



**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**

**APPROVED MINUTES
STATE BOARD OF EDUCATION
February 21-22, 2007
Boise State University Student Union Building
Boise, Idaho**

A regular meeting of the State Board of Education was held February 21-22, 2007 in Boise, Idaho. The Board met in Executive Session on February 21, 2007 at 650 West State Street, Room 307. The Board met in Open Session on February 22, 2007 at Boise State University, Student Union Building, Lookout Room. Members present were:

Laird Stone, President
Paul Agidius, Secretary
Rod Lewis
Tom Luna, State Superintendent

Milford Terrell, Vice President
Blake Hall
Sue Thilo

EXECUTIVE SESSION

M/S (Terrell/Thilo): To move into Executive Session, pursuant to Idaho Code Section 67-2345(1), on February 21, 2007 at 5:00 p.m. A roll call vote was taken; motion carried unanimously.

M/S (Terrell/Hall): To go out of Executive Session at 8:25 p.m. and adjourn for the evening. Motion carried unanimously.

In executive session, the Board did one or more of the following: (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) considered preliminary negotiations involving matters of trade or commerce in which the governing body is in competition with governing bodies in other states or nations; (f) considered and advised its legal representatives in pending litigation or where there is a general public awareness of probable litigation.

OPEN SESSION

BOARDWORK

1. Agenda Approval

By unanimous consent, the Board agreed to take up item 4 of Section I of the Business Affairs and Human Resources agenda after the Planning, Policy and Governmental Affairs agenda; and, to accept the agenda as modified.

2. Minutes Approval

M/S (Terrell/Hall): To approve the minutes from November 29 and 30, 2006, as submitted. Motion carried unanimously.

M/S (Hall/Terrell): To approve the minutes from January 8, 2007, as submitted. Motion carried unanimously.

3. Rolling Calendar

M/S (Terrell/Hall): To approve February 28 and 29, 2008, as the date, and Boise State University as the location for the regularly scheduled February Board meeting.

M/S (Hall/Terrell): To have a meeting in January 2008 at a date in conjunction with the Board's presentation to JFAC.

There was discussion by the Board about setting a meeting date in January of 2008 to give the Board opportunity to consider important issues in a more timely fashion. In addition, it was suggested that the Board consider either returning to a schedule where it meets each month or to have meetings take place for two days at a time so that the Board members would have sufficient time to receive, review, consider and discuss agenda items.

CONSENT AGENDA

M/S (Terrell/Thilo): To accept the consent agenda as presented. Motion carried unanimously.

1. BAHR – SECTION I – Boise State University – New Positions & Changes to Positions, Deletions of Positions

By unanimous consent, the Board approved the request by Boise State University for fourteen (14) new positions supported by appropriated and local funds; title, term, salary and FTE changes to two (2) positions; and to delete one (1) position.

2. BAHR – SECTION I – Idaho State University – New Positions

By unanimous consent, the Board approved the request by Idaho State University for seven (7) new positions (6.75 FTE) and to increase the FTE on two (2) positions (1.85 FTE).

3. BAHR – SECTION I – University of Idaho – New Positions & Deletion of Positions

By unanimous consent, the Board approved the request by University of Idaho to establish five (5) new positions supported by appropriated and non-appropriated funds and reactivate one (1) deleted PCN supported by non-appropriated funds.

4. BAHR – SECTION I – Lewis-Clark State College – New Position

By unanimous consent, the Board approved the request by Lewis-Clark State College for one (1) new position supported by appropriated funds.

5. PPGAC – Alcohol Permits issued by University Presidents

This was an information item only.

6. PPGAC – Second Reading – Amendment to Board Policy III.V. – Articulation and Associate Degree

By unanimous consent, the Board approved the second reading of the amendment to Board Policy III.V., Articulation and Associate Degree Policy.

7. PPGAC – Second Reading – Amendment to Board Policy Bylaws, Section J – Presidents' Council

By unanimous consent, the Board approved the second reading of the amendment to Board Policy Bylaws, Section J, Presidents' Council.

8. PPGAC – Second Reading – Amendment to Board Policy II.I. – Leave – All Employees

By unanimous consent, the Board approved the second reading of the amendment to Board Policy II.I., Leave – All Employees.

9. PPGAC – Approval of Members to Eastern Idaho Technical College Advisory Council

By unanimous consent, the Board approved the reappointment of Joe Groberg, Dr. Fred Gunnerson, Frank Just, and Russell Spain to the Eastern Idaho Technical College Advisory Council for a term beginning immediately and ending December 31, 2010.

10. IRSA – Quarterly Report – Program Changes Approved by the Executive Director

This was an information item only.

PLANNING, POLICY AND GOVERNMENTAL AFFAIRS

1. Presidents' Council Report

Dr. Timothy White of the University of Idaho reported. He noted that the Presidents' Council had recently met and discussed student fees, the medical education study, concurrent and dual enrollment, and issues related to retirement benefits.

Dr. Robert Kustra of Boise State University reported that occupancy costs are suffering in this legislative session. He asked the Board to help promote the issue with legislators. President White reported that he, along with President Valais of Idaho State University and President Thomas of Lewis-Clark State College, had written a letter of support to the Joint Finance and Appropriations Committee on behalf of the Department of Education.

Board member Hall asked President Beck of the College of Southern Idaho about dual credit. Dr. Beck encouraged the state to look at various models of concurrent enrollment to see what might work well in Idaho.

Dr. White reported that the Presidents' Council had discussed needs-based scholarships at their recent legislative luncheon. President Kustra indicated several legislators expressed concerns on that subject. Board member Hall asked Karen Echeverria of the Board Office to be prepared to address possible legislative objections.

Bill Robertson of Eastern Idaho Technical College asked for Board direction on the matter of a community college district being created in eastern Idaho since various entities were promoting that possibility. Board member Hall noted that the Board is on record as supporting a statewide community college effort as well as being supportive of local efforts to create community college districts. A similar effort is underway in the Treasure Valley. Board member Hall encouraged any groups interested in creating a new community college district to have clear understanding as to what a community college should look like in addition to its relationship to other institutions in the area. He reiterated that future community colleges can not harm existing community colleges.

Board member Hall referred to an earlier request by the Board for the institutions to prepare a comparison study of similar programs and expressed his appreciation for their work in that regard with the Colleges of Engineering. In follow-up, President White indicated the next study would look at the Colleges of Education and be presented to the Board in June.

President White reported that Dr. Michael Burke, former president of North Idaho College, begins his new position at San Jose State College the first of March. Dr. Priscilla Bell will join North Idaho College as its Interim President, but in the meantime Dr. Barbara Hanson is representing NIC at this Board meeting.

2. Boise State University Progress Report

President Kustra reported to the Board. He discussed BSU's recruitment and retention efforts. He noted that BSU had identified benchmarks for academic quality it hopes to pursue. Dr. Kustra introduced Dr. Mark Rudin, Vice President of Research. Dr. Rudin reported on the research activities at BSU and indicated it planned to reward research efforts that have a positive impact on the college, students, the community and business.

Board President Stone thanked BSU for its prompt response to a letter sent by the Board to the Presidents related to the cost of textbooks. He indicated BSU's response helped highlight the issue of retention of students in relationship to the high cost of education.

3. Idaho Vocational Rehabilitation Progress Report

Dr. Michael Graham, State Administrator of the Division of Vocational Rehabilitation, reported to the Board. He overviewed the strategic plan of the agency and noted the agency's mission to help people with disabilities achieve individual rehabilitation goals enriches the community by returning tax payers to the state. Dr. Graham discussed the complexities of the system and reviewed the process for developing a plan of action for eligible individuals. He reported that counselors had successfully rehabilitated, on average, 28 individuals this year which is a better rate than found in surrounding states. In addition, the cost to rehabilitate an individual in Idaho is lower than in other states. This demonstrates efficiency and effectiveness. Dr. Graham pointed out that staff recruitment and retention are adversely impacted by the lower salaries offered by Idaho state government. To offset that, the agency used bonuses to reward performance, motivate production and to retain quality staff this past year.

Board member Hall asked about the sources of revenue. Dr. Graham said the revenue comes from several sources. The primary program is a federally supported program with a small percentage coming in a match from state general account funds, agreements with other agencies and school districts. He noted that state funds also support other services that the Division of Vocational Rehabilitation provides.

4. Economic Development Council Progress Report

Leon Maynard, President of the Idaho Council on Economic Education, reported to the Board. He indicated the Council strongly supported the Board of Education efforts on high school redesign and increased math requirements as well as economic and financial literacy education.

Mr. Maynard reported that the Council is an independent 501.C.3 nonprofit organization. It is hosted by BSU and he is an employee of BSU. The members of the Board of Directors have a variety of backgrounds and come from throughout of Idaho. The Council provides training, development and resources to instructors throughout the state focusing on economic and financial education. Mr. Maynard discussed the "International Economic Summit" program and noted it had been developed by Kali Kurdy, a former teacher at Borah High School. She won a national award for her work. In 2006, the Federal Reserve Bank of San Francisco licensed the program from the Idaho Council and is in the process of implementing it in California, Washington and other states. Board member Thilo complimented Mr. Maynard and the work of the Council.

5. Small Business Development Center Progress Report

Jim Hogue reported to the Board on the activities of the Small Business Development Center. The Center was established at BSU in 1986 and now has regional services located at several other Idaho institutions. Mr. Hogue discussed the Center's goal of educating Idaho's entrepreneurs to help them be more successful. The Center has partnered with a number of federal, state, regional and local agencies and private sector firms. The Board thanked Mr. Hogue for his report.

At this time Superintendent Tom Luna was welcomed to the Board meeting.

6. Approval of the Federal Carl D. Perkins Six-Year Plan

M/S (Thilo/Agidius): To approve the request by the Division of Professional-Technical Education to approve the State Transition Plan required by P.L. 109-270, Carl D. Perkins Career and Technical Education Act. Motion carried unanimously.

Mike Rush, State Administrator of the Division of Professional-Technical Education, presented this item and introduced Josie Chancey of the Division. Dr. Rush commended Ms. Chancey for her work on preparing the plan. He also reported that Ms. Chancey had authored the federal waiver recently approved by the U.S. Department of Education which saved the state of Idaho about seven million dollars. The Board expressed their appreciation to her as well.

At this time the Board took up Item 4 of Section I of the Business Affairs and Human Resources Agenda.

4. University of Idaho – New Positions – University Advancement

M/S (Hall/Thilo): To approve the request by the University of Idaho to establish nineteen (19) new positions in University Advancement supported by appropriated and non-appropriated funds, as identified in the following pages:

**one (1) Administrative Assistant I;
two (2) Assistant Deans for Development;
one (1) Associate Director of Gift Planning;
one (1) Business Manager;
six (6) Development Coordinators;
four (4) Directors of Development;
one (1) Directory of Annual Giving;
one (1) Director of Donor Relations and Stewardship;
one (1) Program Manager;
and one (1) Proposal and Grant Writer. Motion carried unanimously.**

Board member Terrell introduced Dr. Timothy White to present this item. Dr. White reported that this item was previously presented at the November 2006 Board meeting. Additional details were requested from the institution at that time.

Chris Murray, UI Vice President for Advancement, was introduced to present the University Advancement Campaign details. Mr. Murray discussed the particulars of the campaign effort. He reported that the University of Idaho desires to deliver a transformational experience to its students and has targeted four areas for investment and growth: students, faculty, programs and facilities. Mr. Murray reported the campaign goal of \$300 million is based on having an infrastructure in place to raise the funds and projected donor interest. He referred the Board to agenda materials for more detailed information on fund source and uses.

John McConnell, a consultant from the firm Bentz Whaley Flessner, discussed an audit of the UI advancement area with the purpose of assessing the current fundraising process. He indicated that the audit demonstrated a major need for staff and infrastructure to be increased in order for advancement to be successful. Mr. Murray explained that fundraising staff would be held accountable for meeting the goals and that they will be at-will employees.

Board member Lewis complimented the University of Idaho for the depth of their presentation. He noted that it was beneficial for the Board to have the details so that it could be assured of the University's ability to be successful.

Superintendent Luna asked about the source of the redirected internal funds. Dr. White noted funds will come from the UI Higher Education settlement fund to jumpstart the effort. In addition, the deans of the various colleges have agreed to share the cost. Superintendent Luna asked for clarification on the fee structure options found in Attachment 6 of the Board agenda materials. Dr. White pointed out that the fee options are possibilities that the Foundation is considering. Mr. McConnell explained that such fees are normal among institutions and their affiliated organizations.

At this time the Board returned to the Instruction, Research, and Student Affairs agenda.

INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS

1. Presentation by the Governor's Early Care and Learning Initiative and the Early Childhood Coordinating Council

This item was delayed until the end of the Instruction, Research and Student Affairs agenda.

2. New Graduate Program – Reconsideration of the Master of Applied Anthropology and MA, Anthropology – Boise State University

M/S (Agidius/Lewis): To reconsider the vote taken at the Twin Falls meeting to disapprove this application. *Motion carried 5-1-0 (Hall voted Nay and Terrell absented during the vote).*

M/S (Agidius/Lewis): To approve Boise State University's request to offer a Master of Applied Anthropology and a Master of Arts in Anthropology. *Motion carried 6-1 (Hall voted Nay).*

Dr. Sona Andrews presented this item. Board member Hall noted that this item was before the Board in August of 2006 at the Twin Falls meeting. He asked why it was being brought forward again. Dr. Andrews indicated the revised proposal provided more detail as to the needs, the program particulars, and the budget. Professor Mark Plew, Chair of the BSU Anthropology Department, discussed the unique aspects of the program that BSU is proposing.

Dr. Andrews indicated that a demand exists in the Treasure Valley that is not being met. She explained that graduates from other institutions may not be available to meet that demand because they are place bound, take jobs elsewhere, or go onto to advanced studies.

Board President Stone asked for clarification on the position of University of Idaho and Idaho State University as far as the request. Dr. Robert Wharton of Idaho State University noted ISU's graduates go into a variety of professions as well as advanced studies. He reported that the institutions came to an understanding about the statewide demand for individuals to pursue these degrees. Dr. White pointed out that UI graduates go onto jobs or advanced education as well. He noted that enrollments have been constant and demand has remained strong. He explained that these factors indicate that the opportunity exists to place graduates. Dr. Hanson of NIC explained that there is a perspective that one gains through the study of anthropology that extends to a variety of applications and pursuits beyond anthropological careers.

Dr. Andrews noted the agenda materials included a needs assessment. Board member Thilo recalled that at the meeting in Twin Falls there were questions brought up by the UI. She explained that those issues were vetted at the Council for Academic Affairs and Programs (CAAP) meeting and addressed to the satisfaction its members. Board President Stone noted that this program does appear to be far broader than those at the other institutions. Dr. Andrews explained that this program looks at the entire field and compliments the programs at the UI and ISU. Board member Agidius asked if the program is set up for part-time students. Dr. Andrews noted that it was.

Board member Hall asked where this program fit into BSU's eight-year plan. Dr. Andrews noted that it is in their eight-year plan for 2007. Board member Hall asked that future requests specifically cross-reference that information.

At this time the Board moved to item 13 of Section II of the Business Affairs and Human Resources agenda.

13. Eastern Idaho Technical College – Purchase of Student Information System (SIS) Software

M/S (Stone/Hall): To approve the Eastern Idaho Technical College request to negotiate and execute a contract with Datatel, Inc., for the purchase of Student Information System (SIS) software, at a cost not to exceed \$525,000. Motion carried unanimously.

At this time the Board returned to the Planning, Policy and Governmental Affairs agenda.

3. Name Change of the Renaissance Institute to the Osher Lifelong Learning Institute – Boise State University

M/S (Hall/Lewis): To approve changing the name of the Renaissance Institute to the Osher Lifelong Learning Institute, at Boise State University. Motion carried unanimously.

4. New Instructional Unit – Center for Teaching and Learning – Boise State University

M/S (Lewis/Terrell): To approve Boise State University's request to establish a new Center for Teaching and Learning, as presented. Motion carried unanimously.

5. New Executive Master of Business Administration – University of Idaho

Dr. Timothy White presented this item to the Board. Provost Doug Baker of the University of Idaho reported on the Executive Master of Business Administration program in northern Idaho. Dr. White indicated that the Council on Academic Affairs and Programs had discussed this program and supported it. Board member Hall asked UI to be sure to provide a specific cross-reference as to where this program fits into their eight-year plan when it comes as a request to the Board.

6. Higher Education Research Council (HERC) Appointments

M/S (Agidius/Stone): To appoint Dr. Layne Simons and Dr. Harold Blackman to the Higher Education Research Council respectively, for three-year terms, March 2007-March 2010. Motion carried unanimously.

Dwight Johnson of the Board Office presented this item and referred the Board to the summaries provided for the nominees in the Board agenda. Board member Hall asked why these two people were selected without first advising the Board's Executive Committee. Mr. Johnson reported that the names were forwarded based on discussions with the Governor's Office and others. Board member Terrell asked that in future nominations be brought to the Executive Committee first.

7. Amendment to Temporary and Proposed Rules Governing Registration

Restated Motion: To table the motion to a time certain, that time being at the discretion of the Board President. *Motion carried 5-2 (Agidius and Thilo voted Nay).*

M/S (Hall/Lewis): To table the motion. *Motion carried 5-2 (Agidius and Thilo voted Nay).*

M/S (Agidius/Stone): To approve the temporary and proposed rule for the registration of postsecondary institutions and proprietary schools. The temporary rule will become effective at the end of the 2007 legislative session.

Stuart Tennant of the Board Office presented this item. He discussed the concerns that had been raised in regards to the accreditation organizations approved by the Board. He noted that Board staff had learned that the Northwest Commission on Colleges and Universities (NWCCU) acknowledges regional accrediting bodies as well as bodies recognized by the U.S. Department of Education. Dr. Tennant recommended that since the rules permit a scaled-back registration process for institutions accredited by Board-recognized accreditation organizations, the Board should revise the rule to include U.S. Department of Education-recognized accreditation organizations too.

There was lengthy discussion by the Board and Mr. Tennant about this item. Board member Lewis indicated he would prefer to have this item postponed to give the Board time and opportunity to study the impact and implications of making any changes to the legislation.

Board member Hall also expressed discomfort at approving the rule at this time and moved to table the motion. Board President Stone suggested that it would be proper for the motion to be clarified to indicate that this item was being tabled to a time certain. Board member Hall indicated he supported that clarification and noted that he would leave the time certain up to the discretion of the Board President. Board member Thilo restated the motion as clarified and another vote was taken.

8. Reorganization of the Limited English Proficiency Program and National Assessment of Educational Progress Program

M/S (Stone/Hall): To approve the recommendation to transition the NAEP program to the Office of the State Board of Education and the LEP academic program to the State Department of Education by March 1, 2007. *Motion carried unanimously.*

Superintendent Luna raised a point about the FTE associated with these funds. Dwight Johnson clarified that the FTE will not be moved. It will remain in the State Department of Education budget and Office of the State Board of Education will request an FTE at a future date. At this time, spending authorization from the legislature, the Division of Financial

Management and the Governor's Office needs to be in place. Board member Hall observed that this move is consistent with the efforts of the Board undertaken previously.

At this time the Board returned to item 1 of the Instruction, Research and Student Affairs agenda.

1. Presentation by the Governor's Early Care and Learning Initiative and the Early Childhood Coordinating Council

Lorraine Clayton presented this item to the Board. She discussed the importance of early childhood care and noted that there are three clear messages for the Board to take away from this meeting. First, that early childhood care is based on theory and grounded in science; second, its quality is crucial; and third, strategic planning is vital.

The Board thanked Ms. Clayton for her remarks.

BUSINESS AFFAIRS AND HUMAN RESOURCES – Section I

Board President Stone introduced this section and spoke briefly to the requests for coaches' contracts. He noted that he originally had concerns about the contracts, but subsequently those had been addressed by additional information provided to him. Mr. Stone indicated a continued concern about there not being enough emphasis on academic achievement. In addition, he noted that the number of Idaho students actually playing for the Idaho institutions is a very small number and encouraged the institutions to find a way to address that disparity. He urged the institutions to not lose sight of their core mission.

1. Boise State University – Head Football Coach

M/S (Hall/Lewis): To approve an employment agreement between Boise State University and Chris Peterson as the Head Football Coach, at a regular compensation amount of \$150,000, plus supplemental media compensation in the amount of \$700,000, for a total of \$850,000. Additional supplemental compensation amounts, if earned, will be provided as noted in the contract. Motion carried 6-0 (Stone absent during the vote).

Stacy Pearson, Boise State University Vice President for Finance and Administration, presented this item. Kevin Satterlee of BSU explained the contract in further detail. Board member Hall discussed the supplemental compensation and noted that additional information was provided to him that gave him assurances in that regard.

Board member Lewis took the opportunity to commend Coach Peterson for his success this past year and to recognize him for being selected as the National Football Coach of the Year. He noted Mr. Peterson's character on and off the field was commendable as well.

2. Idaho State University – Head Football Coach

M/S (Hall/Lewis): To approve an Employment Agreement between Idaho State University and John Zamberlin as the Head Football Coach, at a regular compensation amount of \$100,000, and supplemental compensation for media appearances in the amount of \$20,000, for a total of \$120,000. A courtesy automobile will be provided, subject to

availability. Additional supplemental compensation amounts, if earned, will be provided as noted in the contract. *Motion carried 6-0 (Stone absent during the vote).*

3. University of Idaho – Head Football Coach

M/S (Agidius/Hall): To approve an employment agreement between the University of Idaho and Robb Akey as the Head Football Coach, at a regular salary amount of \$155,002, plus supplemental media compensation in the amount of \$85,000, for a total of \$240,002. Additional compensation amounts, if earned, will be provided as noted in the contract. *Motion carried unanimously.*

Board President Stone expressed support for the University of Idaho football team. Board member Lewis commended the UI and Coach Akey for this move. Board member Hall noted that Board of Education had the same level of commitment to all the institutions as demonstrated in the amount of appropriated funds dedicated to the coaches' salaries.

Item 4 was moved up on the agenda.

The Board moved to item 1 of Section II of the Business Affairs and Human Resources agenda at this time.

1. Boise State University – General Revenue Bonds – Press Box/Sky Suites

M/S (Stone/Agidius): To approve a Supplemental Resolution for the Series 2007B Bonds and Series 2007C Bonds the title of which is as follows:

A SUPPLEMENTAL RESOLUTION authorizing the issuance and sale of \$25,860,000 Series 2007B Tax Exempt Bonds and \$2,850,000 Series 2007C Taxable Bonds, of the Board of Trustees of Boise State University; authorizing the execution and delivery of a Bond Purchase Agreement and providing for other matters relating to the authorization, issuance, sale and payment of the Series 2007B and Series 2007C Bonds. *Roll call vote was taken; motion carried unanimously.*

The Board returned to item 5 of Section I of the Business Affairs and Human Resources agenda at this time.

5. Idaho School for the Deaf and Blind – Executive Appointment

M/S (Terrell/Thilo): To provide Board approval for the appointment of Mary Dunne as the Director of the Idaho School for the Deaf and Blind (1.0 FTE), at an annual salary of \$73,000. *Motion carried unanimously.*

The Board returned to Section II of the Business Affairs and Human Resources agenda at this time.

BUSINESS AFFAIRS AND HUMAN RESOURCES – Section II

The Board moved to item 7 and 8 of Section II of the Business Affairs and Human Resources agenda at this time.

7. University of Idaho – Technical Assessment and Feasibility Study

Dr. Timothy White invited Student Body President Humberto Cerillo to give the student perspective regarding the Kibbie Dome. Mr. Cerillo noted that the Kibbie Dome is used for a large number of activities in addition to athletic events. He discussed the need for renovation of the Kibbie Dome as well as for more space. Mr. Cerillo reported that the students of UI support an events pavilion. UI Athletic Director, Rob Spears was introduced and spoke about the vision of the University of Idaho for its athletic program. Mr. Spears explained that improved facilities will allow UI to compete more equitably with peer institutions as well as provide space and access to its students and athletes so that they are able to compete at the level they would like. He noted that the athletic department benefits the entire campus.

Vice President for Finance and Administration Lloyd Mues presented the elements of infrastructure improvements, renovations and additions to the ASUI Kibbie Activity Center and Proposed Multi-Purpose Events Pavilion identified in the feasibility study.

8. University of Idaho – Events Pavilion Capital Project

M/S (Agidius/Thilo): To authorize the University of Idaho to proceed with development of conceptual designs and conducting a financial feasibility study to develop a capital development strategy for a University Events Pavilion, at a cost not to exceed \$1,600,000, to be funded with federal funds granted to the University of Idaho for the purpose of planning and developing a capital project with a performance venue element. Motion carried unanimously.

Mr. Mues discussed the details of each element as presented in the Board agenda materials. He noted that element one concerned life safety and compliance issues. Elements two, three and four will be funded primarily through donations. Board member Lewis asked about the anticipated funding source for element one. Dr. White explained that the turf will be paid for by funds set aside from student fees that are specifically targeted for that. In addition, the UI will come to the Permanent Building Fund and request funds for the life safety and compliance needs. The balance will be financed through bonds.

Board member Hall noted that he had read the material and clarified that the feasibility study request is not for any appropriated funds, but for federal grant funds. For Dr. White's benefit, it was restated that the action today authorized a feasibility study for a University Events Pavilion. In the future, a request for replacement of the turf will be brought back to the Board.

2. Idaho State University – Request to Purchase Database Software

M/S (Stone/Agidius): To approve the purchase of database software at a cost not to exceed \$1,500,000, from Oracle for development of a data warehouse, portal and eventual deployment of an ERP system. Motion carried unanimously.

At this time, former Representative Bruce Newcomb was introduced.

3. Idaho State University – Request to Purchase Database Hardware

M/S (Stone/Terrell): To approve the purchase of Sun Microsystems hardware from Advanced System Group (ASG), at a cost not to exceed \$925,000 for use in the

development of a data warehouse, portal and eventual deployment of an ERP system.

Motion carried unanimously.

4. University of Idaho – Sandpoint Education Center – Discussion of Memorandum of Understanding

Dr. Timothy White presented this item. He discussed the University of Idaho proposal to transfer 77 acres of agriculture property that it owns within the city of Sandpoint to Wild Rose, a private charitable foundation. In return, Wild Rose will build and develop educational facilities on the property and then return a portion of the land back to the UI. The result would be the Sandpoint Learning Center. Dr. White introduced Dr. Larry Branen, Vice President for programs in northern Idaho. He discussed the programs and the benefits of the proposed expansion and the relocation of the UI horticulture venue.

Lloyd Mues reviewed facts provided to the Board in the agenda materials. Board member Terrell asked about the level of involvement of the other institutions in this plan. Dr. Branen explained that NIC had been involved because of their presence in Sandpoint. In the future, the other institutions will be involved on the advisory board. Board member Terrell encouraged UI to keep the others informed. Lloyd Mues noted that the reason the proposal had not been widely discussed was out of respect of the privacy of the donor.

Board member Thilo commented on the proposal and the excellent opportunity for the public and private partnership. Superintendent Luna asked about the type of programs that would be offered. Dr. Branen explained that one example is a master's level program that allows individuals to become excellent science teachers.

Board member Hall asked how many buildings will be built as a result of this effort. Dr. Branen indicated that a master plan will lay out the specific dimensions of the Center. However, he estimated that \$20 million will likely result in one or two buildings initially. There will be plans in place to address growth. Kent Nelson, UI counsel, explained that the memorandum of understanding will spell out the particulars when it is presented to the Board. Board member Hall reminded UI to indicate how occupancy costs will be covered in this plan.

5. University of Idaho – Purchase of Optical Microscope

M/S (Stone/Agidius): To approve the purchase of a scanning, near-field, optical microscope at a cost not to exceed \$535,000. *Motion carried unanimously.*

6. University of Idaho – Law Building Classroom Improvements Capital Project

M/S (Thilo/Stone): To approve the authorization to expand the project scope of the Menard Law Building, Classroom Renovations and Improvements, at a cost not to exceed \$600,000, funding to come from institutional funds, inclusive of gift and professional fee funds, held by the College of Law. *Motion carried unanimously.*

Items 7 and 8 were moved up on the agenda.

9. University of Idaho – Potato Varieties Licensing Agreement

M/S (Stone/Hall): To authorize the Vice President for Finance and Administration at the University of Idaho to enter into an exclusive license agreement with the Potato Variety Management Institute for intellectual property rights stemming from potato varieties in substantial conformance to the form submitted to the Board. *Motion carried unanimously.*

Board member Terrell asked for clarification on selling of rights. Kent Nelson, counsel for UI, explained that UI develops potato varieties. This request has to do with marketing those potato varieties through a licensing agreement. Board member Hall asked if UI had given the Idaho Potato Commission an opportunity to speak to this agreement. Mr. Nelson indicated that it had.

10. University of Idaho – Verizon Telephone Services Contract

M/S (Agidius/Thilo): To approve a three-year renewal amendment to contract ICB# 2006-383318/ID0201155 between the Regents of the University of Idaho and Verizon and to authorize the University of Idaho Vice President for Finance and Administration to sign a contract amendment that is in substantially the same form as the amendment submitted with this agenda item. *Motion carried unanimously.*

11. Intercollegiate Athletics – Financial Reports

M/S (Hall/Agidius): To accept the Annual Intercollegiate Athletics and Gender Equity reports as presented. *Motion carried unanimously.*

Jeff Shinn of the Board Office explained this is a standard annual report. It comes to the Board at this time with the information from the fall semester. Board President Stone noted that the reports are in the revised format and that they will come to the Board each February.

12. Intercollegiate Athletics – Employee Compensation Reports

M/S (Hall/Agidius): To accept the Annual Intercollegiate Athletics Department Employee Compensation Reports as presented. *Motion carried unanimously.*

Item 13 was moved up in the agenda.

AUDIT COMMITTEE

Board member Agidius introduced the audit committee items. He asked the Board to forward any questions for Moss Adams to him so that they could be addressed.

1. University of Idaho – Federal Compliance Audit

M/S (Thilo/Terrell): To accept from the Audit Committee the Fiscal Year 2006 federal compliance audit report for the University of Idaho. *Motion carried unanimously.*

2. University of Idaho – Follow-up to Federal Compliance Audit

Board member Agidius noted that this information item provided details that were requested of the institutions at the last Board meeting.

DEPARTMENT OF EDUCATION AGENDA

Superintendent Luna asked that item 4, which had been removed from the agenda several days ago, be added back. It is a request for a waiver on behalf of the Middleton School District having to do with ISAT and NAPE testing.

By unanimous consent, the Board agreed to add item 4, Middleton School District Waiver Request, to the agenda.

1. Superintendent's Update

Superintendent Luna explained the reorganization of the State Department of Education.

2. Reorganization of the State Department

M/S (Terrell/Stone): To approve the reorganization of the State Department of Education.
Motion carried 6-0 (Lewis absent during the vote).

3. Nomination to the Curricular Adoption Committee

M/S (Terrell/Agidius): To approve the request by the State Department of Education to appoint Vicki Skaggs to represent one of the Public Schools Secondary Classroom Teacher positions on the Curricular Materials Selection Committee for a period of five years. *Motion carried 6-0 (Lewis absent during the vote).*

4. Middleton School District Waiver Request

M/S (Hall/Stone): To direct Board staff in cooperation with the State Department of Education, to request a waiver from the U.S. Department of Education on behalf of Middleton School District for the February 2007 8th grade NAPE and for the ISAT testing grades two-ten in spring 2007. *Motion carried unanimously.*

It was reported that a recent fire at Middleton High School destroyed computers, classrooms, and labs. As a result, students are unable to take the ISAT test and the NAPE test as scheduled. Middleton School District is seeking a waiver for the ISAT and NAPE. Dwight Johnson explained that the Board can approve a request from SDE to request the waiver from the U.S. Department of Education.

Tom Farley from the Middleton School District explained that the server for the Middleton School District was destroyed in the recent fire. That means that the assessment cannot be administered. Nor can the students be prepared. Students are displaced and there is no facility to administer the NAPE. Computers and library resources were destroyed. It is physically impossible to administer the tests. And, there is no way to collect the data even if the tests could be administered.

Leah Henry, the District's secretary, reported that the delivery of replacement computers had been delayed by bad weather back east. She reassured the Board that every effort is being made to get things back to normal. She emphasized that the Middleton School District has been very supportive of ISAT testing.

M/S (Hall/Agidius): To adjourn the meeting at 4:20 p.m.