

1. Agenda Approval

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

2. Minutes Approval

BOARD ACTION

To approve the minutes from April 18-20, 2007, May 11, 2007, and May 22, 2007 as submitted.

3. Rolling Calendar

BOARD ACTION

To approve June 19-20, 2008 as the date and Idaho Falls, ID as the location for the June 2008 regularly scheduled Board meeting.



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

**DRAFT MINUTES
STATE BOARD OF EDUCATION
April 18-20, 2007
Whitewater/Clearwater Room, University of Idaho
Moscow, Idaho**

A regular meeting of the State Board of Education was held April 18-20, 2007 at the University of Idaho in Moscow Idaho. Board President Laird Stone presided. Members present were:

Laird Stone, President
Milford Terrell, Vice President
Paul Agidius, Secretary
Blake Hall
Rod Lewis
Sue Thilo
Richard Westerberg
Tom Luna, State Superintendent

EXECUTIVE SESSION

M/S (Agidius/Thilo): To move into Executive Session, pursuant to Idaho Code Section 67-2345(1), on April 18, 2007 at 7:00 p.m. A roll call vote was taken; motion carried unanimously.

M/S (Thilo/Agidius): To go out of Executive Session at 11:10 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

The Board reconvened at 8:25 a.m. on April 19, 2007 for the Open Session portion of the meeting. Board President Stone thanked the University of Idaho for hosting the meeting. Board President Stone introduced Richard Westerberg, the newly appointed Board member, and congratulated Milford Terrell on his reappointment to the Board. Board President Stone commented on the tragedies that had recently taken place in Idaho as well as at Virginia Tech where students suffered loss of life, injury, and great trauma. There was a moment of silence on their behalf.

BOARDWORK

1. Agenda Approval

M/S (Terrell/Agidius): To accept the agenda as amended. *Motion carried unanimously.*

By unanimous consent, the Board agreed to move Instruction, Research and Student Affairs agenda item number seven dealing with ISAT to a time earlier in the agenda so that Superintendent Luna could be present.

By unanimous consent, the Board agreed to include the Transfer of the J.A. Albertson Building as item number 15 of the Business Affairs and Human Resources Finance Agenda.

By unanimous consent, the Board agreed to change the format for setting student fee increases. Specifically, the Board will hear all of the presentations prior to deliberating among themselves and then take action to set all of the fees at one time.

By unanimous consent, the Board agreed to move the item having to do with the 2006-2007 Accreditation Summary from the Department of Education's consent agenda onto the Department of Education's regular agenda as item number six.

2. Minutes Approval

M/S (Agidius/Lewis): To approve the minutes from February 21-23, 2007 and March 26, 2007, as submitted. *Motion carried unanimously.*

(NOTE: A correction was made in the February 21-23, 2007 minutes later in the meeting. That correction is so noted.)

3. Rolling Calendar

M/S (Hall/Lewis): To approve January 21, 2008, as the date and Boise, Idaho as the location for the January 2008 regularly scheduled Board meeting. And, to approve April 17-18, 2008 as the date and the University of Idaho as the location for the April 2008 regularly scheduled Board meeting. And, to approve May 19-20, 2008 as the date and Boise, Idaho as the location for the May 2008 regularly scheduled Board meeting. *Motion carried unanimously.*

OPEN FORUM

Charles Cline from Lenore, Idaho addressed the Board. He indicated he was representing a number of people who opposed the granting of a special election for the Lapwai School District's facility bond election. He briefly discussed the reasons for the opposition to the special election as well as the facility bond. Mr. Cline submitted a copy of his remarks for the record.

Jennifer Kandler, Director of Boise's ITT Technical Institution spoke to the Board in support of the proprietary school motion and indicated she would be available to the Board for questions.

CONSENT AGENDA

M/S (Agidius/Lewis): To approve the State Board of Education Consent Agenda, Tab 1-7, as submitted. *Motion carried unanimously.*

1. BAHR Section I – Boise State University – New Positions, Changes to Position and Deletion of Positions

By unanimous consent, the Board agreed to approve the request by Boise State University to create eight (8) new positions (8.0 FTE) supported by appropriated, grant and local funds; to change four (4) positions' title, term, salary and FTE (from 3.58 to 5.0 total FTE); and to delete six (6) positions supported by local funds.

2. BAHR Section II – Idaho State University – New Positions and Changes to Positions

By unanimous consent, the Board agreed to approve the request by Idaho State University to create eleven (11) new positions (11.0 FTE) supported by appropriated, local, and grant funds; and to increase the FTE on two (2) positions (1.0 to 2.0 Total FTE) supported by appropriated, and local funds.

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

By unanimous consent, the Board agreed to approve the request by the University of Idaho to create eight (8) new positions (7.5 FTE) supported by appropriated, and non-appropriated funds.

4. BAHR Section I – Lewis-Clark State College – New Position and Deletion of Positions

By unanimous consent, the Board agreed to approve the request by Lewis-Clark State College to create one (1) new position (1.0 FTE) supported by grant funds; and to delete five (5) positions supported by appropriated, and grant funds.

5. BAHR Section I – Eastern Idaho Technical College – New Positions

By unanimous consent, the Board agreed to approve the request by Eastern Idaho Technical College to create four (4) new positions (4.0 FTE) supported by the Battelle Energy Alliance, LLC, contract funding.

6. BAHR Section II – Legislative Audit Reports

a. Idaho Division of Professional Technical Education

b. Idaho Public Television

Information item only.

7. PPGAC – Alcohol Permits Issued by University Presidents

Information item only.

CONSENT AGENDA – STATE DEPARTMENT OF EDUCATOIN

M/S (Hall/Agidius): To approve the State Department of Education Consent Agenda as amended. Motion carried.

1. Appointment to the Professional Standards Commission for State Department of Education Representative

By unanimous consent, the Board agreed to approve the request by the State Department of Education to approve the nomination of Nick Smith to the Professional Standards Commission.

2. BYU-Idaho Program Approval (Focus Visit)

By unanimous consent, the Board agreed to approve the State Department of Education's request to approve the Early Childhood/Early Childhood Special Education Blended program (Birth to Grade 3) at BYU Idaho. And, to grant conditional approval for the Agricultural Education program at BYU-Idaho.

3. Administrative Staff Allowance Waiver Requests to Meet Accreditation Standards

By unanimous consent, the Board agreed to approve the requests by the Moscow School District #281 and the Shoshone Joint School District #312 for additional administrative staff to meet accreditation standards, to be funded by the FY 2007 Public School appropriation in the amounts of \$29,473.90 and \$2,016.38, respectively.

4. Weiser School District Out-of-State Tuition Waiver Request

By unanimous consent, the Board agreed to approve the request as submitted by the Weiser School District #431 for an out-of-state tuition waiver for four years (2006-2007, 2007-2008, 2008-2009 and 2009-2010).

5. Moved to the Department's regular agenda as item number 6

6. Appointment to the Idaho State Curricular Materials Selection Committee

By unanimous consent, the Board agreed to approve the request by the State Department of Education for one appointment to the Idaho State Curricular Materials Selection Committee as submitted.

DEPARTMENT OF EDUCATION AGENDA**1. Superintendent's Update**

Superintendent Tom Luna reported on his first one hundred days in office. He commented on the positive partnership between the Department and the Governor, Legislature, State Board of Education, parents and school districts. Mr. Luna discussed the Department's budget request and noted that nearly 100% of it was approved.

Mr. Luna spoke about school safety and what the Department intends to do to make sure that all schools are safe for Idaho's children. Mr. Luna reported that the Department had conducted a post-legislative tour of the State.

Board member Hall congratulated Mr. Luna and Governor Otter on the leadership they provided to the Legislature on K-12 and Higher Education issues and needs. He also thanked the Legislature for recognizing and addressing the needs last session.

2. Lapwai School District #341 – Seeking Bond Election Authorization

M/S (Thilo/Westerberg): To approve the request by Lapwai School District #341 for the State Board of Education to authorize a bond election for school construction pursuant to Idaho Code 63-1309. Motion failed 4-4 (Stone, Hall, Lewis, and Agidius voting Nay).

State Superintendent Tom Luna introduced this item. While acknowledging the comments from Mr. Charles Cline during the Open Forum, Mr. Luna asked the Board to stay focused on the school district's request to waive the six month waiting clause regarding a special election. As a point of information, Mr. Luna noted that the fire incident actually occurred prior to the previous election.

Superintendent Harold Ott from the Lapwai School District indicated that significant funds have been directed towards improving the educational success of its students and improving their proficiency scores. He agreed that the district could wait until August to have another special election, but that would delay the opportunity for the children to get into a new facility. In response to comments made during the Open Forum by Mr. Cline, Superintendent Ott noted that the Lapwai District had not run a supplemental levy, it had not been careless with its money, and the students were not spending time in wasteful activities.

Board member Lewis asked about the outcome of another election and Superintendent Ott indicated that he had received many positive comments from constituents that indicated strong support. He noted that the fire did take place prior to the previous

election, but two rooms had been closed since then due to soot and smoke damage which caused breathing problems. Superintendent Ott assured the Board there would be adequate and accessible polling places.

Board member Hall noted that the statute was straightforward and since the fire occurred prior to the previous election the request did not fit the language of the statute.

Mr. Luna reported that the Department's attorney reviewed that particular point and determined it did fit within the loose language of the statute as far as the timeline. Also, the Department's attorney indicated that it fit within the authority of the Board to approve the waiver. Based on that, the Department recommended granting the waiver.

Board President Stone noted that the situation presented by the Lapwai District is similar to those in other districts. Board member Hall suggested that the recently failed bond seemed to indicate the district should give more time to properly educate the voters on the needs of the district prior to holding another election.

3. University of Phoenix – Idaho Program Approval

M/S (Terrell/Agidius): To approve the State Department of Education's request that the Board grant conditional approval of the three program proposals brought forth by the University of Phoenix: (1) Master of Arts in Education/Administration and Supervision; (2) Master of Arts in Education/Teacher Education Secondary; (3) Master of Arts in Education/Teacher Education Elementary. Motion carried unanimously.

State Superintendent Tom Luna introduced this item.

4. Appointment to the Professional Standards Commission

M/S (Hall/Stone): To approve Randy Schrader as a member of the Professional Standards Committee for a term of three years. Motion carried unanimously.

State Superintendent Tom Luna indicated that the Department of Education recommended Randy Schrader to fill this position.

5. Division of Professional Technical Education to Assume Administrative Responsibility for Adult Basic Education (Included GED), Veterans Education Coordination, and Proprietary School Coordination.

M/S (Agidius/Stone): To approve the development and implementation of a Memorandum of Understanding with the Department of Education and the Division of Professional-Technical Education to move Adult Basic Education and General Education Diploma program coordination including administrative functions and responsibilities, beginning July 1, 2007. Transfer of funding, including federal appropriation and miscellaneous revenues will be done as

appropriate through the state fiscal management processes. *Motion carried unanimously.*

M/S (Stone/Hall): To approve a Memorandum of Understanding with the Department of Education and the Division of Professional-Technical Education to move Veterans Education Coordination, Proprietary School coordination including administrative functions and responsibilities, beginning July 1, 2007. Transfer of funding, including federal appropriation and miscellaneous revenues will be done as appropriate through the state fiscal management processes. *Motion carried unanimously.*

State Superintendent Tom Luna introduced this item and indicated that discussions with the various parties involved had taken place. He recommended approving the transfer of responsibility for these functions from the State Department of Education to the Division of Professional-Technical Education.

6. 2006-2007 Accreditation Summary Report of Idaho Districts and Schools

M/S (Luna/Terrell): To approve the request by the State Department of Education to approve the 2006-2007 Accreditation Summary Report of Idaho Districts and Schools as submitted. *Motion carried unanimously.*

This item was moved from the Department's Consent Agenda. Board member Lewis asked for clarification about the integrity of the process. Mr. Luna indicated the Department is looking at the accreditation process, which is a self-assessment model requiring lots of paperwork. He agreed there is some question whether it has been effective. Board member Lewis asked about charter schools and Mr. Luna indicated they also use a self-assessment process, but they also have to meet certain requirements outlined in the charter.

Board member Lewis suggested that this was an opportunity to look at the assessment process overall. Board member Hall recommended there be specific goals and measures to indicate whether or not schools meet the standards so that when the Board says a school is accredited it means something. Mr. Luna agreed that accountability is important.

The Board recessed for lunch at this time and Lloyd Mues of the University of Idaho announced several tours had been scheduled for State Board of Education members and visitors during lunch break.

At this time Board member Hall requested the opportunity to make a correction to the February 2007 minutes.

By unanimous consent the Board agreed to correct the February minutes to

reflect the clarification made by Board member Hall.

Board member Hall asked that a correction be made in the minutes from the February Board meeting, specifically to item number seven of the Instruction, Research, and Student Affairs agenda. Board member Hall indicated that Board staff had listened to the recording from the meeting and provided him with correct language for that item. He asked that the minutes be corrected in order to show that following the discussion between the Board and Stuart Tennant of the Board Office, Board member Hall expressed discomfort at approving the item at that time and moved to table the motion. That motion was passed. In addition, Board member Hall asked that it be noted that Board President Stone suggested it would be proper for the motion to be clarified to indicate that the item was being tabled to a time certain. Following that, Board member Hall indicated he supported that clarification and noted he would leave the time certain up to the discretion of the Board President. After that, Board member Thilo restated the motion as clarified and another vote was taken. The restated motion also passed. These corrections were so noted by the secretary.

BUSINESS AFFAIRS AND HUMAN RESOURCES

Finance Agenda

1. FY 2008 Appropriations

Jeff Shinn of the Board Office presented this item.

a. Information – Institutions and Agencies

b. College and Universities

M/S (Hall/Agidius): To approve the allocation of the FY 2008 legislative appropriations contained in House Bill 299 for Boise State University, Idaho State University, University of Idaho, and Lewis-Clark State College and systemwide needs, as presented on page 2. *Motion carried unanimously.*

c. Community Colleges

M/S (Hall/Agidius): To approve the FY 2008 allocation of State General Funds for community college support as follows: \$12,356,300 to the College of Southern Idaho and \$10,788,800 to North Idaho College. *Motion carried unanimously.*

d. Professional-Technical Education

M/S (Agidius/Stone): To approve the request from the Division of Professional-Technical Education for the allocation of the FY 2008 appropriation detailed in Exhibit A. *Motion carried unanimously.*

e. Promise B Scholarship

M/S (Hall/Agidius): To approve the amount of the Idaho Promise Scholarship, Category B, to be \$250 per semester per student (\$500 annually) for those current recipients who maintain eligibility and for qualified first year entering students under the age of 22 in the academic year 2007-2008. *Motion carried unanimously.*

f. Promise A Scholarship

Modified M/S (Agidius/Thilo): To approve the amount of the Idaho Promise Scholarship, Category A, to be \$3000 per year (\$1500 per semester) for those applicants who are selected to receive or renew the Idaho Robert R. Lee Promise Category A scholarship for the academic year 2007-2008. *Motion carried unanimously.*

M/S (Agidius/Thilo): To approve the amount of the Idaho Promise Scholarship, Category A, to be \$3000 per year (\$1500 annually) for those applicants who are selected to receive or renew the Idaho Robert R. Lee Promise Category A scholarship for the academic year 2007-2008. *Motion carried unanimously.*

The original motion was modified to read \$1500 “per semester” not “annually”.

2. FY 2007 Student Fee and Tuition Reports

The Board elected to hear reports and requests from all of the institutions prior to taking action. Jeff Shinn introduced this item.

a. University of Idaho

Dr. Tim White presented this item. He discussed the University’s need to build an infrastructure for the future, as well as to address the current needs.

Vice President for Finance and Administration Lloyd Mues summarized the process that was undertaken to arrive at the proposed fee increase of 5.95%. Mr. Mues discussed the rationale for the various fees. Associated Student Body President Berto Cerillo presented the student perspective. He indicated that the process was well publicized, very thorough and included discussions with administration. He noted that the students welcome the 5.95% fee increase.

Board member Terrell asked about the special-fee students and President White explained that this is part of the University's investment in renewal efforts. He noted that the budget is built on conservative estimates; however, the investment of the past 18 months shows positive results as far as the attraction of regular students.

President White reported that the increase for in-state and out-of-state is the same dollar-wise, which equates to a percentage of 2.6% for out-of-state students. Board member Hall expressed concern that out-of-state students will benefit more than the in-state students with that approach. President White noted this would allow UI to better compete for out-of-state students where the competition is great. Board President Stone clarified that UI is asking for a 5.95% increase for full-time resident students.

Board member Lewis observed that the UI proposal was thoughtful, but in looking at the historical rate of increases he noted it was prudent to ask at what point will it be too difficult for students to afford an education. President White indicated that the status of higher education funding is a result of many years and many events. The University seeks to address needs that have accrued over past decades while also addressing current and ongoing needs. Lloyd Mues noted that a third of the revenue that the UI needs is provided by appropriation and the rest comes from other sources including research grants and private donations.

b. Lewis-Clark State College

President Dene Thomas addressed the Board. She noted that LCSC worked closely with the students and prioritized needs as a result of the process. Vice President for Administrative Services Chet Herbst reviewed the five percent proposed fee increase. He noted that the bulk of the request will be used primarily to sustain the current programs. The request is based on a conservative estimate of no-growth. Mr. Herbst noted that LCSC is more dependent on the appropriated funds than UI. The projected enrollment is for an approximate decrease of two percent.

Student Body President Cody Bloomsburg introduced President-Elect Matt Smith who echoed the cooperative efforts that took place in the process of determining the fee proposal for this year. Mr. Smith indicated that the finance committee voted unanimously on the proposal and the student body was very supportive as well. He reported that more students were asking for increases this year compared to the past. Mr. Smith thanked the Board for their work with JFAC on behalf of the institutions this year, particularly as far as salaries for instructors. Mr. Bloomsburg discussed the student activity fee increase. He noted that growth in the extracurricular activities will benefit the school by helping to retain traditional students. He commended the students and the administration for being mutually supportive of each other and of the institution.

Superintendent Luna asked about student participation in intramural activities. Mr. Bloomsburg noted that a survey taken this year showed that the majority of students rank it as very important. Dr. Thomas said LCSC had seen tremendous growth in the number of traditional students and their involvement in intramural sports is significant.

Board member Terrell referred to Tab 2b page 9 and asked how LCSC is addressing the decrease in growth. Dr. Thomas noted that the institution made a conservative estimate as a precaution.

Board member Hall asked about addressing inflation. Mr. Herbst explained that when inflation is not met through appropriations or donations and gifts, students end up shouldering the burden. However, LCSC is not comfortable having them to do that. Dr. Thomas emphasized that LCSC wants to make available and maintain quality programs.

At this time the Board returned to an Open Forum status for another presentation.

Julian Mathews of the Nez Perce Tribe discussed the need for having a board for Native American higher education with student representatives from the different tribes. Such a board would contribute to the State Board of Education on issues related to Native Americans. He described the various ways such a group would benefit Native American students and help them transition into the higher education culture. Board President Stone thanked Mr. Mathews and noted that the idea seemed to compliment the work of the Department of Education at the K-12 level. Mr. Luna indicated that this type of an infrastructure would provide a more seamless education for Native American students. Mr. Mathews explained that enhancing the opportunities for students would also encourage them to pursue graduate degrees as well.

At this time the Board returned to BAHF Section II to continue the Proposed Fee Increase presentations

c. Eastern Idaho Technical College

President Bill Robertson discussed EITC's request. He indicated that, based on EITC's goal of accessibility, the College was proposing a 3.5% increase of fees for full-time students, both resident and non-resident. Along with the Professional-Technical Education fee component, EITC will be able to target both the educational support as well as the general maintenance and operations costs of the institution. He noted that the occupancy costs that were approved by the Legislature for the new health building made it possible to keep the fee proposal request down.

d. Boise State University

President Bob Kustra presented the fee increase proposal for BSU. He discussed the demands placed on the institution over the last few years, which include new programs, more comprehensive services for the students, and increased enrollments. Dr. Kustra reported that BSU's tuition is the lowest historically of the three public universities in Idaho, but that BSU has consistently had the largest enrollment increases.

Vice President for Finance and Administration Stacy Pearson provided specific details to the Board and noted that the proposed increase for resident full-time students is 8.09%.

Dr. Kustra introduced Wyatt Parke, former BSU Student Body President, Molly George, former BSU Student Body Vice President, and Amy Ortmann, the new BSU Student Body President. Wyatt Parke reported that there was student representation during the fee increase discussions and strong support for the increase. Molly George reported that BSU students were well aware of the 8.09% fee increase proposal because it was well publicized and students were provided with numerous opportunities to give input and feedback. Amy Ortmann assured the Board that students are interested in enhancing their educational opportunities and that the proposed increase represented a long-term benefit to the institution and students.

Board member Terrell asked if the fee increase was in response to the higher enrollment numbers than anticipated. Stacy Pearson noted that the proposal is made using conservative numbers. When asked what the dollar increase will do to students who are borderline in terms of affordability Mr. Parke noted that financial aid is available and Ms. George used herself as an example indicating that she works two jobs while carrying 15 credits.

Board member Lewis raised a point about the funding formula, indicating that it might need to be adjusted. Board member Hall noted it was unfair to settle the equity adjustment figure by putting a financial burden on the students and also suggested the formula should be corrected.

Board member Hall pointed out that if the BSU proposal was approved it would become the highest costing institution in the state. Dr. Kustra indicated that was not a distinction that BSU would choose except to meet the needs of the institution this year.

The Board discussed the issue of growth and how it should be addressed at, and by the various institutions. Dr. Kustra indicated that BSU is the only institution of ISU and UI and BSU to increase in enrollment. Board member Hall asked about coordinating growth with the other institutions so that applicants can be redirected to ISU or UI when they can't get into BSU. Dr. Kustra noted that was something worth studying. Board member Lewis observed, with respect to growth, that BSU had increased its student numbers by approximately one third since he had been a member of the State Board.

He urged that the Board look at the funding formula to assure that it deals with growth adequately.

By unanimous consent, the Board agreed to form a committee to look at the funding formula for higher education and Board member Lewis will chair it. Board member Westerberg was selected to assist.

e. Idaho State University

Dr. Art Vailas reported that ISU had an open fee process with all constituents included in the process. He made sure the process was straightforward, efficient and responsive. ISU felt that the students should not bear the burden, so the increase is modest. Financial Vice President Ken Prolo reported that ISU proposed a fee increase of 5.5%. He noted that ISU is in the second year of an enrollment decline, but that internal adjustments have been made to assure that the budget is balanced. He indicated that nearly half of the increase in the tuition is for the enterprise system which is an absolute necessity. Another part of the fee increase will help offset the occupancy for the Rendezvous Complex which ISU did not receive from the Legislature.

Mr. Prolo noted that the health programs tend to be higher cost programs, so ISU is making sure that the programs are efficiently run. He noted that ISU had met with BYU-Idaho about collaborative efforts that would benefit both institutions.

Student Body President Ryan Sargent and Student Body Vice President Elect Bryan Weet spoke to the Board. Mr. Sargent reported that he had attended many of the State Board of Education meetings over the last few years and thanked the Board members for taking time to support him throughout the years with counsel and involvement. He commended Dr. Valais for the reforms that he had put into effect since his appointment as ISU President. Mr. Sargent noted that Dr. Vailas had engaged students at every level, and in particular in this last year's budget process.

When asked about the fee increase, Dr. Vailas observed that Idaho is in a catch-up phase and the across-the-board-cuts of the early 2000's created a significant gap just to get to zero in terms of the national picture. Dr. Valais pointed out that while all of the institutions have to catch-up they also must be prepared to address unforeseen needs like occupancy and antiquated systems that must be addressed. He commented on how the changes in the job market and the economy drive institutions to adapt in order to be able to compete in the global market.

Mr. Sargent thanked Board member Hall for his commitment to keep the fee increases down and noted that ISU had focused on that very thing by keeping their request well below the higher levels. He pointed out that during his time at ISU the fee increases have gone from being one of the highest to one of the lowest of all the institutions.

At this time the Board took up the business of setting fees. Board President Stone thanked the institutions and commended them on their improved communication and processes this past year in determining their proposed fee increases. He urged the institutions and students to keep in mind that as the Board moved through the process of setting fees, the Board would be considering all the parameters before them including the needs of the institutions and their different roles and missions all the while factoring in affordability and accessibility.

a. University of Idaho

Substitute M/S (Hall/Lewis): To approve the annual student fee rates for FY 2008 for the University of Idaho at an overall increase of 5.0%, to include tuition and matriculation fees, facility and technology fees, and activity fees; and to approve the annual student fee rate for nonresident tuition of 5.0%. All other fees are approved as requested on Tab 2C, page 6. *Substitute motion carried 5-3 (Stone, Terrell and Thilo voted Nay).*

M/S (Terrell/Stone): To approve the annual student fee rates for FY 2008 for the University of Idaho at an overall increase of \$4,450/5.95%, to include tuition and matriculation fees, facility and technology fees, and activity fees; and to approve the annual student fee rate for nonresident tuition of \$14,300/2.6%. All other fees are approved as requested on Tab 2C, page 6. *(Note: this motion was replaced by a substitute motion.)*

Board member Terrell clarified that the motion needed to include the word matriculation. Board member Hall made a substitute motion that raised the percentage increase for non-resident students. Board member Terrell spoke in favor of the 5.95% increase for the full-time student fees and urged the Board to recognize that the students support the fee increase and have been involved in the process all the way through. He urged the Board to vote down the substitute motion. Board member Westerberg asked about the total dollar difference between the two motions.

Board member Lewis explained his support of the substitute motion. He urged the Board to keep in mind what students face today with the increased cost of education. He expressed appreciation for what the institutions brought forward today and the work they put into addressing the real needs.

Board member Thilo agreed with Board member Hall's intent to put a greater burden on non-resident students. She recognized the work the University had put into the process and the various means noted that are available to offset the costs. She noted that it seemed the University had tightened its belt.

Board member Agidius expressed concern that the Board was telling the institution it had to raise its nonresident fees more than the market can bear.

State Superintendent Luna spoke in favor of the substitute motion. He explained that just as in making sure that every child graduates academically ready to pursue college, the Board needs to make sure that it doesn't put higher education out-of-reach financially for them. He asked that in the future all the institutions identify specifically the areas that are running more efficiently at their institutions, and how the institution used those freed up dollars in the classroom.

b. Lewis-Clark State College

M/S (Terrell/Lewis): To approve the annual student fee rates for FY 2008 for Lewis-Clark State College at an overall increase of 5.0 %, to include tuition, facility and technology fees, and activity fees; and to approve the annual student fee rate for nonresident tuition of 4.98%. All other fees are approved as requested on Tab 2D, page 4. Motion carried unanimously.

c. Eastern Idaho Technical College

M/S (Terrell/Lewis): To approve the annual student fee rates for FY 2008 for Eastern Idaho Technical College at an overall increase of 3.55%, to include tuition, facility and technology fees, and activity fees; and to approve the annual student fee rate for nonresident tuition of 3.52%. All other fees are approved as requested on Tab 2E, page 4. Motion carried unanimously.

d. Boise State University

Reconsidered Substitute M/S (Hall/Agidius): To approve the annual student fee rates for FY 2008 for Boise State University at an overall increase of 6.16%, to include tuition, facility and technology fees, and activity fees; and to approve the annual student fee rate for nonresident tuition of 5.01%. All other fees are approved as requested on Tab 2A, page 8. Reconsidered substitute motion carried 5-3 (Stone, Agidius, and Luna voted Nay).

M/S (Lewis/Hall): Move to reconsider the motion for the 6.16 % increase in residential student fees. Motion carried 6-2 (Luna and Terrell voted Nay).

Substitute M/S (Hall/Agidius): To approve the annual student fee rates for FY 2008 for Boise State University at an overall increase of 6.16%, to include tuition, facility and technology fees, and activity fees; and to approve the annual student fee rate for nonresident tuition of 5.01%. All other fees are approved as requested on Tab 2A, page 8. Motion failed 3-5 (Hall, Agidius, and Westerberg voted in the affirmative).

M/S (Lewis/Thilo): To approve the annual student fee rates for FY 2008 for the BSU at an overall increase of 6.5%, to include tuition, facility and technology fees, and activity fees; and to approve the annual student fee rate for nonresident tuition of 5.01%. All other fees are approved as requested on Tab 2A, page 8.

Motion failed 4-4 (Westerberg, Hall, Stone and Agidius voted Nay)

M (Terrell -- there was no second): To approve the annual student fee rates for FY 2008 for Boise State University at an overall increase of 8.09%, to include tuition, facility and technology fees, and activity fees; and to approve the annual student fee rate for nonresident tuition of 5.01%. All other fees are approved as requested on Tab 2A, page 8. *Motion died for lack of a second.*

Board member Terrell's original motion died for a lack of a second. That was followed by a motion from Board member Lewis and an explanation as to his intent. Board member Hall made a substitute motion. Board member Hall's substitute motion failed as did Board member Lewis' regular motion. A motion to reconsider the substitute motion passed and the reconsidered substitute motion passed.

Board member Hall explained that he wanted the institutions to be consistent in their proposals. Board member Terrell expressed his opinion that BSU had brought forward legitimate numbers and that some institutions have greater needs to be addressed. Board member Lewis indicated that he respected Board member Terrell's opinions. He communicated a support for the spirit of compromise that was forwarded by Board member Hall. Board President Stone followed up with the reminder that the institutions were strongly advised last year to come in with legitimate numbers and rationale. In addition, it was emphasized at that time that the institutions understand their proposal may not be approved in full.

State Superintendent Luna asked for clarification as to whether BSU received less support for their students. It was noted that the amount of dollars appropriated to BSU per student is lower than the other institutions. Board member Hall clarified that caution was needed when comparing dollars per student because graduate student versus non-graduate student is not a straight across comparison.

e. Idaho State University

Second Substitute M/S (Luna/Hal): To approve the annual student fee rates for FY 2008 for the ISU at an overall increase of 5.0%, to include tuition, facility and technology fees, and activity fees; and to approve the annual student fee rate for nonresident tuition of 5.0%. All other fees are approved as requested on Tab 2b, Page 4. *Motion carried 6-1-0 (Stone voted Nay and Agidius was absent during the vote).*

Substitute M/S (Lewis/Hall): To approve the annual student fee rates for FY 2008 for the ISU at an overall increase of 5.0%, to include tuition, facility and technology fees, and activity fees; and to approve the annual student fee rate for nonresident tuition of 3.99%. All other fees are approved as requested on Tab 2B, Page 4.

M/S (Terrell/Stone): To approve the annual student fee rates for FY 2008 for Idaho State University at an overall increase of 5.5%, to include tuition, facility and technology fees, and activity fees; and to approve the annual student fee rate for nonresident tuition of 3.99%. All other fees are approved as requested on Tab 2B, Page 4.

By unanimous consent the Board agreed to take several agenda items out of order at this time.

INSTRUCTION, RESEARCH AND STUDENT AFFAIRS

7. Petition by the American Falls, Caldwell, Meridian, Mountain Home, and Nampa School Districts Requesting the Board Waive the Fall ISAT Test Requirement

M/S (Terrell/Luna): To approve the waiver of IDAPA 08.02.03.111.07.d., the Board's rule requiring that the Idaho Standard Achievement Test be administered twice annually, in the fall and spring, on the following conditions: (1) Idaho school districts choosing this option must administer an alternative adaptive assessment test developed by Northwest Evaluation Association (NWEA) for Fall 2007, in lieu of the ISAT prepared by Data Recognition Corp (DRC). (2) This alternative assessment option must be funded by the Idaho school districts that determine to offer an alternative assessment test for this period. (3) This option will be available to Idaho school districts for the Fall 2007 test administration only. *Motion carried 6-2 (Stone and Thilo voted Nay).*

Board member Thilo introduced this item and invited Dr. Linda Clark of the Meridian School District to address the issues at hand. Dr. Clark discussed the goals of the district and noted that the district supported the Spring test, but would like a waiver of the Fall test so that it can continue the growth test it's been using. This would allow for continuity of the data that has been collected to date.

Representatives from DRC were invited to comment. Dave Chayer provided the Board with details about their integrated testing system and described how it contributes towards instruction. He noted it is a growth test that will provide a good picture to the districts. Board member Thilo explained that passing this motion will not put Idaho out of compliance with the federal requirement; however Idaho has embraced the concept of fall testing.

Board member Hall clarified that if a school district takes the test under the state contract, the state pays for it. If they choose not to take the state test, the local school district has to pay for it. He also clarified that this is not an ongoing waiver, but rather a one-year waiver.

State Superintendent Luna explained that many districts do not yet have a level of comfort about the tests. He recommended allowing districts to use their own test one more year if they so choose and that a waiver in no way challenges the integrity of DRC. Mr. Luna noted that it is reasonable for the Board to honor the districts in this regard.

BUSINESS AFFAIRS AND HUMAN RESOURCES

6. Idaho State University – Treasure Valley Building Purchase

M/S (Agidius/Hall): To approve the request by Idaho State University to begin the initial process of purchasing an approximate one-third share of a building currently owned by Joint School District #002, in the amount of \$5,200,000. The Board delegates authority to the ISU Vice President for Financial Services to sign the purchase agreement on behalf of the Board. Funds for this purchase will come from an expected gift to the University, and proceeds of a bond issuance, to be requested by ISU at the August 2007 Board meeting. *Motion carried unanimously.*

M/S Agidius/Hall): To approve the request by Idaho State University to authorize the State Division of Public Works to issue a Request for proposal for the design and creation of a cost estimate to renovate the building as purchased from Joint School District #002. No construction activity is being approved with this motion. *Motion carried unanimously.*

M/S (Agidius/Westerberg): To approve the request by Idaho State University to accept a gift in the amount of \$5,000,000 from the ALSAM Foundation to be used for creation of the design, and resulting construction cost estimate for purchase of a building owned by the Joint School District #002, to be used for academic purpose and administrative offices. *Motion carried unanimously.*

President Vailas presented this item. Vice President Ken Prolo discussed the opportunity for ISU to purchase property and to get out of leasing property in the Treasure Valley area. Mr. Prolo noted that a resolution was approved by the Legislature to approve the occupancy of this building. If this item is approved it would come back to the Board in August for the bond. Board member Lewis asked about the anticipated renovation costs and Mr. Prolo indicated that it will be about \$10 million dollars overall.

BUSINESS AFFAIRS AND HUMAN RESOURCES4. Boise State University – Land Swap / Boise School District

M/S (Stone/Agidius): To approve a request by Boise State University to purchase land for a land swap with the Boise School District, as follows:

- 1) The Board finds the acquisition of the property set forth in this agenda item is necessary for the proper operation of Boise State University and is economically feasible;**
- 2) The Board approves the Contract of Sale for purchase of the property in question in the amount not to exceed \$3.5 million, and the issuance of the Note in the principal amount of \$3,250,000 with interest-only payments for three years at the rate of LIBOR plus 2.35% adjusted monthly;**
- 3) The Board approves an expected gift of additional property to Boise State University, which value will be an amount that equals the difference between the final appraised value of the Barber Valley property and the value of the contract sale price;**
- 4) The Board authorizes the University to take such actions necessary to complete the purchase, and authorizes the Boise State University Vice President of Finance and Administration to sign any documents on behalf of the State Board of Education relating to this approval. Funds for this purchase come from Athletic Department revenues.**

The University is directed to return to the Board with all final details of all related agreements with the Boise School District. Role call vote was taken; motion carried 7-0 (Luna absent during the vote).

INSTRUCTION, RESEARCH AND STUDENT AFFAIRS5. Temporary and Proposed Rules Governing Registration of Proprietary Schools

M/S (Agidius/Luna): To approve the temporary and proposed rule for the registration of postsecondary institutions and proprietary schools. The temporary rule will become effective on April 19, 2007. Motion carried 6-1-0 (Stone voted Nay; Hall abstained).

Stuart Tennant explained that this item was tabled at the February Board meeting to allow for additional information to be provided to the Board. Mr. Tennant explained that information related to the types of accreditation, as well as the accrediting organizations, was outlined in the Board materials. He noted that including Council for Higher Education Accreditation (CHEA) in the rule would allow several other schools to be accredited that would not be if the U.S. Department of Education was the only accrediting body.

Mr. Tennant indicated a checks-and-balance system would be in place to assure that the proprietary institutions are held to formal accreditation standards. The rule change will address the concerns of Boise Bible College and New St. Andrews, which are already accredited under a faith-based agency.

Karen Echeverria noted that the authority for approving the actual acceptance of the transfer of credits is under the Board. Board member Lewis clarified that CHEA accredits other accrediting agencies by a rigorous process. Mr. Tennant explained that because the faith-based accrediting agencies are under CHEA the Board could have confidence that those schools accredited by them have passed the rigorous standards set forth by CHEA.

At this time the Board agreed to recess at 6:00 p.m. for the evening and reconvene on Friday, April 20, 2007 at 7:30 a.m.

M/S (Luna/Agidius): To recess for the evening at 6:00 p.m. Motion carried unanimously.

The Board reconvened on Friday, April 20, 2007 at 7:40 a.m. Board President Stone called the meeting to order and announced that the remaining agenda items had been reordered to better facilitate the rest of the meeting. He also announced that there had been a bomb threat at LCSC and Lewiston HS this morning. He noted that the situation appeared to be under control. Also, Filer High School had a bomb threat yesterday and the students were evacuated; no bomb was found. Board President Stone indicated that the Board would join the national moment of silence that was to be observed in honor of the Virginia Tech students at 9:00 a.m. Pacific Time.

BUSINESS AFFAIRS AND HUMAN RESOURCES –FINANCE AGENDA (continued)

13. Lewis-Clark State College – Property Acquisition

M/S (Terrell/Thilo): To approve the form resolution, included as Attachment 5, and the request by Lewis-Clark State College to submit an application to the Federal General Services Administration for the intention of acquiring the Federal Building in Coeur d’Alene. Motion carried unanimously.

Board member Terrell introduced this item.

3. Tuition Waiver Reports

M/S (Terrell/Agidius): To accept the Nonresident Tuition Waiver–Fall 2006 Reports for Boise State University, Idaho State University, University of Idaho, and Lewis-Clark State College, as presented on pages 5-13 of Tab 3 the Business Affairs and Human Resources Finance agenda. *Motion carried unanimously.*

Board member Terrell presented this item.

5. Boise State University – Micron Course Fee Arrangement

M/S (Terrell/Hall): To approve the terms of Boise State University’s proposed partnership with Micron and authorize the Executive Director to approve the final contract, subject to the Board’s legal review. *Motion carried 7-0 (Lewis recused himself).*

Board member Terrell introduced this item. Board member Lewis indicated he had a conflict of interest and recused himself from the discussion and the vote.

7. University of Idaho – Single Bond System – Future Financing Plans

Lloyd Mues discussed the University of Idaho’s intent to refund bonds and issue debt in the next few years. A formal request for approval will be brought to the Board in June, 2007.

8. University of Idaho – Transfer Gifted Real Property from University of Idaho Foundation

M/S (Terrell/Agidius): To authorized the University of Idaho to accept a deed to the subject property from the University of Idaho Foundation in substantial conformance to the form submitted to the Regents. The University of Idaho Vice President for Finance and Administration is authorized to sign, on behalf of the State Board of Education, any legal documents relating to this transaction. *Motion carried unanimously.*

Lloyd Mues discussed this item and noted that the grantor of the property desired that the property be utilized by UI as a preserve and a retreat center. The property will require some renovations to make it suitable for group meetings and retreats. The UI has set aside internal funds to accomplish the needed updates.

9. University of Idaho – Turf Replacement Project – Kibbie Activity Center

M/S (Terrell/Stone): To approve the University of Idaho's request to purchase and install a convertible filled turf system as a replacement for the existing turf in the Kibbie Activity Center, in the amount not to exceed \$1,800,000. Motion carried unanimously.

Board member Terrell introduced this item.

10. University of Idaho – Training Room Renovation Project – Kibbie Activity Center

M/S (Lewis/Terrell): To approve the request by the University of Idaho to proceed with the design and construction of the renovation and improvement of the training facilities and associated spaces within the ASUI Kibbie Activity Center, at a cost not to exceed \$900,000. Funds will come from private gifts made to the University to support improvements to athletic facilities. Motion carried unanimously.

Board member Terrell introduced this item.

11. University of Idaho – Self Funded Health Benefits Plan

M/S (Hall/Lewis): To approve the request by the University of Idaho to enter into the University of Idaho Health Benefits Trust Agreement in substantially the same form as the draft attached to the agenda, and with any further edits requested by the Idaho Department of Insurance to satisfy Title 41, Chapter 40, Idaho Code, and to continually authorize the University of Idaho to transfer University funds to the Trust in a manner consistent with, and as required by the Trust Agreement and Title 41, Chapter 40, Idaho Code. Motion carried unanimously.

Lloyd Mues discussed this item and noted that the self-funding plan must operate as an independent trust. The trust will hold and manage all the funds intended for the health benefits plan. The trust will be governed by four trustees who will be UI employees, but will not include the President, the Vice President for Finance and Administration, or the Assistant Vice President for Human Resources. Annual and one-time fees will be required. UI anticipates bringing a proposal to the Board in the future that will be more of a cafeteria style approach.

Board member Terrell asked about the ability of the Board of Education to control the funds. Board member Hall explained that the funds that go into a trust are dedicated for a specific use and he indicated he had no concerns.

15. Transfer of J.A. Albertson Building from UI Foundation to Regents of the UI

M/S (Agidius/Hall): To accept the transfer of interest in the subject property from UI Foundation to the Board of Regents of the UI in substantial conformance to the form submitted to the Regents. *Motion carried unanimously.*

Board member Terrell introduced this item. President Tim White asked that the record show an expression of appreciation from the University of Idaho to the University of Idaho Foundation for their generosity.

12. Discussion of Potential Amendment to Board Policy – Section V.N. – Grants and Contracts

Board member Terrell introduced this information item. Jeff Shinn noted the item had been before the Board previously. It will come to the Board for first reading in June.

14. First Reading of Amendment to Board Policy – Section I.E., Executive Officers

M/S (Terrell/Hall): To table this item until the next Board meeting. *Motion carried unanimously.*

Dwight Johnson presented this item and noted the proposed changes would bring the policy more in line with the State of Idaho practices in regards to agency heads. He indicated that the proposed policy amendment may need additional clarification prior to the second reading.

Board President Stone asked if a sentence in section E.3.d. is new language, specifically, “A President with tenure privileges may return to the college in the institution in which tenure was granted as an academic faculty member.” Board President Stone indicated that decision should be a discretionary power of the Board and that this language limits the Board’s authority and power. He asked that sentence be removed. He also asked the Board staff to review the entire policy to make sure that there are no other conflicts in the proposed amendments with existing policies or with the Board’s functions.

By unanimous consent the Board agreed to remove that particular sentence.

PLANNING, POLICY AND GOVERNMENTAL AFFAIRS1. Presidents’ Council Report

President Tim White presented the Presidents’ Council Report. He noted that during their April meeting they identified items to be discussed at the Board’s strategic planning meeting. In addition, they discussed safety issues in response to the recent murder of a

UI student. He asked the Board to consider having a report from each institution regarding their policies, and suggested June would be a good time for that. Board member Hall asked Board President Stone to put that item on the June agenda and to have Executive Director Johnson send a letter of notification to each president in that regard. Board President Stone requested Mr. Johnson to also send the same letter to agency heads so that they will be prepared to report as well.

2. University of Idaho Progress Report

President Tim White acknowledged the University of Idaho staff who worked to prepare for the Board's visit and noted that their efforts made it possible to have an effective meeting. Dr. White went on to present a snapshot overview of the University of Idaho. He discussed the financial health of the University and its undergraduate programs. Dr. White explained the global impact of the University as it works to build for the 21st century. He indicated that retention rates for freshmen are a bit below the national average, but the graduate rates are a bit above the national average. He spoke about several factors driving academic performance, including the expansion of intellectual boundaries, enhancing passion and discovery for the students, improving lives through scholarships, and creating heightened expectations.

Dr. White concluded with highlights related to ongoing projects and activities that underscore the efforts of the University to provide quality and successful educational opportunities to its students.

3. State Division of Professional-Technical Education Progress Report

Dr. Mike Rush reported on Professional-Technical Education and presented information about the DPTE budget. He briefly highlighted the various programs the agency is responsible for, and pointed out that the Division works with the Department of Corrections on educational programs they offer. He reviewed the performance goals of the agency and overviewed the success of the PTE system to meet those goals. He discussed enrollment trends and noted that while Idaho's go-to-college rate is 44%, 60% of PTE program completers go on to postsecondary instruction. Dr. Rush reported that over 79,000 high school students are reached with PTE programs. Also, over 5,000 students met their science requirement this past year through PTE programs.

Dr. Rush concluded his presentation with remarks about the recent shooting at Virginia Tech. He noted that it was important to stand strong against anyone who would steal hope away from those who are seeking an education. Board member Hall extended his thanks and appreciation to Dr. Rush for his leadership of the Division, and for his willingness to work effectively and efficiently with the Board on various issues and efforts throughout the years.

4. 2007 Legislative Update

Mark Browning of the Board Office presented this item. He reported that it was a positive year for education in Idaho overall. Board member Hall thanked the Board staff for their work during the past legislative session. Dwight Johnson thanked Mark Browning and Karen Echeverria for their excellent work with the Legislature this year.

5. Support of "March on Meth"

M/S (Stone/Terrell): To direct staff to forward a letter to Governor Otter expressing the Board's support of the Governor's Proclamation on March Against Meth. Motion carried unanimously.

Karen Echeverria introduced this item. Board President Stone communicated his strong support of this effort and noted that through his law practice he has witnessed how drugs destroy families, communities and lives.

6. Development of Memorandum of Understanding between Division of Human Resources and the Division of Professional-Technical Education

M/S (Agidius/Terrell): To authorize the Division of Professional-Technical Education to develop and enter into a Memorandum of Understanding with the Division of Human Resources to allow the Division of Professional-Technical Education to assume administrative responsibility for the training and educational programs. The MOU must be approved by the Board's executive director. Motion carried unanimously.

Board member Hall presented this item. Mike Rush explained that the approval of the MOU is the first step in the process. The Division of Professional-Technical Education will come back at another time to request that this be included in the PTE budget.

INSTRUCTION, RESEARCH AND STUDENT AFFAIRS

Board President Stone noted that the Instruction, Research and Student Affairs agenda had been reordered to facilitate schedules.

6. Idaho Technology Incentive Grant Program FY 2008 Award

M/S (Terrell/Agidius): To approve funding for projects as exhibited in the amount of \$861,800 and direct Board staff to solicit additional proposals for the remaining funding available. Motion carried unanimously.

Board member Terrell reported that the review committee had expressed concerns once again about the quality of the grants that were submitted. He commended Lewis-Clark State College for providing the information that was requested.

Dr. Sona Andrews of Boise State University spoke on behalf of all the institutions, and asked that the committee sit down with CAAP to better communicate the purpose of these grant funds. She reported that the institutions had made the same request last year, but no meeting had taken place. Board member Terrell gave his assurance that such a meeting would happen this year.

1. WWAMI Medical Education Program Presentation

Dr. Suzanne Allen and Dr. Andrew Turner presented a report on the regional medical education program which represents five states. They discussed the programs offered throughout Idaho. They noted that the Medical Education component allows students to complete three of the four years of medical school in Idaho. They briefly updated the Board on the various medical rotations available and mentioned the availability of research dollars in Idaho. They indicated that forty-three percent of Idaho WWAMI graduates have returned to Idaho to practice.

Board member Hall asked if there was a prohibition that prevents Idaho from requiring graduates to return to Idaho to practice for a period of time as a pay-back for the financial support they have received. Dr. Turner indicated there was not. He gave the example of Wyoming which has a pay-back agreement; however, Wyoming pays all of the student tuition and fees which makes it different from Idaho. Dr. Turner pointed out that Wyoming students may opt to pay back the actual funds rather than working it off.

2. New Doctorate Program Full Proposal – Ph.D. in Water Resources – University of Idaho

M/S (Agidius/Luna): To approve the University of Idaho's request to offer a new M.S., Ph.D., Water Resources Program which could lead to a potential for concurrent degrees in water resources and law. *Motion carried unanimously.*

Provost Doug Baker of the University of Idaho presented this item. He noted this is an interdisciplinary program which focuses on researching and solving critical water issues.

Board member Terrell asked if the other institutions are supportive of the program and they agreed they are. Dr. Baker noted this program fits in with the University's eight-year plan and that there are MOU's in place with the other institutions.

3. New Graduate Program Full Proposal – Executive Master of Business Administration – University of Idaho

M/S (Hall/Stone): To approve the University of Idaho's request to offer an Executive Master of Business Administration. *Motion carried unanimously.*

Dr. Doug Baker and Dean Jack Morris discussed this item. Dr. Baker explained that it returns the MBA to northern Idaho. Dean Morris highlighted the various details of the program. He noted it would tap the need for graduate business education, and will allow businesses in northern Idaho to attract and retain highly qualified employees who will contribute to the continuing growth of businesses in the area. It is a twenty-four month model that meets the need for local delivery. Cohort groups can start every year, and it allows for flexibility in two locations. It is a self-sustaining program that requires no additional state funds.

Board member Terrell confirmed that other institutions are supportive of the program. Board member Lewis commended the UI on the thoroughness of their planning process.

4. Graduate Program Expansion Notice of Intent – Ph.D. in Counselor Education and Counseling with an Emphasis in Mental Health, and Marriage and Family Counseling

M/S (Terrell/Agidius): To approve the Idaho State University request to expand their Ph.D. in Counselor Education and Counseling with emphases in Mental Health, and Marriage and Family Counseling to Boise. *Motion carried unanimously.*

Dr. Robert Wharton of Idaho State University briefly presented this item. He noted the institution had gone through the need analysis and that it fits with the eight-year plan. Dr. Wharton reported that ISU routinely conducts an analysis for all its programs to ascertain ongoing need.

Board member Lewis noted plans by BSU to develop a program with a different emphasis. Dr. Sona Andrews indicated that BSU's emphasis will be in school counseling and gerontology. In addition, BSU signed an MOU with ISU based on the understanding that ISU will be supportive of BSU's program.

Dr. Andrews stated her understanding that the Board will have to determine whether the Treasure Valley can support two counseling programs, but she emphasized that the programs were different. Board member Hall noted that the Board rules do not inhibit BSU from moving forward with a future proposal given that this is their service area. He encouraged the institutions to make sure that both programs are successful.

8. Idaho GEAR UP Update

Stuart Tennant provided an update to the Board.

ELECTION OF OFFICERS

Board President Stone opened nominations for the election of Board officers for the coming year.

Board member Hall nominated Milford Terrell for President and the Board gave their unanimous consent in favor of the nomination. Mr. Terrell will serve as President for the coming year.

Board member Terrell nominated Paul Agidius for Vice President and the Board gave their unanimous consent in favor of the nomination. Mr. Agidius will serve as Vice President for the coming year.

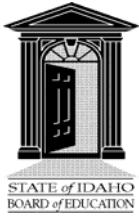
Board member Agidius nominated Sue Thilo for Secretary and the Board gave their unanimous consent of the nomination. Ms. Thilo will serve as Secretary for the coming year.

OTHER BUSINESS

Board member Hall expressed thanks to Laird Stone for serving as the Board President this past year. He remarked on the enormous commitment of time, work, and dedication required to fulfill the responsibility, and noted that Mr. Stone had done an excellent job. The other Board members also expressed their appreciation.

There being no further business, the Board entertained a motion to adjourn.

M/S (Luna/Agidius): To adjourn the meeting at 10:30 a.m. *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
May 10-11, 2007
Sun Valley Room, Harrison Plaza Suites, Boise, Idaho**

A special meeting of the State Board of Education was held May 10-11, 2007 in the Sun Valley Room of the Harrison Plaza Suites in Boise, Idaho. Board President Milford Terrell presided.

Present:

Milford Terrell, President
Paul Agidius, Vice President
Blake Hall
Rod Lewis
Laird Stone
Richard Westerberg
Tom Luna, State Superintendent

Absent: Sue Thilo

EXECUTIVE SESSION

M/S (Westerberg/Stone): To move into Executive Session, pursuant to Idaho Code Section 67-2345(1), at 8:00 a.m., on May 10, 2007. A roll call vote was taken; motion carried unanimously.

M/S (Lewis/Agidius): To go out of Executive Session at 7:30 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 or 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

The Board reconvened at 8:13 a.m. on Friday, May 11, 2007 for the Open Session portion of the meeting. Board Vice President Agidius opened the meeting. Board President Terrell and State Superintendent Luna joined the meeting in progress.

Stuart Tennant of the Board Office introduced Dr. Sandra Elman, President of the Northwest Commission for Colleges and Universities (NWCCU), to discuss the regional accreditation process and various federal initiatives. Dr. Elman urged the Board to look at the planning and governance standards because they are germane to the work of the Board and the institution presidents. She explained that Idaho's governance system allows the State Board of Education to ensure that colleges and universities meet accreditation standards. She encouraged the Board to consider the national trends along with issues related to growth and economic development as it goes through the strategic planning process.

Board member Stone asked about the Board's role in the accreditation process. Dr. Elman pointed out that the Board should be very involved in the institution's self-study process, in the review of the institution's self-study report, and during the institution's meeting with the evaluation team. She indicated that when the Commission meets with the institutional president regarding accreditation, the Board doesn't need to be present unless there is an adverse condition or specific need to address.

Board member Lewis asked about changes at the federal level. Dr. Elman reported that the Commission is in the process of negotiated rule making with the U.S. Department of Education and discussed three areas where the rule changes would have significant impact. One is in the area of data collection and analysis related to student outcomes; another is in the area of credit transfer; a third is in the area of public disclosure. Dr. Elman explained that limited resources could shift the data collection responsibility from the Commission to the institutions which may create issues as to how the data is collected and analyzed. It also raises questions about who sets the benchmarks and how the Commission will hold the institutions accountable. Dr. Elman indicated that the negotiated rulemaking committee must decide to either accept or reject the whole package put before them by the Secretary of Education which means there are no easy answers.

Board member Hall asked Dr. Elman how a governing board should properly operate. Dr. Elman indicated that a governing board should work with each institution individually and respectively, to ensure that each institution's mission, vision, and educational objectives are fulfilled. She explained that a governing board should ensure that each institution has the necessary financial resources. Board member Hall pointed out that the State Board of Education is able to set fees and tuition and to make recommendations to the Legislature related to funding needs for the institutions. He discussed the Board's responsibility to ensure adequate funding while at the same time maintaining accessibility and affordability. Dr. Elman conceded it is a balancing act.

Board Vice President Agidius asked how the Commission would accredit a new community college. Dr. Elman said that usually the new community college would ask the Commission to meet with the institution to start working on the application process. Another approach she mentioned was from Oregon where two new institutions remained under the umbrella of the host college during the initial stages of application and prior to becoming a full-fledged candidate for accreditation.

Board member Lewis inquired about counsel for Idaho specifically and Dr. Elman expressed her great respect for the Board and its staff given all that they are asked to accomplish and oversee. She suggested the Board may want to consider appointing different sub-groups to work exclusively and separately on higher education and K-12.

STRATEGIC PLANNING

1. 2007 Strategic Plan

Chet Herbst presented a strategic plan development approach and timeline for the State Board of Education to consider. Dr. Herbst noted he was formerly the Director of Planning at Lewis-Clark State College prior to his current position.

2. 2008 Draft Strategic Plan/Working Document

M/S (Stone/Hall): To adopt the recommendations that Chet Herbst presented and form a strategic planning team as recommended. *Motion carried unanimously.*

Dr. Herbst discussed a reality-based approach to strategic planning based on real world calendars, budgeting cycles, and legislative expectations. He noted that in the past those things have been missing from the State Board's planning process. In addition, a lack of coordination between the Board and its subordinate agencies and institutions as far as the strategic planning process, have made the Board's strategic plan less effective.

Dr. Herbst explained that in 2006 the Legislature determined to be more involved in the planning process and wants all plans to be relevant, related, and used for decision

making at all levels. He suggested that the State Board of Education and its subordinate entities follow the roadmap provided by the Legislature so that the Board's strategic plan can be anchored to real world timelines, budget cycles, relevant issues, and the Governor's and the Legislature's requests.

Dr. Herbst explained that early discussions with Board staff included a review of statutory guidance as well as a study of other states' planning approaches. It was determined to maintain a link to the previous strategic plan and its four goals while also striving for simplicity and clarity and the use of off-the-shelf resources when possible to support the plan.

Dr. Herbst walked through the skeleton plan for the Board noting it is anchored directly to the state statute. It frames the planning timelines and activities within legislative and accreditation cycles; it clarifies the respective roles of the Board and subordinate entities; and it takes advantage of the institutional manpower and expertise by putting together planning teams to focus on the specific aspects of the plan towards the goal of carrying out the legislation. As a result of this approach, the Board's strategic plan can be used as the basis for relevant decision-making and recommendations that will be forwarded to the Legislature.

Dr. Herbst demonstrated how available data can be easily accessed to underscore the objectives presented in the plan when it is presented to the Legislature. He emphasized that this is the type of information that should be presented year in and out in the strategic plan. As part of the Board's planning cycle, the Board should convene at the end of the legislative session specifically to review the plan and determine what was successful, what needs to continue on, what needs to be changed, and what should be incorporated into the next plan.

Dr. Herbst summarized the committee's recommendations which include organizing and delegating responsibilities for writing the strategic plan; having the strategic plan team flesh out the strategic plan by using an approach that complies with statute; and pursuing training opportunities for all of those working on the strategic plan writing. He indicated that a draft plan would be ready for the Board to review at the August meeting. Following discussion by the Board, it was recommended that Karen Echeverria work with Chet Herbst to put together a planning team to develop a draft plan for the August meeting.

Board member Lewis asked that there be further discussion at some later time on the various points and issues raised by Dr. Elman as part of the process of developing the strategic plan. He noted that the need to focus more adequately on higher education may mean reassigning duties of the Board or the Board staff. Along that same line, he suggested that the Board think in terms of developing more expertise and concentrated training among the Board members.

Board member Hall noted that one of the goals of the long-term strategic plan may be to look at how the Board sets fees each year. He suggested that long-term planning could make it possible to project fees. That, in turn, could help institutions plan for growth, parents plan for costs, and the Legislature better understand what it may need to do to ensure adequate funding of higher education. Board member Stone concurred that incorporating that kind of analysis into the Board's strategic plan process would be beneficial. He pointed out that each institution goes through a planning process already and develops an institutional strategic plan based on anticipated growth and needs.

BUSINESS AFFAIRS AND HUMAN RESOURCES

3. University of Idaho – Tenure Policy Waiver

M/S (Lewis/Stone): To waive application of Board Policy Section II.G.6.i. to allow the University of Idaho to offer a tenured faculty position to the qualified candidate selected by the University for the position of Vice President for Research. *Motion carried 6-1 (Hall voted Nay).*

Board President Terrell asked about the possibility of looking at the policy itself and making changes so that it is more consistent with other positions. Board member Agidius indicated it would be a good approach and would allow the institutions to recruit more competitively. Board member Hall indicated a discomfort with providing tenure to individuals and that the Board policy should not be changed. Board member Stone noted that the problem with the current policy is that if the institution just changes the position title to Assistant Vice Provost that qualifies it for tenure.

President Kustra of Boise State University indicated that nationally, those who are recruited and hired for the Vice President of Research positions usually expect and get tenure in the department or area of expertise where they come from. President Vailas of Idaho State University noted that in his experience in other states tenure appointments had to be approved by the board so the tenure issue wasn't a problem. The Board pointed out that in Idaho, the Board does not sign off on tenure, the institution does. President Thomas of Lewis-Clark State College emphasized that quality candidates won't apply for a Vice President of Research position unless it comes with tenure. Board member Lewis suggested changing the policy to make it consistent with other positions.

4. Compensation – Agency Heads

M/S (Westerberg/Stone): To set the annual salary of Dr. Michael Graham, Administrator for the Division of Vocational Rehabilitation, at \$92,680.35 effective July 1, 2007.

M/S (Westerberg/Hall): To set the annual salary of Mary Dunne, Director of the Idaho School for the Deaf and the Blind, at \$74,460.00, effective July 1, 2007.

M/S (Westerberg/Ledington): To set the annual salary for Peter Morrill, General Manager of Idaho Public Television, at \$87,346.06, effective July 1, 2007.

M/S (Westerberg/Agidius): To set the salary of Dr. Michael Rush, Administrator of the Division of Professional-Technical Education, at \$98,201.79, effective July 1, 2007.

5. Compensation – Institution Presidents

M/S (Westerberg/Stone): To set the salary of Dr. Arthur Vailas as President of Idaho State University at \$273,000.00, effective July 1, 2007.

M/S (Westerberg/Stone): To set the salary of Dr. Robert Kustra as President of Idaho State University at \$282,463.00, effective July 1, 2007.

M/S (Westerberg/Agidius): To set the salary of Dr. Timothy White as President of the University of Idaho at \$291,911.76, effective July 1, 2007.

M/S (Westerberg/Agidius): To set the salary of Dr. Dene Thomas as President of Lewis-Clark State College at \$146,141.14, effective July 1, 2007.

M/S (Westerberg/Hall): To set the salary of William Robertson as President of Eastern Idaho Technical College at \$113,305.50, effective July 1, 2007.

M/S (Westerberg/Hall): To approve a vehicle allowance in lieu of a vehicle for certain institutional presidents at an annual amount of \$7,200.00.

6. Special Meeting for Fee's Discussion

M/S (Agidius/Stone): To set a special Board meeting for Monday, April 7, 2008, for the purposes of conducting fee hearings for the colleges and universities in Boise Idaho. *Motion carried 5-2 (Lewis and Hall voted Nay).*

Board President Terrell discussed having a special fee setting meeting. He noted it would make it possible for the Board to concentrate its full attention on this important activity. In addition, participants who only need to attend the regular meeting of the Board wouldn't be inconvenienced in terms of travel and wait-around time. Also, by changing the date and location for 2008, the fee setting session can be held at a different institution.

Board member Hall pointed out that fee setting had taken place at different institutions in the years he's been on the Board and that changing the location for next year's regular meeting was possible. He also suggested adding an additional day to the front or back of the regular meeting date specifically for fee setting. Board member Lewis agreed it made sense to extend the regular meeting.

Board member Stone noted that if the Board's strategic planning works as anticipated, this may be the only time such a stand-alone time for fee setting may be necessary. Board member Hall reiterated that he favored a separate time for fee setting, but suggested that in terms of travel time and expense it would be better to extend the regular meeting and change the meeting location to facilitate the change of venue.

OTHER BUSINESS

President Kustra sought clarification regarding Board policy in terms of leasing a car. The Board clarified it is not a new policy or a change in policy.

M/S (Lewis/Agidius): To move into Executive Session at 10:53 a.m. *A roll call vote was taken; motion passed unanimously.*

M/S (Lewis/Agidius): To move out of Executive Session and adjourn at 1:00 p.m. *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 or 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.



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

MINUTES
STATE BOARD OF EDUCATION
SPECIAL MEETING
May 22, 2007
Boise, Idaho

A special meeting of the State Board of Education was held May 22, 2007, at 4:00 pm (MT) and originated from the Office of the Board of Education, Len B. Jordan Building, Boise, Idaho. President Milford Terrell presided.

Present:

Milford Terrell, President
Paul Agidius, Vice President (by phone)
Sue Thilo, Secretary
Blake Hall (by phone)
Rod Lewis (by phone)
Laird Stone (by phone)
Richard Westerberg (by phone)
Tom Luna, State Superintendent

EXECUTIVE SESSION

M/S (Milford/Rod): To move into executive session, pursuant to Idaho Code Section 67-2345(1), on March 22, 2007 at 4:00 p.m. A roll call vote was taken; motion carried unanimously.

M/S (Lewis/Agidius): To go out of Executive Session at 4:30 p.m., and go into Open Session. Motion carried unanimously.

In executive session, The Board considered hiring a public officer, employee, staff member or individual agent; considered the evaluation, dismissal or disciplining of, or complaints or charges brought against a public officer, employee, staff member or individual agent, or public school student; conducted deliberations concerning labor negotiation or to acquire an interest in real property which is not owned by a public agency; considered records that are exempt from public inspection; considered preliminary negotiations involving matters of

trade or commerce in which the governing body is in competition with governing bodies in other states or nations; and considered and advised its legal representatives in pending litigation or where there is a general public awareness of probable litigation.

OPEN SESSION (4:45)**BUSINESS AFFAIRS AND HUMAN RESOURCES**

1. Consideration of appointment of the Executive Director of the Idaho State Board of Education.

M/S (Lewis/Agidius): To appoint Karen McGee as the Interim Executive Director of the Office of the State Board of Education. *Motion carried unanimously.*

M/S (Luna/Lewis): To adjourn at 4:50 p.m. *Motion carried unanimously.*

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