High School, McKinney ISD, McKinney, Texas (1999-2000)
Facilitator, Laramie Junior High School Book Study Group, Spring 2002
Facilitator, 2002 Rawlins Wyoming Leadership Associates Program
Faculty Advisor, Phi Delta Kappa, University of Idaho, College of Education, 2006 -