

**BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007**

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BUSINESS AFFAIRS AND HUMAN RESOURCES
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INSTITUTION/AGENCY AGENDA
IDAHO STATE UNIVERSITY

SUBJECT

Idaho State University (ISU) requests approval to purchase and finance an Enterprise Resource Planning (ERP) system

REFERENCE

June 14, 2006 Approval granted to release a Request for Proposal (RFP) to purchase an ERP system.

February 22, 2007 Approval granted to purchase database software from Oracle for development of a data warehouse, portal and eventual deployment of an ERP system.

February 22, 2007 Approval granted to purchase Sun Microsystems hardware from Advanced System Group for use in the development of a data warehouse, portal and eventual deployment of an ERP system.

APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education Governing Policies and Procedures, Section V.I.3.

BACKGROUND

In 2006 an RFP was released for the purchase of an ERP system; a professional project manager was hired (Dr. David Alexander); and a broadly representative evaluation committee composed of eleven university staff was formed. The evaluation committee recommended the Banner system proposed by SunGard Higher Education as the system which would meet the needs of ISU.

The first stage in the ERP implementation has begun with procurement of the hardware systems required to operate the ERP system and the database software on which the ERP system is based.

DISCUSSION

Database software from Oracle has been purchased for the migration of non-ERP applications and for the implementation of the ERP system. Internal funds were used to cover this cost which includes licensing and first year's maintenance (\$887,000). Sun Microsystems servers and related hardware have been purchased from Advanced System Group for \$594,000. The software and hardware purchases have both been under anticipated budget.

Phase two of the ERP implementation involves the purchase of the Banner Finance, HR/Payroll, Advancement, Student Information and Financial Aid, and

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Workflow systems from SunGard Higher Education, along with related software from various third party vendors which are members of the SunGard Collaborative and whose software has been integrated with the Banner system. A list of the software to be purchased from SunGard is attached. It is anticipated that the implementation of this software, and the conversion of existing university data to the new system, will take three years to complete.

Following significant negotiations with SunGard, the total cost of implementing the ERP system is \$15,182,000. The cost of license fees, maintenance services over three years, and implementation services from SunGard Higher Education will be \$5,761,000. Details of these and other project expenses are provided in the attached budget. It is anticipated that the implementation will come in on budget. Dr. Alexander (project manager) has previously brought a Banner installation in on time and under budget at a comparable institution and is committed to achieving this at ISU.

ATTACHMENTS

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IMPACT

Implementation of a university-wide information system to replace the current in-house developed system is required to provide increased integration and functionality and allow ISU to be in compliance with the recommendation by the Northwest Commission on Colleges and Universities accreditation report that ISU improve its data access and integration.

Funding sources include university set-asides, student fees, and financing. Koch Financial was selected as the financing institution based on their expertise in financing information system installations at higher education institutions and comparison with other vendors. They will provide \$8,733,000 of financing to be placed in escrow for the implementation expenses of the ERP system, which will be paid back by the university over a term of nine years at 5.08% interest rate.

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IDAHO STATE UNIVERSITY – continued

A portion of this interest charge will be offset by interest earned from the funds in the escrow account. It is anticipated that a request for additional student fees for the Student Information and Financial Aid modules will be forthcoming during next year's student fee hearings.

STAFF COMMENTS AND RECOMMENDATIONS

The amounts approved by the Board for this project to date are displayed in the 'Approved' column, below. The amount listed under 'Cost' is the latest estimate by the University:

	<u>Approved</u>	<u>Cost</u>
Oracle database software	\$ 1,200,000	\$ 887,000
Sun Microsystems hardware	925,000	594,000
ERP Implementation (estimates)	\$15,000,000	\$15,182,000

Staff requested information from the institution relating to the proposed student fee increase (amount, duration) mentioned as a funding source for this project. Staff believes this information is crucial for the Board to have prior to the discussion/decision.

ISU provided a cash flow analysis of this project, which can be reviewed at Attachment 5b. Fees supporting this project include a portion of the revenues from the existing technology fee paid by students (\$25 of \$75/semester), part of the existing tuition revenue (\$50 of \$1,440.81/semester) and part (\$40.50/semester) of the to-be-proposed FY 2009 student fee increase, which will be discussed at the April 2008 Board meeting. The latter fee is projected to sunset in FY 2016.

Staff understands the critical need for ISU to acquire a modern IT system. The planning has been occurring for several years, and active implementation began in early 2006 (see "Reference" at beginning of this document).

Staff recommends approval.

BOARD ACTION

A motion to approve the request by Idaho State University to purchase and finance an Enterprise Resource Planning system at a total cost not to exceed \$15,400,000. This includes the software package, maintenance, and services from SunGard Higher Education to be funded by institutional sources in an amount not to exceed \$6,300,000, and financing through a commercial lender for an amount not to exceed \$9,100,000.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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REFERENCE – APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: V. FINANCIAL AFFAIRS

Subsection: I. Real and Personal Property and Services

July 2008

3. Acquisition of Personal Property and Services

- a. Purchases of equipment, data processing software and equipment, and all contracts for consulting or professional services either in total or through time purchase or other financing agreements, between two hundred fifty thousand dollars (\$250,000) and five hundred thousand dollars (\$500,000) require prior approval by the executive director. The executive director must be expressly advised when the recommended bid is other than the lowest qualified bid. Purchases exceeding five hundred thousand dollars (\$500,000) require prior Board approval.
- b. Acquisition or development of new administrative software or systems that materially affect the administrative operations of the institution by adding new services must be reviewed with the executive director before beginning development. When feasible, such development will be undertaken as a joint endeavor by the four institutions and with overall coordination by the Office of the State Board of Education.

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Attachment 1

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Idaho State University ERP Implementation Budget

	FY2007 Budget	FY2008 Budget	FY2009 Budget	FY2010 Budget	Cumulative Total
Project Office					
Functional Staff	168,640	362,997	373,435	384,186	1,289,259
Expenses	44,000	90,000	70,000	70,000	274,000
Software Purchase		2,286,099	219,900	83,000	2,588,999
Software Maintenance		455,666	529,747	600,131	1,585,543
Database Licensing Fees	721,644				721,644
Database Maintenance	165,978	172,617	179,522	186,703	704,820
Hardware Equipment	635,379	240,000			875,379
Hardware Maintenance	165,070	54,628	56,653	117,952	394,303
Consulting Services	5,000	1,445,342	1,079,512	536,044	3,065,898
Consultant Travel	800	231,255	172,722	85,767	490,544
Technical Staff	18,473	564,768	636,494	621,709	1,841,445
Project Contingency		500,000	450,000	400,000	1,350,000
Total for Year	1,924,984	6,403,372	3,767,985	3,085,491	15,181,833
Cumulative Total		8,328,356	12,096,341	15,181,833	

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Banner Modules at Idaho State University

Idaho State University expects to purchase the following modules and components from SunGard Higher Education to implement an Enterprise Resource Planning (ERP) system

- Banner Finance (including self service)
- Banner Human Resources/Payroll (including self service)
- Banner Student (including self service)
- Banner Financial Aid (including self service)
- Luminis portal
- Operational Data Store
- Enterprise Data Warehouse
- Workflow
- Xtender Solutions document management

Also to be purchased from SunGard is:

- Evisions Intellicheck and FormsFusion (check writing and print formatting utilities)
- ePrint (report archiving and distribution utility)
- AppWorx (job scheduling utility)
- Enlighten by CAST (database management utility)
- Cognos Business Intelligence (reporting software)

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AMENDMENT TO
SOFTWARE LICENSE &
SERVICES AGREEMENT

SUNGARD HIGHER EDUCATION INC.
("SunGard Higher Education")

and

IDAHO STATE UNIVERSITY
("Licensee")

This Amendment ("Amendment") amends the parties' Software License & Services Agreement having an Execution Date of March 28, 2007 (the "Agreement").

LICENSEE AND SunGard Higher Education, intending to be legally bound, agree as follows:

1. Defined Terms. Except as otherwise set forth herein, each defined term in the Agreement has the meaning ascribed to that term in the Agreement when the term is used in this Amendment. Additionally, the term "Banner Date" means the latest date shown on this Amendment's signature page.

2. License for Additional Component Systems; Provision of Additional Services.

(a) SunGard Higher Education grants Licensee the right to use the additional Licensed Software identified on Exhibit 1 attached to this Amendment, on the terms of the Agreement as amended hereby, and for the additional fees set forth in the attached Exhibit 1. SunGard Higher Education will also provide Licensee with the additional services identified in attached Exhibit 1, for the additional amounts provided for in attached Exhibit 1.

(b) Licensee will remit payment to SunGard Higher Education of the amounts provided for in attached Exhibit 1. Late payments will be subject to late payment charges as otherwise provided for in the Agreement.

3. Integration Provision. Except as expressly modified by this Amendment, the Agreement shall remain in full force and effect. As of the Banner Date, the Agreement, as further amended by this Amendment constitutes the entire understanding of the parties as regards the subject matter hereof and cannot be modified except by written agreement of the parties.

SunGard Higher Education

Licensee

BY: _____

BY: _____

PRINT NAME: _____

PRINT NAME: _____

PRINT TITLE: _____

PRINT TITLE: _____

DATE SIGNED: _____

DATE SIGNED: _____

EXHIBIT 1

Licensee: Idaho State University
 Delivery Address: 921 South 8th Avenue, Stop 8037, Pocatello, ID 83209

EQUIPMENT CRITERIA: Hardware and related peripheral configuration located within the United States of America for which SunGard Higher Education provides warranty and Maintenance/support services for the Baseline Licensed Software will qualify as “Equipment.” Certain Component Systems of the Licensed Software may require specific hardware/peripheral configurations. Licensee should consult with its SunGard Higher Education Professional Services representative to ascertain whether SunGard Higher Education supports or does not support use of the Baseline Licensed Software on any particular configuration.

NOTICE: To use any of the Licensed Software, Licensee must also obtain, install on the Equipment and maintain SunGard Higher Education-supported versions of certain software products and software/hardware peripherals. By this notice, SunGard Higher Education is advising Licensee that Licensee should consult with its SunGard Higher Education Professional Services representative to obtain a written listing of such necessary software products and software/hardware peripherals.

Table 1 - LICENSED SOFTWARE ¹:

Component System	Source Code Licensed?	Software Supplement	Fee
Banner Advancement (includes Advancement Self-Service functionality)	Yes	None	
Banner Financial Aid	Yes	None	
INAS Software	No	INAS Software Supplement	
CSS Profile Interface	No	None	
Banner Finance (includes Finance Self-Service functionality)	Yes	None	
Banner Human Resources (includes Employee Self-Service functionality)	Yes	None	
Banner Student (includes Student Self-Service and Faculty and Advisor Self-Service functionality)	Yes	None	
EDI.Smart (two (2) licensed copies)	No	EDI.Smart Software Supplement	
Workflow	No	None	
Luminis Basic ²	No	Luminis Basic Supplement	
PocketRecruiter (3 instances)	Yes	None	
Integration Technologies	No	None	
Integration for e~Learning ³	No	None	
Operational Data Store	Yes	None	
Enterprise Data Warehouse	Yes	None	
e~Print Reports ⁴	Yes	None	
Enterprise Scheduler by AppWorx ⁷ (2 Unix Masters, 2 Unix Agent and the Graphical Analysis Package)	No	N/A (AppWorx Component System is owned and provided to SunGard Higher Education under license by AppWorx Corporation)	

(Table 1 – LICENSED SOFTWARE Chart continued of following page)

Component System	Source Code Licensed?	Software Supplement	Fee
Banner <i>enlighten</i> powered by CAST (including CAST Limited Function Software)	No	CAST Software Supplement	
XtenderSolutions Integration Component for Banner	Yes	None	
Banner XtenderSolutions (See Detail Tables A and B below)	No	EMC Software Supplement	
ApplicationXtender Test Bundle ⁵	No	EMC Software Supplement	
ApplicationXtender API Services (Includes one (1) server license) ⁶	No	EMC Software Supplement	
Cognos Software (See Detail Table C below)	No	Cognos Software Supplement	
TOTAL LICENSE FEE:			\$1,536,119

Notes to Table 1:

¹ In each case, SunGard Higher Education must cause the Baseline Component System to be delivered in its most recent general release version.

² The Luminis Basic Component System requires a RDBMS, either Oracle or Microsoft SQL Server.

³ The Integration for e-Learning Baseline Component System is designed for compatibility with Blackboard (Enterprise Edition v 6.1 with LDI Building Block) **OR** Blackboard Learning System Campus Edition or Vista (formerly known as WebCT Campus Edition or Vista) and JDBC Compliant Relational Database currently supported on Oracle 7.3.4 and/or higher SQL Server 7.0 or higher. To enable the connectivity provided by the Integration for e-Learning, Licensee must have the following: Banner Student Self-Service or Banner Faculty and Advisor Self-Service, Blackboard Enterprise Edition with LDI Building Block OR Blackboard Learning System Campus Edition or Vista (either in-house at Licensee's facility or in a hosted environment through a third party under contract with Licensee) and JDBC Compliant Relational Database currently supported on Oracle 7.3.4 and/or higher SQL Server 7.0 or higher.

⁴ e-Print Reports requires a dedicated server. Licensee must obtain Enterprise Linux software from Red Hat.

⁵ The ApplicationXtender Test Bundle is intended for non-production, internal testing and backup purposes only. The ApplicationXtender Test Bundle includes 25ccu of ApplicationXtender Desktop Access, 5 ccu of ApplicationXtender Image Capture, 1 ApplicationXtender OCR Server, and 1 ApplicationXtender Proindex Full Text Server and 5 ccu ApplicationXtender Proindex Full Text Client licenses, 1 server DiskXtender for Windows File System Manager, 1 server ApplicationXtender API Services and 1 server ApplicationXtender Media Distribution.

⁶ ApplicationXtender API Services is a server-based software component that allows web services based integration to the ApplicationXtender document database. It is required for Luminis integration to Banner XtenderSolutions.

⁷ The modules of the Enterprise Scheduler by AppWorx are described below:

Unix Master

The AppWorx Master provides the execution logic for the AppWorx Component System. It monitors the schedule and, at the appropriate time, sends jobs to the designated agent for execution.

Unix Agent

The AppWorx agent executes jobs. It receives execution orders from the AppWorx Master, runs the jobs, monitors status and communicates back to the AppWorx Master, traps errors, and captures output for online viewing and distribution. By default, a local Agent is paired with each Master. Additional remote Agents can be licensed and installed on other servers.

Graphical Analysis Package (GAP)

The AppWorx Graphical Analysis Package is a suite of graphical analysis tools that present the AppWorx scheduling environment. The tools include a dashboard for monitoring the overall load on the AppWorx Master and Agents, Gantt charts that show real-time progress of job flows and historical information about actual job execution times, a set of pre-defined history reports for analyzing production schedules, and a custom report writer for extracting information from the AppWorx database.

DETAIL TABLE A – BANNER XTENDERSOLUTIONS DETAIL TABLE:

Banner XtenderSolutions Component System	Concurrent Users (ccu)
Banner XtenderSolutions:	
ApplicationXtender Desktop Access (AX)	40 (ccu)
ApplicationXtender WebXtender (WX)	200 (ccu)
ApplicationXtender Image Capture (IC)	10 (ccu)*

* Image Capture ccus (concurrent user connections) limit the number of high-speed batch scanning sessions that can be running simultaneously through Image Capture interfaces. This limitation does not affect non-batch or ad-hoc scanning or document importation through AX or WX interfaces.

DETAIL TABLE B – DISKXTENDER FOR WINDOWS FILE SYSTEM MANAGER SERVER DETAIL TABLE:

Required Product	License for Server Configuration	Notes
DiskXtender for Windows File System Manager Server License	1 Server License	DiskXtender for Windows File System Manager Server is for Windows-based storage environments and is licensed per server installation.

DETAIL TABLE C– COGNOS SOFTWARE DETAIL TABLE:

Cognos Component Systems:	Named Users (nu)
User Role - ODS:	
BI Administrator	2 (nu)
BI Professional Author	4 (nu)
BI Business Author	30 (nu)
BI Consumer	100 (nu)
User Role – EDW:	
BI Advanced Business Author	5 (nu)

Table 2 - SERVICES:

Description	Service Amount	Service Rate ¹	Fee ²
Technical and Cross Product Training			
Banner Student (includes Student Self-Service and Faculty and Advisor Self-Service functionality)			
Banner Financial Aid			
Banner Finance (includes Finance Self-Service functionality)			
Banner Human Resources (includes Employee Self-Service functionality)			
Banner Advancement (includes Advancement Self-Service functionality)			
Banner Student Advisory Services			
Banner Financial Aid Advisory Services			
Banner Finance Advisory Services			
Banner Human Resources Advisory Services			
Banner Advancement Advisory Services			
API Custom Development Services			
Additional Service Block			
Banner XtenderSolutions: <ul style="list-style-type: none"> • Initial Business Area Implementation • Additional Business Area Implementation (each area) • DiskXtender Data Manager Implementation 			
Workflow-On-site Implementation			
Engagement Management			
Project Planning and Advisory Services			
Data Migration Script Generator ⁴			
Data Migration Services: <ul style="list-style-type: none"> • Remote Migration Assessment and Planning • Remote Toolkit Installation • Migration Toolkit Training 			

(Table 2 – SERVICES Chart continued of following page)

Table 2 – SERVICES (Continued):

Description	Service Amount	Service Rate ¹	Fee ²
Data Migration Toolkit: <ul style="list-style-type: none"> • Student • Financial Aid • Finance • Human Resources • Advancement 			
CAPP Configuration Services – 10 Programs			
e~Print Reports Implementation			
Oracle Training at SGHE's Ed Center for one Attendee ³			
Luminis Basic			
Luminis Training			
Integration for e~Learning			
Operational Data Store			
Cognos Toolset Install for Operational Data Store			
Cognos Reporting Tool Training			
Cognos Toolset Install for Enterprise Data Warehouse			
Enterprise Data Warehouse			
PocketRecruiter			
Customization Needs Analysis and Assessment			
Business Process Analysis Workshop (1 Workshop)			
Business Process Analysis and Improved State Modeling (12 processes)			
Train the Trainer Workshop (1 Workshop)			
Server/Host Capacity Planning Service			
I/T Services			
TOTAL SERVICES FEE:			\$2,781,772

Notes to Services Table:

¹ SunGard Higher Education must bill Licensee only for any hourly service that Licensee uses. Without limitation, Licensee has a right to reallocate any person-hours noted in Table 2 for any particular Component System for use in connection with any other Component System. Hourly rates specified in this table will be held in place for services rendered on this implementation project for a period beginning on the Execution Date and ending _____. Thereafter, services will be provided on a time and materials basis at hourly rates no greater than SunGard Higher Education's then-current list price rates for the services at issue.

SunGard Higher Education must provide Licensee with work reports detailing each service identified in Table 2 - including any remote service – on a regular and frequent basis, according to SunGard Higher Education's established reporting period policies and practices. SunGard Higher Education must cause each work report to reference each project task agreed to by SunGard Higher Education and Licensee and specified in a project plan described in Section 4 of the Agreement, and to describe any travel time, preparation time and follow-up time detail referenced in note 2 below.

² Travel and living expenses, as limited by the Agreement, are additional and will be billed monthly as SunGard Higher Education renders the services. Licensee is advised that, without limitation, SunGard Higher Education personnel rendering services bill for travel time, preparation time, and follow-up time. In any instance, billable preparation and follow-up time for any consultant for a given trip will not exceed _____ hours in the aggregate without Licensee's prior written approval, which approval Licensee will not unreasonably withhold. Billable travel time is at actual hours traveled, and in any event, is limited to _____ per consultant, per roundtrip. Billable preparation time is at actual hours spent. Billable follow up time is also billed at actual hours spent. SunGard Higher Education must cause its services invoices to include a breakdown of any travel time (departure and arrival times) and any specific hours and tasks associated with any preparation or follow-up time for its services personnel.

Where a number of hours is specified in the table with an associated hourly rate, the "Fee" is a good faith estimate based on the information available to SunGard Higher Education at the time of execution of this Agreement. The total amount that Licensee will pay for these services (i.e., the "TOTAL SERVICES FEE") will vary based on the actual number of hours of services required to complete the services and the rate that is applicable during that year in which the services are rendered.

³ Licensee is responsible for travel and living expenses for attendees.

Detail Table 3 - Luminis Basic Training Detail Table ^{1,2,3}:

Description	Service Period	Rate ¹	Fee ²	Total
Luminis System Administration Training- 2 Participants	_____ at SGHE Training Center	___/session- day/participant	\$___per participant	
Introduction to Luminis SDK- 2 Participants	_____ at SGHE Training Center	___/session- day/participant	\$___ per participant	
Luminis Platform Content Administration CBT ³	Computer Based Training Materials delivered by CD ROM			
Luminis Platform End User CBT ³	Computer Based Training Materials delivered by CD ROM			

¹ Training Services must be used by not later than _____ after the Banner Date. Thereafter, SunGard Higher Education reserves the right to increase such rates to SunGard Higher Education's then-current rates for such services.

² The estimated fee for each class is based on participation by the "minimum number of participants" per class indicated in the Table. SunGard Higher Education recommends that Licensee include additional participants to ensure broader organizational coverage. Actual fees will be invoiced based on the actual number of client participants. Travel expenses for Licensee staff to the SunGard Higher Education Center are not included in the fee amounts and are the responsibility of Licensee.

³ Computer Based Training fees are due when the media containing the Computer-Based Training materials have been shipped to Licensee. Licensee and SunGard Higher Education will arrange the shipping date therefor by mutual agreement; provided that such shipping date must occur within 36 months following the Banner Date.

TABLE 4 – ENTERPRISE SCHEDULER BY APPWORX FIXED FEE SERVICES ^{1,2,3}:

Description	Service Amount ¹	Services Period ²	Fee ³
Enterprise Scheduler by AppWorx Implementation	¹		
TOTAL TABLE 4 FIXED FEE SERVICES			\$29,500

Notes to Table 4:

¹ See Scope of Services in Attachment A to Exhibit 1.

² Fixed Fee Services must be used by not later than _____ after the Banner Date.

³ Travel and living expenses are additional.

Table 5 - THIRD PARTY SOFTWARE FOR WHICH SUNGARD HIGHER EDUCATION IS A PAY AGENT ONLY – These products are not licensed to Licensee by SunGard Higher Education, and SunGard Higher Education does not provide warranty, maintenance or implementation services for these products. Licensee must sign an agreement directly with the third party provider in order to obtain a license for the products identified in this Table 5. Please refer to the attached “Pay Agent Supplement.”

Evisions Software	Source Code Licensed?	Supplement	Fee
Intellectcheck: <ul style="list-style-type: none"> • Accounts Payable Solution • Payroll Solution 	No	Pay Agency Supplement <i>Total Intellectcheck</i>	
FormFusion: <ul style="list-style-type: none"> • FormFusion Enterprise 	No	Pay Agency Supplement <i>Total FormFusion</i>	
Total License Fee for Third Party Products For Which SunGard Higher Education is Acting as Pay Agent Only:			\$53,600

TABLE 6 -THIRD PARTY SERVICES FOR WHICH SUNGARD HIGHER EDUCATION IS A PAY AGENT ONLY – These services are not provided to Licensee by SunGard Higher Education. Licensee must sign an agreement directly with the third party provider in order to obtain the services identified in this Table 6. Please refer to the attached “Pay Agent Supplement”: Rates are valid as of Banner Date, and will remain valid for such time period as is agreed upon by Licensee and the third party provider in question in the agreement between those two parties:

Information Services:	Description:	Rate:	Fees:
Intellectcheck Services: <ul style="list-style-type: none"> • Accounts Payable Checks Build • Payroll Checks Build 			
Intellectcheck Maintenance(for the one year period following the Execution Date) ¹ : <ul style="list-style-type: none"> • Maintenance/Upgrade Fee A/P¹ • Maintenance/Upgrade Fee Payroll¹ 			
FormFusion Services (Remote)			
FormFusion Annual Upgrade/Training (for the one year period following the BannerDate) ¹			
TOTAL FEE FOR THIRD PARTY SERVICES FOR WHICH SUNGARD HIGHER EDUCATION IS ACTING AS PAY AGENT ONLY:			\$24,433

¹ Subsequent to the initial one (1) year period, Licensee must contract directly with Evisions for maintenance and maintenance fees are subject to increases determined by Evisions. Evisions maintenance will be provided by Evisions in accordance with its then-current policies and practices.

PAYMENT: The “TOTAL LICENSE FEE” specified in Table 1 is due on the Banner Date. The Fixed Fee services for the AppWorx Component Systems are due and payable after the services in question have been rendered. The Data Migration Script Generator fixed fee services are due as follows: 50% by not later than three (3) months after the Banner Date; and the remaining 50% when the Data Migration Script Generator fixed fee services have been rendered. Computer-Based Training fees are due as provided for in Note 3 to Detail Table 3. SunGard Higher Education will invoice Licensee for all other services and applicable charges/reimbursable expenses on a monthly basis, in arrears, and payments shall be due within thirty (30) days from the date of invoice.

DELIVERY: SunGard Higher Education will deliver each Baseline Component System identified in Exhibit 1 within thirty (30) days after the Banner Date.

(Continued on following page)

Option to License Certain Additional SunGard Higher Education-Proprietary Component Systems.

For purposes of this provision:

“Additional Component System” means a SunGard Higher Education-proprietary Component System, excluding specifically both:

- (a) any third party-owned Component System that SunGard Higher Education re-licenses; and
- (b) any SunGard Higher Education-proprietary Component System that SunGard Higher Education determines to contain significant third-party content or technology.

“License Option” means an option to license an Additional Component System for a discounted license fee, in each instance, equal to _____% of SunGard Higher Education's then-current list price license fee (that is, the list price license fee for institutions having a comparable enrollment to that of Licensee) for the Additional Component System for which the License Option is being exercised.

At any time before _____, if the Maintenance Agreement has not been terminated, then Licensee has a right to exercise the License Option by both:

- (a) signing SunGard Higher Education-approved amendments to both this Agreement and the Maintenance Agreement. Such amendments shall specify the Additional Component Systems being licensed by Licensee pursuant to the License Option, and will specify the additional License and Improvements fees payable by Licensee to SunGard Higher Education in connection therewith and
- (b) paying SunGard Higher Education the additional license fee and Improvements fees applicable to the exercise of the License Option.

Number of Software Supplements Attached: 7

EDISmart SOFTWARE SUPPLEMENT

1. Additional Definitions.

(a) "EDISmart Software" means the Component System consisting of the software identified below:

- Document Management Software (includes trading partner management and recipient database);
- Transaction Set Modules;
- Transaction Sets for Transcript Management, consisting of TS 130 - Transcript, TS 131 - Transcript Acknowledgment, TS 997 - Functional Acknowledgment and TS 190 - Enrollment Verification;

together with certain other tangible and intangible components.

2. Ownership. Certain segments of the EDISmart Software are owned by third parties that have authorized SunGard Higher Education to grant Licensee a right of use therefor.

3. Restrictions on Use of EDISmart Software. Licensee's use of the EDISmart Software is subject to the following additional terms and conditions:

(a) Each licensed copy of the EDISmart System shall not be used on more than one (1) Windows-based personal computer.

INAS SOFTWARE SUPPLEMENT

1. Additional Definitions. The term “INAS Component System” means the Component System of the College Entrance Examination Board (the “INAS Licenser”), referred to as the Institutional Need Analysis System.
2. Ownership. The INAS Licenser owns the INAS Component System.
3. Restrictions on Use of INAS Component System. Licensee's use of the INAS Component System is subject to the following additional terms and conditions:

(a) Licensee is strictly and expressly prohibited from using the INAS Component System (or any trade secrets or know-how embodied therein and communicated to Licensee thereby or any technical data or information contained therein) in any manner or by any means whatsoever except for use in the administration of student financial aid services at Licensee's institution.

(b) The INAS Component System is, and shall at all times remain, the sole and exclusive property of the INAS Licenser, and that, without limiting the generality of the foregoing, the INAS Licenser is the sole and exclusive owner of all rights therein, including (i) any copyrights and all renewals and extensions thereof, (ii) trade secrets or know-how embodied therein and communicated to Licensee thereby, and (iii) any technical data or information contained therein. The INAS Component System is confidential and Licensee will not authorize or permit its contents to be conveyed or in any manner communicated to any third party, nor shall the INAS Component System itself be physically duplicated or reproduced (except for the purposes of archiving and system back-up), or used by any third party, in whole or in part, without prior written approval of the INAS Licenser. The foregoing shall survive the termination of the Agreement.

(c) Licensee acknowledges that if Licensee violates any of the provisions of this INAS Component System Supplement, SunGard Higher Education and/or the INAS Licenser shall have the right to terminate Licensee's license of the INAS Component System and to repossess the materials furnished in connection with the license of the INAS Component System, without waiver of any other remedy, whether legal or equitable.

(d) Upon the termination of the license of the INAS Component System for any reason or upon Licensee's discontinuance of the use of the INAS Component System for any reason, whichever shall first occur, Licensee will immediately return the INAS Component System to SunGard Higher Education and/or the INAS Licenser at Licensee's own expense.

(e) In lieu of the warranty provided in Section 7 of the Agreement, Licensee shall be provided with the limited, twenty-day warranty from the INAS Licenser set forth below. SunGard Higher Education shall have no liability to Licensee whatsoever related to its use of the INAS Component System. Licensee understands that the INAS Licenser has represented and warranted for its benefit that the INAS Component System shall be operationally suitable in accordance with the technical specifications contained in the manual(s) prepared by the INAS Licenser for use with the INAS Component System and enhancement notices delivered with the INAS Component System. The INAS Component System shall be deemed to be thus suitable unless within 20 days following Licensee's receipt thereof, the INAS Licenser shall have received a written objection thereto signed by Licensee or SunGard Higher Education. Licensee also understands that the INAS Licenser has agreed that, if the system media should prove operationally defective and if the INAS Licenser has received written notice of such defect from Licensee or SunGard Higher Education within 20 days after Licensee's receipt of such system tape(s), Licensee or SunGard Higher Education may return such system media to the INAS Licenser (at the INAS Licenser's expense) and the INAS Licenser shall promptly replace such system media without charge to Licensee or SunGard Higher Education. The INAS Licenser's liability for damages as a result of any breach of the INAS Licenser's representation and warranty referred to in this Paragraph 3(e) shall be limited to the fees paid by Licensee for the INAS Component System. THE INAS LICENSOR SHALL HAVE NO LIABILITY TO LICENSEE OR TO ANY THIRD PARTY FOR INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES AS A RESULT OF ANY BREACH OF THE INAS LICENSOR'S REPRESENTATION AND WARRANTY REFERRED TO IN THIS PARAGRAPH 3(e). THE INAS LICENSOR SHALL HAVE NO LIABILITY WHATSOEVER FOR ANY DAMAGES, WHETHER DIRECT, INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL, TO LICENSEE OR TO ANY THIRD PARTY ARISING OUT OF LICENSEE'S USE OF THE INAS COMPONENT SYSTEM;

(f) Except as provided in paragraph 3(e) above, the INAS Licenser has made and is making NO WARRANTIES OR REPRESENTATIONS WHATEVER, EXPRESS OR IMPLIED WITH RESPECT TO THE INAS COMPONENT SYSTEM, AND EXPRESSLY EXCLUDES ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS. The INAS Licenser shall have no obligation under or as a result of the license agreement between Licensee and SunGard Higher Education to install, service, maintain, update or revise the INAS Component System.

(g) If SunGard Higher Education or Licensee changes in any way the INAS Component System, then the INAS Licenser shall have no responsibility to Licensee if the INAS Component System as changed is not operationally suitable.

LUMINIS BASIC SOFTWARE SUPPLEMENT

1. Supplemental Terms for License To Use Luminis Basic Component System. Licensee's license to use the Luminis Basic Component System on the terms and conditions of the Agreement is amended by this Supplement (as amended, the "Agreement") as provided for below:
2. Additional Definitions: "Luminis Basic Component System" means the software programs provided by SunGard Higher Education known as the Luminis Platform for incorporation into or for use with the other Component Systems which are or have been licensed by SunGard Higher Education to Licensee, except as otherwise provided for in the Exhibit 1 to which this Supplement is attached ("Other Component Systems").
3. Ownership. Except as provided for in the following sentence, SunGard Higher Education owns the Luminis Basic Component System. Certain segments of the Luminis Basic Component System are owned by third parties ("Third Party Components") that permit SunGard Higher Education to grant Licensee a right of use for such Third Party Components, but only as part of and/or for use with the Luminis Basic Component System.
4. Restrictions on Use of Luminis Basic Component System. Licensee's use of the Luminis Basic Component System is subject to the following additional terms and conditions:
 - (a) Licensee has the right to use the Luminis Basic Component System only in binary executable form and (except as otherwise provided for in the Exhibit 1 to which this Supplement is attached) only as part of or for use with the Other Component Systems, locally developed systems, and other application programs implemented to support Licensee's enterprise services ("Licensee System Software").
 - (b) The Luminis Basic Component System is proprietary to SunGard Higher Education and its third party licensors. Title to the Luminis Basic Component System will at all times remain vested in SunGard Higher Education or its third party licensors, as applicable. Except for the right of use that is expressly provided to Licensee under this Supplement, no right, title or interest in or to the Luminis Basic Component System is granted to Licensee. Without limiting the obligations of SunGard Higher Education in connection with the Luminis Basic Component System, Licensee acknowledges and agrees that all Third Party Components are provided "as is" and without express or implied warranty. Licensee further acknowledges that the third party licensors of such Third Party Components assume no liability for any claim that may arise regarding such Third Party Components;
 - (c) Licensee is prohibited from furnishing to any third party and from publishing any result of any benchmark tests that compare the Luminis Basic Component System to other similar software products.

1. Additional Definitions. “EMC Component Systems” means the software provided to SunGard Higher Education by EMC Corporation. (“EMC”) which is identified in Exhibit 1 as Banner XtenderSolutions[♦], ApplicationXtender Test Bundle and ApplicationXtender API Services.
2. Ownership. EMC owns the EMC Component Systems.
3. Restrictions on Use of EMC Component Systems. Licensee’s use of the EMC Component Systems is subject to the following additional terms and conditions:
 - (a) Licensee has the right to use the EMC Component Systems only in Object Code form;
 - (b) Licensee acknowledges that the EMC Component Systems are proprietary to EMC and are supplied by SunGard Higher Education under license from EMC. Title to the EMC Component Systems shall at all times remain vested in EMC or its designated successor. Except for the right of use that is expressly provided to Licensee under the Agreement, no right, title or interest in or to the EMC Component Systems is granted to Licensee;
 - (c) Licensee agrees that EMC makes no representations or warranties whatsoever to Licensee; and that EMC shall not be liable for any damages, whether direct, indirect, incidental, special, or consequential, arising from the Licensee’s use of the EMC Component Systems or related materials;
 - (d) Licensee acknowledges and understands that the EMC Component Systems may only be used by the number and type of users for which the license has been granted, as otherwise specified in Exhibit 1; and
 - (e) Licensee acknowledges and agrees that EMC is a third party beneficiary of this Agreement with regard to the EMC Component Systems.
4. Limited Warranty for EMC Component Systems; Disclaimer of Warranty and Election of Remedies. In lieu of, and not in addition to, the limited warranty provided in Section 7 of the Agreement, SunGard Higher Education provides the following limited warranty for each EMC Component System:
 - (a) Limited Software Warranty by SunGard Higher Education and Remedy For Breach. For each EMC Component System, SunGard Higher Education warrants to Licensee that, for a period of ninety (90) days after the Delivery Date, the Baseline EMC Component System, as used by Licensee on the Equipment for its own, non-commercial computing operations, will operate without Documented Defects. For each Documented Defect, SunGard Higher Education, as soon as reasonably practicable and at its own expense, will provide Licensee with an avoidance procedure for or a correction of the Documented Defect. If, despite its reasonable efforts, SunGard Higher Education is unable to provide Licensee with an avoidance procedure for or a correction of a Documented Defect, then, subject to the limitations set forth in Section 16 of the Agreement, Licensee may pursue its remedy at law to recover direct damages resulting from the breach of this limited warranty. These remedies are exclusive and are in lieu of all other remedies, and SunGard Higher Education’s sole obligations for breach of this limited warranty are contained in this Section 4(a) of this Software Supplement.
 - (b) Disclaimer of Warranty. With regard to each EMC Component System, The limited warranty in Section 4(a) of this Software Supplement is made to Licensee exclusively and is in lieu of all other warranties. **SUNGARD HIGHER EDUCATION MAKES NO OTHER WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, WITH REGARD TO ANY EMC COMPONENT SYSTEM, IN WHOLE OR IN PART. SUNGARD HIGHER EDUCATION EXPLICITLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY AND OF FITNESS FOR A PARTICULAR PURPOSE FOR EACH EMC COMPONENT SYSTEM. SUNGARD HIGHER EDUCATION EXPRESSLY DOES NOT WARRANT THAT ANY EMC COMPONENT SYSTEM, IN WHOLE OR IN PART, WILL BE ERROR FREE, WILL OPERATE WITHOUT INTERRUPTION OR WILL BE COMPATIBLE WITH ANY HARDWARE OR SOFTWARE OTHER THAN THE EQUIPMENT. LICENSEE WAIVES ANY CLAIM THAT THE LIMITED WARRANTY SET FORTH IN SECTION 4(a) OF THIS SOFTWARE SUPPLEMENT OR THE REMEDY FOR BREACH OF SUCH LIMITED WARRANTY FAILS OF ITS ESSENTIAL PURPOSE.**
 - (c) Abrogation of Limited Warranty. The limited warranty in Section 4(a) of this Software Supplement will be null and void if: (i) anyone (including Licensee) modifies the Baseline EMC Component System; or (ii) Licensee does not implement changes that SunGard Higher Education provides to correct or improve the Baseline EMC Component System.
 - (d) **FAILURE OF ESSENTIAL PURPOSE. THE PARTIES HAVE AGREED THAT THE LIMITATIONS SPECIFIED IN SECTION 4 OF THIS SOFTWARE SUPPLEMENT AND SECTION 16 OF THE AGREEMENT WILL SURVIVE AND APPLY EVEN IF ANY LIMITED REMEDY SPECIFIED IN THIS AGREEMENT IS FOUND TO HAVE FAILED OF ITS ESSENTIAL PURPOSE, AND REGARDLESS OF WHETHER LICENSEE HAS ACCEPTED ANY EMC COMPONENT SYSTEM OR SERVICE UNDER THIS AGREEMENT.**

♦ XtenderSolutions is a trademark of EMC Corporation.

CAST LIMITED FUNCTION SOFTWARE SUPPLEMENT

1. Supplemental Terms for License To Use CAST Limited Function Software. Licensee's license to use the CAST Limited Function Software on the terms and conditions of the Agreement is amended by this Supplement (as amended, the "Agreement") as provided for below:

2. Additional Definition. "CAST Limited Function Software" means the software programs (including all code, documentation and related materials) that are owned by CAST, a Delaware (US) corporation (hereinafter "CAST").

3. Ownership. CAST owns the CAST Limited Function Software. SunGard Higher Education is authorized to grant Licensee a license to use the CAST Limited Function Software, but only for incorporation into and for use with the Banner *enlighten* Component System, in accordance with the terms, conditions and limitations of the Agreement as amended by this Software Supplement, and for no other purpose whatsoever.

4. Restrictions on Use of CAST Limited Function Software. Licensee's use of the CAST Limited Function Software is subject to the following additional terms and conditions:

(a) Licensee has the right to use the CAST Limited Function Software only in binary executable form and only as part of or for use with the Banner *enlighten* Component System;

(b) The CAST Limited Function Software is proprietary to CAST. Title to the CAST Limited Function Software will at all times remain vested in CAST. Except for the right of use that is expressly provided to Licensee under the Agreement and this Software Supplement, no right, title or interest in or to the CAST Limited Function Software is granted to Licensee;

(c) Licensee is hereby notified that the CAST Limited Function Software is protected by a user authorization key. Licensee must obtain a user authorization key from SunGard Higher Education in order to use the CAST Limited Function Software;

(d) Licensee agrees that CAST shall not be liable for any damages, whether direct, indirect, incidental, special, or consequential, arising from the Licensee's use of the CAST Limited Function Software. **CAST MAKES NO WARRANTIES TO LICENSEE REGARDING THE CAST SOFTWARE, AND, WITHOUT LIMITATION, EXPRESSLY DISCLAIMS ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE;** and

(e) Licensee acknowledges and agrees that CAST is a third party beneficiary of this Agreement with regard to the CAST Limited Function Software, and accordingly, reserves the right to enforce the terms, conditions and limitations of the Agreement as amended by this Software Supplement with regard to the CAST Limited Function Software only.

COGNOS SOFTWARE SUPPLEMENT

1. Additional Definitions. "Cognos Component Systems" means any of the software provided to SunGard Higher Education by Cognos Corporation ("Cognos") and identified under the name "Cognos" in Exhibit 1.
2. Ownership. Cognos owns the Cognos Component Systems.
3. Restrictions on Use of Cognos Component Systems. Licensee's use of the Cognos Component System(s) is subject to the following additional terms and conditions:
 - (a) Licensee has the right to use the Cognos Component System(s) only in Object Code form, and only with the Licensed Software.
 - (b) Licensee acknowledges that the Cognos Component System(s) are proprietary to Cognos and are supplied by SunGard Higher Education under license from Cognos. Title to the Cognos Component System(s) shall at all times remain vested in Cognos or its designated successor. Except for the right of use that is expressly provided to Licensee under the Agreement, no right, title or interest in or to the Cognos Component System(s) is granted to Licensee;
 - (c) Licensee agrees that Cognos shall not be liable for any damages, whether direct, indirect, incidental, special, or consequential, arising from the Licensee's use of the Cognos Component System(s) or related materials;
 - (d) Licensee acknowledges and agrees that Cognos is a third party beneficiary of this Agreement;
 - (e) Licensee acknowledges and understands that the Cognos Component System(s) may only be used by the number of users for specific the functions for which the license has been granted, as otherwise specified in Exhibit 1; and
 - (f) Licensee acknowledges and understands that it is licensing the Cognos Component System(s) on a "restricted use" basis. "Restricted use" means the use of the Cognos Component System(s) only with the following Component Systems, to the extent licensed as set forth in Exhibit 1: Occupational Data Store, Enterprise Data Warehouse, Institutional Performance Management Component Systems, Banner Component Systems, the Luminis product family, Workflow and Banner XtenderSolutions. Such restricted use shall include Licensee's right to extract, analyze, and report data from disparate systems, provided that such data is extracted, analyzed and reported by the Operational Data Store, Enterprise Data Warehouse and/or Institutional Performance Management licensed Component System(s) set forth in Exhibit 1.
 - (g) In lieu of the warranty provided in Section 7 of the Agreement, Licensee shall be provided with the limited, ninety (90) day warranty from Cognos as set forth below. Cognos warrants to Licensee that (a) for a period of ninety (90) days following the initial delivery/download/access of the Cognos Component System(s) to or by Licensee, the Cognos Component System(s) will perform in accordance with its related documentation, and (b) the media on which the Cognos Component System(s) is provided, if applicable, is free from defects in materials and workmanship under normal use. Subject to applicable law, all other warranties, express or implied, or otherwise, are excluded. Licensee's only remedy against Cognos if this warranty is breached will be, at the option of Cognos, (a) to repair or replace the Cognos Component System(s) or (b) to refund the amounts paid in respect of the defective Cognos Component System(s). This remedy is void if Licensee misuses the Cognos Component System(s) contrary to its related documentation.

PAY AGENT SUPPLEMENT

1. Additional Definitions. "Pay Agency Products" means those products and services of those vendors (in each case, a "Vendor") that are identified in Tables 5 and 6 of the Exhibit 1 to which this Pay Agent Supplement is attached (the "Pay Agency Products").

2. Pay Agent Designation. Licensee hereby designates SunGard Higher Education as Licensee's pay agent for data processing related purchases and acquisitions, for the sole and exclusive purpose of allowing SunGard Higher Education, on behalf of Licensee, to make payment to Vendor for Licensee's procurement of the Pay Agency Products under the terms and conditions of agreements to be executed and made by and between Licensee and Vendor (individually or collectively "Vendor Agreement"). Licensee covenants and agrees that it will promptly take all actions reasonably necessary to effect such designation of SunGard Higher Education as Licensee's pay agent as provided for in this Section 2.

3. Pay Agency Products Procurement. SunGard Higher Education will, as soon as reasonably practicable, obtain for Licensee, as Licensee's pay agent, the Pay Agency Products from the Vendor, FOB Vendor's place of business. SunGard Higher Education will remit payment that Licensee makes to SunGard Higher Education for the Pay Agency Products to the Vendor on behalf of Licensee. Licensee is hereby advised that Vendor, and not SunGard Higher Education, will be providing Licensee with any and all maintenance and/or support for the Pay Agency Products; that Vendor, and not SunGard Higher Education, assumes all responsibility for and liability in connection with the Pay Agency Products. SunGard Higher Education is not authorized to make any representations or warranties that are binding upon Vendor or to engage in any other acts that are binding upon Vendor, excepting specifically that SunGard Higher Education is authorized to represent the fees for the Pay Agency Products as the same is provided for in Exhibit 1 and to accept payment of such amounts from Licensee on behalf of Vendor. In no event will SunGard Higher Education be deemed to have taken title or any similar right or interest in or of any Pay Agency Products in the chain of distribution to Licensee, and title or such similar right or interest in or to the Pay Agency Products will be deemed to vest in Licensee only as otherwise provided for in the Vendor Agreement.

4. Term of Pay Agency. SunGard Higher Education's status as Licensee's pay agent will expire promptly after SunGard Higher Education remits payment of the Pay Agency Products license fee to Vendor on behalf of Licensee.

6. Disclaimer of Warranties. Licensee agrees and understands that **SUNGARD HIGHER EDUCATION MAKES NO WARRANTIES WHATSOEVER, EXPRESSED OR IMPLIED, WITH REGARD TO THE PAY AGENCY SOFTWARE. ALL WARRANTIES (IF ANY) ARE PROVIDED TO LICENSEE BY VENDOR. SUNGARD HIGHER EDUCATION EXPLICITLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.**

7. LIMITATIONS OF LIABILITY.

(a) **LIMITED LIABILITY OF SUNGARD HIGHER EDUCATION.** EXCEPT FOR ITS OBLIGATION TO REMIT PAYMENT RECEIVED FROM LICENSEE TO THE VENDOR, SUNGARD HIGHER EDUCATION WILL HAVE NO LIABILITY WHATSOEVER IN CONNECTION WITH THE PAY AGENCY SOFTWARE. IN NO EVENT WILL SUNGARD HIGHER EDUCATION BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL AND/OR OTHER DAMAGES WHATSOEVER, WHETHER BASED ON BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), PRODUCT LIABILITY, OR OTHERWISE, AND WHETHER OR NOT SUNGARD HIGHER EDUCATION HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE.

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Attachment 4b
AMENDMENT TO
MAINTENANCE AGREEMENT

SUNGARD HIGHER EDUCATION INC.
("SunGard Higher Education")

and

IDAHO STATE UNIVERSITY
("Licensee")

This Maintenance Amendment amends the parties' Maintenance Agreement dated March 28, 2007 (the "Maintenance Agreement") as of the latest date shown on the signature page of this Amendment. SunGard Higher Education's obligations hereunder shall commence on September 1, 2007 (the "Commencement Date").

LICENSEE AND SunGard Higher Education, intending to be legally bound, agree as follows:

1. Defined Terms. Unless specifically defined herein, all terms defined in the Maintenance Agreement shall have the same meaning when used in this Maintenance Amendment.

2. Amendment to and Modification of Maintenance Agreement.

(a) SunGard Higher Education agrees to provide Improvements with respect to the additional Component Systems identified in Exhibit 1 (the "Maintenance Exhibit"), attached to this Maintenance Amendment on the same terms and conditions as the Maintenance Agreement for the period and for the fee specified in the Maintenance Exhibit. For purposes of clarification and not limitation, the provision of Improvements shall include the provision of so-called "point" New Releases (that is, New Releases that are indicated by a number to the right of a decimal point, beginning at "1.0" and continuing sequentially thereafter with "1.1," "1.2" and so on. "Point" New Releases generally are collections of corrections of Documented Defects and regulatory updates for a Baseline Component System) and so-called "major" New Releases (that is, New Releases that are indicated by a number to the left of a decimal point, beginning at "1.x" and continuing sequentially thereafter with "2.x," "3.x" and so on. "Major" New Releases generally include Enhancements and Improvements). The term of the Maintenance Agreement is deemed to be extended as provided for in the Maintenance Exhibit for purposes of this Maintenance Amendment. Any amounts indicated on the Maintenance Exhibit are in addition to all other amounts payable under the Maintenance Agreement.

(b) The hours during which Maintenance will be provided for each Component System, the targeted response times for certain defined categories of Maintenance calls for each Component System, and other details and procedures (collectively, the "Maintenance Standards") relating to the provision of Maintenance for each Component System are described in the applicable Supplement attached as Exhibit 2 hereto. To the extent that a different Maintenance Standard applies to certain of the Component Systems than that which applies to others, the Maintenance Standard applicable to each Component System will be described in the table in Exhibit 1 and the corresponding Supplements will be attached in Exhibit 2.

3. Integration Provision. Except as expressly modified by this Maintenance Amendment, the Maintenance Agreement shall remain in full force and effect. As of the Execution Date, the Maintenance Agreement, as further amended by this Maintenance Amendment, constitutes the entire understanding of the parties as regards the subject matter hereof and cannot be modified except by written agreement of the parties.

SunGard Higher Education

Licensee

BY: _____

BY: _____

PRINT NAME: _____

PRINT NAME: _____

PRINT TITLE: _____

PRINT TITLE: _____

DATE SIGNED: _____

DATE SIGNED: _____

Licensee: Idaho State University

PARTIAL YEAR PAYMENT/DUE DATE: \$169,689 is due on the Execution Date for the period of September 1, 2007 through March 31, 2008.

FIRST ANNUAL CONTRACT YEAR PAYMENT DATE: April 1, 2008

OPTIONAL TERMINATION DATES: August 31, 2010 and August 31, 2013

Component System(s)	Contract Year Begins/Ends	Expiration Date	Maintenance Standards	Initial Payment Amount
Banner Advancement (includes Advancement Self-Service functionality)	April 1/March 31	March 31, 2017	Silver	
Banner Financial Aid	April 1/March 31	March 31, 2017	Silver	
INAS Software	April 1/March 31	March 31, 2017 ¹	Silver	
CSS Profile Interface	April 1/March 31	March 31, 2017	Silver	
Banner Finance (includes Finance Self-Service functionality)	April 1/March 31	March 31, 2017	Silver	
Banner Human Resources (includes Employee Self-Service functionality)	April 1/March 31	March 31, 2017	Silver	
Banner Student (includes Student Self-Service and Faculty and Advisor Self-Service functionality)	April 1/March 31	March 31, 2017	Silver	
EDI.Smart	April 1/March 31	March 31, 2017 ¹	Silver	
Workflow	April 1/March 31	March 31, 2017	Silver	
Luminis Basic	April 1/March 31	March 31, 2017	Silver	
PocketRecruiter	April 1/March 31	March 31, 2017	Silver	
Integration Technologies	April 1/March 31	March 31, 2017	Silver	
Integration for e~Learning	April 1/March 31	March 31, 2017	Silver	
Operational Data Store	April 1/March 31	March 31, 2017	Silver	
Enterprise Data Warehouse	April 1/March 31	March 31, 2017	Silver	
e~Print Reports	April 1/March 31	March 31, 2017	Silver	
Enterprise Scheduler by AppWorx	April 1/March 31	March 31, 2017 ¹	Bronze	
Banner enlighten powered by CAST	April 1/March 31	March 31, 2017 ¹	Bronze	
XtenderSolutions Integration Component for Banner	April 1/March 31	March 31, 2017	Silver	
Banner XtenderSolutions	April 1/March 31	March 31, 2017 ¹	Bronze	
ApplicationXtender Test Bundle	April 1/March 31	March 31, 2017 ¹	Bronze	
ApplicationXtender API Services	April 1/March 31	March 31, 2017 ¹	Bronze	
Cognos Software	April 1/March 31	March 31, 2017 ¹	Bronze	

TOTAL: \$297,683

For the Baseline Component Systems set forth in the Maintenance Table, the "Initial Payment Amount" represents the amount due on the First Annual Contract Year Payment Date for Improvements for the first full Contract Year. Fees for Improvements for each subsequent Contract Year are payable on the anniversary of the First Annual Contract Year Payment Date. Improvement fees for the second Contract Year and for each subsequent Contract Year prior to the Expiration Date will be specified by SunGard Higher Education in an annual invoice and will increase by not more than 4% over the amount payable for Improvements for the immediately preceding Contract Year. Improvement fees for any Contract Year subsequent to the Expiration Date will be specified by SunGard Higher Education in an annual invoice and will not increase by more than 10% over the amount payable for Improvements for the immediately preceding Contract Year.

¹ Indicates that the Component System is owned by a third party.

EXHIBIT 2
Silver Level Maintenance Standards

I. Hours During Which SunGard Higher Education’s “ActionLine” Telephone Support Will be Available to Licensee in Connection with the Provision of Maintenance: Seven (7) days per week, 24 hours per day.

Note: SunGard Higher Education’s ActionLine uses an automated answering system to receive and record telephone calls from clients, as well as to receive reports via SunGard Higher Education’s ActionWeb and e-mail. This system allows SunGard Higher Education’s ActionLine staff to classify, prioritize, record basic details, conduct certain research, and assign a consultant to respond to a client’s telephone call.

II. Targeted Response Times. With respect to SunGard Higher Education’s Maintenance obligations, SunGard Higher Education will use diligent, commercially reasonable efforts to respond to Notifications from Licensee relating to the Baseline Component Systems identified in Exhibit 1 of this Agreement in accordance with the following guidelines:

Priority One Calls –two (2) hours or less.

Priority Two Calls - four (4) hours or less.

Priority Three Calls – twenty-four (24) hours or less.

Priority Four Calls – seventy-two (72) hours or less.

Notes: (1) For purposes of these targets, a “response” will mean an initial contact from an SunGard Higher Education representative to Licensee to begin evaluation of the problem reported under one of the categories of calls identified above; (2) As a prerequisite to SunGard Higher Education’s obligation to respond to Licensee, Licensee must follow the policies and procedures of SunGard Higher Education’s ActionLine (such as the dialing of a particular phone number, the categorization of a particular problem, etc.) when submitting its Notification.

III. Priority One and Priority Two Call Resolution

[REDACTED]

EXHIBIT 2
Bronze Level Maintenance Standards

- I. Hours During Which SunGard Higher Education’s “ActionLine” Telephone Support Will be Available to Licensee in Connection with the Provision of Maintenance:** Five (5) days per week, Monday through Friday, excluding national holidays and SunGard Higher Education-observed holidays, from 8:00 AM to 8:00 PM (Eastern US Time).

Note: SunGard Higher Education’s ActionLine uses an automated answering system to receive and record telephone calls from clients, as well as to receive reports via SunGard Higher Education’s ActionWeb and e-mail. This system allows SunGard Higher Education’s ActionLine staff to classify, prioritize, record basic details, conduct certain research, and assign a consultant to respond to a client’s telephone call.

- II. Targeted Response Times.** With respect to SunGard Higher Education’s Maintenance obligations, SunGard Higher Education will use reasonable efforts to respond to Notifications from Licensee relating to the Baseline Component Systems identified in Exhibit 1 of this Agreement in accordance with the following guidelines, with the time period to be measured beginning with the first SunGard Higher Education ActionLine business hour occurring after SunGard Higher Education’s receipt of the Notification:

Priority One Calls –two (2) hours or less.

Priority Two Calls – four (4) hours or less.

Priority Three Calls – twenty-four (24) hours or less.

Priority Four Calls – seventy-two (72) hours or less.

Notes: (1) For purposes of these targets, a “response” will mean as an initial contact from an SunGard Higher Education representative to Licensee to begin evaluation of the problem reported under one of the categories of calls identified above; (2) As a prerequisite to SunGard Higher Education’s obligation to respond to Licensee, Licensee must follow the policies and procedures of SunGard Higher Education’s ActionLine (such as the dialing of a particular phone number, the categorization of a particular problem, etc.) when submitting its Notification.

- III. Priority One and Priority Two Call Resolution**

[REDACTED]

Attachment A**SCOPE OF SERVICES – FIXED FEE SERVICES****General**

This Scope of Services describes the specific tasks and deliverables associated with certain of the fixed fee services identified in Exhibit 1 to which Attachment A is appended.

Certain of the services described in this Scope of Services require that the parties develop and agree upon certain written documents and plans. In each such instance, once the parties have agreed upon the form and content of the written document/plan in question, each will approve the document/plan in writing prior to undertaking their respective performance obligations under the document/plan in question. Once the document/plan in question has been agreed upon by the parties in writing, any changes to the document/plan will require written approval of both parties. Neither party will unreasonably withhold or delay any approval required under this provision and each will work together in good faith to attempt to resolve any disagreements in this regard.

SunGard Higher Education must provide each service described in this Attachment with respect to the Baseline Component Systems. SunGard Higher Education's scope of responsibility does not include any software customizations. Licensee, and not SunGard Higher Education, must take the Baseline Component Systems into a live production environment and, in this regard, determine an appropriate time frame for this undertaking.

Further, and without limitation, to facilitate the provision of all services to be provided by SunGard Higher Education, Licensee will provide SunGard Higher Education with the following access and assistance as services are being provided by SunGard Higher Education:

- Project Manager – Licensee will provide a project manager (“Licensee Project Manager”) to serve as the primary contact to work directly with the SunGard Higher Education manager. Licensee must cause the Licensee Project Manager to assist and coordinate activities related to this engagement, such as meetings, interviews and review of deliverables.
- Access to Appropriate Staff - Licensee must form an Implementation Project Team comprising appropriate key staff whom Licensee has assigned for this Agreement's purposes. Licensee must cause the Implementation Project Team's staff to participate in all training and consulting sessions, review existing policies and procedures, begin developing new procedures as appropriate, and review the information contained in the training documentation and in the supplied training materials to ensure that each Implementation Project Team member understands the functionality of each module being presented. Licensee must cause the Implementation Project Team to complete all validation, rule and process development required for production system operations."
- Access to Licensee's Hardware and Software – Licensee will provide SunGard Higher Education personnel with access to the Equipment and Licensee's legacy administrative systems and related information on an as-required basis. Licensee must cause its project manager to work directly with the SunGard Higher Education personnel to facilitate and coordinate such access.
- Required Software and Hardware – Licensee will, at its own expense, provide all required hardware, software and related components and peripherals not comprising Baseline Component Systems.
- Access to Information - Licensee will provide SunGard Higher Education personnel with access to applicable procedures documents, published strategy or tactical document, process requirement document, or the like as reasonably required by SunGard Higher Education in the course of providing services.

- Cooperation and Assistance - Licensee will cooperate with, and assist SunGard Higher Education as necessary to enable SunGard Higher Education to provide the services specified.
- End User Training - Licensee must develop departmental or “End User” training plans, and deliver training to these users.
- Training Materials - Licensee will provide each participant in the SunGard Higher Education training sessions with reference copies of the SunGard Higher Education -provided training course workbooks and training materials.
- Test Plans - Licensee will develop all test plans and scenarios, and complete the performance of these test plans within project guidelines and timing, including “production-ready” testing.
- Training Facility - Licensee will provide a training facility at Licensee’s campus, with such training facility to include dedicated workstations for training participants, overhead projection capabilities for instructional purposes, dedicated printer capabilities, and other training requirements as may be defined and agreed between both parties.
- Forms - Licensee must develop or acquire from a third party vendor each necessary paper form, such as any bill, statement, letterhead or the like.
- Data Migration - Licensee must specify, identify, program and validate any information pertaining to converting or migrating historic or legacy data.

AppWorx Enterprise Scheduler Implementation

SunGard Higher Education will engage AppWorx Corporation (“AppWorx”) as SunGard Higher Education’s subcontractor to provide Licensee with the following AppWorx Enterprise Scheduler implementation services:

- reviewing with Licensee the design and deployment of AppWorx Component System for the installation of AppWorx 6.0 and the installation of the Banner Interface Solution;
- performing job capture; implementing the AppWorx Component System on Licensee’s campus; and
- performing all work in a like test environment prior to migrating to a production environment.

Licensee will utilize AppWorx to perform “Batch Scheduling” of Banner modules.

Implementation Tasks

SunGard Higher Education must cause AppWorx to perform the following tasks and subtasks.

Project Management Assistance

The objective of this task is to provide technical assistance for the project and to provide a framework for the project communications and reporting activity. The sub-tasks are the following:

- Discuss general implementation questions.
- Develop a “Statement of Work” with detailed deliverables and completion criteria.
- Assist in project team activities.
- Attend project meetings as required by the Licensee Project Manager.
- Review and administer the Change Control Procedure with the Licensee Project Manager.

AppWorx will monitor the engagement, attend project meetings via conference phone, and escalate changes of resources where necessary and possible.

AppWorx Architecture and Design

This section addresses the planning/design phase of the project. Tasks for this segment of the work effort are as follows:

- Attending kick-off meeting.
- Identifying scheduling needs and strategic business issues.
- Identifying pre-requisites, resources, hardware, software (Deployment Summary).
- Reviewing current scheduling operations including policies and procedures.
- Defining architecture for AppWorx scheduling environment (Deployment Summary).

Installation of AppWorx

The following are tasks for installing the AppWorx Component System:

- Create new AppWorx UNIX accounts (Master and Remote Agent Nodes).
- Create AppWorx database accounts.
- Perform installation steps for AppWorx Master.
- Perform KEYFILE installation steps (License).
- Test AppWorx base product.
- Perform AppWorx post installation testing.
- Perform graphic analysis testing.

AppWorx-Banner Integration

AppWorx will examine the current environment where AppWorx is to be installed. AppWorx must conduct a procedural check to validate completion of the installation. AppWorx will provide a technical overview to Licensee personnel on the concepts, architecture, and maintenance of the AppWorx-Banner Interface solution. Below are specific tasks required to integrate AppWorx with the existing Banner environment (per master bases, if more than one):

- Identify the Banner database(s).
- Create a database link between the AppWorx database instance and the Banner database instance(s).
- Import AppWorx-Banner setup scripts and modules.
- Import Banner jobs into AppWorx.
- Import Banner printers into AppWorx (if any).
- Install and configure online job capture.
- Demonstrate successful Banner-AppWorx Integration.
- Review job flow and dependencies – modify for efficiencies.
- Test Banner jobs in AppWorx.
- Provide guidance specific and known Banner Integration “Best Practices.”
- Document solution to Licensee technical staff.
- Detail and provide additional scope of services for customization requests made by Licensee for further AppWorx-Banner Integration.

Banner Modules Development

AppWorx will build no more than 20 Banner modules and 2 production chains in the Licensee AppWorx development environment. This development may include, but will not be limited to:

- Banner Finance or HR/Payroll Module Focus (which-ever best fits the implementation schedule).
- MKBANNER Module process.
- Condition usage.
- Substitution variables.
- Import/export facility.

- Discuss migration process from development environment to production environment and “Go Live” support services.

Knowledge Transfer

AppWorx will conduct a knowledge transfer session with Licensee. Working closely with Licensee internal resources, the AppWorx consultant will identify potential strengths and/or weaknesses, adherence to AppWorx best practices, and similarity/commonality with other AppWorx customers.

Basic Training

AppWorx will conduct the AppWorx Basic Training courses at Licensee’s facilities. The AppWorx Basic Training course focuses on teaching Licensee personnel the basic skills required to create, run, and monitor jobs in AppWorx. The course is designed for three types of users: operators, programmers, and the AppWorx system administrator. The course will be sequenced in the same order: operations, development, and system administration. The courses will be hands-on and are intended to teach individuals valuable tips and practices that can be implemented immediately upon return to work. Students will also receive a certificate of completion of the course from AppWorx.

- Day One: Operations
 - Lesson 1: Introduction
 - Lesson 2: Requesting Jobs
 - Lesson 3: Monitoring and Managing Agents and Queues
 - Lesson 4: Monitoring and Managing Jobs
 - Lesson 5: Viewing Forecasts and Production Schedules
 - Lesson 6: Graphical Management Package (optional)
- Day Two: Creating Modules and Chains
 - Lesson 7: Creating Modules
 - Lesson 8: Creating Chains
 - Lesson 9: Scheduling Modules and Chains
- Day Three: Substitution Variables and Conditions
 - Lesson 10: Defining Substitution Variables
 - Lesson 11: Working with Conditions
 - Lesson 12: AppWorx Administration

Certain Licensee Obligations

Licensee Project Manager

Prior to the start of the engagement, Licensee will designate a Licensee Project Manager, to whom all AppWorx communications will be addressed and who has the authority to act for Licensee in all aspects of the contract. Licensee must cause the Project Manager to:

- Serve as the interface between the AppWorx Implementation Engineer and Licensee departments participating in the project.
- Administer Project Change Control to AppWorx management.
- Attend project status meetings.
- Obtain and provide information, data, decisions, and approvals.
- Resolve project plan deviations that may be caused by Licensee.
- Help resolve or escalate project issues within the Licensee organization, as necessary.
- Monitor and report status on a regular basis to Licensee management.
- Ensure that all project tasks assigned to Licensee personnel are completed as per the project plan. Any cost overruns due to delays caused by Licensee are subject to additional charges.

- Provide information, data, and decisions to AppWorx management in a timely manner, unless both parties agree to an extended response time.

Certain Licensee Responsibilities

To facilitate AppWorx performance, Licensee must:

- Document and provide a project escalation process to address critical items (affecting resources, cost or schedule) as well as any potentially critical items.
- Provide detailed systems and application specifications as needed and available.
- Ensure successful installation and deployment of all operating systems.
- Ensure that successful backups are being completed each day.
- Ensure completeness of deliverables during the initial planning and design sessions.
- Perform verification testing.
- Produce system password as required on all managed systems.
- Provide workspace and equipment for use by AppWorx consultants in the performance of this project.
- Schedule and coordinate project review meetings as required.
- Provide access to personnel for additional requirements-gathering activities.
- Ensure readiness capability and a stable system environment through the deployment.

Data Migration Script Generator

- SunGard Higher Education must provide a Data Migration Script Generator (or Converter Tool) that comprises: Banner Baseline Data Mapping Definitions, providing the baseline descriptions of the Banner column values.
- Generated SQL Scripts, used to create Oracle-based conversion tables.
- Generated SQL*Loader Control File, to be used for the loading of data into conversion tables in the Licensee Oracle environment.
- Data Translation Tools (Crosswalk Structures), providing the capability to equate legacy code values to new Banner values that may be needed.
- Generated PL/SQL Conversion Scripts.
- Toolkit Documentation.

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SOFTWARE LICENSE & SERVICES AGREEMENT

BETWEEN

SunGard Higher Education Inc.
a Delaware Corporation
with Headquarters at:
4 Country View Road
Malvern, PA 19355

("SunGard Higher Education")

AND

Idaho State University
921 South 8th Avenue
Stop 8037
Pocatello, ID 83209

(for purposes of this Agreement, "Licensee")

By the signatures of their duly authorized representatives below, SunGard Higher Education and Licensee, intending to be legally bound, agree to all of the provisions of this Agreement and all Exhibits, Supplements, Schedules, Appendices, and/or Addenda to this Agreement.

SunGard Higher Education

Licensee

BY: _____

BY: _____

PRINT NAME: _____

Kenneth Prolo

PRINT TITLE: _____

Vice President, Financial Services

DATE SIGNED: _____

DATE SIGNED: _____

THIS AGREEMENT is made between SunGard Higher Education and Licensee as of the Execution Date. The parties agree as follows:

1. Definitions.

“Baseline Component System” means the general release version of a Component System as updated to the particular time in question through both SunGard Higher Education’s warranty services and SunGard Higher Education’s Maintenance Program, but without any other modification whatsoever.

“Baseline Licensed Software” means the Baseline Component Systems, collectively.

“Component System” means any one of the computer software programs which is identified in Exhibit 1 as a Component System, including all copies of Source Code (if provided), Object Code and all related specifications, documentation, technical information, and all corrections, modifications, additions, improvements and enhancements to and all Intellectual Property Rights for such Component System.

“Confidential Information” means non-public information of a party to this Agreement. Confidential Information of SunGard Higher Education includes the Licensed Software, all software provided with the Licensed Software, and algorithms, methods, techniques and processes revealed by the Source Code of the Licensed Software and any software provided with the Licensed Software. Confidential Information of Licensee includes, without limitation, non-public: student educational records, employee information, alumni and donor information, student recruitment strategies and other marketing strategies of Licensee. Confidential Information does not include information that: (i) is or becomes known to the public without fault or breach of the Recipient; (ii) the Discloser regularly discloses to third parties without restriction on disclosure; or (iii) the Recipient obtains from a third party without restriction on disclosure and without breach of a non-disclosure obligation.

“Consolidation” means merger, acquisition and/or other business combination by, with or of Licensee, including any new or surviving entity that results from that merger, acquisition and/or other business combination.

“Day” and “day” (whether capitalized or lower-case, singular or plural) means a calendar day, unless any given instance specifically sets forth otherwise.

“Delivery Address” means the Licensee shipping address set forth in Exhibit 1 as the Delivery Address.

“Delivery Date” means, for each Component System, the date on which SunGard Higher Education ships the Component System to the Delivery Address F.O.B. SunGard Higher Education’s place of shipment (generally, Malvern, Pennsylvania).

“Discloser” means the party providing its Confidential Information to the Recipient.

“Documented Defect” means a material deviation between the Baseline Component System and its documentation, for which Documented Defect Licensee has given SunGard Higher Education enough information to enable SunGard Higher Education to replicate the deviation on a computer configuration which is both comparable to the Equipment and is under SunGard Higher Education’s control.

“Execution Date” means the latest date shown on the signature page of this Agreement.

“Equipment” means any hardware and systems software configuration meeting the criteria provided for in Exhibit 1 to qualify as Equipment.

“Exhibit 1” means, collectively: (i) The schedule attached to this Agreement which is marked as “Exhibit 1,” including all attached Software Supplements; and (ii) any schedule also marked as “Exhibit 1” (also including any attached Software Supplements) that is attached to any amendment to this Agreement.

“Intellectual Property Rights” means all patents, patent rights, patent applications, copyrights, copyright registrations, trade secrets, trademarks and service marks and Confidential Information.

“Licensed Software” means the Component Systems listed in Exhibit 1.

"Licensee Employees" means: (i) Licensee's employees who have a need to know; and (ii) third party consultants engaged by Licensee who have a need to know prior to obtaining access to the Licensed Software, have executed an SunGard Higher Education-approved non-disclosure agreement.

"Licensee Entity" means any public or not-for-profit entity that is related to Licensee, such as an auxiliary enterprise or foundation; and any public or not-for-profit entity that is under the control of Licensee; and in either instance, the primary purpose of which is to advance Licensee's educational mission.

"Object Code" means computer programs assembled, compiled, or converted to magnetic or electronic binary form on software media, which are readable and usable by computer equipment.

"Recipient" means the party receiving Confidential Information of the Discloser.

"Software Supplement" means, with respect to a Component System, the addendum provided as part of Exhibit 1 that contains additional terms, conditions, limitations and/or other information pertaining to that Component System. If any terms of a Software Supplement conflicts with any other terms of this Agreement, the terms of the Software Supplement will control.

"Source Code" means computer programs written in higher-level programming languages, sometimes accompanied by English language comments and other programmer documentation.

"SunGard Higher Education Modification" (whether singular or plural) means a modification to a Component System for which SunGard Higher Education solely generates both the technical specification and the Object Code and Source Code.

2. Right to Grant License and Ownership. SunGard Higher Education has the right to grant Licensee this license to use the Licensed Software. Except as otherwise indicated in a Software Supplement, SunGard Higher Education owns the Licensed Software.

3. License. Subject to the terms and conditions of this Agreement, SunGard Higher Education grants Licensee a perpetual, non-exclusive, non-transferable license to use and copy for use the Licensed Software on Equipment for Licensee's own, non-commercial computing operations. The computer readable media containing Source Code and Object Code for the Licensed Software may also contain Source Code and

Object Code for Component Systems for which Licensee is not granted a license for use. Licensee may not make any use of any Source Code and/or Object Code for any such Component Systems for which Licensee is not expressly obtaining a license for use under this Agreement. Any rights not expressly granted in this Agreement are expressly reserved.

(a) Source Code. If Exhibit 1 to this Agreement does not otherwise provide that Licensee has a license to use Source Code for a particular Component System, then Licensee has no rights in or to the Source Code for that Component System. Only with respect to the Component Systems for which the Source Code is so licensed, Licensee has the right to compile, modify, improve and enhance the Licensed Software. Licensee will not disclose all or any part of the Source Code for the Licensed Software to any person except Licensee Employees who, before obtaining access to the Source Code, have been informed by Licensee in writing of the non-disclosure obligations imposed on both Licensee and such Licensee Employees under this Agreement.

(b) Object Code. Licensee has right to use the Licensed Software in Object Code form. Licensee also has the right to use the Licensed Software in Object Code form temporarily on another SunGard Higher Education-supported configuration, for disaster recovery of Licensee's computer operations.

(c) Documentation. Except as otherwise provided for in the applicable Software Supplement, Licensee can make a reasonable number of copies of the documentation for each Component System for its use in accordance with the terms of this Agreement.

(d) Restrictions on Use of the Licensed Software. Licensee is prohibited from causing or permitting the reverse engineering, disassembly or decompilation of the Licensed Software. Licensee is prohibited from using the Licensed Software to provide service bureau data processing services, or to otherwise provide data processing services for any person or entity other than Licensee itself and any Licensee Entity. Licensee will not allow the Licensed Software to be used by, or disclose all or any part of the Licensed Software to, any person except Licensee Employees. Without limiting the foregoing, Licensee is permitted to allow use of the input and/or output sensory displays of or from the Licensed Software by third parties on a strict "need to know" basis, and such use shall not be deemed a non-permitted disclosure of the Licensed Software. Licensee will not allow the Licensed Software, in whole or in part, to be exported outside of the United States of America, in any manner or by any means, without in each instance obtaining

SunGard Higher Education's prior written consent and, if required, a validated export license from the Office of Export Administration within the U.S. Department of Commerce and such other appropriate United States governmental authorities.

(e) Intellectual Property Rights Notices. Licensee is prohibited from removing or altering any of the Intellectual Property Rights notice(s) embedded in or that SunGard Higher Education otherwise provides with the Licensed Software. Licensee must reproduce the unaltered Intellectual Property Rights notice(s) in any full or partial copies that Licensee makes of the Licensed Software.

4. Available Services.

(a) Implementation/Support/Training Services. SunGard Higher Education will provide Licensee with implementation/support/training services for the Licensed Software at the fees provided in Exhibit 1.

(b) Consulting and Modification Services. SunGard Higher Education can also provide Licensee with consulting and modification services for the Licensed Software.

(c) Workmanlike Skills. SunGard Higher Education will render all services under this Agreement in a professional and workmanlike manner. SunGard Higher Education will promptly replace any SunGard Higher Education personnel that are rendering services on-site to Licensee (and further, at no charge will re-perform any service as reasonably necessary) if Licensee reasonably considers the personnel to be unacceptable and provides SunGard Higher Education with notice to that effect, provided that such replacement does not violate any law or governmental regulation applicable to such personnel replacement.

(d) Conditions On Providing Services. In each instance in which SunGard Higher Education is providing Licensee with services, SunGard Higher Education and Licensee will develop a project plan that identifies each party's responsibilities for such services. The project plan will describe in detail the tentative schedule and the scope of services that SunGard Higher Education will provide. Licensee will establish the overall project direction, including assigning and managing the Licensee's project personnel team. Licensee must assign a project manager who will assume responsibility for management of the project. Licensee must ensure that the Equipment is operational, accessible and supported at the times agreed to by the parties in the project plan. While SunGard Higher Education is providing such

services, Licensee must provide SunGard Higher Education with such facilities, equipment and support as are reasonably necessary for SunGard Higher Education to perform its obligations, including remote access to the Equipment. If the parties do not develop a project plan in any instance, SunGard Higher Education will nonetheless provide Licensee with services on an as-directed basis.

(e) Cancellation of Scheduled Services. The parties agree that once Licensee and SunGard Higher Education have scheduled a specific time during which SunGard Higher Education will provide services under the terms of this Agreement, Licensee will be obligated to pay SunGard Higher Education for such services as if SunGard Higher Education had performed such services on the date scheduled, unless Licensee has notified SunGard Higher Education that Licensee would like to reschedule or cancel the provision of such services at least twenty (20) days prior to the date on which SunGard Higher Education is scheduled to perform such services.

5. Delivery. Except as otherwise provide in Exhibit 1, SunGard Higher Education will deliver all Component Systems to Licensee at the Delivery Address within thirty (30) days after the Execution Date.

6. Payment and Taxes.

(a) Payment.

(i) License Fees. Fees for the Licensed Software shall be due to SunGard Higher Education as provided for in Exhibit 1.

(ii) Professional Services Fees. Except as otherwise provided in Exhibit 1, fees for professional services shall be invoiced on a monthly basis in arrears and shall be due within thirty (30) days from the date of invoice. Licensee shall reimburse SunGard Higher Education for actual travel and living expenses that SunGard Higher Education incurs in providing Licensee with services under this Agreement, subject to any statutory or regulatory reimbursement limitations imposed by the State of Idaho. Such travel and living expenses shall be invoiced on a monthly basis in arrears and shall be due within thirty (30) days from the date of invoice. SunGard Higher Education will use reasonable efforts to limit travel and living expenses by using coach air fare, booked in advance when available, staying at hotels identified in advance by Licensee as offering Licensee's contractors a discounted rate, and sharing rental cars, intermediate size or smaller when available. Reimbursement is subject to any statutory or regulatory reimbursement limitations imposed by the State of Idaho. Licensee

will provide SunGard Higher Education with a copy of any such limitations before SunGard Higher Education incurs expenses.

(iii) Late Charge. Except with respect to license fees due on the Execution Date, SunGard Higher Education has the right to charge a late fee on any payment that is past-due. With respect to license fees due on the Execution Date as provided for in Exhibit 1, SunGard Higher Education shall have the right to charge a late fee to the extent that payment is received later than thirty (30) days from the date of invoice. As limited by the laws of the State of Idaho including, without limitation, any so-called "prompt payment" law requirements, any payment that is past due and that Licensee in good faith does not dispute is subject to a late charge equal to the lesser of: (i) the prime lending rate established from time to time by Citizens Bank, Philadelphia, Pennsylvania plus three percent (3%); and (ii) the highest rate permitted by applicable law, and shall be payable to SunGard Higher Education on demand.

(b) Taxes. Licensee represents that it is exempt from the payment of sales, use and other, similar taxes in connection with the transactions contemplated by this Agreement. Licensee covenants and agrees to provide SunGard Higher Education with a true and correct copy of a valid tax exemption certificate ("Tax-Exemption Certificate"), current as of the Execution Date, by not later than fifteen (15) days after the Execution Date, and will thereafter, during the period that SunGard Higher Education is rendering services pursuant to this Agreement, provide SunGard Higher Education with an updated Tax Exemption Certificate as soon as reasonably practicable in each instance after receipt of SunGard Higher Education's request therefor. If in any instance Licensee does not so provide SunGard Higher Education with a Tax Exemption Certificate, then, absent proof of Licensee's direct payment of such tax amounts to the applicable taxing authority, SunGard Higher Education will invoice Licensee for and Licensee will pay to SunGard Higher Education all such tax amounts.

7. Limited Warranty, Disclaimer of Warranty and Remedy for Breach.

(a) Limited Software Warranty by SunGard Higher Education and Remedy For Breach. Except as otherwise expressly provided for in any Software Supplement, for each Component System, SunGard Higher Education warrants to Licensee that, for a period of twelve (12) months after the Delivery Date, the Baseline Component System, as used by Licensee on the Equipment for its own, non-commercial computing operations, will operate without

Documented Defects. For each Documented Defect, SunGard Higher Education, in a manner considered timely in the software industry, given the nature of the Documented Defect in question and its impact on Licensee's ability to use the Licensed Software in the conduct of Licensee's daily business operations, and at its own expense, will provide Licensee with an avoidance procedure (that is, a workaround that will enable Licensee to use the Baseline Licensed Software without having a material adverse impact on Licensee's daily business operations) for or a correction of the Documented Defect. If, despite its reasonable efforts, SunGard Higher Education is unable to provide Licensee with an avoidance procedure for or a correction of a Documented Defect, then, subject to the limitations set forth in Section 16 of this Agreement, Licensee can pursue its remedy at law to recover direct damages resulting from the breach of this limited warranty. These remedies are exclusive and are in lieu of all other remedies, and SunGard Higher Education's sole obligations for breach of this limited warranty are contained in this Section 7(a).

(b) Disclaimer of Warranty. The limited warranty in Section 7(a) is made to Licensee exclusively and is in lieu of all other warranties. **SUNGARD HIGHER EDUCATION MAKES NO OTHER WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, WITH REGARD TO ANY SERVICES PROVIDED UNDER THIS AGREEMENT AND/OR THE LICENSED SOFTWARE, IN WHOLE OR IN PART. SUNGARD HIGHER EDUCATION EXPLICITLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY AND OF FITNESS FOR A PARTICULAR PURPOSE. SUNGARD HIGHER EDUCATION EXPRESSLY DOES NOT WARRANT THAT THE LICENSED SOFTWARE, IN WHOLE OR IN PART, WILL BE ERROR FREE, WILL OPERATE WITHOUT INTERRUPTION OR WILL BE COMPATIBLE WITH ANY HARDWARE OR SOFTWARE OTHER THAN THE EQUIPMENT. LICENSEE WAIVES ANY CLAIM THAT THE LIMITED WARRANTY SET FORTH IN SECTION 7(A) OR THE REMEDY FOR BREACH OF SUCH LIMITED WARRANTY FAILS OF ITS ESSENTIAL PURPOSE.**

(c) Abrogation of Limited Warranty. The limited warranty in Section 7(a) will be null and void if: (i) anyone other than (A) SunGard Higher Education or (B) Licensee, at the direction of SunGard Higher Education to implement any SunGard Higher Education-provided correction of or avoidance procedure for a Documented Defect, modifies the Baseline Component System; or (ii) Licensee does not

implement changes that SunGard Higher Education provides to correct or improve the Baseline Component System. If despite any modification of the Component System, SunGard Higher Education can replicate the reported problem in the Baseline Component System as if the problem were a Documented Defect, then SunGard Higher Education will nonetheless provide Licensee with an avoidance procedure for or a correction of that reported problem for use in the Baseline Component System as though the reported problem were a Documented Defect.

(d) FAILURE OF ESSENTIAL PURPOSE. **THE PARTIES HAVE AGREED THAT THE LIMITATIONS SPECIFIED IN SECTIONS 7 AND 16 WILL SURVIVE AND APPLY EVEN IF ANY LIMITED REMEDY SPECIFIED IN THIS AGREEMENT IS FOUND TO HAVE FAILED OF ITS ESSENTIAL PURPOSE, AND REGARDLESS OF WHETHER LICENSEE HAS ACCEPTED ANY LICENSED SOFTWARE OR SERVICE UNDER THIS AGREEMENT.**

8. Confidential Information. Subject to any restrictions or limitations imposed under applicable State of Idaho law, and except as otherwise permitted under this Agreement, the Recipient will not knowingly disclose to any third party, or make any use of the Discloser's Confidential Information. The Recipient will use at least the same standard of care to maintain the confidentiality of the Discloser's Confidential Information that it uses to maintain the confidentiality of its own Confidential Information of equal importance. Except in connection with the Licensed Software and any software provided with the Licensed Software, the non-disclosure and non-use obligations of this Agreement will remain in full force with respect to each item of Confidential Information for a period of five (5) years after Recipient's receipt of that item. However, Licensee's obligations to maintain both the Licensed Software and any software provided with the Licensed Software as confidential, and SunGard Higher Education's obligations to maintain as confidential any personally identifiable information of Licensee students, alumni and personnel, will survive until such time as such information no longer qualifies as Confidential Information in accordance with the definition provided for that term in Section 1 of this Agreement, but without regard as to the amount of time that has passed since Licensee's receipt thereof.

9. Indemnity by SunGard Higher Education. SunGard Higher Education will defend, indemnify and hold Licensee harmless from and against any loss, cost and expense that Licensee incurs because of a claim that use of a Baseline Component System or any

SunGard Higher Education Modification infringes any United States copyright of others. SunGard Higher Education's obligations under this indemnification are expressly conditioned on the following: (i) Licensee must promptly notify SunGard Higher Education of any such claim; (ii) Licensee must in writing grant SunGard Higher Education sole control of the defense of any such claim and of all negotiations for its settlement or compromise (if Licensee chooses to represent its own interests in any such action, Licensee may do so at its own expense, but such representation must not prejudice SunGard Higher Education's right to control the defense of the claim and negotiate its settlement or compromise); (iii) Licensee must cooperate with SunGard Higher Education to facilitate the settlement or defense of the claim; (iv) the claim must not arise from modifications (other than any SunGard Higher Education Modifications) or (with the express exception of the other Baseline Component Systems and third party hardware and software specified by SunGard Higher Education in writing as necessary for use with the Licensed Software) from the use or combination of products provided by SunGard Higher Education with items provided by Licensee or others. If any Component System or SunGard Higher Education Modification is, or in SunGard Higher Education's opinion is likely to become, the subject of a United States copyright infringement claim, then SunGard Higher Education, at its sole option and expense, will either: (A) obtain for Licensee the right to continue using the Component System or SunGard Higher Education Modification under the terms of this Agreement; (B) replace the Component System or SunGard Higher Education Modification with products that are substantially equivalent in function, or modify the Component System or SunGard Higher Education Modification so that it becomes non-infringing and substantially equivalent in function; or (C) refund to Licensee the portion of the license fee paid to SunGard Higher Education for the Component System(s) giving rise to the infringement claim (or in the case of any SunGard Higher Education Modification, any services fee paid to SunGard Higher Education for the creation of that SunGard Higher Education Modification), less a charge for use by Licensee based on straight line depreciation assuming a useful life of seven (7) years. **THE FOREGOING IS SUNGARD HIGHER EDUCATION'S EXCLUSIVE OBLIGATION WITH RESPECT TO INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS.**

10. Term and Termination.

(a) Right of Termination. A party has the right to terminate this Agreement if the other party breaches a material provision of this Agreement. Either party has the right to terminate this Agreement at any time

while an event or condition giving rise to the right of termination exists. To terminate this Agreement, the party seeking termination must give the other party notice that describes the event or condition of termination in reasonable detail. From the date of its receipt of that notice, the other party will have thirty (30) days to cure the breach to the reasonable satisfaction of the party desiring termination. If the event or condition giving rise to the right of termination is not cured within that period, this Agreement will automatically be deemed terminated at the end of that period. However, notice to SunGard Higher Education of a suspected Documented Defect will not constitute a notice of termination of this Agreement.

(b) Effect of Termination. Upon termination of this Agreement by either party, Licensee will promptly return to SunGard Higher Education or (at SunGard Higher Education's request) will destroy all copies of the Licensed Software, and will certify to SunGard Higher Education in writing, over the signature of a duly authorized representative of Licensee, that it has done so.

(c) Survival of Obligations. All obligations relating to non-use and non-disclosure of Confidential Information and indemnity will survive termination of this Agreement.

(d) Termination Without Prejudice to Other Rights and Remedies. Termination of this Agreement will be without prejudice to the terminating party's other rights and remedies pursuant to this Agreement.

11. Notices. All notices and other communications required or permitted under this Agreement must be in writing and will be deemed given when: Delivered personally; sent by United States registered or certified mail, return receipt requested; transmitted by facsimile confirmed by United States first class mail; or sent by overnight courier. Notices must be sent to a party at its address shown on the first page of this Agreement, or to such other place as the party may subsequently designate for its receipt of notices. Licensee must promptly send copies of any notice of material breach and/or termination of the Agreement to SunGard Higher Education's Legal Department at 4 Country View Road, Malvern, PA 19355, FAX number (610) 578-7457, or to such other place as SunGard Higher Education may subsequently designate for its receipt of notices.

12. Force Majeure. Neither party will be liable to the other for any failure or delay in performance under this Agreement due to circumstances beyond its reasonable control, including Acts of God, acts of war, accident,

labor disruption, acts, omissions and defaults of third parties and official, governmental and judicial action not the fault of the party failing or delaying in performance.

13. Assignment. Neither party may assign any of its rights or obligations under this Agreement, and any attempt at such assignment will be void without the prior written consent of the other party. For purposes of this Agreement, "assignment" shall include use of the Licensed Software for benefit of any third party to a Consolidation. However, Licensee, on a post-Consolidation basis, can continue to use the Licensed Software for benefit of the resulting post-Consolidation entity if that post-Consolidation entity both: (a) signs a SunGard Higher Education-approved amendment to this Agreement, specifying that the post-Consolidation entity is bound by this Agreement and by all obligations that this Agreement imposes on Licensee; and (b) pays SunGard Higher Education any additional, incremental license fee for the Component Systems, with each additional, incremental license fee amount to be calculated by: (i) taking each then-current applicable SunGard Higher Education fee for Licensed Software extended to higher education institutions comparable in enrollment size to the post-Consolidation entity; and (ii) crediting against that amount any applicable Licensed Software license fee that Licensee actually has paid to SunGard Higher Education under this Agreement; together with (c) the incremental Improvements fees for the Baseline Component Systems, pursuant to the Software Maintenance Agreement entered into by the parties on or about the Execution Date.

However, the following shall not be considered "assignments" for purposes of this Agreement: SunGard Higher Education's assignment of this Agreement or of any SunGard Higher Education rights under this Agreement to SunGard Higher Education's successor by merger or consolidation or to any person or entity that acquires all or substantially all of its capital stock or assets; and SunGard Higher Education's assignment of this Agreement to any person or entity to which SunGard Higher Education transfers any of its rights in the Licensed Software.

Without limiting the foregoing, this Agreement is binding upon any successor of either party.

14. No Waiver. A party's failure to enforce its rights with respect to any single or continuing breach of this Agreement will not act as a waiver of the right of that party to later enforce any such rights or to enforce any other or any subsequent breach.

15. Choice of Law; Severability. This Agreement will be governed by and construed under the laws of the State of Idaho, without reference to the choice of laws provisions thereof. If any provision of this Agreement is illegal or unenforceable, it will be deemed stricken from the Agreement and the remaining provisions of the Agreement will remain in full force and effect.

16. LIMITATIONS OF LIABILITY.

(a) **LIMITED LIABILITY OF SUNGARD HIGHER EDUCATION.** SUNGARD HIGHER EDUCATION'S LIABILITY IN CONNECTION WITH THE LICENSED SOFTWARE, ANY SERVICES, THIS LICENSE OR ANY OTHER MATTER RELATING TO THIS AGREEMENT WILL NOT EXCEED THE FEE THAT LICENSEE ACTUALLY PAID TO SUNGARD HIGHER EDUCATION (OR, IF NO DISCRETE FEE IS IDENTIFIED IN EXHIBIT 1, THE FEE REASONABLY ASCRIBED BY SUNGARD HIGHER EDUCATION) FOR THE COMPONENT SYSTEM OR SERVICES GIVING RISE TO THE LIABILITY.

(b) **EXCLUSION OF DAMAGES.** REGARDLESS WHETHER ANY REMEDY SET FORTH HEREIN FAILS OF ITS ESSENTIAL PURPOSE OR OTHERWISE, IN NO EVENT WILL SUNGARD HIGHER EDUCATION BE LIABLE TO LICENSEE FOR ANY SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, WHETHER BASED ON BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), PRODUCT LIABILITY, OR OTHERWISE, AND WHETHER OR NOT SUNGARD HIGHER EDUCATION HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE.

(c) **BASIS OF THE BARGAIN.** LICENSEE ACKNOWLEDGES THAT SUNGARD HIGHER EDUCATION HAS SET ITS FEES AND ENTERED INTO THIS AGREEMENT IN RELIANCE UPON THE LIMITATIONS OF LIABILITY AND THE DISCLAIMERS OF WARRANTIES AND DAMAGES SET FORTH IN THIS AGREEMENT, AND THAT THE SAME FORM AN ESSENTIAL BASIS OF THE BARGAIN BETWEEN THE PARTIES.

17. Non-Appropriation of Funds. Licensee represents and warrants to SunGard Higher Education that Licensee has encumbered sufficient funds to pay SunGard Higher Education all license fee amounts specified in Exhibit 1.

Further, Licensee believes that sufficient funds can be obtained to pay to SunGard Higher Education all services fees and other amounts provided for in this Agreement, and Licensee hereby covenants and agrees that it will do all things lawfully within its power to obtain, maintain and properly request and pursue funds from which payments hereunder may be made,

including making provisions for such payments to the extent necessary in each budget submitted for the purpose of obtaining funding, using its best efforts to have such portion of the budget approved and exhausting all available administrative reviews and appeals in the event such portion of the budget is not approved. It is Licensee's intent to make all such payments under this Agreement if funds are legally available therefor and in that regard Licensee represents and warrants to SunGard Higher Education that the services to be provided by SunGard Higher Education under this Agreement are important to Licensee's proper, efficient and economic operation. If, despite Licensee's efforts, sufficient funds are not appropriated and budgeted in any fiscal period for payments due under this Agreement, then Licensee will immediately notify SunGard Higher Education of such occurrence and SunGard Higher Education will notify Licensee that SunGard Higher Education's obligation to provide Licensee with services pursuant to this Agreement, and Licensee's obligation to obtain services from SunGard Higher Education pursuant to this Agreement, will expire effective on the last day of the fiscal period for which appropriations were received. Notwithstanding the foregoing, Licensee agrees that the provisions of this Section will not apply to the extent that any funds are appropriated to it, or by it, for the acquisition or provision of services similar to the services to be or that are then being provided by SunGard Higher Education under this Agreement, and that it will not during any fiscal period that SunGard Higher Education is to provide Licensee with services pursuant to this Agreement give priority in the application of funds to any other similar services. Further, nothing in this Section will be construed so as to permit Licensee to effect a premature expiration of the services to be provided by SunGard Higher Education pursuant to this Agreement in order to acquire any other similar services or to allocate funds directly or indirectly to perform essentially the same application for which the services are being provided, including the performance of the services by Licensee itself.

In any such event, however, Licensee will remain liable to SunGard Higher Education for payment of all license fees for Component Systems licensed, services fees for services rendered, fees for third party products and services for which SunGard Higher Education has acted as pay agent for Licensee, and reimbursement amounts for reimbursable expenses incurred by SunGard Higher Education, up to the effective date of such termination for non-appropriation.

18. Indemnification. SunGard Higher Education will indemnify, defend and hold Licensee harmless from

and against any and all liability, claims, losses and damages for death, or bodily injury, or damage to tangible physical property, to the extent proximately caused by the negligent acts or omissions of SunGard Higher Education. SunGard Higher Education's obligations under this indemnification are expressly conditioned on the following: (i) Licensee must promptly notify SunGard Higher Education of any such claim; (ii) Licensee must in writing grant SunGard Higher Education sole control of the defense of any such claim and of all negotiations for its settlement or compromise (if Licensee chooses to represent its own interests in any such action, Licensee may do so at its own expense, but such representation must not prejudice SunGard Higher Education's right to control the defense of the claim and negotiate its settlement or compromise); and (iii) Licensee must cooperate with SunGard Higher Education in a manner that is reasonably acceptable to Licensee's counsel to facilitate the settlement or defense of the claim.

19. Insurance. While SunGard Higher Education is providing Licensee with services pursuant to this Agreement, SunGard Higher Education shall, at its own cost and expense, procure and keep in force and effect the insurance listed below with insurance carriers qualified to conduct business in the State of Idaho and reasonably acceptable to Licensee. Further, by not later than ten (10) days following the Execution Date, SunGard Higher Education will provide Licensee with a certificate or certificates evidencing that such coverage is in effect, and further, containing a covenant by the company issuing the policy(ies) that the issuing company will endeavor to provide Licensee with written notice, at least thirty (30) days in advance, prior to the cancellation of such policy(ies):

(a) Worker's Compensation Insurance: Worker's compensation insurance meeting the requirements of the worker's or workmen's compensation laws of the State of Idaho;.

(b) General Liability Insurance: Comprehensive General Liability insurance, with limits of not less than \$10 million for each occurrence involving bodily injury and property damage, and a general aggregate of \$10 million; and products-completed operation aggregate of \$10 million. Commercial General Liability will include the following coverage: premises operations broad form property damage, completed operations, independent contractors, and contractual and products liability;

(c) Automobile Insurance: \$10 million for bodily injury and property damage combined for all

owned, non-owned or hired vehicles of SunGard Higher Education;

(d) Employers Liability Insurance: Employer's Liability insurance in not less than \$100,000 bodily injury by accident, each accident; \$500,000 bodily injury by disease, policy limit; \$100,000 bodily injury by disease, each employee.

(e) Dishonesty Bond: Employees Dishonesty blanket bond with minimum limits of \$1 million per loss;

(f) Property Damage Insurance: Property Damage insurance in an amount of not less than \$3

million for damages to or destruction of Licensee's property, including the loss of use thereof.

20. Entire Agreement. This Agreement contains the entire understanding of the parties with respect to its subject matter, and supersedes and extinguishes all prior oral and written communications between the parties about its subject matter. Any purchase order or similar document which may be issued by Licensee in connection with this Agreement does not modify this Agreement. No modification of this Agreement will be effective unless it is in writing, is signed by each party, and expressly provides that it amends this Agreement.

EXHIBIT 1

Licensee: Idaho State University
 Delivery Address: 921 South 8th Avenue, Stop 8037, Pocatello, ID 83209

EQUIPMENT CRITERIA: Hardware and related peripheral configuration located within the United States of America for which SunGard Higher Education provides warranty and Maintenance/support services for the Baseline Licensed Software will qualify as "Equipment." Certain Component Systems of the Licensed Software may require specific hardware/peripheral configurations. Licensee should consult with its SunGard Higher Education Professional Services representative to ascertain whether SunGard Higher Education supports or does not support use of the Baseline Licensed Software on any particular configuration. See additional criteria provided in the Notes accompanying Table 1, below.

NOTICE: To use any of the Licensed Software, Licensee must also obtain, install on the Equipment and maintain SunGard Higher Education-supported versions of certain software products and software/hardware peripherals. By this notice, SunGard Higher Education is advising Licensee that Licensee should consult with its SunGard Higher Education Professional Services representative to obtain a written listing of such necessary software products and software/hardware peripherals.

Table 1 - LICENSED SOFTWARE:

Component System	Source Code Licensed? (yes/no)	Software Suppl't	Fee
Oracle – Full Use Campus Wide ¹	No	Oracle Software Supplement-Full Use Campus Wide Version	\$721,643
TOTAL LICENSE FEE:			\$721,643

Notes to Table 1:

¹ See Attachment 1 to this Agreement, incorporated into this Agreement by reference, for a listing of Oracle Full Use Campus Wide software products licensed and applicable user/equipment configuration limitations. Oracle pricing contained in this Agreement and in the Software Maintenance Agreement entered into by the parties on or about the Execution Date is valid only if the Execution Date occurs on or before March 28, 2007.

PAYMENT OF LICENSE FEE: The Total License Fee is due on the Execution Date.

DELIVERY: SunGard Higher Education will deliver each Baseline Component System identified in Exhibit 1 within thirty (30) days after the Execution Date.

Number of Software Supplements Attached: one (1)

ATTACHMENT 1

Oracle Software –Description Summary Table

Description/License Type	Limitation - Named Users Plus
<p>Oracle Database Enterprise Edition – Named User Plus Perpetual – Campus Wide Program License</p> <p>Includes: JServer Enterprise Edition, interMedia, Objects Option, Networking Kit, Objects for OLE, Advanced Replication Option, Distributed Option, Parallel Query Option, (including bitmap indexes and parallel bitmap-star query), SQL*Plus, Visual Information Retrieval and Workflow.</p> <p>Also included are: Advanced Backup & Recovery, Queuing, Advanced, Connection Manager & Pooling, 64-bit option, Warehouse Builder, MPI, OCI, ODBC Driver, Enterprise Manager and Enterprise backup utility.</p> <p>For OS/390 implementation, use of either Access Manager for CICS or Access Manager for IMS/TM is included.</p> <p>Restricted Use: Oracle Internet Directory for the purposes of storing Oracle Database Service information.</p>	16,366
Diagnostics Pack Named User Plus Perpetual Campus Wide Programs	16,366
Tuning Pack Named User Plus Perpetual Campus Wide Programs	16,366
Configuration Management Pack Named User Plus Perpetual Campus Wide Programs	16,366
<p>Internet Application Server Enterprise Edition – Named User Plus Perpetual – Campus Wide Program License</p> <p>Includes: Oracle Forms Services, Oracle Reports Services, TopLink and Application Development Framework, Portal, Discoverer Viewer, Discoverer Plus (Web Functionality), Identity Management Option, Application InterConnect Toolkit, Wireless Option, and Personalization.</p> <p>Oracle Database Standard Edition or Standard Edition One. If Discoverer Plus and/or Discover Viewer are used then at least 1 copy of iDS is required.</p> <p>Restricted Use: (i)The Oracle Database is provided for use with iAS Infrastructure for storing product metadata. Storing any other data in the Oracle 9iAS Infrastructure database requires a Full Use license of the Oracle Database. (ii)Advanced Security Option limited to Oracle Java SSL library. (iii) Oracle Workflow is provided for use with Oracle Content Management Software Development Kit and for use with Oracle Application Server Integration InterConnect and Oracle Application Server integration B2B only</p>	16,366
iAS Diagnostics Pack Named User Plus Perpetual Campus Wide Programs	16,366
iAS Configuration Management Pack Named User Plus Perpetual Campus Wide Programs	16,366
<p>Internet Developer Suite – Named User Plus Perpetual License</p> <p>Includes: Designer, Forms Developer, Reports Developer, Business Components for Java, Discoverer Administration Edition, SQL*Plus and 1 license of Discoverer Desktop Edition restricted to the Named User of iDS.</p> <p>Restricted Use: iAS Enterprise Edition and its options restricted to testing and debugging the deployment of application developed with iDS, Oracle Database Enterprise Edition and its options.</p>	15
<p>Programmer – Named User Plus Perpetual License</p> <p>Includes: Oracle Objects for OLE, Oracle precompilers & SQL Module (based on platform availability), ODBC, and Oracle Call Interface (OCI).</p> <p>On the OS/390 platform, Access Manager for CICS and IMS/TM.</p>	5

Oracle Component System – Full Use Campus Wide Software Supplement

1. Additional Definitions. “Oracle Software” means the Oracle Corporation (“Oracle”)-proprietary Component Systems of identified in Exhibit 1 of this Agreement. “**Named User Plus**” is defined as an individual authorized by Licensee (including without limitation each of those persons identified hereinbelow that Licensee is required by this license to designate as a Named User Plus) to use the Oracle software products identified in Attachment 1 of this Agreement (hereinafter the “Oracle Software”) which are installed on a single server or multiple servers, regardless of whether the individual is actively using the Oracle Software at any given time. A non human operated device will be counted as a “Named User Plus” in addition to all individuals authorized to use the Oracle Software, if such devices can access the Oracle Software. If multiplexing hardware or software (e.g., a TP monitor or a web server product) is used, this number must be measured at the multiplexing front end. Automated batching of data from computer to computer is permitted. Without limitation, the quantity of Named User Plus licenses required for each Campus Wide Oracle Software product must include the total number of all full-time and part-time students, faculty and staff of Licensee.

2. Ownership. Oracle owns the Oracle Software.

3. Restrictions on Use of Oracle Software. Licensee's use of the Oracle Software is subject to the following additional terms and conditions:

(a) Licensee has the right to use the Oracle Software only in Object Code form, and only to process data for Licensee's business operations;

(b) Licensee is prohibited from assigning, giving or transferring the Oracle Software to another individual or entity (and if Licensee grants a security interest in the Oracle Software, the secured party has no right to use or transfer the Oracle Software);

(c) Licensee is prohibited from making the Oracle Software available in any timesharing, service bureau, subscription service or rental arrangement, in whole or in part;

(d) Licensee is prohibited from causing or permitting the reverse engineering, disassembly or decompilation of the Oracle Software, in whole or in part;

(e) Licensee acknowledges that the Oracle Software is proprietary to Oracle and is supplied by SunGard Higher Education under license from Oracle. Title to the Oracle Software shall at all times remain vested in Oracle or its designated successor and does not pass in any way to Licensee or any third party. Except for the right of use that is expressly provided to Licensee under the Agreement, no right, title or interest in or to the Oracle Software is granted to Licensee;

(f) Licensee shall not reverse engineer (unless required by law for interoperability), disassemble or decompile the Oracle Software, nor shall Licensee duplicate the Oracle Software except to make a sufficient number of copies of each program for Licensee's licensed use and one copy of each program media;

(g) ORACLE SHALL NOT BE LIABLE FOR ANY DAMAGES, WHETHER DIRECT, INDIRECT, INCIDENTAL, SPECIAL, OR CONSEQUENTIAL, ARISING FROM THE LICENSEE'S USE OF THE ORACLE SOFTWARE OR RELATED MATERIALS;

(h) Licensee is prohibited from publishing any result of any benchmark tests run on the Oracle Software;

(i) Licensee must comply fully with all applicable export laws and regulations of the United States and other applicable export and import laws to assure that neither the Oracle Software, nor any direct product thereof, is exported, directly or indirectly, in violation of applicable laws;

(j) Licensee acknowledges and agrees that Oracle is a third party beneficiary of this Agreement with regard to the Oracle Software;

(k) Licensee acknowledges and agrees that Oracle is not required to perform any obligation or to incur any liability unless expressly specified in the Agreement;

(l) On the yearly anniversary of the Execution Date, Licensee must report to SunGard Higher Education, in such format as SunGard Higher Education may then require, the number of Licensee full-time and part-time students, faculty and staff, and further, must acquire such additional Named User Plus licenses as are required to account for any additional Licensee full-time and part-time students, faculty and staff in excess of the amount of Named User Plus Licenses that have already been obtained by Licensee as of such date. Licensee acknowledges and agrees that SunGard Higher Education shall be permitted, upon reasonable request, to periodically audit Licensee's use of the Oracle Software (including through an onsite audit or remote

access, or both) and report such use to Oracle or to assign this right to audit Licensee's use of the Oracle Software to Oracle; Licensee shall cooperate with each such audit as requested by SunGard Higher Education or Oracle; Licensee agrees to pay within 30 days of written notification any underpaid fees, with a failure to make such payment being a material breach of this license;

(m) Subject to the limitations provided for in this Section, while Licensee is obtaining Baseline Oracle Software maintenance from SunGard Higher Education pursuant to a separate written Software Maintenance Agreement between the parties, Licensee is extended the privilege of accessing Oracle's MetaLink and can access and use the features and links available on MetaLink; PROVIDED, however Licensee is prohibited from creating technical assistance requests, including "TARs" and "SRs" (as those terms are defined by Oracle), and cannot otherwise obtain support directly from Oracle as a maintenance client of SunGard Higher Education. Specifically, and without limitation, while Licensee is obtaining Oracle Software maintenance through SunGard Higher Education, Licensee is prohibited from downloading any Oracle Software (including any patches or enhancements) using MetaLink. SunGard Higher Education reserves the right to suspend and/or eliminate Licensee's ability to access MetaLink, without prior notice, in the event that Oracle suspends or eliminates MetaLink, or if Oracle requires SunGard Higher Education to suspend or eliminate such privilege;

(n) Licensee acknowledges and agrees that the Uniform Computer Information Transactions Act shall have no applicability to this Agreement, including the Oracle Software licensed hereunder;

(o) **Internet Access.** Licensee is permitted to have an unlimited number of internet users to access any of the Campus Wide - Application-Specific Full Use Oracle Software listed in Attachment 1, provided the access is for viewing, querying, or adding data associated with Licensee's administrative, teaching, research or community service functions.

(p) **OAI and WDP Membership.** Teaching departments at the Licensee may participate in the Oracle Academic Initiative (OAI) and/or the Oracle Workforce Development Program (WDP) or successor Oracle Software that may replace OAI/WDP. The OAI/WDP membership fee will be waived for any department that elects to incorporate Oracle programs into its classroom teaching. Teaching departments may apply for the free membership at <http://www.oai.oracle.com> or <http://www.workforce.oracle.com>. Once the teaching department is established as an OAI/WDP member, the department will be licensed to use the programs available under OAI/WDP for the purposes set forth in the applicable agreement.

(q) **Certain Additional Usage Restrictions.** The Oracle Software may not be used for any non-medical school functions of an associated medical center or university hospital (e.g., patient management and billing).

(r) No action, regardless of form, arising out of or relating to the Oracle Component System(s) licensed hereunder may be brought more than eighteen (18) months after the cause of action has accrued.

(s) Third party technology may be necessary to operate some Oracle Software programs and is specified in the program documentation and/or at a website specified in the program documentation. Certain third party technology (Collectively the "Open Source Technology") may be included on the same medium or as part of the download of Oracle Software provided to Licensee, but is licensed under the Mozilla Public License, Common Public License, GNU Lesser General Public License, Netscape: Public License or similar royalty-free/open source license (collectively, the "Open Source Licenses"). Licensee may only use the Open Source Technology in compliance with the terms of this agreement and with the terms of any relevant Open Source License. Any use of Open Source Technology outside of Licensee's licensed use of applicable Oracle Software programs is subject to the rights and obligations under such third party technology's Open Source License. Open Source Technology programs that are separate from Oracle programs are provided as a courtesy to you and are licensed solely under the relevant Open Source License. ANY OPEN SOURCE TECHNOLOGY IS PROVIDED BY SUNGARD HIGHER EDUCATION ON AN "AS-IS" BASIS, WITHOUT WARRANTY OF ANY KIND (WHETHER EXPRESSED OR IMPLIED), AND NEITHER ORACLE NOR SUNGARD HIGHER EDUCATION SHALL HAVE ANY LIABILITY IN CONNECTION WITH ANY OPEN SOURCE TECHNOLOGY ACCESSED OR UTILIZED BY LICENSEE.

(t) In order for Licensee to be entitled to any warranty obligations related to the Oracle Software under the terms of this Agreement, Licensee must, as a prerequisite to receiving any such warranty coverage, notify SunGard Higher Education of a Documented Defect (for which the warranty would apply) within one (1) year after the Delivery Date.

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SOFTWARE MAINTENANCE AGREEMENT

BETWEEN
SunGard Higher Education Inc.
a Delaware Corporation
with Headquarters at:
4 Country View Road
Malvern, PA 19355

("SunGard Higher Education")

AND

Idaho State University
921 South 8th Avenue
Stop 8037
Pocatello, ID 83209

(for purposes of this Agreement, "Licensee")

By the signatures of their duly authorized representatives below, SunGard Higher Education and Licensee, intending to be legally bound, agree to all of the provisions of this Agreement and all Exhibits, Supplements, Schedules, Appendices, and/or Addenda to this Agreement.

SunGard Higher Education

Licensee

BY: _____

BY: _____

PRINT NAME: _____

Kenneth Prolo

PRINT TITLE: _____

Vice President, Financial Services

DATE SIGNED: _____

DATE SIGNED: _____

THIS AGREEMENT is entered into between SunGard Higher Education and Licensee on the latest date shown on the signature page of this Agreement. SunGard Higher Education's obligations hereunder shall commence on April 1, 2007 (the "Commencement Date").

SunGard Higher Education and Licensee have entered into a Software License and Services Agreement with an Execution Date of March _____, 2007 (the "License Agreement") for the Licensed Software. Licensee desires that SunGard Higher Education provide Maintenance and Enhancements for and new releases of the Baseline Licensed Software identified in Exhibit 1 on the terms and conditions contained in this Agreement. Accordingly, the parties agree as follows:

1. Incorporation By Reference. Sections 1 (Definitions), 8 (Confidential Information), 11 through 15, inclusive (Notices, Force Majeure, Assignment, No Waiver and Choice of Law; Severability, respectively), 18 (Indemnification) and 19 (Insurance) of the License Agreement are incorporated into this Agreement by this reference as fully as if written out below. If any provision incorporated by reference from the License Agreement conflicts with any provision of this Agreement, the provision of this Agreement will control.

2. Additional Definitions.

"Authorization Lapse" means that an agreement between SunGard Higher Education and a third party, pursuant to which agreement SunGard Higher Education is authorized to sublicense and/or provide Improvements for a third party's Baseline Component System, has terminated or expired either before the Expiration Date (defined below), or before the expiration of any renewal term.

"Commencement Date" is defined in the opening sentence of this Agreement.

"Contract Year" means, with respect to each Baseline Component System, each one (1) year period beginning and ending on the dates provided for in Exhibit 1 for such Baseline Component System.

"Enhancements" means general release (as opposed to custom) changes to a Baseline Component System which increase the functionality of the Baseline Component System.

"Expiration Date" means, with respect to each Baseline Component System, the date upon which the initial term of this Agreement ends for such Baseline Component System as provided for in Exhibit 1.

"Improvements" means, collectively, Maintenance, Enhancements and New Releases provided under this Agreement.

"Maintenance" means using reasonable efforts to provide Licensee with avoidance procedures (that is, a workaround that will enable Licensee to use the Baseline Licensed Software without having a material adverse impact on Licensee's daily business operations) for or

corrections of Documented Defects. The hours during which Maintenance will be provided for each Component System, the targeted response times for certain defined categories of Maintenance calls for each Component System, and other details and procedures (collectively, the "Maintenance Standards") relating to the provision of Maintenance for each Component System are described in the applicable Supplement attached as Exhibit 2 hereto. To the extent that a different Maintenance Standard applies to certain of the Component Systems than that which applies to others, the Maintenance Standard applicable to each Component System will be described in the table in Exhibit 1 and the corresponding Supplements will be attached in Exhibit 2.

"New Releases" means new editions of a Baseline Component System.

"Notification" means a communication to SunGard Higher Education's ActionLine by means of: (i) SunGard Higher Education's ActionWeb; (ii) the placement of a telephone call; or (iii) the sending of an e-mail, in each case, in accordance with SunGard Higher Education's then-current policies and procedures for submitting such communications.

"Partial Year" means, for each Baseline Component System, the period between the Commencement Date and the first day of the initial Contract Year for that Baseline Component System.

"Priority One Call" means a telephone call from Licensee to SunGard Higher Education's ActionLine reporting that it believes that a Documented Defect has caused: (i) a full failure (i.e., "crash") of its computer system; (ii) a full failure of the Licensed Software; or (iii) a failure of its computer system or the Licensed Software which, in either case, prevents Licensee from performing data processing which is critical to Licensee's operations on the day on which the alleged Documented Defect is reported.

"Priority Two Call" means a Notification from Licensee to SunGard Higher Education's ActionLine reporting that it believes that a Documented Defect has caused a partial failure of Licensee's computer system or the Licensed Software which significantly hinders its ability to perform data processing which is critical to Licensee's operations on the day on which the alleged Documented Defect is reported.

"Priority Three Call" means a Notification from Licensee to SunGard Higher Education's ActionLine reporting that it believes that a Documented Defect has caused an intermittent failure of, or problem with, its computer system or the Licensed

Software that causes a significant delay in Licensee's ability to perform data processing on the day on which the alleged Documented Defect is reported, but where the processing is not critical to Licensee's operations.

"Priority Four Call" means a Notification from Licensee to SunGard Higher Education's ActionLine reporting that it believes that a Documented Defect has caused a problem with its computer system or the Licensed Software that does not significantly affect critical processing.

3. Services.

(a) Types of Services. During the term of this Agreement, SunGard Higher Education will provide Licensee with Maintenance for, Enhancements of, and New Releases of each Baseline Component System identified in Exhibit 1.

(b) Limitations. All Improvements will be part of the applicable Baseline Component System and will be subject to all of the terms and conditions of the License Agreement and this Agreement. SunGard Higher Education's obligation to provide Licensee with Improvements for Baseline Component Systems owned by parties other than SunGard Higher Education is limited to providing Licensee with the Improvements that the applicable third party owner provides to SunGard Higher Education for that Baseline Component System. In this regard, upon any Authorization Lapse, SunGard Higher Education's obligation to provide Improvements to Licensee for that Baseline Component System, and Licensee's obligation to pay SunGard Higher Education for such Improvements, shall automatically terminate simultaneously with the Authorization Lapse. Upon the occurrence of an Authorization Lapse in any instance, SunGard Higher Education will use reasonable efforts to assist Licensee in obtaining maintenance and support from a third party vendor (at Licensee's sole expense) for the Baseline Component System that is the subject of the Authorization Lapse. Such efforts will include working with Licensee to identify third party vendors that provide such maintenance and support, and introducing Licensee to any appropriate contacts that SunGard Higher Education may have within such third party vendor's organization in order to facilitate Licensee's efforts to enter into a maintenance/support agreement with such third party vendor for the Baseline Component System that is the subject of the Authorization Lapse.

Licensee must provide SunGard Higher Education with such facilities, equipment and support as are reasonably necessary for SunGard Higher Education to perform its obligations under this Agreement, including remote access to the Equipment.

4. Payment and Taxes.

(a) Maintenance Fees. For the Improvements for each Baseline Component System, Licensee will pay

SunGard Higher Education: (i) the amount provided for in Exhibit 1 as the Partial Year payment (if applicable) on the payment date provided for in Exhibit 1; and (ii) the amount provided for in Exhibit 1 as the "Payment Amount" for the first Contract Year; and (iii) for each Contract Year subsequent to the initial Contract Year, an amount invoiced by SunGard Higher Education, which amount will increase by the "Annual Escalation Percentage" provided for in Exhibit 1 over the fee that Licensee was obligated to pay to SunGard Higher Education for Improvements for the applicable Baseline Component System in the immediately preceding Contract Year for that Baseline Component System. Fees for Improvements for a Baseline Component System are due on the first day of the first month of the Contract Year for that Baseline Component System.

(b) Additional Costs. Licensee will also reimburse SunGard Higher Education for actual travel and living expenses that SunGard Higher Education incurs in providing Licensee with Improvements under this Agreement, subject to any statutory or regulatory reimbursement limitations imposed by the State of Idaho, with reimbursement to be on an as-incurred basis. SunGard Higher Education will use reasonable efforts to limit travel and living expenses by using coach air fare, booked in advance when available, staying at hotels identified in advance by Licensee as offering contractors a discounted rate, and sharing rental cars, intermediate size or smaller when available. Licensee will also reimburse SunGard Higher Education for all charges incurred in connection with accessing Equipment. Reimbursement is subject to any statutory or regulatory reimbursement limitations imposed by the State of Idaho on contractors, and Licensee will provide SunGard Higher Education with a copy of such limitations before SunGard Higher Education incurs expenses.

(c) Taxes. Licensee represents that it is exempt from the payment of sales, use and other, similar taxes in connection with the transactions contemplated by this Agreement. Licensee covenants and agrees to provide SunGard Higher Education with a true and correct copy of a valid tax exemption certificate ("Tax-Exemption Certificate"), current as of the Commencement Date, by not later than fifteen (15) days after the Commencement Date, and will thereafter, during the period that SunGard Higher Education is rendering services pursuant to this Agreement, will provide SunGard Higher Education with an updated Tax Exemption Certificate as soon as reasonably practicable in each instance after receipt of SunGard Higher Education's request therefor. If in any instance Licensee does not so provide SunGard Higher Education with a Tax Exemption Certificate, then, absent proof of Licensee's direct payment of such tax amounts to the applicable taxing authority, SunGard Higher Education will invoice Licensee for and Licensee will pay to SunGard Higher Education all such tax amounts.

(d) Late Charges. Licensee will pay each SunGard Higher Education invoice by no later than thirty (30) days after receipt. As limited by the laws of the State of Idaho including, without limitation, any so-called "prompt payment" law requirements, any payment that is past due and that Licensee in good faith does not dispute is subject to a late charge equal to the lesser of: (i) the prime lending rate established from time to time by Citizens Bank, Philadelphia, Pennsylvania plus three percent (3%); or (ii) the highest rate permitted by applicable law.

5. Term. Except in the case of Licensee's exercise of the

Early Termination Right described in Section 7(a), the term of this Agreement as it applies to each Baseline Component System is for the period beginning on the Commencement Date and continuing until the Expiration Date for that Baseline Component System. Absent Licensee's exercise of the Early Termination Right in accordance with the provisions of Section 7(a), this Agreement shall remain in full force and effect until the Expiration Date in accordance with its terms.

Except as otherwise expressly provided for in Exhibit 1, for each Baseline Component System, this Agreement will automatically be extended for consecutive Contract Years beyond the Expiration Date on a year-to-year basis unless: (i) either party notifies the other in writing of its intent not to extend this Agreement for any particular Baseline Component System at least six (6) months prior to the Expiration Date, or, for any Contract Year subsequent to the Expiration Date, at least six (6) months prior to the expiration of the then-current Contract Year or (ii) the Agreement has otherwise expired or terminated as it relates to a particular Baseline Component System under the terms of this Agreement.

6. Disclaimer of Warranties. Licensee agrees and understands that **SUNGARD HIGHER EDUCATION MAKES NO WARRANTIES WHATSOEVER, EXPRESSED OR IMPLIED, WITH REGARD TO ANY IMPROVEMENTS AND/OR ANY OTHER MATTER RELATING TO THIS AGREEMENT, AND THAT SUNGARD HIGHER EDUCATION EXPLICITLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. FURTHER, SUNGARD HIGHER EDUCATION EXPRESSLY DOES NOT WARRANT THAT A COMPONENT SYSTEM OR ANY IMPROVEMENTS WILL BE USABLE BY LICENSEE IF THE COMPONENT SYSTEM HAS BEEN MODIFIED BY ANYONE OTHER THAN SUNGARD HIGHER EDUCATION, OR WILL BE ERROR FREE, WILL OPERATE WITHOUT INTERRUPTION OR WILL BE COMPATIBLE WITH ANY HARDWARE OR SOFTWARE OTHER THAN THE EQUIPMENT.**

7. Termination.

(a) Early Termination. Licensee shall have the option (the "Early Termination Right") to terminate this Agreement at its convenience effective on each date identified in Exhibit 1 as an "Optional Termination Date" by providing written notice to SunGard Higher Education at least six (6) months prior to such Optional Termination Date. To the extent that Licensee exercises its Early Termination Right and the corresponding Optional Termination Date occurs during a Contract Year, then Licensee will be obligated to pay the Improvements fees on a prorated basis only through the Optional Termination Date. SunGard Higher Education will, as of the Optional Termination Date, have the right to invoice Licensee for any Improvements fees due up to and including the

Optional Termination Date that have not then been paid by Licensee, or (as applicable) will refund any Improvements fees prepaid for any period following the Optional Termination Date. Absent SunGard Higher Education's receipt of written notice in accordance with the above, this Agreement shall remain in full force and effect in accordance with its terms and Licensee shall be deemed to have waived its right to exercise the applicable Early Termination Right.

(b) Other Termination. A party has the right to terminate this Agreement if the other party breaches a material provision of this Agreement. Either party has the right to terminate this Agreement at any time while an event or condition giving rise to the right of termination exists. To terminate this Agreement, the party seeking termination must give the other party notice that describes the event or condition of termination in reasonable detail. From the date of its receipt of that notice, the other party will have thirty (30) days to cure the breach to the reasonable satisfaction of the party desiring termination. If the event or condition giving rise to the right of termination is not cured within that period, this Agreement will automatically be deemed terminated at the end of that period. However, notice to SunGard Higher Education of a suspected Documented Defect will not constitute a notice of termination of this Agreement.

(c) No Prejudice. Termination of this Agreement will be without prejudice to the terminating party's other rights and remedies pursuant to this Agreement.

8. LIMITATIONS OF LIABILITY.

(a) LIMITED LIABILITY OF SUNGARD HIGHER EDUCATION. **SUNGARD HIGHER EDUCATION'S LIABILITY IN CONNECTION WITH THE IMPROVEMENTS OR ANY OTHER MATTER RELATING TO THIS AGREEMENT WILL NOT EXCEED THE FEES THAT LICENSEE ACTUALLY PAID TO SUNGARD HIGHER EDUCATION FOR THE IMPROVEMENTS FOR THE YEAR THAT SUCH LIABILITY ARISES.**

(b) EXCLUSION OF DAMAGES. **REGARDLESS OF WHETHER ANY REMEDY SET FORTH HEREIN FAILS OF ITS ESSENTIAL PURPOSE OR OTHERWISE, IN NO EVENT WILL SUNGARD HIGHER EDUCATION BE LIABLE TO LICENSEE FOR ANY SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, WHETHER BASED ON BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), PRODUCT LIABILITY, OR OTHERWISE, AND WHETHER OR NOT SUNGARD HIGHER EDUCATION HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE.**

(c) BASIS OF THE BARGAIN. **LICENSEE ACKNOWLEDGES THAT SUNGARD HIGHER EDUCATION HAS SET ITS FEES AND ENTERED INTO THIS AGREEMENT IN RELIANCE UPON THE LIMITATIONS OF LIABILITY AND THE DISCLAIMERS OF WARRANTIES AND DAMAGES SET FORTH IN THIS AGREEMENT, AND THAT THE SAME FORM ESSENTIAL BASIS OF THE BARGAIN BETWEEN THE PARTIES.**

9. **Non-Appropriation of Funds.** Licensee believes that sufficient funds can be obtained to pay all amounts due SunGard Higher Education under this Agreement, and Licensee hereby covenants and agrees that it will do all things lawfully within its power to obtain, maintain and properly request and pursue funds from which payments hereunder may be made, including making provisions for such payments to the extent necessary in each budget submitted for the purpose of obtaining funding, using its best efforts to have such portion of the budget approved and exhausting all available administrative reviews and appeals in the event such portion of the budget is not approved. It is Licensee's intent to make all payments due under this Agreement if funds are legally available therefor and in that regard Licensee represents and warrants to SunGard Higher Education that the Improvements are important to Licensee's proper, efficient and economic operation. If, despite Licensee's efforts, sufficient funds are not appropriated and budgeted in any fiscal period for payments due under this Agreement, then Licensee will immediately notify SunGard Higher Education of such occurrence and SunGard Higher Education will notify Licensee that SunGard Higher Education's obligation to provide Licensee with Improvements pursuant to this Agreement, and Licensee's obligation to obtain Improvements from SunGard Higher Education pursuant to this Agreement, will expire effective on the last day of the fiscal period for which appropriations

were received. Notwithstanding the foregoing, Licensee agrees that the provisions of this Section will not apply to the extent that any funds are appropriated to it, or by it, for the acquisition or provision of services similar to the Improvements, and that it will not during any fiscal period that SunGard Higher Education is to provide Licensee with Improvements pursuant to this Agreement give priority in the application of funds to any other similar services. Further, nothing in this Section will be construed so as to permit Licensee to effect a premature expiration of the Improvements to be provided by SunGard Higher Education pursuant to this Agreement in order to acquire any other similar services or to allocate funds directly or indirectly to perform essentially the same application for which the services are being provided, including the performance of the services by Licensee itself.

In any such event, however, Licensee will remain liable to SunGard Higher Education for payment of all Improvements fees, and reimbursement amounts for reimbursable expenses incurred by SunGard Higher Education, up to the effective date of such termination for non-appropriation.

10. **Entire Agreement.** This Agreement contains the entire understanding of the parties with respect to its subject matter, and supersedes and extinguishes all prior oral and written communications between the parties about its subject matter. Any purchase order or similar document which may be issued by Licensee in connection with this Agreement does not modify this Agreement. No modification of this Agreement will be effective unless it is in writing, is signed by each party, and expressly provides that it amends this Agreement.

EXHIBIT 1Licensee: Idaho State University**Table 1: Baseline Oracle Component Systems**^{1,2}**PARTIAL YEAR PAYMENT/DUE DATE:** (N/A)**FIRST ANNUAL CONTRACT YEAR PAYMENT DATE** April 1, 2007

Component System	Contract Year Begins/Ends	Expiration Date	Maintenance Standards	Initial Payment Amount
Oracle – Full Use Campus Wide (as identified in Exhibit 1 of the License Agreement executed on or about the Execution Date)	April 1/March 31	March 31, 2012	Silver	\$165,978
INITIAL PAYMENT AMOUNT:				\$165,978

Notes to Table 1:

Notwithstanding Sections 5 and 7(a), Maintenance for the Baseline Oracle Component System will renew on a Contract Year-to-Contract Year basis through the Expiration Date unless Licensee advises SunGard Higher Education in a writing received by SunGard Higher Education at its corporate headquarters by no later than sixty days prior to the upcoming Contract Year start date that Licensee is electing not to renew Maintenance for the Baseline Oracle Component System for the upcoming Contract Year. In any event, after the Expiration Date, and notwithstanding Section 5 of this Agreement, Maintenance for the Baseline Oracle Component System will NOT renew after the Expiration Date. For any period subsequent to the Expiration Date, Licensee must contract directly with, and submit maintenance fee payments for the Baseline Oracle Component Systems directly to, Oracle Corporation in accordance with such terms as Licensee and Oracle Corporation may agree.

The “Initial Payment Amount” represents the amount due on the First Annual Contract Year Payment Date for Improvements for the first full Contract Year. Fees for Improvements for each subsequent Contract Year are payable on the anniversary of the First Annual Contract Year Payment Date. Improvement fees for the second Contract Year and for each subsequent Contract Year prior to the Expiration Date will be specified by SunGard Higher Education in an annual invoice and will increase by not more than four percent (4%) over the amount payable for Improvements for the immediately preceding Contract Year. Maintenance for the Baseline Oracle Component System is payable annually in advance.

¹ Oracle Software Improvement Fees are calculated based upon the Equipment configuration identified in Attachment 1 to the License Agreement and the License Fees payable thereunder. Any variation between the Equipment configuration actually utilized by Licensee and the Equipment configuration contained in Attachment 1 to the License Agreement may result in additional Improvement Fees due for the Oracle Software.

² Indicates that the Component System is owned by a third party.

EXHIBIT 2
Silver Level Maintenance Standards

I. Hours During Which SunGard Higher Education’s “ActionLine” Telephone Support Will be Available to Licensee in Connection with the Provision of Maintenance: Seven (7) days per week, 24 hours per day.

Note: SunGard Higher Education’s ActionLine uses an automated answering system to receive and record telephone calls from clients, as well as to receive reports via SunGard Higher Education’s ActionWeb and e-mail. This system allows SunGard Higher Education’s ActionLine staff to classify, prioritize, record basic details, conduct certain research, and assign a consultant to respond to a client’s telephone call.

II. Targeted Response Times. With respect to SunGard Higher Education’s Maintenance obligations, SunGard Higher Education will use diligent, commercially reasonable efforts to respond to Notifications from Licensee relating to the Baseline Component Systems identified in Exhibit 1 of this Agreement in accordance with the following guidelines:

Priority One Calls –two (2) hours or less.

Priority Two Calls - four (4) hours or less.

Priority Three Calls – twenty-four (24) hours or less.

Priority Four Calls – seventy-two (72) hours or less.

Notes: (1) For purposes of these targets, a “response” will mean as an initial contact from a SunGard Higher Education representative to Licensee to begin evaluation of the problem reported under one of the categories of calls identified above; (2) As a prerequisite to SunGard Higher Education’s obligation to respond to Licensee, Licensee must follow the policies and procedures of SunGard Higher Education’s ActionLine (such as the dialing of a particular phone number, the categorization of a particular problem, etc.) when submitting its Notification.

Resource Commitments: Without limiting SunGard Higher Education’s obligations regarding Maintenance, SunGard Higher Education agrees to deploy the following resources in an effort to provide an avoidance procedure or correction of Priority One and Priority Two Documented Defects in connection with each Notification:

Priority One Calls - SunGard Higher Education will assign all resources that SunGard Higher Education determines are reasonably required to correct or provide an avoidance procedure for the Documented Defect. Work on the Documented Defect will continue until the correction or avoidance procedure is determined.

Priority Two Calls - SunGard Higher Education will assign the resources that SunGard Higher Education determines are reasonably required to correct or provide an avoidance procedure for the Documented Defect, provided that Priority One Documented Defects that are then open will be addressed before Priority Two Documented Defects.

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KOCH FINANCIAL CORPORATION

Bruce E. Block
Vice President

Date: June 18, 2007

Customer: Idaho State University ("ISU")

Vendor(s): Phase #1: Sun/Advanced Systems Group
Phase #2: SunGard Higher Education & Other Vendors

Phase #1:

Project Financed: Sun Hardware & Support (Banner Project)

Project Cost: \$594,900 (per quote #DB070111C)

**Source of Funds/
Issue Type:** General obligation of ISU, payable from legally available funds; tax-exempt lease purchase financing

Commencement Date: June 25, 2007

First Payment Due: July 15, 2007

Term: 3 Annual Payments

Interest Rate: 2.226% - Interest rate and Sun Global Financing discount is subject to Commencement Date on June 25, 2007.

Totals:		\$608,456.19	\$13,556.19	\$594,900.00	Rate 2.226%	
Pmt #	Payment Date	Payment Amount	Interest	Principal	Purchase Price	Outstanding Balance
	6/25/2007					\$594,900.00
1	7/15/2007	\$202,818.73	\$735.69	\$202,083.04	\$400,673.30	\$392,816.96
2	7/1/2008	\$202,818.73	\$8,404.06	\$194,414.67	\$202,370.34	\$198,402.29
3	7/1/2009	\$202,818.73	\$4,416.44	\$198,402.29	\$0.00	\$0.00

Phase #2:

Project Financed: SunGard Higher Education & other vendors

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Financed Amount: \$8,410,019.00 (per ISU ERP Implementation Budget)
Issue Type: Tax-exempt lease purchase financing
Commencement Date: August 30, 2007
First Payment Due: September 30, 2007
Term: 8.34 Years
Interest Rate: 5.08% - Interest rate is subject to Commencement Date on or before August 30, 2007 and a written commitment by ISU on or before June 22, 2007 and final Idaho State Board of Education approval on August 10, 2007, otherwise interest rates are indexed until mutual agreement between Koch and ISU.

Totals:		\$9,920,367.74	\$1,510,348.74	\$8,410,019.00	Rate 5.080%	
Pmt #	Payment Date	Payment Amount	Interest	Principal	Purchase Price	Outstanding Balance
	8/30/2007					\$8,410,019.00
1	9/30/2007	\$36,000.00	\$35,602.41	\$397.59	\$8,577,813.84	\$8,409,621.41
2	2/1/2008	\$3,464,000.00	\$143,589.61	\$3,320,410.39	\$5,190,995.25	\$5,089,211.03
3	7/1/2008	\$130,000.00	\$107,721.63	\$22,278.37	\$5,168,271.31	\$5,066,932.66
4	1/1/2009	\$130,000.00	\$128,700.09	\$1,299.91	\$5,166,945.41	\$5,065,632.75
5	7/1/2009	\$225,000.00	\$128,667.07	\$96,332.93	\$5,068,685.82	\$4,969,299.82
6	1/1/2010	\$225,000.00	\$126,220.22	\$98,779.78	\$4,967,930.44	\$4,870,520.04
7	7/1/2010	\$425,000.00	\$123,711.21	\$301,288.79	\$4,660,615.87	\$4,569,231.25
8	1/1/2011	\$425,000.00	\$116,058.47	\$308,941.53	\$4,345,495.51	\$4,260,289.72
9	7/1/2011	\$520,000.00	\$108,211.36	\$411,788.64	\$3,925,471.10	\$3,848,501.08
10	1/1/2012	\$520,000.00	\$97,751.93	\$422,248.07	\$3,494,778.07	\$3,426,253.01
11	7/1/2012	\$500,000.00	\$87,026.83	\$412,973.17	\$3,073,545.43	\$3,013,279.83
12	1/1/2013	\$500,000.00	\$76,537.31	\$423,462.69	\$2,641,613.48	\$2,589,817.14
13	7/1/2013	\$492,500.00	\$65,781.36	\$426,718.64	\$2,206,360.47	\$2,163,098.50
14	1/1/2014	\$492,500.00	\$54,942.70	\$437,557.30	\$1,760,052.02	\$1,725,541.20
15	7/1/2014	\$470,000.00	\$43,828.75	\$426,171.25	\$1,325,357.34	\$1,299,369.94
16	1/1/2015	\$470,000.00	\$33,004.00	\$436,996.00	\$879,621.42	\$862,373.94
17	7/1/2015	\$447,683.87	\$21,904.30	\$425,779.57	\$445,326.26	\$436,594.37
18	1/1/2016	\$447,683.87	\$11,089.50	\$436,594.37	\$0.00	\$0.00

Title/Ownership: Per Section 14. Title of the below referenced Master Lease/Purchase Agreement, upon acceptance of the Equipment title to the Equipment shall vest with ISU.

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Documentation:	It is anticipated that the transaction will be documented via the Master Lease Purchase/Agreement dated July 1, 2003 between Idaho State University and Koch Financial Corporation. Subject to final credit approval, due diligence call with ISU and documentation; specific financing documentation will be required for Phase #1 to reflect a 2.226% amortization table and financing discount (i.e., Form 8038).
Fees or Closing Costs:	ISU will be responsible for any fees or expenses with respect to (i) legal costs and validity opinion; (ii) escrow fees, if applicable; and (iii) tax opinion. However, ISU will be responsible for any of its own fees or expenses, or those of any consultants or advisors it may engage, Koch is willing to finance such expenses.
Net Lease:	Lease payments are net and exclusive of maintenance charges, insurance, any and all applicable taxes, and expenses as noted above. All such fees and expenses are the responsibility of the Lessee.
Escrow Account:	The proceeds of the financing will be deposited in an escrow account established with an approved Escrow Agent. The actual rate of escrow earnings will be negotiated between Lessee and the Escrow Agent. The Escrow Agent will be authorized to purchase and sell qualified investments, as defined by relevant law and the Escrow Agreement. Any interest earned on such investments shall be for the benefit of Lessee. Koch does not guarantee an interest earning rate from the escrow. Koch has pre-negotiated escrow fee of only \$750 with the Bank of New York.
Other Conditions:	<p>This proposal is subject to:</p> <ul style="list-style-type: none">▪ Negotiation of all final financing documents required to the satisfaction of both parties;▪ Verification of eligibility for tax exempt financing; and▪ Final underwriting, due diligence and credit approval▪ This financing Term-Sheet can be extended to other colleges and universities in the State of Idaho subject to credit approval, project review and changes in interest rate market conditions.

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**Idaho State University
ERP Implementation Budget
Cash Flow Analysis**

6/28/2007

	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	Cumulative
Beginning Balance	600,000	1,125,016	2,656,982	1,071,046	32,342	40,880	48,430	52,522	55,817	65,885	84,395	
Expenditure												
Salaries	187,113	927,765	1,009,930	1,005,896	645,349	495,181	514,989	535,588	557,012	579,292	602,464	7,060,580
Software licenses & maintenance	887,622	2,914,382	929,168	869,833	806,595	838,859	872,413	907,310	943,602	981,346	1,020,600	11,971,729
Hardware & maintenance	800,449	294,628	56,653	117,952	122,510	127,410	132,506	137,807	143,319	149,052	155,014	2,237,299
Consulting and travel	5,800	1,676,597	1,252,234	621,811								3,556,442
Materials & supplies	44,000	90,000	70,000	70,000	55,000	45,000	35,000	25,000	20,000	20,800	21,632	496,432
Project contingency		500,000	450,000	400,000								1,350,000
Hardware lease payment		202,819	202,819	202,819								608,457
Project lease payment		3,200,000	325,000	400,000	975,000	1,085,000	1,090,000	1,090,000	1,025,000	1,000,000	280,945	10,470,945
TOTAL expenditure	1,924,984	9,806,191	4,295,804	3,688,311	2,604,453	2,591,450	2,644,908	2,695,704	2,688,933	2,730,490	2,080,655	37,751,883
Income												
Student Fees (\$25/student)	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	4,950,000
Student Fees (\$50/student)		900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	9,000,000
Student Fees (\$40.50/student)			729,000	729,000	729,000	729,000	729,000	729,000	729,000	729,000	0	5,832,000
University Reserves	2,000,000											2,000,000
Additional University Resources		250,000	300,000	350,000	400,000	400,000	450,000	500,000	500,000	550,000	550,000	4,250,000
Capital Equipment Appropriation		290,000										290,000
ITS Budget		120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	1,200,000
Hardware lease income		594,900										594,900
Project lease income		8,733,257										8,733,257
Estimate Escrow Earnings			210,868	100,607	13,991							
TOTAL Income	2,450,000	11,338,157	2,709,868	2,649,607	2,612,991	2,599,000	2,649,000	2,699,000	2,699,000	2,749,000	2,020,000	37,175,623
Ending Balance	1,125,016	2,656,982	1,071,046	32,342	40,880	48,430	52,522	55,817	65,885	84,395	23,740	23,740

Amount Financed 8,733,257 **yr1** 4,885,607 **yr2** 2,238,055 **yr3** 1,609,596 One additional Payment

Escrow Earnings @ 4.5%

\$210,868 \$100,607 \$13,991
 \$173,144 \$72,432 \$13,991
 \$37,723 \$28,175

Total in Yr 2 & Yr 3

1/2 of Current Yr Consulting Costs

Total in Yr 3

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MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT

This Master Equipment Lease/Purchase Agreement dated as of July 01, 2003, and entered into between Koch Financial Corporation, a Kansas corporation ("Lessor"), and Idaho State University, a body corporate and politic existing under the laws of the State of ID ("Lessee").

1. **Agreement.** Lessee agrees to lease from Lessor certain "Equipment" as described in each Equipment Schedule (Exhibit A), which together with a Rental Payment Schedule (Exhibit A-1) constitute a "Schedule", subject to the terms and conditions of and for the purposes set forth in each Lease. Items of equipment may be added to the Equipment from time to time by execution of additional Schedules by the parties hereto and as otherwise provided herein. Each Schedule and the terms and provisions of this Agreement (which includes all exhibits hereto, together with any amendments and modifications pursuant thereto) which are incorporated by reference into such Schedule shall constitute a separate and independent lease and installment purchase of the Equipment therein described and are referred to herein as a "Lease".

2. **Term.** The "Commencement Date" for each Lease is the date when interest commences to accrue under such Lease which date shall be the earlier of (i) the date on which the Equipment listed in such Lease is accepted by Lessee in the manner described in Section 11, or (ii) the date on which sufficient monies to purchase the Equipment listed in such Lease are deposited for that purpose with an escrow agent, or (iii) the date sufficient monies are set aside for acquisition of Equipment as evidenced in Exhibit D, if applicable. The "Lease Term" for each Lease means the Original Term and all Renewal Terms therein provided and for this Agreement means the period from the date hereof until this Agreement is terminated. The "Original Term" means the period from the Commencement Date for each Lease until the end of Lessee's fiscal year or biennium (as the case may be) (the "Fiscal Period") in effect at such Commencement Date. The "Renewal Term" for each Lease is each term having a duration that is coextensive with the Fiscal Period.

3. **Representations and Covenants of Lessee.** Lessee represents, covenants and warrants for the benefit of Lessor on the date hereof and as of the Commencement Date of each Lease as follows: (a) Lessee is a public body corporate and politic duly organized and existing under the constitution and laws of the State with full power and authority under the constitution and laws of the state where the Lessee is located ("State") to enter into this Agreement and each Lease and the transactions contemplated hereby and to perform all of its obligations hereunder and under each Lease; (b) Lessee has duly authorized the execution and delivery of this Agreement and each Lease by proper action of its governing body at a meeting duly called and held in accordance with State law, or by other appropriate official approval, and all requirements have been met and procedures have occurred to ensure the validity and enforceability of this Agreement and each Lease; (c) Lessee will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a body corporate and politic; (d) Lessee has complied with such public bidding requirements as may be applicable to this Agreement and each Lease and the acquisition by Lessee of the Equipment as provided in each Lease; (e) during the Lease Term, the Equipment will be used by Lessee solely and exclusively for the purpose of performing essential governmental or proprietary functions of Lessee consistent with the permissible scope of Lessee's authority; (f) Lessee will annually provide Lessor with current financial statements, budgets, proof of appropriation for the ensuing Fiscal Period, and such other financial information relating to the ability of Lessee to continue each Lease as may be requested by Lessor; and (g) Lessee has an immediate need for the Equipment listed on each Schedule and expects to make immediate use of the Equipment listed on each Schedule.

4. **Tax and Arbitrage Representations.** Lessee hereby represents as follows: (a) the estimated total costs of the Equipment listed in each Schedule will not be less than the total principal portion of the Rental Payments listed in such Rental Payment Schedule; (b) the Equipment listed in each Schedule has been ordered or is expected to be ordered within 6 months of the Commencement Date, and all amounts deposited in escrow to pay for the Equipment, and interest earnings, will be expended on costs of the Equipment and the financing within 3 years of Commencement Date; (c) no proceeds of any Lease will be used to reimburse Lessee for expenditures made more than 60 days prior to the Commencement Date or, if earlier, more than 60 days prior to any official action taken to evidence an intent to finance; (d) Lessee has not created or established, and does not expect to create or establish, any sinking fund or similar fund (i) that is reasonably expected to be used to pay the Rental Payments, or (ii) that may be used solely to prevent a default in the payment of the Rental Payments; (e) the Equipment listed in each Schedule has not been and is not expected to be sold or otherwise disposed of by Lessee, either in whole or in part, prior to the last maturity of Rental Payments; (f) Lessee will comply with all applicable provisions of the Internal Revenue Code of 1986, as amended ("Code"), including without limitation Sections 103 and 148 thereof, and the applicable regulations of the Treasury Department to maintain the exclusion of the interest components of Rental Payments from gross income for purposes of federal income taxation; and (g) Lessee intends that each Lease not constitute a "true" lease for federal income tax purposes.

5. **Lease of Equipment.** Upon the execution of each Lease, Lessor demises, leases, transfers, and lets to Lessee, and Lessee acquires, rents, leases and hires from Lessor, the Equipment in accordance with the terms thereof. The Lease Term for each Lease may be continued, solely at the option of Lessee, at the end of the Original Term or any Renewal Term for the next succeeding Renewal Term up to the maximum Lease Term set forth in such Lease. At the end of the Original Term and at the end of each Renewal Term the Lease Term shall be automatically extended upon the successive appropriation by Lessee's governing body of amounts sufficient to pay Rental Payments and other amounts payable under the related Lease during the next succeeding Fiscal Period until all Rental Payments payable under such Lease have been paid in full, unless Lessee shall have terminated such Lease pursuant to Section 7 or Section 22. The terms and conditions during any Renewal Term shall be the same as the terms and conditions during the Original Term, except that the Rental Payments shall be as provided in the applicable Lease.

6. **Continuation of Lease Term.** Lessee currently intends, subject to Section 7, to continue the Lease Term of each Lease through the Original Term and all Renewal Terms and to pay the Rental Payments thereunder. Lessee reasonably believes that legally available funds in an amount sufficient to make all Rental Payments during the maximum Lease Term of each Lease can be obtained. Lessee currently intends to do all things lawfully within its power to obtain and maintain funds from which the Rental Payments may be made, including making provision for such payments to the extent necessary in each budget or appropriation request submitted and adopted in accordance with applicable provisions of law. Notwithstanding the foregoing, the decision whether or not to budget and appropriate funds or to extend the applicable Schedule for any Renewal Term is within the discretion of the governing body of Lessee.

7. **Nonappropriation.** Lessee is obligated only to pay such Rental Payments under each Lease as may lawfully be made from funds budgeted and appropriated for that purpose. Should Lessee fail to budget, appropriate or otherwise make available funds to pay Rental Payments under any Lease following the then current Original Term or Renewal Term, such Lease or Leases shall be deemed terminated at the end of the then current Original Term or Renewal Term. Lessee agrees to deliver notice to Lessor of such termination at least 30 days prior to the end of the then current Original Term or Renewal Term, but failure to give such notice shall not extend the term beyond such Original Term or Renewal Term. If any Lease is terminated in accordance with this Section, Lessee agrees to peaceably deliver the Equipment to Lessor at the location(s) to be specified by Lessor.

8. **Conditions to Lessor's Performance.** This Agreement is not a commitment by Lessor to enter into any Lease not currently in existence, and nothing in this Agreement shall be construed to impose any obligation upon Lessor to enter into any proposed Lease, it being understood that whether Lessor enters into any proposed Lease shall be a decision solely within Lessor's discretion. Lessee will cooperate with Lessor in Lessor's review of any proposed Lease. Lessee understands that Lessor requires certain documentation and information necessary to enter into any Lease and Lessee agrees to provide Lessor with any documentation or information Lessor may request in connection with Lessor's review of any proposed Lease. Such documentation may include, without limitation, documentation concerning the Equipment and its contemplated use and location and documentation or information concerning the financial status of Lessee and other matters related to Lessee.

9. **Rental Payments.** Lessee shall promptly pay "Rental Payments" as described in Exhibit A-1 to each Lease, exclusively from legally available funds, to Lessor on the dates and in such amounts as provided in each Lease. Lessee shall pay Lessor a charge on any Rental Payment not paid on the date such payment is due at the rate of 12% per annum or the maximum rate permitted by law, whichever is less, from such date until paid. Rental Payments consist of principal and interest portions. Lessor and Lessee understand and intend that the obligation of Lessee to pay Rental Payments under each Lease shall constitute a current expense of Lessee and shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by Lessee, nor shall anything contained herein or in a Lease constitute a pledge of the general tax revenues, funds or monies of Lessee.

10. **RENTAL PAYMENTS TO BE UNCONDITIONAL.** EXCEPT AS PROVIDED IN SECTION 7, THE OBLIGATIONS OF LESSEE TO MAKE RENTAL PAYMENTS AND TO PERFORM AND OBSERVE THE OTHER COVENANTS AND AGREEMENTS CONTAINED IN EACH LEASE SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMINUTION, DEDUCTION, SET-OFF OR DEFENSE, FOR ANY REASON, INCLUDING WITHOUT LIMITATION ANY FAILURE OF THE

EQUIPMENT TO BE DELIVERED OR INSTALLED, ANY DEFECTS, MALFUNCTIONS, BREAKDOWNS OR INFIRMITIES IN THE EQUIPMENT OR ANY ACCIDENT, CONDEMNATION OR UNFORESEEN CIRCUMSTANCES.

11. Delivery; Installation; Acceptance. Lessee shall order the Equipment, cause the Equipment to be delivered and installed at the location specified in each Lease and pay any and all delivery and installation costs in connection therewith. When the Equipment listed in any Lease has been delivered and installed, Lessee shall immediately accept such Equipment and evidence said acceptance by executing and delivering to Lessor an Acceptance Certificate (Exhibit B). Lessor shall provide Lessee with quiet use and enjoyment of the Equipment during the Lease Term.

12. Location; Inspection. Once installed, no item of the Equipment will be moved from the location specified for it in the Lease on which such item is listed without Lessor's consent, which consent shall not be unreasonably withheld. Lessor shall have the right at all reasonable times during regular business hours to enter into and upon the property of Lessee for the purpose of inspecting the Equipment.

13. Use; Maintenance. Lessee will not install, use, operate or maintain the Equipment improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by the related Lease. Lessee shall provide all permits and licenses, if any, necessary for the installation and operation of the Equipment. In addition, Lessee agrees to comply in all respects with all applicable laws, regulations and rulings of any legislative, executive, administrative or judicial body. Lessee agrees that it will, at Lessee's own cost and expense, maintain, preserve and keep the Equipment in good repair and working order. Lessee will enter into a maintenance contract for the Equipment that is acceptable to Lessor.

14. Title. Upon acceptance of the Equipment under a Lease by Lessee, title to the Equipment shall vest in Lessee subject to Lessor's rights under the Lease; provided that title shall thereafter immediately and without any action by Lessee vest in Lessor, and Lessee shall immediately surrender possession of the Equipment to Lessor, upon (a) any termination of the applicable Lease other than termination pursuant to Section 22 or (b) the occurrence of an Event of Default. Transfer of title to Lessor pursuant to this Section shall occur automatically without the necessity of any bill of sale, certificate of title or other instrument of conveyance. Lessee shall, nevertheless, execute and deliver any such instruments as Lessor may request to evidence such transfer.

15. Security Interest. To secure the payment of all of Lessee's obligations under each Lease, upon the execution of such Lease, Lessee grants to Lessor a security interest constituting a first and exclusive lien on the Equipment applicable to such Lease and on all proceeds therefrom. Lessee agrees to execute such additional documents, in form satisfactory to Lessor, which Lessor deems necessary or appropriate to establish and maintain its security interest in the Equipment. The Equipment is and will remain personal property and will not be deemed to be affixed to or a part of the real estate on which it may be situated.

16. Liens, Taxes, Other Governmental Charges and Utility Charges. Lessee shall keep the Equipment free of all levies, liens and encumbrances except those created by each Lease. The parties to this Agreement contemplate that the Equipment will be used for governmental or proprietary purposes of Lessee and that the Equipment will therefore be exempt from all property taxes. If the use, possession or acquisition of any Equipment is nevertheless determined to be subject to taxation, Lessee shall pay when due all taxes and governmental charges lawfully assessed or levied against or with respect to such Equipment. Lessee shall pay all utility and other charges incurred in the use and maintenance of the Equipment. Lessee shall pay such taxes or charges as the same may become due.

17. Insurance. At its own expense, Lessee shall during each Lease Term maintain (a) casualty insurance insuring the Equipment against loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State and any other risks reasonably required by Lessor, in an amount at least equal to the then applicable "Purchase Price" of the Equipment as described in Exhibit A-1 of each Lease; (b) liability insurance that protects Lessee from liability in all events in form and amount satisfactory to Lessor; and (c) workers' compensation coverage as required by the laws of the State; provided that, with Lessor's prior written consent, Lessee may self-insure against the risks described in clauses (a) and (b). Lessee shall furnish to Lessor evidence of such insurance or self-insurance coverage throughout each Lease Term. Lessee shall not materially modify or cancel such insurance or self-insurance coverage without first giving written notice thereof to Lessor at least 10 days in advance of such cancellation or modification. All such insurance described in clauses (a) and (b) above shall contain a provision naming Lessor as a loss payee and additional insured.

18. Advances. In the event Lessee shall fail to keep the Equipment in good repair and working order, Lessor may, but shall be under no obligation to, maintain and repair the Equipment and pay the cost thereof. All amounts so advanced by Lessor shall constitute additional rent for the then current Original Term or Renewal Term and Lessee agrees to pay such amounts so advanced by Lessor with interest thereon from the advance date until paid at the rate of 12% per annum or the maximum rate permitted by law, whichever is less.

19. Damage, Destruction and Condemnation. If (a) the Equipment or any portion thereof is destroyed, in whole or in part, or is damaged by fire or other casualty or (b) title to, or the temporary use of, the Equipment or any part thereof

shall be taken under the exercise or threat of the power of eminent domain by any governmental body or by any person, firm or corporation acting pursuant to governmental authority, Lessee and Lessor will cause the Net Proceeds to be applied to the prompt replacement, repair, restoration, modification or improvement of the Equipment to substantially the same condition as existed prior to the event causing such damage, destruction, or condemnation, unless Lessee shall have exercised its option to purchase the Equipment pursuant to Section 22. Any balance of the Net Proceeds remaining after such work has been completed shall be paid to Lessee.

For purposes of this Section, the term "Net Proceeds" shall mean (y) the amount of insurance proceeds received by Lessee for replacing, repairing, restoring, modifying, or improving damaged or destroyed Equipment, or (z) the amount remaining from the gross proceeds of any condemnation award or sale under threat of condemnation after deducting all expenses, including attorneys' fees, incurred in the collection thereof. If the Net Proceeds are insufficient to pay in full the cost of any replacement, repair, restoration, modification or improvement referred to herein, Lessee shall either (a) complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds, or (b) pursuant to Section 22 purchase Lessor's interest in the Equipment and in any other Equipment listed in the same Lease. The amount of the Net Proceeds, if any, remaining after completing such replacement, repair, restoration, modification or improvement or after purchasing Lessor's interest in the Equipment and such other Equipment shall be retained by Lessee. If Lessee shall make any payments pursuant to this Section, Lessee shall not be entitled to any reimbursement therefor from Lessor nor shall Lessee be entitled to any diminution of the amounts payable under Section 9.

20. DISCLAIMER OF WARRANTIES. LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF THE EQUIPMENT, OR WARRANTY WITH RESPECT THERETO WHETHER EXPRESS OR IMPLIED, AND LESSEE ACCEPTS SUCH EQUIPMENT AS IS AND WITH ALL FAULTS. IN NO EVENT SHALL LESSOR BE LIABLE FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGE IN CONNECTION WITH OR ARISING OUT OF ANY LEASE OR THE EXISTENCE, FURNISHING, FUNCTIONING OR LESSEE'S USE OF ANY ITEM, PRODUCT OR SERVICE PROVIDED FOR IN ANY LEASE.

21. Vendor's Warranties. Lessor hereby irrevocably appoints Lessee as its agent and attorney-in-fact during each Lease Term, so long as Lessee shall not be in default under the related Lease, to assert from time to time whatever claims and rights (including without limitation warranties) relating to the Equipment that Lessor may have against Vendor. The term "Vendor" means any supplier or manufacturer of the Equipment as well as the agents or dealers of the manufacturer or supplier from whom Lessor purchased or is purchasing such Equipment. Lessee's sole remedy for the breach of such warranty, indemnification or representation shall be against Vendor of the Equipment, and not against Lessor. Any such matter shall not have any effect whatsoever on the rights or obligations of Lessor with respect to any Lease, including the right to receive full and timely payments under a Lease. Lessee expressly acknowledges that Lessor makes, and has made, no representations or warranties whatsoever as to the existence or the availability of such warranties by Vendor of the Equipment.

22. Purchase Option. Lessee shall have the option to purchase Lessor's interest in all of the Equipment listed in any Lease, upon giving written notice to Lessor at least 60 days before the date of purchase, at the following times and upon the following terms: (a) on the Rental Payment dates specified in each Lease, upon payment in full of the Rental Payments then due under such Lease plus the then applicable Purchase Price as referenced in Exhibit A-1; or (b) in the event of substantial damage to or destruction or condemnation of substantially all of the Equipment listed in a Lease, on the day specified in Lessee's notice to Lessor of its exercise of the purchase option upon payment in full to Lessor of the Rental Payments then due under such Lease plus the then applicable Purchase Price plus accrued interest from the immediately preceding Rental Payment date to such purchase date.

23. Assignment. Lessor's right, title and interest in and to each Lease, including Rental Payments and any other amounts payable by Lessee thereunder and all proceeds therefrom, may be assigned and reassigned to one or more assignees or subassignees by Lessor without the necessity of obtaining the consent of Lessee; provided that any such assignment shall not be effective until (a) Lessee has received written notice, signed by the assignor, of the name and address of the assignee, and (b) it is registered on the registration books. Lessee shall retain all such notices as a register of all assignees in compliance with Section 149(a) of the Code, and shall make all payments to the assignee or assignees designated in such register. Lessee agrees to execute all documents that may be reasonably requested by Lessor or any assignee to protect its interests and property assigned pursuant to this Section. Lessee shall not have the right to and shall not assert against any assignee any claim, counterclaim or other right Lessee may have against Lessor or Vendor. Assignments may include without limitation assignment of all of Lessor's security interest in and to the Equipment listed in a particular Lease and all rights in, to and under the Lease related to such Equipment. Lessee hereby agrees that Lessor may, without notice to Lessee, sell, dispose of, or assign this Agreement or any particular Lease or Leases

through a pool, trust, limited partnership, or other similar entity, whereby one or more interests are created in this Agreement or in a Lease or Leases, or in the Equipment listed in or the Rental Payments under a particular Lease or Leases.

None of Lessee's right, title and interest in, to and under any Lease or any portion of the Equipment listed in each Lease may be assigned, subleased, or encumbered by Lessee for any reason without obtaining prior written consent of Lessor.

24. Events of Default. Any of the following events shall constitute an "Event of Default" under a Lease: (a) failure by Lessee to pay any Rental Payment or other payment required to be paid under a Lease at the time specified therein; (b) failure by Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subparagraph (a) above, for a period of 30 days after written notice specifying such failure and requesting that it be remedied is given to Lessee by Lessor; (c) any statement, representation or warranty made by Lessee in or pursuant to any Lease shall prove to have been false, incorrect, misleading or breached in any material respect on the date when made; or (d) Lessee institutes any proceedings under any bankruptcy, insolvency, reorganization or similar law or a receiver or similar official is appointed for Lessee or any of its property.

25. Remedies on Default. Whenever any Event of Default exists, Lessor shall have the right, at its sole option without any further demand or notice, to take one or any combination of the following remedial steps: (a) by written notice to Lessee, Lessor may declare all Rental Payments payable by Lessee pursuant to such Lease and other amounts payable by Lessee under such Lease to the end of the then current Original Term or Renewal Term to be immediately due and payable; (b) with or without terminating the Lease Term under such Lease, Lessor may enter the premises where the Equipment listed in such Lease is located and retake possession of such Equipment or require Lessee at Lessee's expense to promptly return any or all of such Equipment to the possession of Lessor at such place within the United States as Lessor shall specify, and sell or lease such Equipment or, for the account of Lessee, sublease such Equipment, continuing to hold Lessee liable for the difference between (i) the Rental Payments payable by Lessee pursuant to such Lease and other amounts related to such Lease of the Equipment listed therein that are payable by Lessee to the end of the then current Original Term or Renewal Term, as the case may be, and (ii) the net proceeds of any such sale, leasing or subleasing (after deducting all expenses of Lessor in exercising its remedies under such Lease, including without limitation all expenses of taking possession, storing, reconditioning and selling or leasing such Equipment and all brokerage, auctioneer's and attorney's fees), subject, however, to the provisions of Section 7 hereof. The exercise of any such remedies in respect of any such Event of Default shall not relieve Lessee of any other liabilities under any other Lease or the Equipment listed therein; and (c) Lessor may take whatever action at law or in equity may appear necessary or desirable to enforce its rights under such Lease or as a secured party in any or all of the Equipment. Any net proceeds from the exercise of any remedy under a Lease (after deducting all costs and expenses referenced in the Section) shall be applied as follows: (i) if such remedy is exercised solely with respect to a single Lease, Equipment listed in such Lease or rights thereunder, then to amounts due pursuant to such Lease and other amounts related to

such Lease or such Equipment; or (ii) if such remedy is exercised with respect to more than one Lease, Equipment listed in more than one Lease or rights under more than one Lease, then to amounts due pursuant to such Leases pro-rata.

26. No Remedy Exclusive. No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under a Lease now or hereafter existing at law or in equity.

27. Notices. All notices or other communications under any Lease shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, to the parties hereto at the addresses listed below (or at such other address as either party hereto shall designate in writing to the other for notices to such party), or to any assignee at its address as it appears on the registration books maintained by Lessee.

28. Release and Indemnification. To the extent permitted by State law, and subject to Section 7, Lessee shall indemnify, release, protect, hold harmless, save and keep harmless Lessor from and against any and all liability, obligation, loss, claim, tax and damage whatsoever, regardless of cause thereof, and all expenses in connection therewith (including, without limitation, attorney's fees and expenses, penalties connected therewith imposed on interest received) arising out of or as result of (a) entering into any Lease, (b) the ownership of any item of Equipment, (c) the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of any item of Equipment, (d) any accident in connection with the operation, use, condition, possession, storage or return of any item of Equipment resulting in damage to property or injury to or death to any person, and/or (e) the breach of any covenant or any material representation contained in a Lease. The indemnification arising under this Section shall continue in full force and effect notwithstanding the full payment of all obligations under all Leases or the termination of the Lease Term under all Leases for any reason.

29. Miscellaneous Provisions. Each Lease shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns. References herein to "Lessor" shall be deemed to include each of its assignees and subsequent assignees from and after the effective date of each assignment as permitted by Section 23. In the event any provision of any Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision thereof. Each Lease may be amended by mutual written consent of Lessor and Lessee. Each Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The captions or headings in this Agreement and in each Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement or any Lease. This Agreement and each Lease shall be governed by and construed in accordance with the laws of the State.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Agreement to be executed in their names by their duly authorized representatives as of the date first above written.

(LESSOR)
Koch Financial Corporation
17767 North Perimeter Drive Suite 101
Scottsdale, AZ, 85255

By Cathy Jimenez
Name CATHY JIMENEZ
Title VICE-PRESIDENT OPERATIONS

(LESSEE)
Idaho State University

By David Buck
Name David Buck
Title Director of Purchasing Services

Attest:
By Ken Prolo
Name Ken Prolo
Title Vice President for Financial Services

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BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

INSTITUTION/AGENCY AGENDA
IDAHO STATE UNIVERSITY

SUBJECT

Authorization to issue General Revenue Bonds ("2007 Bonds") to provide additional financing for the purchase and renovation of the Meridian Facility and an addition to Reed Gymnasium

REFERENCES

April 2005	Board approved a motion for the Division of Public Works (DPW) to issue a Request For Proposals (RFP) for the design and construction of an aquatic center.
April 2007	Board approved the purchase of approximately one-third of a building owned by Meridian Joint School District No. 2 for \$5,200,000, and for the Division of Public Works to issue an RFP for the design and cost estimate; and to accept a grant of \$5,000,000 from the ALSAM Foundation.
June 2007	Board rescinded April 2005 action to authorize the design and construction of an aquatic center. The Board approved DPW to provide design development and a budget for an addition to the student recreation center. The Board also approved previously collected student facility fees to be used for equipment for the recreation center and for future student capital projects.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.F.1.
Idaho Code, Title 33, Chapter 38 ('Higher Education Bond Act')

BACKGROUND

This bond issue will support two capital projects:

1. Recreation Center

The Associated Students at ISU have approved using student fees to add an additional 14,500 square feet for student recreational activities to the Reed Gymnasium Complex. This expansion will include:

- three multi-purpose rooms
- fitness space (free and machine weights and cardio)
- indoor running track
- equipment storage rooms
- recreation administration offices

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

INSTITUTION/AGENCY AGENDA
IDAHO STATE UNIVERSITY – continued

2. Meridian Building

ISU has been providing educational services using leased spaces in the Treasure Valley for over 25 years. After evaluating a number of purchase options, it was determined that the purchase (\$5,200,000) of approximately one-third of the building (100,000 sq. ft.) owned by the Meridian School District was the most viable option. This will enable ISU, upon completion of the interior, to vacate the leased spaces in the Treasure Valley (50,000 sq. ft.) and obtain significant space for further growth. The ALSAM Foundation has donated \$5,000,000 toward the purchase of this facility and to expand the pharmacy program in the Treasure Valley. This facility is predominantly open space which could accommodate a second floor, increasing the square footage another 70,000 sq. ft. (approximately).

DISCUSSION

Completion dates for the two bonded facilities are currently planned for August 2009 (recreation facility) and for July 2009 (Meridian facility). Significant student usage is anticipated for the recreation facility and the Meridian facility will replace the instructional lease space as well as providing an additional approximately 20,000 sq. ft. to house the pharmacy program expansion.

Documents related to the issuance and sale of the 2007 Bonds are being prepared by bond counsel (Ballard Spahr Andrews and Ingersoll LLP). These documents have been shared with Board staff. The University is conducting conference calls with Standard and Poor's Public Finance Ratings and Moody's Investors Service on July 25 to obtain ratings on the 2007 Bonds. The ratings will be available at the August 2007 State Board of Education meeting. The University expects that the 2007 Bonds will be insured with a municipal bond insurance policy, thereby achieving insured triple-A ratings.

The 2007 Bonds would be issued as Additional Bonds under the Board's Resolution adopted September 17, 1992 (Original Resolution), as previously amended and supplemented, and under the Supplemental Resolution authorizing issuance of the 2007 Bonds (Supplemental Resolution). The 2007 Bonds would be issued on parity with all other bonds issued under the Original Resolution, secured by the pledge of the University's Pledge Revenues, including but not limited to the University's Student Facilities Fee/Facilities, the Matriculation Fee, and the Revenues of the Housing System.

IMPACT

The design and construction of these facilities are estimated to be:

1. Recreation Facility - \$6,800,000
2. Meridian Facility Purchase & Renovation - \$14,000,000

**BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007**

**INSTITUTION/AGENCY AGENDA
IDAHO STATE UNIVERSITY – continued**

Funding will be based on:

1. Recreation Facility

The \$27 per full-time student fee per semester will support a 25-year bond for the total cost. There is a balance of \$1,319,365 from fees already collected. A total of \$1,436,894 in fees had been collected to date and \$160,887 has been paid to the architects. Facility occupancy costs will be covered by user fees.

2. Meridian Facility

- a. Donation of \$5,000,000 from the ALSAM Foundation (\$1,750,000 received in June 2007; \$1,750,000 to be paid in June 2008; and \$1,500,000 to be paid in June 2009).
- b. The \$750,000 currently paid for the leases in the Treasure Valley will be used to support payments for the portion of the bond issue relating to this facility (\$9,000,000, approximate net proceeds for the project).

The University will request occupancy costs from the Board and legislature based on the 2007 concurrent legislation (HCR 30).

The University's current debt service as a percentage of operating budget is a low 2.2%, and with this bond issue will stay within desirable parameters (Attachment 5).

ATTACHMENTS

Attachment 1 – Preliminary Official Statement	Page 7
Attachment 2 – Supplemental Resolution	Page 65
Attachment 3 – Bond Purchase Agreement	Page 95
Attachment 4 – Concurrent legislation, State Appropriation Bill	Page 119
Attachment 5 – Annual Debt Service Chart	Page 123

STAFF COMMENTS AND RECOMMENDATIONS

The estimate for the current phase of the Meridian building is approximately \$14,000,000 (purchase and initial renovation), and is lower than the number provided at the April 2007 Board meeting. This lower amount uses the current estimated revenue available for the cost of purchase and initial renovation. Staff has reviewed the information provided by the university, and is relying upon the technical expertise of outside bond counsel for matters relating to bond financing aspects.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007**

**INSTITUTION/AGENCY AGENDA
IDAHO STATE UNIVERSITY – continued**

Staff recommends approval.

BOARD ACTION

Action on this agenda items consists of a motion to approve a Supplemental Resolution for the 2007 Bonds. The title of the Supplemental Resolution is as follows:

A SUPPLEMENTAL RESOLUTION authorizing the issuance and sale of \$15,935,000 General Revenue Bonds, Series 2007, of the Board of Trustees of Idaho State University; authorizing the execution and delivery of a bond purchase agreement and providing for other matters relating to the authorization, issuance, sale and payment of the Series 2007 Bonds.

MOTION

A motion to approve a Supplemental Resolution authorizing the issuance and sale of \$15,935,000 in General Revenue Bonds, Series 2007, of the Board of Trustees of Idaho State University; authorizing the execution and delivery of a bond purchase agreement and providing for other matters relating to the authorization, issuance, sale, and payment of the Series 2007 Bonds. The Vice President for Financial Affairs of Idaho State University is authorized by the Board to sign all documents related to these transactions.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

[Roll call vote required]

**BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007**

REFERENCE – APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: V. FINANCIAL AFFAIRS
Subsection: F. Bonds and Other Indebtedness

April 2002

1. General Powers

The University of Idaho, Idaho State University, Lewis-Clark State College, and Boise State University may, by a majority vote of all the members of the Board, borrow money with or without the issuance of bonds pursuant to Chapter 38, Title 33, Idaho Code. The Board must act by formal resolution. Such indebtedness is not an obligation of the state of Idaho but is an obligation solely of the respective institutions and the respective board of trustees. Any indebtedness is to be used to acquire a project, facility, or other asset that may be required by or be convenient for the purposes of the institution. Student fees, rentals, charges for the use of the projected facility, or other revenue may be pledged or otherwise encumbered to pay the indebtedness. Refunding bonds also may be issued.

Eastern Idaho Technical College is not authorized to borrow money under Chapter 38, Title 33, Idaho Code.

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PRELIMINARY OFFICIAL STATEMENT DATED _____, 2007

NEW ISSUE – Issued in Book-Entry-Only Form

Ratings: Applied for
(See “Ratings” herein)

In the opinion of Ballard Spahr Andrews & Ingersoll, LLP, Bond Counsel to Idaho State University, (the “University”), based on an analysis of currently existing laws, regulations, decisions and interpretations, and assuming, among other matters, continuing compliance with certain covenants, interest on the Series 2007 Bonds is excludable from gross income for federal income tax purposes and is not a specific item of tax preference for purposes of the federal alternative minimum taxes imposed on individuals and corporations, but such interest is included in earnings and profits in computing the federal alternative minimum tax imposed on certain corporations. Bond Counsel is also of the opinion that, under currently existing law, interest on the Series 2007 Bonds is exempt from State of Idaho income taxes. Bond Counsel expresses no opinion regarding any other tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2007 Bonds. See “TAX MATTERS” herein.



\$15,860,000*
IDAHO STATE UNIVERSITY
GENERAL REVENUE BONDS, SERIES 2007

Dated: Date of Delivery

Due: April 1, as shown on the inside cover

The \$15,860,000* Idaho State University General Revenue Bonds, Series 2007 (the “Series 2007 Bonds”) are issued as fully registered bonds and, when delivered, will be registered in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Series 2007 Bonds. Ownership interests in the Series 2007 Bonds will be in minimum denominations of \$5,000 and multiples thereof. Beneficial Owners of the Series 2007 Bonds will not receive physical bonds, but will receive a credit balance on the books of the nominees of such purchasers. Interest on the Series 2007 Bonds is payable on April 1 and October 1 of each year commencing April 1, 2008. Principal, prepayment premium, if any, and interest due with respect to the Series 2007 Bonds will be payable by U.S. Bank National Association, Salt Lake City, Utah, as Trustee, to DTC, which will, in turn, remit such principal, prepayment premium, if any, and interest due with respect to the Series 2007 Bonds.

The Series 2007 Bonds are subject to optional and mandatory redemption prior to maturity as described herein.

The Series 2007 Bonds are being issued by the University to (i) finance the costs to renovate and construct additions to an existing recreation facility (the “Recreation Project”), (ii) finance the purchase and renovation of a portion of a building in Meridian, Idaho to be used for instructional purposes, including capitalized interest on the related Series 2007 Bonds (the “Meridian Project”), and (iii) paying the costs of issuance of the Series 2007 Bonds.

The State Board of Education, acting as the Board of Trustees for Idaho State University (the “Board”) serves as the governing body for the University. Under Idaho law, the Board is a body politic and corporate and an independent instrumentality of the State of Idaho. The Series 2007 Bonds are being issued under a supplemental bond resolution (the “Supplemental Resolution”) to be adopted by the Board on August 9, 2007. The Series 2007 Bonds are being issued as “Additional Bonds” pursuant to a Resolution adopted by the Board on September 17, 1992, providing for the issuance of revenue bonds, as amended and restated (the “Original Resolution”). The Original Resolution provided for the issuance of an initial series of revenue bonds and authorized the issuance of additional series of revenue bonds pursuant to Supplemental Resolutions, if certain conditions are met. See “SECURITY FOR THE SERIES 2007 BONDS” herein. The Original Resolution, as previously amended and supplemented and as amended and supplemented by the Supplemental Resolution, is referred to herein as the

“Resolution.” The revenue bonds issued pursuant to the Resolution, including the Series 2007 Bonds, are collectively referred to herein as the “Bonds.” The Bonds are secured by a pledge of the Board to levy and collect certain student fees known as the Student Facilities Fee/Facilities and the Tuition Fee (formerly referred to as the Matriculation Fee), plus Revenues of the Housing System and CAES Base Rent (each as defined in the Resolution), and certain other revenues. See “SECURITY FOR THE SERIES 2007 BONDS” herein.

The Series 2007 Bonds are limited obligations of the Board and do not constitute a debt or liability of the State of Idaho, its Legislature, or any of its political subdivisions or agencies other than the University and then only to the extent herein described. The Board is not authorized to levy or collect any taxes or assessments other than the revenues and fees described herein to pay the Series 2007 Bonds. The Board has no taxing power.

The Series 2007 Bonds are offered when, as and if issued and accepted by the Underwriter, subject to prior sale and to the delivery of an approving opinion by Ballard Spahr Andrews & Ingersoll, LLP, as Bond Counsel, and to other conditions. Certain legal matters will be passed upon for the University by University Counsel, Bradley H. Hall, Esq., Pocatello, Idaho. Certain legal matters will be passed on for the Board and the University by the office of the Attorney General of the State. It is expected that the Series 2007 Bonds will be available for delivery on or about August 30, 2007.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

This Official Statement is dated _____, 2007 and the information contained herein speaks only as of that date.

* Preliminary; subject to change

LEHMAN BROTHERS

\$15,860,000*

IDAHO STATE UNIVERSITY
GENERAL REVENUE BONDS, SERIES 2007

MATURITIES, AMOUNTS, INTEREST RATES AND YIELDS

<u>Due (April 1)</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP⁽¹⁾</u>
2008	\$270,000			
2009	480,000			
2010	500,000			
2011	515,000			
2012	540,000			
2013	560,000			
2014	585,000			
2015	610,000			
2016	635,000			
2017	665,000			
2018	695,000			
2019	720,000			
2020	750,000			
2021	790,000			

\$5,595,000*; _____% Term Bond Due April 1, 2027; Price _____%; CUSIP _____
 \$1,950,000*; _____% Term Bond Due April 1, 2032; Price _____%; CUSIP _____

* Preliminary; subject to change

(1) Neither the Board nor the University is responsible for the use of CUSIP Numbers, nor is a representation made as to the accuracy of the CUSIP Numbers. The CUSIP Numbers are contained herein solely for the convenience of the readers of this Official Statement.

No dealer, broker, salesperson or other person has been authorized by the Board, the University or by the Underwriter to give any information or to make any representations, other than as contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the Board, the University or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy the Series 2007 Bonds, nor shall there be any sale of the Series 2007 Bonds by any person in any jurisdiction in which it is unlawful for such persons to make such offer, solicitation or sale.

The information set forth herein has been furnished by the Board, the University, DTC and certain other sources that are believed to be reliable but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriter. The information and expressions of opinion contained herein are subject to change without notice. Any statements made in this Official Statement involving matters of opinion or estimates or forecasts, whether or not so expressly stated, are set forth as such and not as representations of fact or representations that estimates will be realized.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY ENGAGE IN TRANSACTIONS THAT STABILIZE, MAINTAIN OR OTHERWISE AFFECT THE MARKET PRICES OF THE SERIES 2007 BONDS. SUCH TRANSACTIONS MAY INCLUDE OVERALLOTMENTS IN CONNECTION WITH THE UNDERWRITING, THE PURCHASE OF SERIES 2007 BONDS TO STABILIZE THEIR MARKET PRICES, THE PURCHASE OF SERIES 2007 BONDS TO COVER UNDERWRITER SHORT POSITIONS AND THE IMPOSITION OF PENALTY BIDS. SUCH TRANSACTIONS, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Board or the University since the date hereof.

This Official Statement is not to be construed as a contract with the purchasers of the Series 2007 Bonds.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The Series 2007 Bonds have not been registered under the Securities Act of 1933, as amended, in reliance upon a specific exemption contained in such act, nor have they been registered under the securities laws of any state.

This Official Statement contains "forward-looking statements" within the meaning of the federal securities laws. These forward-looking statements include, among others, statements concerning expectations, beliefs, opinions, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. The forward-looking statements in this Official Statement are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by such statements. See "BONDOWNERS' RISKS" herein. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Forward-looking statements may be found herein in the circumstances where the University is describing its expectations with respect to future revenues, budgets and similar places in this Official Statement.

\$15,860,000*
IDAHO STATE UNIVERSITY
GENERAL REVENUE BONDS, SERIES 2007

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ISU Financial Services
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Lee Krehbiel	Interim Vice President of Student Affairs
Bradley H. Hall, Esq.	University Counsel

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* Preliminary; subject to change

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OFFICIAL STATEMENT
RELATING TO
\$15,860,000*
IDAHO STATE UNIVERSITY
GENERAL REVENUE BONDS, SERIES 2007

INTRODUCTION

The descriptions and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive, and reference should be made to each document for the complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each document. See “APPENDIX A” for definitions of certain words and terms used herein. See “APPENDIX B” for a summary of certain provisions of the Resolution (as defined below).

The attached Appendices are integral parts of this Official Statement and should be read in their entirety: “APPENDIX A—GLOSSARY OF CERTAIN TERMS USED IN THE RESOLUTION AND OFFICIAL STATEMENT”; “APPENDIX B—SUMMARY OF THE RESOLUTION”; “APPENDIX C—FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE YEARS ENDED JUNE 30, 2006 AND 2005 AND INDEPENDENT AUDITOR’S REPORT”; “APPENDIX D—FORM OF OPINION OF BOND COUNSEL”; “APPENDIX E—PROVISIONS REGARDING BOOK-ENTRY ONLY SYSTEM”; and “APPENDIX F—FORM OF INFORMATION REPORTING AGREEMENT.”

Idaho State University

Idaho State University (the “University”) is a publicly supported multi disciplinary institution of higher education located in Pocatello, Idaho. The University is a separate and independent legal entity and governmental instrumentality created under the laws of the state of Idaho (the “State”). It has served the citizens of Idaho since 1901, when it was first established as the Academy of Idaho. It was renamed the Idaho Technical Institute in 1915 and reorganized as the Southern Branch of the University of Idaho in 1927. It became Idaho State College in 1947, and was established as Idaho State University in 1963. The University is governed by the State Board of Education, whose members serve as the Board of Trustees for the University (the “Board”). In addition to University Place Idaho Falls, the University operates outreach centers in Boise, Twin Falls, Coeur d’Alene, American Falls, Blackfoot, Preston and Soda Springs.

Authorization and Purpose of the Official Statement

This Official Statement, including the cover page and the financial and other information contained in the Appendices hereto, is furnished in connection with the offering of the University’s General Revenue Bonds, Series 2007 (the “Series 2007 Bonds”). The University is authorized by the Educational Institutions Act of 1935, constituting Section 33 3801, et seq. of the Idaho Code, as amended (the “Act”), to issue bonds for “Projects” (as defined in the Act). The Series 2007 Bonds are being issued pursuant to such statutory authorization and pursuant to the supplemental resolution (the “Supplemental Resolution”) to be adopted by the Board on August 9, 2007. The Series 2007 Bonds are being issued as “Additional Bonds” under a bond resolution adopted September 17, 1992 (the “Original Resolution”). The Original Resolution, together with the Supplemental Resolution and the previous supplemental resolutions authorizing the issuance of Additional Bonds, are referred to collectively herein as the “Resolution.”

* Preliminary; subject to change

Purpose of the Series 2007 Bonds

The Series 2007 Bonds are being issued by the University to (i) finance the costs to renovate and construct additions to an existing recreation facility (the “Recreation Project”), (ii) finance the purchase and renovation of a portion of a building in Meridian, Idaho to be used for instructional purposes, including capitalized interest on the related Series 2007 Bonds (the “Meridian Project”), and (iii) paying the costs of issuance of the Series 2007 Bonds.

Outstanding Parity Bonds

Pursuant to the Original Resolution, to provide funds to finance and refinance certain projects, the University has previously issued various bonding series a portion of which are currently outstanding (collectively, the “Outstanding Parity Bonds”). The Series 2007 Bonds will be issued on a parity with the Outstanding Parity Bonds and any additional bonds, notes or other obligations that may be issued from time to time under the Original Resolution (the “Additional Bonds”), such that the Series 2007 Bonds, Outstanding Parity Bonds and Additional Bonds will be payable from and secured by an equal lien pledge of the Pledged Revenues (defined herein). See “SECURITY FOR THE SERIES 2007 BONDS” herein. The Series 2007 Bonds, the Outstanding Parity Bonds and any Additional Bonds are collectively referred to herein as the “Bonds.”

Payment and Security for the Series 2007 Bonds

The Series 2007 Bonds are secured on a parity with the Outstanding Parity Bonds by a pledge of the Pledged Revenues, as designated by the Board, including the University’s Tuition Fee, formerly referred to as the Matriculation Fee (the “Tuition Fee”), the Student Facilities Fee/Facilities (the “Student Facilities Fee/Facilities”), Revenues of the Housing System and CAES Base Rent, (as defined in the Resolution), all investment income derived from the Revenue Fund and the Bond Fund, and certain other revenues. Hereinafter, the Tuition Fee and the Student Facilities Fee/Facilities are referred to collectively as the “Pledged Fees.” See “SECURITY FOR THE SERIES 2007 BONDS” herein.

Redemption

The Series 2007 Bonds are subject to optional and mandatory redemption as described under the caption “THE SERIES 2007 BONDS—Optional Redemption” and “—Mandatory Redemption” herein.

Bondowners’ Risks

The purchase of the Series 2007 Bonds involves investment risks, certain of which are described in this Official Statement. See “BONDOWNERS’ RISKS” herein.

Registration, Manner of Payment

The Series 2007 Bonds are issuable only as fully registered bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), which will act as initial securities depository of the Series 2007 Bonds. Purchases of Series 2007 Bonds will be made in book-entry form only, through brokers and dealers who are, or who act through, DTC Participants. Beneficial Owners of the Series 2007 Bonds will not be entitled to receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the Series 2007 Bonds.

Principal and purchase price (as applicable) of, premium, if any, and interest on the Series 2007 Bonds are payable through U.S. Bank National Association, as Paying Agent and Registrar, to DTC, which will in turn be responsible to remit such principal and interest to its Participants, for subsequent disbursements to the Beneficial Owners of the Series 2007 Bonds, as described under the caption “APPENDIX E—PROVISIONS REGARDING BOOK-ENTRY-ONLY SYSTEM” hereto.

Conditions of Delivery, Anticipated Date, Manner and Place of Delivery

The Series 2007 Bonds are offered, subject to prior sale, when, as and if issued and received by the Underwriter subject to the approval of legality by Ballard Spahr Andrews & Ingersoll, LLP, as Bond Counsel to the University, and certain other conditions. Certain legal matters will be passed upon for the University by University Counsel, Bradley H. Hall, Esq., Pocatello, Idaho. It is expected that the Series 2007 Bonds, in book-entry form, will be available for delivery to DTC or its agent on or about August 30, 2007.

Continuing Disclosure

The University, for the benefit of the owners and Beneficial Owners of the Series 2007 Bonds, has covenanted to provide certain annual information and notice of the occurrence of certain events in order to enable the Underwriters to make the determinations required by Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). The University is in compliance with each and every undertaking entered into by it pursuant to the Rule. See "CONTINUING DISCLOSURE" herein and "APPENDIX F—FORM OF INFORMATION REPORTING AGREEMENT" attached hereto.

Contact Persons

The chief contact person for the University concerning the Series 2007 Bonds is:

Mr. James A. Fletcher
Vice President for Finance and Administration and Bursar
Idaho State University
921 South 8th Avenue, Stop 8219
Pocatello, Idaho 83209-8219
Telephone: (208) 282-2404
Fax: (208) 282-4725
E-mail: fletjame@isu.edu

The chief contact person for the Underwriter concerning the Series 2007 Bonds is:

Mr. Richard B. King
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E-mail: rking@lehman.com

Other Matters

The descriptions and summaries of the Resolution, the Series 2007 Bonds and various other documents herein set forth do not purport to be comprehensive or definitive, and reference is made to each document for the complete details of its terms and conditions. All statements herein are qualified in their entirety by reference to such documents. Capitalized terms used, but not otherwise defined, herein have the same meaning as ascribed to them in the Resolution. Descriptions of the Resolution and the Series 2007 Bonds are qualified by reference to bankruptcy laws affecting the remedies for the enforcement of the rights and security provided therein and the effect of the exercise of the police power by any entity having jurisdiction. See "APPENDIX B—SUMMARY OF THE RESOLUTION" herein.

THE SERIES 2007 BONDS

Description of the Series 2007 Bonds

The Series 2007 Bonds will be dated the date of their delivery and are issuable in fully registered form, book-entry-only, in the aggregate principal amount of \$15,860,000*. The Series 2007 Bonds bear interest from the date of issuance, payable semiannually on April 1 and October 1 of each year, commencing April 1, 2008. Payment will be made to Beneficial Owners through the Book-Entry-Only System described below. For a further description of certain terms of the Resolution authorizing the issuance of the Series 2007 Bonds, please refer to "APPENDIX B—SUMMARY OF THE RESOLUTION."

Redemption

Optional Redemption. The Series 2007 Bonds maturing on or prior to April 1, 2017 are not subject to redemption prior to maturity. The Series 2007 Bonds maturing on or after April 1, 2018 are subject to redemption prior to maturity at the option of the University in whole or in part on any date on and after April 1, 2017 and if in part, in such order of maturity as may be directed by the University at a redemption price equal to 100% of the principal amount of the Series 2007 Bonds to be redeemed plus accrued interest to the date of redemption.

Mandatory Sinking Fund Redemption. The Series 2007 Bonds maturing on April 1, 2027* are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the date of redemption on the dates and in the principal amounts as follows:

Redemption Date (April 1)*	Principal Amount
2022	\$
2023	
2024	
2025	
2026	
2027†	

† Final maturity

The Series 2007 Bonds maturing on April 1, 2032* are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the date of redemption on the dates and in the principal amounts as follows:

Redemption Date (April 1)*	Principal Amount
2028	\$
2029	
2030	
2031	
2032†	

* Preliminary; subject to change

† Final maturity

Upon redemption of any Series 2007 Bonds maturing on April 1, 2027* or April 1, 2032* other than by application of such mandatory sinking fund redemption, an amount equal to the principal amount so redeemed will be credited toward a part or all of any one or more of such mandatory sinking fund redemption amounts for the Series 2007 Bonds maturing on April 1, 2027* or April 1, 2032,* respectively, in such order of mandatory sinking fund date as shall be directed by the University.

Notice of Redemption

When the Series 2007 Bonds are called for redemption notice must be sent by the Trustee, postage prepaid, by first class mail not less than thirty-five (35) nor more than sixty (60) days prior to the redemption date to the registered owners of the Series 2007 Bonds to be redeemed at the address shown on the Bond Register. As provided in the Resolution, the Trustee may give further notice of redemption at least thirty-five (35) days before the redemption date by registered or certified mail or overnight delivery service to certain registered national securities depositories and national information services; provided, however that no defect in such further notice or failure to give all or any portion of such further notice will in any manner defeat the effectiveness of a call for redemption.

Each notice of redemption may further state, in the case of optional redemption, that such redemption shall be conditioned upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of and interest on such Series 2007 Bonds to be redeemed and that if such moneys shall not have been so received said notice shall be of no force and effect and such Series 2007 Bonds shall not be required to be redeemed. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, one time, in the same manner in which the notice of redemption was given, that such moneys were not so received.

Book-Entry-Only System

The Series 2007 Bonds will be available only in book-entry-only form in the principal amounts shown on the inside cover page of this Official Statement. The Depository Trust Company ("DTC") will act as Securities Depository for the Series 2007 Bonds. The ownership of one fully registered Series 2007 Bond for each maturity as set forth on the inside cover page of this Official Statement, in the aggregate principal amount of each maturity of the Series 2007 Bonds, will be registered in the name of Cede & Co., as nominee for DTC. See "APPENDIX E—PROVISION REGARDING BOOK-ENTRY-ONLY SYSTEM."

Funds and Accounts Created under the Resolution

The Revenue Fund. The Resolution creates the Revenue Fund to be held by the University into which Pledged Revenues shall be deposited. Monies in the Revenue Fund shall be disbursed in the following order of priority:

1. To transfer to the Trustee for deposit in the Debt Service Account of the Bond Fund for payment of any interest, principal, or redemption premium, if any, coming due on the Bonds;
2. Amounts remaining in the Revenue Fund in excess of the amounts necessary to make payments required by subsection (1) above may be applied by the University, free and clear of the lien of the Resolution, for any other lawful purpose of the University.

The Bond Fund. The Resolution creates a Bond Fund consisting of a Debt Service Account held by the Trustee to be used for paying the principal of, premium, if any, and interest on the Bonds.

The Construction Fund. The Resolution provides for a Construction Fund to be held, disbursed and invested by the University, into which proceeds from any series of Bonds issued to fund Projects being built or

* Preliminary; subject to change

acquired with a series of Bonds issued under the Resolution are deposited. Upon completion of a Project, any unexpended monies held in the Construction Fund will be transferred to the Debt Service Account of the Bond Fund.

The Series 2007 Bonds Cost of Issuance Fund. The Supplemental Resolution creates the Series 2007 Bonds Cost of Issuance Fund in the Construction Fund to be held by the University for costs of issuance of the Series 2007 Bonds to be paid from.

The Rebate Fund. The Resolution creates a Rebate Fund to be held and administered by the University, separate and apart from other funds and accounts of the University. The University shall make deposits into the Rebate Fund of all amounts necessary to make payments to the United States required under the Code. The Resolution permits the University to consolidate all Rebate Funds for bonds issued by the Board for filing a single, consolidated report to the U.S. Treasury under the Code.

Additional Bonds

The Resolution currently provides that Additional Bonds (such as the Series 2007 Bonds) secured by Pledged Revenues may be issued by the University upon the satisfaction of various conditions specified therein. The amount of Additional Bonds that may be issued is limited neither by law nor by the Resolution.

The Resolution provides for the issuance of Additional Bonds to finance Projects or to refund the Bonds or Additional Bonds issued hereafter under the Resolution. In connection with the issuance of Additional Bonds, the University is required to file, among other things, the following documents with the Trustee:

1. a copy of the Supplemental Resolution authorizing such Additional Bonds;
2. a certificate of the University to the effect that, upon the delivery of the Additional Bonds, the University will not be in default in the performance of any of the covenants, conditions, agreements, terms or provisions of the Resolution or any of the Bonds;
3. a Written Certificate of the University signed by an Authorized Officer of the University, setting forth the then estimated completion date and the then estimated cost of construction of the Project(s) being financed by the Additional Bonds;
4. either (a) an Accountant's Certificate which demonstrates that, for any twelve-month period in the preceding twenty-four months, Revenues Available for Debt Service shall have equaled at least 110% of the Maximum Annual Debt Service for all Bonds then Outstanding and any Additional Bonds proposed to be issued; or
(b) a Written Certificate of the University showing that Estimated Revenues Available for Debt Service (assuming completion of the proposed Project on its then estimated Completion Date) will equal at least 110% of the Maximum Annual Debt Service on all Bonds then Outstanding and the Additional Bonds proposed to be issued for (i) each of the Fiscal Years of the University during which any of the Bonds will be Outstanding following the estimated completion date of the Project being financed by the Additional Bonds, if interest during construction of the Project being financed by the Additional Bonds is capitalized; or (ii) the University's current Fiscal Year and any succeeding Fiscal Year during which any of the Bonds will be Outstanding, if interest during construction of the Project being financed by the Additional Bonds is not capitalized.

Payment Agreements

As described in APPENDIX B hereto, under the caption "Payment Agreements," the University is permitted under the Resolution to enter into swaps and other derivatives (as described in the definition of Payment Agreements contained therein) under requirements substantially similar to those for the issuance of Additional Bonds and taking into account the payments and receipts expected with respect to the Payment Agreement. The University currently has no Payment Agreements outstanding and currently has no intent of entering into a Payment Agreement within the foreseeable future.

SECURITY FOR THE SERIES 2007 BONDS

The Series 2007 Bonds are secured by Pledged Revenues pursuant to the Resolution on a parity with all Bonds issued under the Resolution. Pledged Revenues include: (i) Pledged Fees; (ii) Revenues of the Housing System and CAES Base Rent; (iii) other revenues of other University enterprises or sources of funds as shall be designated by the Board; (iv) any investment income derived from the Revenue Fund and the Bond Fund; and (v) proceeds from the sale of a series of Bonds and money and investment earnings thereon. In addition, the University has covenanted that Revenues Available for Debt Service will equal 110% of Annual Debt Service on a year by year basis. See also “HISTORICAL PLEDGED REVENUES AND DEBT SERVICE” herein.

Student Fees

The Board is exclusively empowered to establish and collect tuition charges for students attending the University and to establish and collect student fees from both resident and non-resident students. Student fees and tuition charges are not subject to a referendum by students or approval by any other governmental entity. The Board has established a policy that the University may not request more than a 10% annual increase in the total full time student fees unless otherwise authorized by the Board. Although Board policy provides that fee changes will be considered when appropriate or necessary, the Board has traditionally adjusted fees annually, with fee adjustments effective for the subsequent fall term each year. The 2007-2008 fee schedule, which was approved by the Board at the April 2007 Board meeting, follows. See “SOURCES OF FUNDING FOR THE UNIVERSITY—Fees and Tuition” for a comparison of full-time fees over the Fiscal Years 2003 through 2007.

The 2006-2007 fee schedule reflected an approximately 4.8% overall increase to student fees from the 2005-2006 academic year, including an approximately 4.0% increase to Tuition. The 2007-2008 fee schedule reflects an approximately 5.0% overall increase to student fees from the 2006-2007 academic year, including an approximately 7.2% increase to Tuition. The University bases the Estimated Annual Revenue to be collected from each of the fees on budgeting assumptions of the student fees approved for the current academic year (2007-2008 with the exception of fees from the summer session which are based on the 2006-2007 fee schedule), and the number of full time and part time students for the previous academic year (2006-2007). The number of students obtained by dividing the Estimated Annual Revenue line items for full-time students on the fee schedules is less than the full time equivalents and fall semester full time enrollees for Fall 2006 shown under the heading “THE UNIVERSITY—Five Year Historical Enrollment Summary.” This is consistent with historic budgeting assumptions, including consideration of the University’s policy to provide fee waivers or discounts to certain scholarship recipients and to certain employees and spouses of certain employees. The University’s estimates include certain assumptions concerning refunds, late fees and other variabilities in individual fees, such that the annual estimated revenues of each fee are not the numerical product of the fee rates times a constant number for students paying such fees, but nonetheless represent the University’s best estimate of fee revenues. As more fully discussed under the heading “THE UNIVERSITY—Five-year Historical Enrollment Summary,” the University’s enrollment has declined each year for the past several years. While the University is empowered to set fees and tuition, it cannot control the number of students enrolled in any year and a continued decline in enrollment could impact the ability of the University to collect sufficient Pledged Revenues to pay principal and interest on the Bonds. Pledged Fees are shown in **bold** on the following table.

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Student Fee and Tuition Schedule

ACADEMIC YEAR 2007 – 2008

	<u>Full-Time</u>		<u>Part-Time/Per Credit-Hour</u>		<u>Total</u>
	<u>Amount Per Semester</u>	<u>Estimated Annual Revenue</u>	<u>Amount Per Semester</u>	<u>Estimated Annual Revenue</u>	<u>Estimated Annual Revenue</u>
FACILITY FEES					
Student Facilities Fee/Facilities	\$217.00	\$3,689,000	–	–	\$3,689,000
Campus Technology	75.00	1,275,000	\$9.00	\$286,200	1,561,200
Subtotal Facility Fees	292.00	4,964,000	9.00	286,200	5,250,200
GENERAL EDUCATION					
Tuition	1,440.81	24,510,600	168.57	5,276,887	29,787,487
DEDICATED ACTIVITY FEES					
Intercollegiate Athletics	103.40	1,757,800	3.00	59,400	1,817,200
Student Health Center	60.00	1,020,000	2.00	81,600	1,101,600
Student Union Operations	131.50	2,235,500	9.50	302,100	2,537,600
Associated Student Body/Student Programming (Summer Only)	63.15	1,073,550	7.00	222,600	
Student ID Card	2.35	39,950	1.25	39,750	79,700
Childcare Services	12.55	213,350	2.00	63,600	276,950
Gender Resource Center	5.70	96,900	1.20	38,160	135,060
Leadership and Counselor Training	3.30	56,100	1.00	31,800	87,900
Marching Band	6.75	114,750	1.65	32,670	147,420
Debate Team	4.35	73,950	–	–	73,950
Rodeo Team	4.89	83,130	–	–	83,130
Bengal Dance Team	4.13	70,210	–	–	70,210
Recreation Facility Operation	21.00	357,000	3.75	119,250	476,250
Intramurals	4.70	79,900	1.00	19,800	99,700
Student Band/Choir	5.00	85,000	–	–	85,000
Student Support Service	5.00	85,000	1.00	31,800	116,800
Alumni	2.50	42,500	–	–	42,500
Scholarships	19.50	331,500	–	–	331,500
Stadium Operations	–	–	6.00	190,800	190,800
Outreach Program	–	–	2.00	45,600	45,600
Wellness Program	4.22	71,740	1.08	34,344	106,084
CW HOG (Handicap Outdoor Group)	3.20	54,400	–	–	54,400
Subtotal Dedicated Activity Fees	467.19	7,942,230	43.43	1,313,274	9,326,888
Subtotal Student Fees	2,200.00	37,416,830	221.00	6,590,447	44,009,698
OTHER FEES / TUITION					
Graduate/Professional	380.00	611,040	38.00	242,983	854,023
Non-Resident Tuition	4,342.00	933,100	120.00	292,210	1,225,310
Inservice	–	–	86.00	568,680	568,680
Subtotal Other Fees/Tuition		1,544,140		1,103,873	2,648,013
Grand Total, Full and Part Time					\$46,941,204
Total Estimated Pledged Revenues from Pledged Fees			\$33,476,487		

Pledged Fees

Pursuant to the Resolution, the University's two largest fees, Tuition and the Student Facilities Fee/Facilities, are pledged to the Bonds. Below is a description of each fee and the estimated revenue generated.

Student Facilities Fee/Facilities. The Student Facilities Fee/Facilities is an existing student fee charged to full time students established by the Board and is currently pledged under the Resolution. The Student Facilities Fee/Facilities constitutes a portion of Pledged Revenues under the Resolution, is \$217.00 per student, per semester for full time students, and produced \$3,876,981 for the Fiscal Year ending June 30, 2006 and is expected to produce \$3,620,000 for the Fiscal Year ending June 30, 2007.

Tuition. Tuition is an existing fee charged to full-time and part-time students attending the University and is pledged under the Resolution. The Tuition Fee was previously referred to (including in the Resolution) as the Matriculation Fee. This fee is used to provide general operating revenues for the University. The Tuition fee for the 2006-2007 academic year is established at \$1,344.56 per semester for each full-time student and \$161.60 per semester-hour for part-time and summer-session students. The University received approximately \$28,290,000 from Revenues from Tuition in the Fiscal Year ended June 30, 2006 and expects to receive approximately \$27,900,000 in revenues from the Tuition fee during the Fiscal Year ended June 30, 2007.

Revenues of the Housing System

The University owns and operates all student housing facilities on the Pocatello campus. See “THE UNIVERSITY—Student Housing” herein. Housing fees for residence hall residents for the 2006-2007 academic year range from \$2,350 to \$2,825 per semester per student and include the cost of meal plans, in which housing residents are required to participate. Housing fees for suite-style residence hall rooms for the 2006-2007 academic year range from \$350 to \$400 per month, which does not include the cost of meal plans. Housing fees for residents of University apartments for the 2006-2007 academic year will range from \$450 to \$580 per month, which does not include the costs of meal plans. Revenues of the Housing System for the Fiscal Years ending June 30, 2005 and June 30, 2006 were \$3,370,820 and \$3,635,382 respectively, and are expected to be approximately \$3,670,300 for the Fiscal Year ending June 30, 2007. As the Resolution provides for a pledge of the Revenues of the Housing System for payment of debt service prior to the payment of operation and maintenance costs of the Housing System, these numbers reflect gross revenues of the Housing System. As shown below under “HISTORICAL PLEDGED REVENUES AND DEBT SERVICE,” the Housing System has lost money on a net revenue basis for each of the past three Fiscal Years ended June 30, 2006 and, before then, had only slight net revenues for each of the two prior Fiscal Years.

CAES Project and CAES Lease Payments

In 2006, the University issued its General Revenue Bonds (Federally Taxable), Series 2006 (the “Series 2006 Bonds”) to finance the construction of a facility to house the Center for Advanced Energy Studies at the Idaho Falls Center for Higher Education Campus (the “CAES Project”), which is to be jointly occupied by a consortium of the three Idaho research universities and Battelle Energy Alliance, LLC (“BEA”). Pursuant to a Lease Agreement dated as of October 23, 2006 between the University and BEA (the “CAES Lease”), the University has leased to BEA approximately 70% of the CAES Project and BEA has agreed to pay lease payments (the “CAES Lease Payments”) which are intended to equal the payments of principal and interest on the Series 2006 Bonds. Under certain circumstances, payment of the CAES Lease Payments under the CAES Lease are guaranteed by Battelle Memorial Institute and the Washington Group International.

Bid packages for the construction of the CAES Project have been received and the Division of Public Works is expected to issue a notice to proceed in July, 2007, with site work beginning shortly thereafter. The road and utilities to the construction site are nearly completed and the secondary entrance to the project site has been approved and will be under construction soon. The CAES Project is on schedule with an expected completion date of July 1, 2008.

Use of Pledged Revenues and Other Revenues Not Otherwise Obligated

After the University has made the payments and deposits required under the Resolution, amounts remaining in the Revenue Fund in excess of the amounts necessary to make the required payments thereunder may be used for any legal purpose of the University, including the redemption or purchase of the Bonds, subject to policies adopted by the Board.

THE RECREATION PROJECT

Bond proceeds of \$6,610,000 are expected to be used to design and construct an addition to a student recreation center located in the Reed Gymnasium complex. The new facility will be a two-story structure, providing an open atmosphere, with an open end to the current tennis center. The design will allow for future expansion. Once completed, the project will provide campus recreation a separate identity from the rest of the Reed Gymnasium complex, provide better access control, and increase capacity.

THE MERIDIAN PROJECT

Bond proceeds of \$9,250,000 are expected to be used for the purchase and renovation of approximately one-third of an existing building in Meridian, ID to provide educational services in the greater Boise area. The building is being purchased from the Meridian School District and includes over 100,000 square feet of inside space with outside parking. Once renovation is completed, the University will vacate its current leases in the Treasure Valley (approximately 50,000 square feet) and obtain significant space for further growth. Classes being taught in the current leased space are primarily in health sciences, where considerable growth is anticipated. The facility is located in the center of the valley with close proximity to a freeway with public transportation.

ESTIMATED SOURCES AND USES OF FUNDS*

The estimated sources and uses of funds for the Series 2007 Bonds are as follows:

Sources

Par Amount of Series 2007 Bonds	\$15,860,000
Plus Original Issue Premium (less original issue discount).....	(48,343)
Total.....	<u>\$15,811,657</u>

Uses

Deposit to the Series 2007 Project Account in the Construction Fund.....	\$15,078,518
Capitalized interest on Meridian Project	405,538
Costs of Issuance ⁽¹⁾	327,601
Total	<u>\$15,811,657</u>

* Preliminary; subject to change

⁽¹⁾ Including underwriters' discount, legal fees, trustee fees, rating agency fees, printing fees and other miscellaneous costs of issuance.

In addition to the proceeds of the Series 2007 Bonds, funding for the remaining costs of purchasing and renovating the Meridian Project is expected to include a \$5,000,000 grant from the ALSAM Foundation. The ALSAM Foundation has made its initial payment of \$1,750,000 in grant monies to the University. The University expects to receive the remaining \$3,250,000 over the next two years in installments of \$1,750,000 in 2008 and \$1,500,000 in 2009.

DEBT SERVICE SCHEDULE

The following table sets forth the Annual Debt Service Requirements for the University's currently Outstanding Bonds and the Series 2007 Bonds:

Series 2007 Bonds

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Outstanding Bonds⁽¹⁾</u>	<u>Total Debt Service</u>
2008			\$4,638,112	\$4,638,112
2009			4,644,732	4,644,732
2010			4,642,651	4,642,651
2011			4,644,825	4,644,825
2012			4,644,138	4,644,138
2013			4,646,883	4,646,883
2014			4,641,857	4,641,857
2015			4,545,501	4,545,501
2016			4,545,759	4,545,759
2017			4,543,894	4,543,894
2018			4,544,655	4,544,655
2019			4,547,153	4,547,153
2020			4,016,307	4,016,307
2021			4,027,911	4,027,911
2022			4,023,801	4,023,801
2023			4,023,456	4,023,456
2024			361,588	361,588
2025			361,413	361,413
2026			360,775	360,775
2027			359,675	359,675
2028			358,425	358,425
2029			356,725	356,725
2030			359,575	359,575
2031			361,038	361,038
2032			361,788	361,788
2033			356,825	356,825
2034			361,388	361,388
	\$	\$	<u>\$75,280,847</u>	<u>\$75,280,847</u>

⁽¹⁾ See "THE UNIVERSITY—University Debt."

HISTORICAL PLEDGED REVENUES AND DEBT SERVICE

The following table shows the amounts of revenues pledged under the Resolution on a historical basis. In 2003 the University expanded the definition of Pledged Revenues to include the Tuition Fee and the Revenues of the Housing System. The table also presents Debt Service on all Bonds secured with such revenues for the Fiscal Years ended June 30, 2002-2007. The information presented is derived from the University's internal records used to prepare its financial statements, and may differ slightly from the audited financial statements.

	<u>Actual</u>					Estimated
<u>Revenues</u> ⁽¹⁾	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Revenues of the Housing System	\$3,371,914	\$3,605,430	\$3,524,086	\$3,370,821	\$3,635,383	Not Available
Expenses of the Housing System	<u>3,352,684</u>	<u>3,543,729</u>	<u>3,820,351</u>	<u>3,993,345</u>	<u>3,984,913</u>	Not Available
Net Revenues of the Housing System ⁽²⁾	<u>\$19,230</u>	<u>\$61,701</u>	<u>\$(296,265)</u>	<u>\$(622,524)</u>	<u>\$(349,530)</u>	Not Available
Pledged Fees						
Tuition	\$17,717,958	\$21,849,100	\$25,566,700	\$26,925,319	\$28,289,953	\$27,924,000
Student Facilities Fee/Facilities	3,284,488	3,382,505	3,455,263	3,850,589	3,876,981	3,620,000
Investment Income	<u>42,187</u>	<u>-0-</u>	<u>30,154</u>	<u>407</u>	<u>2,367</u>	<u>1,500</u>
Total Revenues Available for Debt Service	<u>\$21,063,863</u>	<u>\$25,293,306</u>	<u>\$28,755,852</u>	<u>\$30,153,791</u>	<u>\$31,819,771</u>	<u>\$31,545,500</u>
Total Debt Service Requirements	\$2,191,947	\$2,194,537	\$3,726,538	\$3,768,028	\$4,648,321	\$4,801,273

(1) Amounts rounded to the nearest dollar.

(2) As shown above, the Housing System has operated at a net loss for the three Fiscal Years ended June 30, 2006. See "THE UNIVERSITY—Student Housing" herein for a further discussion of the Housing System.

THE UNIVERSITY

The University is located in the city of Pocatello, Idaho, which serves as an economic center for the southeastern part of the State. The University campus in Pocatello, Idaho includes approximately 980 acres, has approximately 100 buildings, and currently serves approximately 10,151 full and part time students. In addition to University Place Idaho Falls, the University operates outreach centers in Boise, Twin Falls, Coeur d'Alene, American Falls, Blackfoot, Preston and Soda Springs.

The following map shows all locations where the University has either a campus or an outreach center.

ISU's Video Classroom Network

ISU provides course work statewide via a two way video/audio network serving the communities of Idaho with higher education opportunities.



The University serves a diverse population that includes traditional students entering the University directly from high school, non-traditional students who have delayed their university education, working professionals and senior citizens.

The University provides both general education and specialized programs in the arts, humanities, sciences, the professions and technologies. Bachelor and master degrees are awarded in a variety of fields by the Colleges of Arts and Sciences, Business, Education, Engineering, Health Professions, Pharmacy, Technology and the Graduate School. Terminal degrees offered include: Master of Business Administration; Master of Fine Arts; Doctor of Pharmacy; Doctor of Philosophy; Doctor of Arts and Doctor of Education. Through its programs in pharmacy, health professionals and the Family Practice Medical Residency, the University is a center for education in the health professions. The University also has responsibility for Idaho's dental education program.

Student Body

The University admits all Idaho residents who graduate from accredited high schools in the state with an overall grade point average of at least 2.0 or who have an enhanced ACT composite score of at least 18 and who have successfully met the statewide admission standards established by the Board. Approximately 91% of the University's Fall 2006 student body were residents of Idaho. The table on the following page sets out certain statistics concerning the University's enrollment for the Fall terms of the years indicated. The vast majority of the University's students are located at its main Pocatello campus; 64% of Fall 2006 enrollment, measured by head count, were located on the Pocatello campus, while nearly 19% were located on the Idaho Falls campus.

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Five-year Historical Enrollment Summary

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Students	<u>Fall Semester, 10th Day of Class</u>				
Full Time Equivalents (FTE)	10,074	10,287	10,180	10,052	9,500
Head Count	13,352	13,623	13,802	13,977	12,676
Undergraduate Students	<u>Academic Head Count 10th Day of Class, Fall Semester</u>				
Full-time:					
Residents	7,453	7,672	7,386	7,220	6,620
Non-residents	<u>593</u>	<u>626</u>	<u>633</u>	<u>616</u>	<u>607</u>
Subtotal	8,046	8,298	8,019	7,836	7,227
Part-time:					
Residents	3,329	3,202	3,691	3,860	3,282
Non-residents	<u>69</u>	<u>65</u>	<u>93</u>	<u>75</u>	<u>128</u>
Subtotal	3,398	3,267	3,784	3,935	3,410
Graduate Students					
Full-time:					
Residents	579	625	636	666	790
Non-residents	<u>221</u>	<u>241</u>	<u>252</u>	<u>282</u>	<u>285</u>
Subtotal	800	866	888	948	1,075
Part-time:					
Residents	1,010	1,085	1,000	1,131	839
Non-residents	<u>98</u>	<u>107</u>	<u>111</u>	<u>127</u>	<u>125</u>
Subtotal	1,108	1,192	1,111	1,258	964
Total Undergraduate	11,444	11,565	11,803	11,771	10,637
Total Graduate Students	<u>1,908</u>	<u>2,058</u>	<u>1,999</u>	<u>2,206</u>	<u>2,039</u>
Grand Total	<u>13,352</u>	<u>13,623</u>	<u>13,802</u>	<u>13,977</u>	<u>12,676</u>
<u>No. of Freshmen</u>	<u>Freshman Class Statistics, Fall Semester</u>				
Applying	3,769	3,573	3,750	3,566	3,396
Accepted	2,967	2,638	2,677	2,731	2,602
Enrolled	2,212	2,107	2,526	2,490	2,147
Resident	1,716	1,692	2,134	2,127	1,724
Average ACT Score	21	21	21	21	21
Average High School GPA	3.08	3.31	3.20	3.30	3.15
Percentage graduating in the top 25% of their high school class:	35%	35%	33%	32%	35%

Source: Idaho State University

As the preceding information illustrates, full-time undergraduate enrollment at the University has decreased over the past three years. This is attributed to several factors. Changing demographics in the region has resulted in fewer high school students accessing higher education, as Idaho's economy is thriving and students who may have been in school are choosing to work. Increased competition from BYU-Idaho, now a 4-year institution and out-of-state universities such as Utah State has also led to a drop in overall full-time undergraduate student enrollment. Although ISU has had steady enrollment growth since 1990, the landscape for recruiting students to ISU has changed over the last three years. Further, many of ISU's high demand health science programs such as nursing and dental hygiene have a limited number of seats available (the limitations are necessary to maintain accreditation standards). Thus, some students not gaining admission to these programs have chosen not to continue their education at ISU. At the graduate level, an attractive array of new health science programs on campus and at outreach sites across the State has helped offset part of this decline. Full-time graduate student enrollment has increased by 15% over the past three years from 751 students to 866. Currently, ISU is identifying new potential student markets and working to invest in bringing those students to ISU in order to maintain modest enrollment growth.

The University formed a Recruitment, Retention and Branding Task Force (the "Task Force") to address the declining enrollment issues. The Task Force has recommended that action be taken to increase the non-resident and out-of-area student population, develop a retention plan designed to build and enhance a scholarly community that is socially and academically focused on student success, and establish a University promotion committee charged with building a consistent and favorable University brand image and ensure the quality and consistency of promotional materials.

Student Housing

The University operates a dormitory system accommodating up to 540 students in five traditional residence halls, most of whom are undergraduates. The University's dormitory room charges are adjusted annually to an amount deemed necessary by University officials to pay operation, maintenance, and debt amortization, expenses. During the last three Fiscal Years, however, the Housing System has operated at a net loss. The University is working to correct this and believes that certain actions underway could help the Housing System return to profitability, although the University is subject to market forces beyond its control that may make it difficult to bring the Housing System into a profitable cash flow position.

The housing portion of the Rendezvous Center is scheduled to be occupied in Fall 2007 and will add approximately 79 suite style rooms, which will house up to 302 students.

Purchasing a meal plan is mandatory for residence hall students, and recommended for suite residents. Resident meal service at the University is provided through a central dining hall located in Turner Hall. Meals may be taken at residence hall dining facilities and the food courts at the Pond Student Union Building and the Rendezvous Center. The food service operations are provided through a management contract with the Compass Group North America, Inc.

The University currently has 425 apartments, consisting of a mix of efficiency, one and two bedroom rental units. Rental charges are collected monthly and continuing students are allowed to remain in the apartments during the summer term even if the student does not attend summer sessions. Rental rates are reviewed and adjusted at the end of each fiscal year.

For the past five years, the average occupancy rate for the Housing System is 90%. The occupancy rate for the Housing System for the 2006-2007 academic year is approximately 87%.

All of the dormitory and apartment facilities of the University are professionally maintained and kept in a sound state of repair. The University has no current plans to construct additional housing facilities.

Employees

During the 2006-2007 academic term, the University had approximately 1,070 professional and 660 classified full time employees. The University is not a party to any collective bargaining agreement, although there

are employee associations that bring any issues and concerns to the attention of the University. The University considers its relations with its employees to be good.

Employee Retirement Plan

All benefit eligible employees of the University are eligible for one of two retirement plans: the State of Idaho's "Public Employees Retirement System of Idaho" ("PERSI"), and the "Optional Retirement Plan" ("ORP") which has been offered to non classified staff since 1990.

The University's classified employees and its faculty hired prior to July 1, 1990, are covered under the PERSI. PERSI covers eligible personnel who work 20 hours or more per week. The membership of PERSI includes employees of the State of Idaho, teachers, firemen, police and employees of political subdivisions, local school districts, colleges and universities.

Faculty and exempt staff hired on or after July 1, 1990, have been enrolled in the University's ORP and faculty and staff hired before that date were offered a one-time opportunity in 1990 to withdraw from PERSI and join ORP. This is a portable, defined contribution retirement plan with options offered by Teachers' Insurance and Annuity Association/College Retirement Equities Fund (TIAA/CREF) and Variable Annuity Life Insurance Company (VALIC). The total contribution rate will be essentially the same for all employees, with a portion of the employer's contribution for ORP members being credited to the employee's account and a portion to the PERSI unfunded liability until 2025.

See "APPENDIX C—FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE YEARS ENDED JUNE 30, 2005 AND 2006 AND INDEPENDENT AUDITOR'S REPORT—Footnote 9. Retirement Plans and Termination Payments" for a further discussion of the University's retirement plans and certain other employment obligations.

Insurance

Through the State of Idaho Risk Management Program, the University maintains liability, property, and employee fidelity insurance in amounts deemed adequate by State and University officials. The University has a risk management staff that coordinates insurance coverage and claims with the State of Idaho Risk Management Program officials, and reviews the adequacy of such coverage and verifies the University's compliance with applicable agreements. As of July 1, 2007, the total insured replacement value of the University's buildings, contents and improvements was approximately \$663,000,000.

Budget Process

The University operates on an annual budget system. Its Fiscal Year begins July 1 of each year. The budget process, as well as the administration of the expenditures authorized through the process, is administered through the office of the President and Vice President for Finance and Administration, in collaboration with the departmental faculty and administrative officers. The internal budget process begins with a general budget proposal for the following Fiscal Year being submitted in consolidated form by the University Administration to the Board in August of each year.

The University's operating budget is approved by the Board prior to the commencement of the Fiscal Year, usually at its June meeting. At that meeting, the Board, serving also as the governing boards for the other institutions of higher education, approves the annual budgets for those institutions, as well.

SOURCES OF FUNDING FOR THE UNIVERSITY

The University relies on a number of sources of funding for the achievement of its educational and research missions. The principal sources of revenues are: direct appropriation of State revenues by the Idaho Legislature, the fees and nonresident tuition it charges its students, federal government appropriations, grants and contracts, gifts to the University, revenues derived from investments and property holdings of the University, and the revenues derived

from the sale of certain products and services managed or owned by the University. These revenue sources are more fully discussed below.

State Appropriations

Legislatively approved State general account and State endowment appropriations represent slightly more than thirty percent of the total University budget. The table below sets forth the legislative appropriation from the State General Fund for all higher education institutions and for the University net of one-time funding, reversions and holdbacks. The appropriations for higher education have increased Fiscal Years 2004 through 2008.

If in the course of a fiscal year prior to the commencement of the legislative session, the Governor determines that the expenditures authorized by the Legislature for the current fiscal year exceed anticipated revenues expected to be available to meet those expenditures, the Governor by executive order may reduce ("holdback") the spending authority on file in the office of the Division of Financial Management for any department, agency or institution of the State. The most recent holdback occurred during Fiscal Year 2003.

Schedule of State General Account and State Endowment Appropriations

<u>Fiscal Year</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
All Higher Education	\$226,874,700	\$230,296,700	\$235,363,700	\$248,236,200	\$264,033,100
Idaho State University	60,654,600	61,818,600	63,496,400	67,051,200	72,078,500
University's percentage increase over prior year	N/A	1.9%	2.7%	5.6%	7.5%

Fees and Tuition

The major component of this funding source is student fees, which, for the academic year 2007-2008 are \$2,200 per semester for full-time undergraduate students. Non-resident students pay per-semester tuition of \$4,342 in addition to student fees. Additional dedicated fees are charged to students enrolled in graduate programs, pharmacy, physical/occupational therapy, graduate level nursing, graduate level counseling and the Idaho Dental Education program.

The University expects fees for all students and additional tuition for non-resident students to increase in the future in response to generally higher costs of operating the University.

The following table shows per semester full-time fees from Fiscal Year 2004 through Fiscal Year 2008. Pledged Fees are shown in bold.

<u>Full-Time Fees</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Student Facilities Fee/Facilities	\$180.00	\$207.00	\$217.00	\$217.00	\$217.00
Campus Technology Fee	<u>36.00</u>	<u>41.00</u>	<u>50.00</u>	<u>75.00</u>	<u>75.00</u>
Subtotal Facility Fees	<u>216.00</u>	<u>248.00</u>	<u>267.00</u>	<u>292.00</u>	<u>292.00</u>
Tuition	1,099.60	1,184.30	1,292.85	1,344.56	1,440.81
Dedicated Activity Fees	<u>408.40</u>	<u>417.70</u>	<u>440.15</u>	<u>458.44</u>	<u>467.19</u>
Subtotal Student Fees	<u>1,724.00</u>	<u>1,850.00</u>	<u>2,000.00</u>	<u>2,095.00</u>	<u>2,200.00</u>
Graduate/Professional	330.00	340.00	370.00	370.00	380.00
Non-Resident Tuition	3,300.00	3,540.00	3,850.00	4,135.00	4,342.00

Financial aid, primarily in the form of student loans, scholarships, grants, student employment, awards, tuition waivers, fee reductions and waivers, and deferred payments is available to students. The University believes that the amount of available financial aid, which totaled approximately \$90,000,000 in Fiscal Year ended June 30, 2007 is adequate. During the 2006-2007 academic year, the direct financial aid to students in the form of scholarships and grants was approximately \$20,500,000.

Grants and Contracts

The United States government and various other public and private sponsoring agencies, through various grant and contract programs, provide a substantial percentage of the University's current fund revenues. The use of such funds is usually restricted to specific projects and is not included in the budget for the University. Such revenues include grants and contracts for research, public service, instruction and training programs, fellowships, scholarships, endowment scholarship programs, student aid programs, and grants for construction projects. The University believes it has complied with all material conditions and requirements of these various grants and contracts.

Auxiliary Enterprises

This amount represents income earned by the University on its income-producing operations such as the University's bookstore, housing, student health center, food service, athletic facility, student union and certain other operations.

Sales and Services

Various University departments provide services and products to the student body and, in some instances, to the community for which payment is received.

Idaho State University Foundation, Inc.

The ISU Foundation is a nonprofit corporation organized under Idaho law in 1967. Its purpose is to receive, manage and otherwise deal in property and apply the income, principal and proceeds of such property for the benefit of the University. A 25-member board of directors manages the ISU Foundation. Joseph C. Jensen, President-Retired, Pfizer, Inc., Animal Health Group, serves as President of the ISU Foundation.

Financial information concerning the ISU Foundation is contained in Note 12 to the University's financial statements included in "APPENDIX A" hereto. Permanent Endowments of the ISU Foundation at June 30, 2006 were \$28,306,055.

The ISU Foundation issued its Multi-Mode Variable Rate Revenue Bonds on May 30, 2001 in the amount of \$22,170,000 for the construction, furnishing, equipping and improving of certain real and personal property comprising the L.E. and Thelma Stephens Performing Arts Center. The Bonds have a final maturity date of May 1, 2021 and are secured by donations, pledges and other funds held under the Bond Indenture. The total interest expense on the Bonds during 2007 was \$629,237. The outstanding balance on these bonds as of June 30, 2007 was \$11,010,000.

Future Plans

The University has no plans to incur additional indebtedness in the near future.

University Debt

Prior to the issuance of the Series 2007 Bonds, the University had \$63,180,000 of Bonds outstanding secured by Pledged Revenues. Set forth below is the University's schedule of outstanding indebtedness as of the end of its most recently completed Fiscal Year.

Attachment 1

<u>Outstanding Indebtedness Prior to the Issuance of the Series 2007 Bonds</u>	<u>Date Incurred</u>	<u>Final Maturity Date</u>	<u>Amount of Original Indebtedness</u>	<u>Amount of Debt Outstanding as of June 30, 2007</u>
Student Facilities Fee Refunding and Improvement Revenue Bonds, Series 1998	1998	2022	\$12,400,000	\$8,865,000
General Refunding and Improvement Revenue Bonds, Series 2003	2003	2023	35,895,000	32,220,000
General Revenue Bonds, Series 2004A	2004	2023	4,980,000	4,560,000
General Revenue Bonds, Series 2004B	2004	2034	3,305,000	3,305,000
General Revenue Bonds (Taxable), Series 2004C	2004	2034	2,305,000	2,115,000
General System Revenue Bonds (Federally Taxable), Series 2006	2006	2028	<u>\$10,000,000</u>	<u>\$10,000,000</u>
Subtotal:			<u>\$68,885,000</u>	<u>\$61,065,000</u>
General Revenue Bonds, Series 2007	2007	2032	<u>\$15,860,000*</u>	<u>\$15,860,000*</u>
Total Bonded Indebtedness Upon Issuance of Series 2007 Bonds			<u>\$84,745,000*</u>	<u>\$76,925,000*</u>

* Preliminary; subject to change
Source: Idaho State University

Other Obligations

The University is in the process of implementing an enterprise resource planning ("ERP") system in order to provide increased integration and functionality for the University. Koch Financial Corporation has been selected as the financing institution based on their expertise in financing information system installations and comparisons with other vendors. The University will enter into a Master Lease Purchase Agreement with Koch Financial Corporation (upon State Board of Education approval) under which payments for the financed ERP system will be an obligation of the University, payable from legally available funds. The total amount requested to finance the ERP system is \$9,328,157, which will be financed over a term of 10 years. The University anticipates imposing an additional student fee of \$40.50 per student in Fiscal Year 2009 to support the lease payments.

UNIVERSITY GOVERNANCE AND ADMINISTRATION

The responsibility for overall management and determination of University policy and standards is vested with the Board of Trustees of Idaho State University who also serve as the Idaho State Board of Education and simultaneously, among other duties, as the Regents of the University of Idaho, the Trustees for Boise State University and Lewis-Clark State College in Lewiston and as the State Board for Professional-Technical Education. The combined boards are appointed by the Governor for five-year terms. The membership, terms, residences and occupations are listed below.

The Board of Trustees of Idaho State University and The State Board of Education

<u>Name</u>	<u>Residence</u>	<u>Occupation</u>	<u>Term Expires</u>
Milford Terrell (President)	Boise	Owner/President of DeBest Plumbing	March 1, 2012
Paul C. Agidius (Vice President)	Moscow	Attorney	March 1, 2011
Sue Thilo (Secretary)	Coeur d'Alene	Community Leader	March 1, 2009
Blake G. Hall	Idaho Falls	Attorney	March 1, 2010
Roderic W. Lewis	Boise	General Counsel, Micron Technology, Inc.	March 1, 2010
Tom Luna*	Boise	State Superintendent of Public Instruction	January 1, 2011
Laird Stone	Twin Falls	Attorney	March 1, 2008
Richard Westerberg	Preston	Franklin County Commission Chairman	March 1, 2009

* Mr. Luna serves ex-officio to the State Board of Education in his capacity as State Superintendent of Public Instruction, which is a statewide elective office. His current term on the Board expires on January 1, 2011.

The State Board of Education has a full time professional staff headed by Karen McGee, Interim Executive Director. She was appointed Interim Executive Director in May, 2007.

University Officers

The affairs of the University are managed by the President of the University and the staff. The President is appointed by, reports to, and serves at the pleasure of the Board. Following is a brief biographical resume of President Vailas and his cabinet:

Arthur C. Vailas, President. Dr. Vailas assumed the position of President of Idaho State University on July 1, 2006. Dr. Vailas previously was vice chancellor of all five University of Houston (UH) System campuses, and vice president for research and intellectual property management at the UH main campus. He joined the University of Houston in 1995 as vice provost for graduate studies, and professor and distinguished chair in biology and biochemistry. From 1988 to 1994, he held numerous positions at the University of Wisconsin – Madison. They included associate dean for research and development in the School of Education; professor of surgery, division of orthopedic surgery, College of Medicine; professor of kinesiology, School of Education; professor, department of poultry science, College of Agriculture; and professor and director of the Biodynamics Laboratory. His Ph.D. degree is from the University of Iowa with an area of emphasis in connective tissue physiology.

Robert A. Wharton, Vice President for Academic Affairs. Dr. Wharton oversees all academic aspects of the University. He works with University leadership and the State Board of Education to advance campus initiatives-leading to excellence in pursuing the University's mission. Prior to joining the University, Dr. Wharton was a member of the federal government's Senior Executive Service and served as executive officer for the National Science Foundation's Office of Polar Programs.

James A. Fletcher, Vice President for Finance and Administration and Bursar. Mr. Fletcher was appointed to the position of Vice President for Finance and Administration and Bursar in July, 2007. Mr. Fletcher most recently served as the Vice Chancellor of Administration at the Texas A&M System in College Station, Texas. He has also previously served at Howard University, University of Colorado, and Morehouse College. Prior to that, he worked in senior financial administration positions at the IBM and Unisys Corporations.

Lee Krehbiel, Interim Vice President of Student Affairs. Dr. Krehbiel was appointed to the position of Interim Vice President for Student Affairs in September 2006. Originally coming to the University in 1996 to serve as Assistant Dean of Students, he was promoted to Associate Dean of Students in 2005. Prior to joining the University, Dr. Krehbiel was a Research Associate at the Indiana Education Policy Center, Indiana University-

Bloomington. He previously served as Director of Alumni Building (Union) and Campus Activities at Berea College. He received his Ph.D. in Educational Leadership and Policy Studies from Indiana University.

BONDOWNERS' RISKS

The purchase of the Series 2007 Bonds involves certain risks that are discussed throughout this Official Statement. Each prospective purchaser of the Series 2007 Bonds should make an independent evaluation of all of the information in this Official Statement in order to make an informed investment decision.

Limited Obligation. The Series 2007 Bonds are limited obligations of the Board and do not constitute a debt or liability of the State of Idaho, its Legislature, or any of its political subdivisions or agencies other than the University and then only to the extent herein described. The Board is not authorized to levy or collect any taxes or assessments other than the revenues and fees described herein to pay the Series 2007 Bonds. The Board has no taxing power.

Enrollment Decline. The University is empowered to set fees and tuition, but the University cannot control the number of students enrolled in any year and a continued decline in enrollment could impact the ability of the University to collect sufficient Pledged Revenues to pay principal and interest on the Bonds.

TAX MATTERS

In the opinion of Ballard Spahr Andrews & Ingersoll, LLP, Bond Counsel to the University, based on an analysis of currently existing laws, regulations, decisions and interpretations, and assuming, among other matters, continuing compliance with certain covenants, interest on the Series 2007 Bonds is excludable from gross income for federal income tax purposes and is not a specific item of tax preference for purposes of the federal alternative minimum taxes imposed on individuals and corporations, but such interest is included in earnings and profits in computing the federal alternative minimum tax imposed on certain corporations. Bond Counsel is also of the opinion that, under currently existing law, interest on the Series 2007 Bonds is exempt from State of Idaho income taxes.

The Internal Revenue Code of 1986, as amended (the "Code"), contains a number of requirements and restrictions which apply to the Series 2007 Bonds. The University has covenanted to comply with all such requirements and restrictions. Failure to comply with certain of such requirements and restrictions may cause interest on the Series 2007 Bonds to become includible in gross income for federal income tax purposes retroactive to the date of the issuance of the Series 2007 Bonds. Bond Counsel has assumed, without undertaking to determine or confirm, continuing compliance by the University with such requirements and restrictions in rendering its opinion regarding the tax-exempt status of interest on the Series 2007 Bonds.

Although Bond Counsel will render an opinion that interest on the Series 2007 Bonds is excludable from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Series 2007 Bonds may otherwise affect a Bondowner's tax liability. The nature and extent of these other tax consequences will depend upon the Bondowner's particular tax status and the Bondowner's other items of income or deduction. Bond Counsel expresses no opinion regarding any other tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2007 Bonds.

Original Issue Premium. Certain of the Series 2007 Bonds may be offered at a premium ("original issue premium") over principal amount. Original issue premium is amortizable periodically over the term of a Series 2007 Bond through reductions in the holder's tax basis for the Series 2007 Bond for determining taxable gain or loss from sale or from redemption prior to maturity. Amortizable premium is accounted for as reducing the tax-exempt interest on the Series 2007 Bond rather than creating a deductible expense or loss. Series 2007 Bondholders should consult their tax advisers for an explanation of the amortization rules.

Original Issue Discount. Certain of the Series 2007 Bonds may be offered at a discount ("original issue discount") equal generally to the difference between public offering price and principal amount. Original issue discount on a Series 2007 Bond accrues as tax-exempt interest periodically over the term of the Series 2007 Bond.

The accrual of original issue discount increases the holder's tax basis in the Series 2007 Bond for determining taxable gain or loss from sale or from redemption prior to maturity. Series 2007 Bondholders should consult their tax advisers for an explanation of the accrual rules.

Recent Supreme Court Review. On May 21, 2007, the U.S. Supreme Court agreed to review a Kentucky state court decision on the issue of whether the U.S. Constitution precludes states from giving more favorable tax treatment to state and local government bonds issued within that state than the tax treatment given bonds issued outside that state. The outcome of this or any similar case cannot be predicted, but the ultimate result could be a change in the treatment for state tax purposes of obligations such as the Series 2007 Bonds, including whether interest on the Series 2007 Bonds is exempt from State of Idaho income tax.

Information Reporting and Backup Withholding. Payments of interest on tax-exempt obligations, including the Series 2007 Bonds, are generally subject to IRS information reporting by the payor and "backup withholding" if the recipient has not furnished the payor with a completed Form W-9, certifying the recipient's tax identification number or basis for exemption. "Backup withholding" means that the payor will withhold tax from the interest payments at the backup withholding rate, currently 28%.

If an owner purchasing a Series 2007 Bond through a brokerage account has executed a Form W-9 in connection with the account, as generally can be expected, there should be no backup withholding of interest on such Series 2007 Bond. In any event, backup withholding does not affect the excludability of the interest on the Series 2007 Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's Federal income tax once the required information is furnished to the Internal Revenue Service.

UNDERWRITING

Lehman Brothers Inc. (the "Underwriter"), has agreed, subject to certain conditions, to purchase all of the Series 2007 Bonds from the University at a purchase price of \$_____. Upon the issuance of the Series 2007 Bonds, the University will pay the Underwriters an underwriting fee of \$_____. The Underwriter has advised the University that the Series 2007 Bonds may be offered and sold to certain dealers (including dealers depositing the Series 2007 Bonds into investment trusts) at prices lower than the initial public offering prices reflected on the cover page of this Official Statement and that such public offering prices may be changed from time to time.

RATINGS

As of the date of this Official Statement, _____ and _____ have assigned underlying ratings of "____" and "____," respectively, to the Series 2007 Bonds.

Any explanation of the significance of such ratings may only be obtained from the rating agency furnishing the same. The above ratings are not recommendations to buy, sell or hold the Series 2007 Bonds.

There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2007 Bonds.

TRUSTEE

By appointment of the University, U.S. Bank National Association, Salt Lake City, Utah, shall act as the trustee, bond registrar, authenticating agent, paying agent and transfer agent with respect to the Series 2007 Bonds.

The Trustee is to carry out those duties assignable to it under the Resolution. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Official Statement and assumes no responsibility for the nature, content, accuracy or completeness of the information set forth in this Official Statement

or for the recitals contained in the Resolution or the Series 2007 Bonds, or for the validity, sufficiency, or legal effect of any of such documents.

Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application by the Authority of any of the Series 2007 Bonds authenticated or delivered pursuant to the Resolution or for the use or application of the proceeds of such Series 2007 Bonds by the University. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the Series 2007 Bonds and makes no representation, and has reached no conclusions, regarding the value or condition of any assets or revenues pledged or assigned as security for the Series 2007 Bonds or the investment quality of the Series 2007 Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

CONTINUING DISCLOSURE

The University and the Trustee have entered into a "Disclosure Agreement" pursuant to which the University will provide to the Trustee within 180 days following the end of its fiscal year a copy of its annual audited financial statements and such other financial, statistical and operating data for such fiscal year in form and scope similar to the financial, statistical and operating data included in this Official Statement. The University also has agreed to deliver to the Trustee notice of the events described in paragraph (b)(5)(i)(C) of Rule 15c2-12 as promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"). The Trustee has agreed to deliver the information and the notices described in the preceding two sentences upon receipt thereof from the University to each nationally recognized municipal securities information repository and to the State of Idaho information depository, and to deliver any notice of an event described in paragraph (b)(5)(i)(C) of Rule 15c2-12 to the Municipal Securities Rulemaking Board. The Trustee also agrees that if it has knowledge that the University has not delivered its annual audited financial statements or has not provided the financial, statistical and operating data as described above or if it has knowledge of the occurrence of an event described in clauses (1), (3) or (4) of paragraph (b)(5)(i)(C) of Rule 15c2-12, it will directly notify such nationally recognized municipal securities information repository and the Municipal Securities Rulemaking Board of the University's failure to deliver such information or the occurrence of such event.

The University has not failed to perform any obligation with respect to any existing undertaking to provide continuous disclosure under the Rule. A failure by the University to comply with the Disclosure Agreement will constitute an event of default under the Disclosure Agreement and will entitle any Bondholder (including any Beneficial Owner) to bring an action for specific performance and to take such other remedies as are provided in the Disclosure Agreement.

A failure by the University to comply with the Disclosure Agreement must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 2007 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2007 Bonds and their market price.

LITIGATION

The University has reported as of the date hereof that there is no litigation pending or threatened that, if decided adversely to the interests of the University, would have a materially adverse effect on the operations or financial position of the University. There is no litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Series 2007 Bonds or in any way contesting or affecting the validity of, or having a material adverse effect on, the Series 2007 Bonds, the pledge and application of Pledged Revenues or the existence or powers of the University.

LEGAL MATTERS

All legal matters incident to the authorization and issuance of the Series 2007 Bonds are subject to the approval of Ballard Spahr Andrews & Ingersoll, LLP, as Bond Counsel to the University whose approving opinions will be delivered with the Series 2007 Bonds. Certain legal matters will be passed upon for the University by its University Counsel, Bradley H. Hall, Esq., Pocatello, Idaho. Certain legal matters will be passed on for the Board

and the University by the office of the Attorney General of the State. A copy of the opinion of Bond Counsel in substantially the form set forth in APPENDIX D of this Official Statement will be available from the University upon request.

Other than the form of such opinion, Bond Counsel has not assumed responsibility for any of the remaining material in the Official Statement and has not undertaken to review or independently verify the information set out therein. In addition, Bond Counsel has not assumed responsibility for any agreement, representation, offering circulars or other material of any kind not mentioned in this paragraph, relating to the offering of the Series 2007 Bonds for sale.

INDEPENDENT AUDITORS

The financial statements of the University for the years ended June 30, 2006 and 2005 and Independent Auditor's Report, included in this Official Statements as "APPENDIX C" have been audited by Moss Adams LLP ("Moss Adams"), independent auditors, as stated in their report appearing herein. Moss Adams has not been engaged to perform and has not performed, since the date of the report included herein, any procedures on the financial statements addressed in that report. Moss Adams also has not performed any procedures relating to this Official Statement.

NO DEFAULTED BONDS

The University has never failed to pay principal and interest when due on their respective outstanding bonded indebtedness or other obligations.

MISCELLANEOUS

The Appendices are integral parts of this Official Statement and must be read together with all other parts of this Official Statement. The references herein to the Resolution, the Series 2007 Bonds and the Act, are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and reference is made to such documents and Act for full and complete statements of their provisions. Copies of these documents and Act are available for inspection at the principal corporate trust office of the Trustee in Salt Lake City, Utah and during the offering period for the Series 2007 Bonds from the Underwriter.

Any statements in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any estimates will be realized.

This Preliminary Official Statement is in a form "deemed final" by the University for purposes of Rule 15c2-12 of the Securities and Exchange Commission.

This Official Statement and its distribution and use by the Underwriter has been duly authorized by the Board and the University.

IDAHO STATE UNIVERSITY

By: _____
Vice President for Finance and Administration and
Bursar

APPENDIX A

**GLOSSARY OF CERTAIN TERMS USED IN THE
RESOLUTION AND OFFICIAL STATEMENT**

The following terms are used as defined terms in the Resolution and the Official Statement. The defined terms should be read in conjunction with APPENDIX B—SUMMARY OF THE RESOLUTION.

“Accountant’s Certificate” shall mean a certificate signed by an independent certified public accountant of recognized standing or a firm of independent public accountants of recognized standing, selected by the University and acceptable to the Trustee (which acceptance shall not be unreasonably withheld), who may be the accountant or firm of accountants who regularly audit the books of the University, provided that, if the Trustee shall fail to so accept, it shall deliver to the University a statement of its reasons for such nonacceptance.

“Act” shall mean the Educational Institutions Act of 1935, codified in Title 33, Chapter 38, Idaho Code, as the same shall be amended from time to time.

“Additional Bonds” shall mean Bonds issued pursuant to Article VII of the Resolution secured by Pledged Revenues.

“Authorized Officer of the University” shall mean the Bursar or a representative designated by the Bursar.

“Board” shall mean the Board of Trustees of the Idaho State University.

“Bond Fund” shall mean the fund referred to in the Bond Resolution, consisting of the Debt Service Account.

“Bond Register” shall mean the registration records of the University, maintained by the Trustee, on which shall appear the names and addresses of the Registered Owners of the Bonds.

“Bond Resolution” or “Resolution” shall mean the Bond Resolution, adopted by the Board on September 17, 1992, providing for the issuance of General Revenue Bonds, as restated on August 12, 2004 and as from time to time supplemented by Supplemental Resolutions.

“Bond Year” means the one-year period (or, in the case of the first Bond Year, the shorter period from the date of issue of the Bonds) selected by the University. If no date is selected by the University within five years of the date of delivery of a series of Bonds, each Bond Year shall end at the close of business on the date preceding the anniversary of the date of delivery of a series of Bonds.

“Bonds” shall mean the initial bonds issued under the Resolution and any Additional Bonds.

“Bursar” means the officer so designated by the University as chief financial officer of the University, currently the Vice President for Finance and Administration of the University, including any acting Bursar designated by the University.

“Business Day” shall mean a day, other than Saturday or Sunday, on which banks located in the states of Idaho, Minnesota, Utah and Washington, or in the city where the principal corporate trust office of the Trustee is located, are open for the purpose of conducting commercial banking business.

“CAES Base Rent” shall mean the base rent payable by Battelle Energy Alliance, LLC a Delaware limited liability company under its Lease Agreement No. 00049377 with the University.

“Code” shall mean the Internal Revenue Code of 1986, as amended and supplemented from time to time, and the regulations promulgated thereunder.

“Construction Fund” shall mean the special account created by the Bond Resolution, from which the Cost of Acquisition and Construction of a Project shall be paid.

“Cost of Acquisition and Construction,” with respect to a Project, shall include together with any other proper item of cost not specifically mentioned therein, the cost of demolition, the cost of acquisition and construction of the Project and the financing thereof, the cost, whether incurred by the University or another, of field surveys and advance planning undertaken in connection with the Project, and the cost of acquisition of any land or interest therein required as the sites thereof or for use in connection therewith, the cost of preparation of the sites thereof and of any land to be used in connection therewith, the cost of any indemnity and surety bonds and insurance premiums, allocable administrative and general expenses of the University, allocable portions of inspection expenses, financing charges, legal fees, and fees and expenses of financial advisors and consultants in connection therewith, cost of audits, the cost of all machinery, apparatus and equipment, cost of engineering, the cost of utilities, architectural services, design, plans, specifications and surveys, estimates of cost, the payment of any notes of the University (including any interest and redemption premiums) issued to temporarily finance the payment of any item or items of cost of the Project and payable from the proceeds of the Bonds, and all other expenses necessary or incident to determining the feasibility or practicability of the Project, and such other expenses not specified herein as may be necessary or incident to the construction and acquisition of the Project, the financing thereof and the placing of the same in use and operation.

“Cost(s) of Issuance” shall mean printing, rating agency fees, legal fees, underwriting fees, fees and expenses of the Trustee, bond insurance premiums, if any, and all other fees, charges, and expenses with respect to or incurred in connection with the issuance, sale, and delivery of a series of Bonds.

“Cross-over Date” means with respect to Cross-over Refunding Bonds the date on which the principal portion of the related Cross-over Refunded Bonds is to be paid or redeemed from the proceeds of such Cross-over Refunding Bonds.

“Cross-over Refunded Bonds” means Bonds refunded by Cross-over Refunding Bonds.

“Cross-over Refunding Bonds” means Bonds issued for the purpose of refunding Bonds if the proceeds of such Cross-over Refunding Bonds are irrevocably deposited in escrow in satisfaction of the requirements of Section 57-504, Idaho Code, to secure the payment on an applicable redemption date or maturity date of the Cross-over Refunded Bonds (subject to possible use to pay principal of the Cross-over Refunding Bonds under certain circumstances) and the earnings on such escrow deposit are required to be applied to pay interest on the Cross-over Refunding Bonds until the Cross-over Date.

“Debt Service” for any period shall mean, as of any date of calculation, an amount equal to the Principal Installment and interest accruing during such period on the Bonds, plus any Payment due under a Parity Payment Agreement as defined in the Resolution. Such Debt Service on the Bonds shall be calculated on the assumption that no portion of the Bonds Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of the Principal Installment on the Bonds on the due date thereof. For any series of Variable Rate Bonds bearing interest at a variable rate which cannot be ascertained for any particular Fiscal Year, it shall be assumed that such series of Variable Rate Bonds will bear interest at a fixed rate equal to the higher of (i) the average of the variable rates applicable to such series of Variable Rate Bonds during any twenty-four month period ending within thirty (30) days prior to the date of computation, or (ii) 110% of the Bond Buyer 25 Revenue Bond Index most recently published prior to the computation date but bearing interest at a fixed rate. There shall be excluded from “Debt Service” (i) interest on Bonds (whether Cross-over Refunding Bonds or Cross-over Refunded Bonds) to the extent that Escrowed Interest is available to pay such interest, and (ii) principal on Cross-over Refunded Bonds to the extent that the proceeds of Cross-over Refunding Bonds are on deposit in an irrevocable escrow in satisfaction of the requirements of Section 57-504, Idaho Code, and such proceeds or the earnings thereon are required to be applied to pay such principal (subject to the possible use to pay the principal of the Cross-over Refunding Bonds under certain circumstances) and such amounts so required to be applied are sufficient to pay such principal.

“Debt Service Account” shall mean the account of that name created within the Bond Fund by the Bond Resolution.

“Defeasance Securities” shall mean and include any of the following securities:

1. Cash.
2. U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series - (SLGs)).
3. Direct obligations of the U.S. Treasury which have been stripped by the U.S. Treasury itself.
4. Resolution Funding Corp. (“REFCORP”). Only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form are acceptable.
5. Pre-refunded municipal bonds rated “Aaa” by Moody’s and “AAA” by S&P. If, however, the issue is only rated by S&P (i.e., there is no Moody’s rating) then the pre-refunded bonds must have been prerefunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA rated pre-refunded municipals to satisfy this condition.
6. Obligations issued by the following agencies which are backed by the full faith and credit of the U.S.:
 - a. *U.S. Export-Import Bank (Eximbank)*
Direct obligations or fully guaranteed certificates of beneficial ownership
 - b. *Farmers Home Administration (FmHA)*
 - c. *Federal Financing Bank*
 - d. *General Services Administration*
Participation Certificates
 - e. *U.S. Maritime Administration*
Guaranteed Title XI financing
 - f. U.S. Department of Housing and Urban Development (HUD)
Project Notes
Local Authority Bonds
New Communities Debentures – U.S. government guaranteed debentures
 - g. *U.S. Public Housing Notes and Bonds – U.S. government guaranteed public housing notes and bonds*

“Escrowed Interest” means (i) amounts irrevocably deposited in escrow in accordance with the requirements of Section 57-504, Idaho Code, in connection with the issuance of Bonds or Cross-over Refunding Bonds or earnings on such amounts which are required to be applied to pay interest on such Cross-over Refunding Bonds or the related Cross-over Refunded Bonds, and (ii) amounts required by the Resolution to be deposited to pay interest on Bonds for a Project.

“Estimated Pledged Revenues” means, for any year, the Estimated Pledged Revenues for such year, based upon estimates prepared by the Bursar and approved in accordance with procedures established by the Board. In computing Estimated Pledged Revenues, Pledged Revenues may be adjusted as necessary to reflect any changed schedule of fees or other charges adopted and to become effective not later than the next succeeding Fiscal Year of the University and any estimated gain in enrollments of students subject to payment of fees in the academic year

next succeeding the delivery of a series of bonds in connection with which an estimate is made. The estimated Operation and Maintenance Expenses shall not be considered in computing Estimated Pledged Revenues unless Operation and Maintenance Expenses are expected to be paid from Pledged Revenues.

“Estimated Revenues Available for Debt Service” shall mean, for any year, the Revenues Available for Debt Service for such year, based upon estimates prepared by the Bursar and approved in accordance with procedures established by the Board. In computing Estimated Revenues Available for Debt Service, Pledged Revenues may be adjusted as necessary to reflect any changed schedule of fees or other charges adopted and to become effective not later than the next succeeding Fiscal Year of the University and any estimated gain in enrollments of students subject to payment of fees in the academic year next succeeding the delivery of a series of bonds in connection with which an estimate is made.

“Event of Default” shall mean one or more of the events enumerated in the Bond Resolution.

“Facilities” means (i) the Holt Arena stadium facility, (ii) the Reed Gymnasium, (iii) the Student Union Buildings, (iv) the CAES Project, (v) the Meridian Project, (vi) the Recreation Project and (vii) any Project financed with the proceeds of the Bonds, together with all appurtenances, equipment and related facilities useful or necessary to the operation of such Facilities.

“Fiscal Year” shall mean the annual accounting period of the University, beginning July 1 in a year and ending June 30 of the following year.

“Generally Accepted Accounting Principles” shall mean those accounting principles applicable in the preparation of financial statements of business corporations as promulgated by the Financial Accounting Standards Board or such other body recognized as authoritative by the American Institute of Certified Public Accountants.

“Housing System” shall mean the University’s system of (i) student housing facilities and related facilities, including family student housing and apartments; (ii) the University’s on-campus residence hall housing facilities, food service and dining facilities and related and subordinate facilities; and (iii) additions and improvements thereto.

“Investment Securities” shall mean and include any securities authorized to be acquired by the Treasurer of the State of Idaho pursuant to Section 67-1210 and 67-1210A, Idaho Code, or any successor Code section specifying legal investments.

“Mandatory Redemption Amount(s)” shall mean the mandatory deposits so designated in a Supplemental Resolution. The portion of any Mandatory Redemption Amount remaining after the deduction of any amounts credited pursuant to the Resolution (or the original amount of any such Mandatory Redemption Amount if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Mandatory Redemption Amount for the purpose of calculation of Mandatory Redemption Amounts due on a future date.

“Matriculation Fee(s)” shall mean the student matriculation fee established by the Board for maintenance and operation of physical plant, student services, and institutional support for full-time students enrolled in academic credit courses and vocational pre-employment, preparatory programs at the University, as said fee now exists and may hereafter be revised by the Board. The Matriculation Fee shall include general education fees for part-time and summer students which are currently designated by the Board as the “Part-time Educational Fee” and “Summer School Fee.” The Matriculation Fee is also referred to as the “Tuition Fee.”

“Maximum Annual Debt Service” shall mean an amount equal to the greatest annual Debt Service with respect to the Bonds for the current or any future Bond Year.

“Meridian Project” means the acquisition and renovation of a portion of a building in Meridian, Idaho to be used for instructional purposes.

“Moody’s” shall mean Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns.

“Net Proceeds,” when used with reference to any series of Bonds, shall mean the aggregate principal amount of the series of Bonds, less the Costs of Issuance.

“Net Revenues of the Housing System” shall mean the Revenues of the Housing System, less Operation and Maintenance Expenses.

“Operation and Maintenance Expenses” with respect to the Housing System shall mean all actual operation and maintenance expenses incurred by the University in any particular Fiscal Year or period to which said term is applicable or charges made therefor during such Fiscal Year or period, but only if such charges are made in conformity with Generally Accepted Accounting Principles.

Operation and Maintenance Expenses include, but are not limited to, costs for ordinary repairs, renewals and replacements of the Housing System, for salaries and wages, employees’ health, hospitalization, pension and retirement expenses, fees for services, materials and supplies, rents, administrative and general expenses, insurance expenses, legal, engineering, accounting and financial advisory fees and expenses and costs of other consulting and technical services, fees and charges of financial, banking or other institutions for letters of credit, standby credit facilities, reimbursement agreements and remarketing, indexing and tender agent agreements to secure any series of Bonds, training of personnel, taxes and other governmental charges imposed by other than the University, fuel costs, and any other current expenses or obligations required to be paid by the University under the provisions of the Resolution or by law, all to the extent properly allocable to the Housing System.

Notwithstanding the first sentence of this definition, Operation and Maintenance Expenses do not include depreciation or obsolescence charges or reserves therefor; amortization of intangibles or other bookkeeping entries of a similar nature; interest charges and charges for the payment or amortization of principal of bonded or other indebtedness of the University; costs or charges which under Generally Accepted Accounting Principles are properly chargeable to the capital account or the reserve for depreciation and do not include losses from the sale, abandonment, reclassification, revaluation or other disposition of any part of the Housing System or such property items which are capitalized pursuant to the then existing accounting practice of the University.

“Outstanding,” when used with reference to the Bonds, as of any particular date, shall mean the Bonds which have been issued, sold and delivered under the Bond Resolution, except (i) the Bonds (or portion thereof) cancelled because of payment or redemption prior to their stated date of maturity, and (ii) the Bonds (or portion thereof) for the payment or redemption of which there has been separately set aside and held money for the payment thereof.

“Payment Date” shall mean the date upon which a payment of Debt Service on the Bonds shall be due and payable.

“Pledged Revenues” shall include (i) the Student Facilities Fee/Facilities, (ii) the Matriculation Fee (also referred to as the Tuition Fee) and other fees as shall be designated by the Board as Pledged Revenues; (iii) Revenues of the Housing System and CAES Base Rent, (iv) other revenues of other University enterprises or sources of funds as shall be designated by the Board as Pledged Revenues, (v) any investment income deposited from the Revenue Fund and the Debt Service Fund; and (vi) proceeds from the sale of a series of Bonds and moneys and investment earnings thereon, except as otherwise provided in the Bond Resolution or a Supplemental Resolution. Upon approval of the annual budget by the Board, the amounts of fees and other revenues so approved by the Board shall become Pledged Revenues and, when deposited into the Revenue Fund, shall become available for payment into the Bond Fund for payment of Debt Service in accordance with the Bond Resolution.

“Principal Installment” shall mean, as of any date of calculation and with respect to any series of Bonds then Outstanding, (A) the principal amount of Bonds of such series due on a certain future date for which no Mandatory Redemption Amounts have been established, or (B) the unsatisfied balance (determined as provided in the definition of Mandatory Redemption Amount in this section) of any Mandatory Redemption Amount due on a certain future date for Bonds of such series, plus the amount of the mandatory redemption premiums, if any, which would be applicable upon redemption of such Bonds on such future date in a principal amount equal to such unsatisfied balance of such Mandatory Redemption Amount, or (C) if such future dates coincide as to different

Bonds of such series, the sum of such principal amount of Bonds and of such unsatisfied balance of such Mandatory Redemption Amount due on such future date plus such applicable redemption premiums.

“Project” shall mean any “project” as defined in the Act that is financed with the proceeds of Bonds issued under the Resolution.

“Project Account” shall mean an account established by the University within the Construction Fund for a Project.

“Rebate Fund” means the fund by that name established by the Resolution.

“Record Date” shall mean the 15th day of the calendar month next preceding any interest payment date, as provided in the Resolution.

“Recreation Project” means the construction and equipping of additions to an existing recreation facility.

“Registered Owner” or “Owner(s)” shall mean the person or persons in whose name or names the Bonds shall be registered in the Bond Register maintained by the Trustee in accordance with the terms of the Bond Resolution.

“Revenue Fund” shall mean the Revenue Fund established by the Bond Resolution.

“Revenues Available for Debt Service” shall mean revenues in clauses (i), (ii), (v) and (vi) of the definition of Pledged Revenues, plus Net Revenues of the Housing System, plus revenues described in clause (iv) of the definition of Pledged Revenues less Operation and Maintenance Expenses of any University enterprises the revenues of which have been included in Pledged Revenues by virtue of such clause (iv).

“Revenues of the Housing System” shall mean all rentals, revenues, fees, tolls, charges, income, receipts and profits derived by the University from or attributable to the Housing System including, without limitation, all revenues derived from or attributable to any lease or other contractual arrangement with respect to the use or occupancy of the Housing System or the services, output or capacity thereof, or from the sale of any property of the Housing System permitted under the Resolution, and the proceeds of any insurance covering business interruption loss relating to the Housing System, all as determined in accordance with Generally Accepted Accounting Principles.

“S&P” shall mean Standard & Poor’s Corporation, a corporation organized and existing under the laws of the State of New York, its successors and assigns.

“Series 1998 Bonds” means the \$12,400,000 principal amount of Student Facilities Fee Refunding and Improvement Revenue Bonds, Series 1998, of the University authorized by the Series 1998 Supplemental Resolution.

“Series 1998 Supplemental Resolution” means the Supplemental Resolution of the University adopted on February 19, 1998, authorizing the Series 1998 Bonds.

“Series 2003 Bonds” means the \$35,895,000 General Refunding and Improvement Revenue Bonds, Series 2003, of the University authorized by the Series 2003 Supplemental Resolution.

“Series 2003 Supplemental Resolution” means the Supplemental Resolution of the University adopted on June 26, 2003, authorizing the Series 2003 Bonds.

“Series 2004A Bonds” means the \$4,980,000 General Revenue Bonds, Series 2004A, of the University authorized by the Series 2004A Supplemental Resolution.

“Series 2004A Supplemental Resolution” means the Supplemental Resolution of the University adopted on August 12, 2004, authorizing the Series 2004A Bonds.

“Series 2004B Bonds” means the \$3,305,000 General Revenue Bonds, Series 2004B, of the University authorized by the Series 2004B-C Supplemental Resolution.

“Series 2004B-C Bonds” means collectively, the Series 2004B Bonds and the Series 2004C Bonds.

“Series 2004C Bonds” means the \$2,305,000 General Revenue Bonds (Taxable), Series 2004C, of the University authorized by the Series 2004B-C Supplemental Resolution.

“Series 2004B-C Supplemental Resolution” means the Supplemental Resolution of the University adopted on October 21, 2004, authorizing the Series 2004B-C Bonds.

“Series 2006 Bonds” means the \$10,000,000 principal amount of General Revenue Bonds (Taxable), Series 2006 of the University authorized by the Series 2006 Supplemental Resolution.

“Series 2006 Supplemental Resolution” means the Supplemental Resolution of the University adopted on November 30, 2006, authorizing the Series 2006 Bonds.

“Series 2007 Bonds” means the \$_____ principal amount of General Revenue Bonds, Series 2007 of the University authorized by the Series 2007 Supplemental Resolution.

“Series 2007 Cost of Issuance Fund” means the special account created by the Series 2007 Supplemental Resolution, from which the Costs of Issuance of the Series 2007 Bonds shall be paid.

“Series 2007 Project Account” means the special account created by the Series 2007 Supplemental Resolution, from which a portion of the Cost of Acquisition and Construction of the Series 2007 Projects shall be paid.

“Series 2007 Projects” means the Recreation Project and the Meridian Project.

“Series 2007 Supplemental Resolution” means the Supplemental Resolution of the University adopted on August 9, 2007, authorizing the Series 2007 Bonds.

“Student Facilities Fee/Facilities” shall mean the student facilities fee/facilities established by the Board and pledged as Pledged Revenues for payment of Additional Bonds, as said fee now exists and as may hereafter be revised by the Board.

“Supplemental Resolution” means any resolution amending or supplementing the terms of the Resolution in full force and effect which has been duly adopted and approved by the University under the Act; but only if and to the extent that such Supplemental Resolution is adopted in accordance with the provisions of the Resolution.

“Trustee” shall mean U.S. Bank National Association, which shall also act as bond registrar, authenticating agent, paying agent and transfer agent with respect to the Bonds, or its successors in functions, as now or hereafter designated.

“2004B/2004C Insurer” means Financial Security Assurance Inc., as insurer of the Series 2004B-C Bonds.

“2004B/2004C Policy” means the municipal bond insurance policy issued by the 2004B/2004C Insurer guaranteeing the scheduled payment of principal and interest on the Series 2004B-C Bonds when due.

“University” means Idaho State University, at Pocatello, Idaho, a body politic and corporate pursuant to the provisions of Section 33-3001, Idaho Code.

“Variable Rate Bonds” means as of any date of calculation, Bonds, the terms of which on such date of calculation are such that interest thereon for any future period of time is expressed to be calculated at a rate which is not susceptible of precise determination.

“Written Certificate of the University” means an instrument in writing signed on behalf of the University by a duly authorized officer thereof. Every Written Certificate of the University, and every certificate or opinion of counsel, consultants, accountants or engineers provided for herein shall include: (A) a statement that the person making such certificate, request, statement or opinion has read the pertinent provisions of the Bond Resolution to which such certificate, request, statement or opinion relates; (B) a brief statement as to the nature and scope of the examination or investigation upon which the certificate, request, statement or opinion is based; (C) a statement that, in the opinion of such person, he has made such examination or investigation as is necessary to enable him to express an informed opinion with respect to the subject matter referred to in the instrument to which his signature is affixed; and (D) with respect to any statement relating to compliance with any provision hereof, a statement whether or not, in the opinion of such person, such provision has been complied with.

APPENDIX B

SUMMARY OF THE RESOLUTION

Capitalized terms used herein and not otherwise defined are used as defined in “APPENDIX A—GLOSSARY OF CERTAIN TERMS USED IN THE RESOLUTION AND OFFICIAL STATEMENT.”

The following is a summary of certain provisions of the Resolution and is not to be considered a full statement thereof. The Resolution and all supplements thereto, are on file at the University, c/o Vice President for Finance and Administration and Bursar, ISU Financial Services, 921 South 8th Avenue, Stop 8219, Building #10, 2nd Floor, Pocatello, Idaho 83209; or at the office of the Trustee, U.S. Bank National Association, 170 South Main Street, Suite 200, Salt Lake City, Utah 84101.

GENERAL PROVISIONS RELATING TO THE BONDS

Authorization of Bonds

Bonds designated as “General Revenue Bonds” are authorized to be issued by the University under the Resolution. The maximum principal amount of the Bonds which may be issued hereunder is not limited; provided, however, that the University reserves the right to limit or restrict the aggregate principal amount of the Bonds which may at any time be issued or Outstanding under the Resolution. Bonds may be issued in such series as from time to time shall be established and authorized by the University subject to the provisions of the Resolution. The Bonds may be issued in one or more series pursuant to one or more Supplemental Resolutions. The designation of the Bonds shall include, in addition to the name “General Revenue Bonds,” such further appropriate particular designation added to or incorporated in such title for the Bonds of any particular series as the University may determine. Each Bond shall bear upon its face the designation so determined for the series to which it belongs. Each Bond shall recite in substance that it is payable from and secured by the Pledged Revenues of the University pledged for the payment thereof.

Terms of Bonds

The principal of and interest on, and the redemption price of the Bonds shall be payable in lawful money of the United States of America at the principal corporate trust office of the Trustee or of any Paying Agent at the option of a Registered Owner. Payment of interest on any fully registered Bond shall be (i) made to the Registered Owner thereof and shall be paid by check or draft mailed to the Registered Owner thereof as of the close of business on the Record Date at his address as it appears on the registration books of the Trustee or at such other address as is furnished to the Trustee in writing by such Registered Owner, or (ii) with respect to units of \$500,000 or more of Bonds, made by wire transfer to the Registered Owner as of the close of business on the Record Date next preceding the interest payment date if such Registered Owner shall provide written notice to the Trustee not less than 15 days prior to such interest payment date at such wire transfer address as such Registered Owner shall specify, except, in each case, that, if and to the extent that there shall be a default in the payment of the interest due on any interest payment date, such defaulted interest shall be paid to the Registered Owners in whose name any such Bond is registered at the close of business on the fifth Business Day next preceding the date of payment of such defaulted interest.

The Bonds of any series may be issued only in fully registered form without coupons in authorized denominations.

Transfer or Exchange of Bonds

Any Bond shall be transferable by the Registered Owner thereof in person, or by his attorney duly authorized in writing, upon presentation and surrender of such Bond at the principal corporate trust office of the Trustee for cancellation and issuance of a new Bond registered in the name of the transferee, in exchange therefor. Provided, however, that the Trustee shall not be required to transfer the Bonds within 15 calendar days of a principal or interest payment.

Lost, Stolen, Mutilated or Destroyed Bonds

In case any Bond shall be lost, stolen, mutilated or destroyed, the Trustee may authenticate and deliver a new Bond or Bonds of like date, denomination, interest rate, maturity, number, tenor and effect to the Registered Owner thereof upon the Registered Owner's paying the expenses and charges of the University and the Trustee in connection therewith and upon his filing with the University and the Trustee evidence satisfactory to the University and the Trustee of his ownership thereof, and upon furnishing the University and the Trustee with indemnity satisfactory to the University and the Trustee.

Notice of Redemption

A. Notice of Redemption. Notice of any redemption of Bonds shall be sent by the Trustee by first-class mail, postage prepaid, not less than thirty-five (35) nor more than sixty (60) days prior to the date fixed for redemption, to the Registered Owner of each Bond to be redeemed at the address shown on the Bond Register. This requirement shall be deemed to be complied with when notice is mailed as herein provided, regardless of whether or not it is actually received by the Registered Owner of any Bond to be redeemed.

B. Effect of Redemption. When so called for redemption, such Bonds shall cease to accrue interest on the specified redemption date, provided funds for redemption are on deposit at the place of payment at that time, and such Bonds shall not be deemed to be Outstanding as of such redemption date.

C. Open Market Purchase. The University reserves the right to purchase the Bonds on the open market at a price equal to or less than par. In the event the University shall purchase Bonds at a price (exclusive of accrued interest) of less than the principal amount thereof, the Bonds so purchased shall be credited at the par amount thereof against the Debt Service requirement next becoming due. In the event the University shall purchase term Bonds at a price (exclusive of accrued interest) of less than the principal amount thereof, the term Bonds so purchased shall be credited against the Mandatory Redemption Amounts next becoming due. All Bonds so purchased shall be cancelled.

Additional Bonds

The University reserves the right to issue Additional Bonds, including the Series 2007 Bonds, secured equally and ratably with outstanding Bonds under the Resolution by a pledge of (i) Pledged Revenues and (ii) the funds established by the Resolution, upon the conditions set forth in Article VII of the Resolution and as described in the Official Statement.

Payment Agreements

For purposes of this Payment Agreements Section, the following words have the following definitions:

(1) "Payment" means any payment required to be made by or on behalf of the University under a Payment Agreement and which is determined according to a formula set forth in the Payment Agreement.

(2) "Parity Payment Agreement" means a Payment Agreement under which the University's payment obligations are expressly stated to be secured by a pledge of and lien on Pledged Revenues on an equal and ratable basis with the Pledged Revenues required to be paid into the Bond Fund to pay and secure the payment of the principal of and interest on Outstanding Bonds.

(3) "Payment Agreement" means a written agreement, for the purpose of managing or reducing the University's exposure to fluctuations or levels of interest rates, currencies or commodities or for other interest rate, investment, asset or liability management purposes, entered into on either a current or forward basis by the University and a Qualified Counterparty, all as authorized by any applicable laws of the State, such agreement may or may not be characterized by a structure of reciprocity of payment.

(4) “Payment Agreement Payment Date” means any date specified in the Payment Agreement on which a Payment or Receipt is due and payable under the Payment Agreement.

(5) “Receipt” means any payment (designated as such by a resolution) to be made to, or for the benefit of, the University under a Payment Agreement by the Payor.

(6) “Payor” means a Qualified Counterparty to a Payment Agreement that is obligated to make one or more payments thereunder.

(7) “Qualified Counterparty” means a party (other than the University or a party related to the University) who is the other party to a Payment Agreement that has or whose obligations are unconditionally guaranteed by a party that has at least an investment grade rating from Moody’s and S&P and who is otherwise qualified to act as the other party to a Payment Agreement under any applicable laws of the State.

A Payment Agreement Payment made under a Payment Agreement may be on a parity of lien with the payment of the Bonds if the Payment Agreement satisfies the requirements for Additional Bonds as described in the Resolution, taking into consideration regularly scheduled Payment Agreement Payments and Receipts (if any) under the Payment Agreement.

The Payment Agreement may oblige the University to pay, on one or more scheduled and specified Payment Agreement Payment Dates, the Payments in exchange for the Payor’s obligation to pay or to cause to be paid to the University, on scheduled and specified Payment Agreement Payment Dates, the Receipts. The University may also enter into Payment Agreements that are not reciprocated by the other party to the agreement.

If the University enters into a Parity Payment Agreement, Payments shall be made from the Debt Service Account and annual Debt Service shall include any regularly scheduled University Payments adjusted by any regularly scheduled Receipts during a Fiscal Year. Receipts shall be paid directly into the Debt Service Account. Obligations to make unscheduled payments, such a termination payments, may not be entered into on a parity with the Bonds. To the extent that a Parity Payment Agreement has been designated as a hedge of the interest rate features of either fixed rate bonds or Bonds bearing variable rates of interest, annual Debt Service during the term of such Parity Payment Agreement shall be modified to reflect such Parity Payment Agreement.

The University is not precluded from entering into Payment Agreements with a claim on Pledged Revenues junior to that of the Bonds or from entering into obligations on a parity with the Bonds in connection with the use of Payment Agreements or similar instruments if the University obtains an opinion of Bond Counsel that the obligations of the University thereunder are consistent with the Resolution.

**PLEDGE OF REVENUES; ESTABLISHMENT OF FUNDS AND ACCOUNTS;
INVESTMENT OF FUNDS**

Pledge of Pledged Revenues

In the Resolution, the University pledges for the payment of the Bonds, equally and ratably, the Pledged Revenues and all money in the Bond Fund. The Pledged Revenues and other money in the Revenue Fund and the Bond Fund, if any, shall not, except as provided in the Resolution, be used for any other purpose while any of the Bonds remain Outstanding. This pledge shall constitute a first and exclusive lien on the Pledged Revenues and such other moneys in the Revenue Fund and the Bond Fund, if any, for the payment of the Bonds in accordance with the terms of the Resolution.

Confirmation and Establishment of Funds

The following Funds are established under the Resolution:

- A. Revenue Fund to be held by the University;

- B. Construction Fund to be held by the University;
- C. Bond Fund, consisting of a Debt Service Account to be held by the Trustee;
- D. Cost of Issuance Fund to be held by the University; and
- E. Rebate Fund to be held by the University.

The Trustee may establish one or more separate and segregated sub-accounts within the Accounts and Funds from time to time as shall be necessary. The Series 2007 Supplemental Resolution creates a “Series 2007 Cost of Issuance Fund” to be held by the University from which the expenses of issuing the Series 2007 Bonds shall be paid.

Revenue Fund; Bond Fund; Flow of Funds

A. Required Deposits. The University shall deposit as received all Pledged Revenues into the Revenue Fund. The University shall deposit into the Debt Service Account in the Bond Fund the accrued interest, if any, received from the sale of a series of Bonds to the initial purchasers thereof. The University shall also deposit into the Debt Service Account the portion, if any, of the Net Proceeds designated as capitalized interest on a series of Bonds.

B. Permitted Deposits. At any time the University may deposit into the Revenue Fund or the Bond Fund such other funds and revenues that do not constitute Pledged Revenues, as the University may in its discretion determine.

C. Required Transfers. Moneys in the Revenue Fund shall first be transferred to the Trustee for deposit in the Debt Service Account in the Bond Fund not later than five (5) days before any Payment Date, an amount equal to Debt Service coming due on such Payment Date. There may be credited against the foregoing transfer, however, any moneys deposited in the Debt Service Account which are available to pay Debt Service on the Bonds and which have not previously been taken as a credit against the required transfers.

The Trustee shall pay out of the Debt Service Account to the Registered Owners of the Bonds entitled to such payment on or before each Payment Date the amount of Debt Service payable on such date.

Amounts remaining in the Revenue Fund at any time in excess of the amounts necessary to make the payments required above may be applied by the University, free and clear of the lien of the Resolution, to the extent permitted by law, (i) to the redemption of Bonds, or (ii) for any other lawful purpose of the University.

Construction Fund

There shall be paid into the Construction Fund the amounts required to be so paid by the provisions of the Resolution or any Supplemental Resolution.

The University may establish within the Construction Fund separate Project Accounts and may establish one or more subaccounts in each Project Account. The Series 2007 Supplemental Resolution designates a “Series 2007 Project Account” in the Construction Fund. Income received from the investment of moneys in the Project Account in the Construction Fund shall be credited to the Project Account. Upon completion of the Project, the Project Account shall be closed, and all remaining amounts in the Project Account shall be transferred to the Debt Service Account in the Bond Fund.

Before any payment is made from the Project Account in the Construction Fund, the University shall execute a Written Certificate showing with respect to each payment to be made the name of the person to whom payment is due and the amount to be paid and certifying that the obligation to be paid was incurred and is a proper charge against the Project Account in the Construction Fund and in a reasonable amount against the Project Account in the Construction Fund and has not been theretofore included in a prior Written Certificate, and that insofar as any

such obligation was incurred for work, materials, equipment or supplies, such work was actually performed, or such materials, equipment or supplies were actually installed in furtherance of the acquisition of the Project or delivered at the site of the Project for that purpose or delivered for storage or fabrication or as a progress payment due on equipment being fabricated to order.

Investment of Funds

Moneys held in any fund or account shall be invested and reinvested by the University or the Trustee to the fullest extent practicable in Investment Securities which mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such fund or account.

The Trustee shall make investments only in accordance with instructions received from an Authorized Officer of the University. Except as provided to the contrary in the Resolution, income received from the investment of moneys in any fund or account shall be credited to such fund or account.

COVENANTS OF THE UNIVERSITY

So long as any are Outstanding, the University covenants as follows:

Punctual Payment of Bonds

The University will punctually pay or cause to be paid the principal or redemption price and the interest to become due in respect of all the Bonds, in strict conformity with the terms of the Bonds and of the Resolution.

Covenant Regarding Pledged Revenues

The University shall establish and maintain the Pledged Revenues sufficient, together with other revenues available or to be available in the Debt Service Account to pay Debt Service for the Fiscal Year, to produce Revenues Available for Debt Service in each Fiscal Year equal to not less than 110% of the Debt Service on the Bonds Outstanding for each such Fiscal Year.

Existence of University

The University will maintain its corporate identity and shall make no attempt to cause its corporate existence to be abolished.

Accounts and Reports

A. The University will at all times keep, or cause to be kept, proper books of record and accounts in accordance with generally accepted accounting principles in which complete and accurate entries shall be made of all transactions relating to the Operation and Maintenance Expenses of the Facilities, the allocation and application of the Pledged Revenues. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Trustee or the Registered Owners of not less than five percent of the Bonds then Outstanding, or their representatives authorized in writing.

B. The University will place on file with the Trustee promptly upon the receipt thereof by the University and in any event annually within six (6) months after the close of each Fiscal Year, a copy of its annual audit report covering the operations of the University and certified by a Certified Public Accountant. Such report shall provide such information as is necessary to evidence compliance with applicable agreements and covenants made by the University in the Resolution.

C. The reports, statements, and other documents required to be furnished to the Trustee pursuant to any provisions of the Resolution shall be available for the inspection of Registered Owners at the principal trust office of the Trustee and shall be mailed to each Registered Owner, investment banker, security dealer, or other person interested in the Bonds who shall file a written request therefor with the University.

D. The University shall file with the Trustee (i) forthwith upon becoming aware of any Event of Default under the Resolution, a Written Certificate of the University specifying such Event of Default; and (ii) no later than five months following the end of each Fiscal Year a Written Certificate of the University stating that, to the best of the knowledge and belief of the authorized officer of the University executing such Written Certificate, except for any Event of Default then existing which shall have been specified in the Written Certificate of the University referred to in (i) above, the University has kept, observed, performed, and fulfilled each and every one of its covenants and obligations contained in the Resolution, and there does not exist at the date of such Written Certificate any Event of Default by the University under the Resolution or other event which, with the lapse of time specified in the Resolution, would become an Event of Default under Article XI of the Resolution, or, if any such Event of Default under Article XI of the Resolution or other event shall so exist, specifying the same and the nature and status thereof.

Compliance With the Resolution

The University will not issue, or permit to be issued, any Bonds in any manner other than in accordance with the provisions of the Resolution and will not suffer or permit any default to the Resolution, but will faithfully observe and perform all the covenants, conditions, and requirements thereof. The University will make, execute, and deliver any and all such further resolutions, instruments, and assurances as may be reasonably necessary or proper to carry out the intention or facilitate the performance of the Resolution, and for better assuring and confirming unto the registered Owners of the Bonds of the rights, benefits, and security provided in the Resolution. The University for itself, its successors and assigns, represents, covenants, and agrees with the Registered Owners of the Bonds, as a material inducement to the purchase of the Bonds, that so long as any of the Bonds shall remain Outstanding and the principal or redemption price thereof or interest thereon shall be unpaid or unprovided for, it will faithfully perform all of the covenants and agreements contained in the Resolution and the Bonds.

Power to Issue Bonds and to Pledge Pledged Revenues and Other Funds

The University is duly authorized under all applicable laws to issue the Bonds and to adopt the Resolution and to pledge the Pledged Revenues and other moneys, securities, and funds purported to be pledged by the Resolution in the manner and to the extent provided in the Resolution. The Bonds and the provisions of the Resolution are and will be the valid and legally enforceable obligations of the University in accordance with their terms and the terms of the Resolution. The University shall at all times, to the extent permitted by law, defend, preserve, and protect the pledge of the Pledged Revenues and other moneys, securities, and funds pledged under the Resolution and all the rights of the Registered Owners under the Resolution against all claims and demands of all persons whomsoever.

Power to Own and Operate the Facilities and Collect Fees

The University has, and will have so long as any Bonds are Outstanding, good right and lawful power to own and operate the Housing System and to fix and collect the Pledged Revenues.

MODIFICATION OR AMENDMENT OF RESOLUTION

The Resolution or any Supplemental Resolution and the rights and obligations of the University and of the Registered Owners of the Bonds may be modified or amended at any time by a Supplemental Resolution and pursuant to the affirmative vote at a meeting of Registered Owners, or with the written consent without a meeting, (1) of the Registered Owners of at least sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding, (2) in case less than all of the several series of Bonds then Outstanding are affected by the modification or amendment, of the Registered Owners of at least sixty percent (60%) in principal amount of the Bonds of each series so affected and then Outstanding, and (3) in case the modification or amendment changes the terms of any Mandatory Redemption Amounts, of the Registered Owners of at least sixty percent (60%) in principal amount of the Bonds of the particular series and maturity entitled to such Mandatory Redemption Amounts and then Outstanding; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified series remain Outstanding, the consent of the Registered Owners of Bonds of such series shall not be required and Bonds of such series shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this section. No such modification or amendment shall (x) extend the fixed

maturity of any Bond, or reduce the principal amount or redemption price thereof, or reduce the rate or extend the time of payment of interest thereon, without the consent of the Registered Owner of each Bond so affected, or (y) reduce the aforesaid percentage of Bonds required for the affirmative vote or written consent to an amendment or modification of the Resolution, without the consent of the Registered Owners of all of the Bonds then Outstanding, or (z) without its written consent thereto, modify any of the rights or obligations of the Trustee.

The Resolution or any Supplemental Resolution and the rights and obligations of the University and of the Registered Owners of the Bonds may also be modified or amended at any time by a Supplemental Resolution, without the consent of any Registered Owners, but only to the extent permitted by law and only for any one or more of the following purposes:

- (1) to add to the covenants and agreements of the University in the Resolution contained, other covenants and agreements thereafter to be observed, or to surrender any right or power reserved to or conferred upon the University;
- (2) to make such provisions for the purpose of curing any ambiguity, or of curing or correcting any defective provision contained in the Resolution, or in regard to questions arising under the Resolution, as the University may deem necessary or desirable, and which shall not adversely affect the interests of the Trustee or the Registered Owners of the Bonds;
- (3) to provide for the issuance of a series of Bonds, and to provide the terms and conditions under which such series of Bonds may be issued, subject to and in accordance with the provisions of Article VII of the Resolution;
- (4) to provide for the issuance of the Bonds pursuant to a book-entry system or as uncertificated public obligations pursuant to the provisions of the Registered Public Obligations Act, chapter 9 of Title 57, Idaho Code; and
- (5) during the term of any credit enhancement agreements (including, without limitation, standby bond purchase agreements and letters of credit) permitted in Section 57-231, Idaho Code, to amend any provisions of the Resolution which is intended solely to be for the benefit of the issuer of the credit enhancement agreement.

Such Supplemental Resolution shall become effective as of the date of its adoption or such later date as shall be specified in such Supplemental Resolution.

EVENTS OF DEFAULT AND REMEDIES OF REGISTERED OWNERS

Events of Default

If any one or more of the following Events of Default shall occur, it is an “event of default” under the Resolution:

- (1) failure to make the due and punctual payment of any Principal Installment of a Bond when and as the same shall become due and payable, whether at maturity, by call for redemption, or declaration or otherwise;
- (2) failure to make the due and punctual payment of any installment of interest on any Bond or any Mandatory Redemption Amount, when and as such interest installment or any Mandatory Redemption Amount shall become due and payable;
- (3) failure by the University to perform or observe any other of the covenants, agreements, or conditions on its part in the Resolution or in the Bonds contained, and such default shall continue for a period of thirty (30) days after written notice thereof to the University by the Trustee specifying such failure and requiring the same to be remedied;

(4) a judgment for the payment of money shall be rendered against the University, and any such judgment shall not be discharged within one hundred twenty (120) days of the entry thereof, or an appeal shall not be taken therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been granted or entered, in such manner as to set aside or stay the execution of or levy under such judgment, or order, decree or process or the enforcement thereof;

(5) dissolution or liquidation of the University or the filing by the University of a voluntary petition in bankruptcy, or the commission by the University of any act of bankruptcy, or adjudication of the University as a bankrupt, or assignment by the University for the benefit of its creditors, or the entry by the University into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the University in any proceeding for its reorganization instituted under the provisions of the federal bankruptcy act, as amended, or under any similar act in any jurisdiction which may now be in effect or which may hereafter be enacted;

(6) if an order or decree shall be entered, with the consent or acquiescence of the University, appointing a receiver or receivers of a Project, or any part thereof, or if such order or decree, having been entered without the consent and acquiescence of the University, shall not be vacated or discharged or stayed within ninety (90) days after the entry thereof;

(7) any event of default specified in a Supplemental Resolution,

the Trustee (by thirty (30) days' written notice to the University), or the Registered Owners of not less than twenty-five percent (25%) of the Bonds then Outstanding (by notice in writing to the University and the Trustee) may (subject to limitations imposed by bond insurers) declare the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and be immediately due and payable, anything in the Resolution or in the Bonds contained to the contrary notwithstanding.

Application of Funds and Moneys in Event of Default

A. If an Event of Default shall happen and shall not have been remedied, the University, upon demand of the Trustee, shall pay over or cause to be paid over to the Trustee (i) forthwith, all moneys, securities, and funds then held by the University in any Fund under the Bond Resolution, and (ii) all Pledged Revenues as promptly as practicable after receipt thereof.

B. During the continuance of an Event of Default, the Trustee shall apply all moneys, securities, funds and Pledged Revenues received by the Trustee pursuant to any right given or action taken under the provisions of this Section as follows and in the following order:

(1) To the payment of the reasonable and proper compensation, charges, expenses and liabilities of the Trustee;

(2) To the payment of the amounts required for reasonable and necessary Operation and Maintenance Expenses as necessary, in the judgment of the Trustee, to prevent deterioration of the Project or loss of Pledged Revenues therefrom. For this purpose the books or record and accounts of the University relating to the Project shall at all times be subject to the inspection of the Trustee and its representatives and agents during the continuance of such Event of Default;

(3) To the payment of the interest and principal or redemption price then due on the Bonds as indicated in the Resolution.

C. If and whenever all overdue installments of interest on the Bonds, together with the reasonable and proper charge, expenses and liabilities of the Trustee, and all other sums payable by the University under this Bond Resolution, including the principal and redemption price of and accrued unpaid interest on the Bonds which shall then be payable by declaration or otherwise, shall either be paid by the Trustee for the account of the University, or provision satisfactory to the Trustee shall be made for such

payment, and all Events of Default under this Bond Resolution shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, the University and the Trustee shall be restored, respectively, to their former positions and rights under this Bond Resolution. No such restoration of the University and the Trustee in their former positions and rights shall extend to or affect any subsequent Events of Default under this Bond Resolution or impair any right consequent thereon.

Rights and Remedies of Registered Owners

A. No Registered Owner of any Bond shall have any right to institute any proceeding, judicial or otherwise, with respect to the Resolution, or for the appointment of a receiver or trustee, or for any other remedy thereunder, unless

- (1) such Registered Owner has previously given written notice to the Trustee of a continuing Event of Default;
- (2) the Registered Owners of not less than twenty-five percent (25%) in principal amount of the Bonds shall have made written request to the Trustee
- (3) to institute proceedings in respect of such Event of Default in its own name as Trustee;
- (4) such Registered Owners have offered to the Trustee reasonable indemnity against the costs, expenses, and liabilities to be incurred in compliance with such request;
- (5) the Trustee for sixty (60) days after its receipt of such notice, request, and offer of indemnity has failed to institute any such proceedings; and
- (6) no direction inconsistent with such written request has been given to the Trustee during such sixty-day period by the Registered Owners of a majority in principal amount of the Bonds; it being understood and intended that no one or more Registered Owner of Bond shall have any right in any manner whatever by virtue of, or by availing of, any provision of the Resolution to affect, disturb, or prejudice the rights of any other Registered Owner of Bonds, or to obtain or to seek to obtain priority or preference over any other Registered Owner, or to enforce any right under the Resolution, except in the manner therein provided and for the equal and ratable benefit of all the Registered Owners of Bonds.

B. The Registered Owners of a majority in principal amount of the Outstanding Bonds shall have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee, provided that:

- (1) such direction shall not be in conflict with any rule of law or the Resolution,
- (2) the Trustee shall not determine that the action so directed would be unjustly prejudicial to the Registered Owners not taking part in such direction, and
- (3) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

DEFEASANCE

Discharge of Indebtedness

A. If the University shall pay or cause to be paid, or there shall otherwise be paid, to the Registered Owners of all Bonds the principal of or redemption price, if applicable, and interest due or to become due thereon, if applicable, at the times and in the manner stipulated therein and in the Resolution, or such Bonds shall have been deemed to have been paid as provided in the Supplemental Resolution authorizing a series of Bonds, then the pledge

of any Pledged Revenues, and other moneys, securities and funds pledged under the Resolution and all covenants, agreements and other obligations of the University to the Registered Owners, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall cause an accounting for such period or periods as shall be requested by the University to be prepared and filed with the University and, upon the request of the University, shall execute and deliver to the University all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the University all moneys or securities held by it pursuant to the Resolution which are not required for the payment of principal or redemption price, if applicable, on Bonds.

B. Bonds or interest installments the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Trustee (through deposit by the University of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in subsection (A) of this section. All Outstanding Bonds of any series shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in subsection (A) of this section if (1) in case any of said Bonds are to be redeemed on any date prior to their maturity, the University shall have given to the Trustee, in form satisfactory to it, irrevocable instructions to mail to the Registered Owners of such Bonds, notice of redemption of such Bonds on said date, (2) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Defeasance Securities the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal or redemption price, as applicable, and interest due and to become due, if applicable, on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, without adversely affecting the tax-exempt status of the interest (if any) on said Bonds taxable under the Code, and (3) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the University shall have given the Trustee in form satisfactory to it irrevocable instructions to mail, first class postage prepaid, a notice to the Registered Owners of such Bonds that the deposit required by (2) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal, or redemption price, as applicable and interest due and to become due if applicable on said Bonds.

APPENDIX C

**FINANCIAL STATEMENTS OF THE UNIVERSITY
FOR THE YEARS ENDED JUNE 30, 2006 AND 2005
AND INDEPENDENT AUDITOR'S REPORT**

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

Upon the issuance of the Series 2007 Bonds, Ballard Spahr Andrews & Ingersoll, LLP, Bond Counsel to the University, proposes to issue its opinion in substantially the following form:

We have acted as bond counsel to Idaho State University (the "University") in connection with the issuance by the University of its General Revenue Bonds, Series 2007 in the aggregate principal amount of \$_____ (the "Series 2007 Bonds"). The Series 2007 Bonds are being issued pursuant to (i) Title 33, Chapter 38, Idaho Code, as amended; and (ii) a Resolution, adopted by the Board of Trustees of the University (the "Board") on September 17, 1992 and restated by the Board on August 12, 2004, as heretofore supplemented and amended and as further supplemented and amended by a supplemental resolution of the Board adopted on August 9, 2007 (collectively, the "Resolution"). The Series 2007 Bonds are being issued for the purpose of paying all or part of the cost of (i) the renovation and construction of additions to an existing recreation facility, (ii) the purchase and renovation of a portion of a building for instructional purposes, and (iii) paying costs of issuance of the Series 2007 Bonds. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Resolution.

Our services as bond counsel have been limited to the preparation of the legal proceedings and supporting certificates authorizing the issuance of the Series 2007 Bonds under the applicable laws of the State of Idaho and to a review of the transcript of such proceedings and certificates. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation. Our examination has been limited to the foregoing as they exist or are in effect as of the date hereof. Our opinion is limited to the matters expressly set forth herein, and we express no opinion concerning any other matters.

The Internal Revenue Code of 1986, as amended (the "Code"), contains a number of requirements and restrictions which apply to the Series 2007 Bonds. The University has covenanted to comply with all such requirements and restrictions. Failure to comply with certain of such requirements and restrictions may cause interest on the Series 2007 Bonds to become includible in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2007 Bonds. We have assumed, without undertaking to determine or confirm, continuing compliance by the University with such requirements and restrictions in rendering our opinion regarding the tax-exempt status of interest on the Series 2007 Bonds.

Based on our examination and the foregoing, we are of the opinion as of the date hereof and under existing laws as follows:

1. The Resolution has been duly adopted by the University and constitutes a valid and binding obligation of the University enforceable upon the University.
2. The Resolution creates a valid lien on the amounts pledged thereunder for the security of the Series 2007 Bonds.
3. The Series 2007 Bonds are valid and binding limited obligations of the University, payable solely from the Pledged Revenues and other amounts pledged therefor under the Resolution.
4. Based on an analysis of currently existing laws, regulations, decisions and interpretations, interest on the Series 2007 Bonds is excludable from gross income for federal income tax purposes and is not a specific item of tax preference for purposes of the federal alternative minimum taxes imposed on individuals and corporations, but such interest is included in earnings and profits in computing the federal alternative minimum tax imposed on certain corporations.
5. Interest on the Series 2007 Bonds is exempt from State of Idaho income taxes.

In rendering our opinion, we wish to advise you that:

(a) The rights of the Owners of the Series 2007 Bonds and the enforceability thereof and of the Resolution may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases;

(b) We express no opinion herein as to the accuracy, adequacy, or completeness of the Official Statement or any other offering material relating to the Series 2007 Bonds; and

(c) Although we have rendered an opinion that interest on the Series 2007 Bonds is excludable from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Series 2007 Bonds may otherwise affect a Bondholder's tax liability. The nature and extent of these other tax consequences will depend upon the Bondholder's particular tax status and the Bondholder's other items of income or deduction. We express no opinion regarding any other tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2007 Bonds.

Respectfully Submitted,

APPENDIX E**PROVISIONS REGARDING BOOK-ENTRY-ONLY SYSTEM**

DTC will act as securities depository for the Series 2007 Bonds. The Series 2007 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Series 2007 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC or its agent.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission.

Purchases of Series 2007 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2007 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2007 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2007 Bonds, except in the event that use of the book-entry system for the Series 2007 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2007 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2007 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2007 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2007 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2007 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2007 Bonds, such as redemptions, tenders, defaults, and

proposed amendments to the Bond documents. For example, Beneficial Owners of Series 2007 Bonds may wish to ascertain that the nominee holding the Series 2007 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners.

Redemption notices shall be sent to DTC. If less than all of the Series 2007 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2007 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2007 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2007 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2007 Bonds at any time by giving reasonable notice to the Issuer or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The University may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the University believes to be reliable, but the University takes no responsibility for the accuracy thereof.

APPENDIX F

FORM OF INFORMATION REPORTING AGREEMENT

Re: \$_____ principal amount of General Revenue Bonds, Series 2007 (the "Series 2007 Bonds" or the "Bonds"), dated as of the date of delivery, of Idaho State University (the "Issuer") and issued pursuant to a Resolution of the Board of Trustees of the University (the "Board") adopted September 17, 1992 as supplemented, amended and restated and a Supplemental Resolution, adopted August 9, 2007 (collectively the "Resolution") which names U.S. Bank National Association, as Trustee

THIS INFORMATION REPORTING AGREEMENT (the "Agreement") is executed and delivered by the Issuer and U.S. Bank National Association (the "Agent"), as of the date set forth below, in order for the Issuer to authorize and direct the Agent, as the agent of the Issuer, to make certain information available to the public, as herein provided.

WITNESSETH:

1. Background. The Issuer has resolved to issue the Bonds pursuant to the Resolution. The CUSIP number assigned to the final maturity of the Bonds is _____.

2. Appointment of Agent. The Issuer hereby appoints the Agent and any successor Trustee acting as such under the Resolution to be the Issuer's agent under this Agreement to disseminate the information furnished by the Issuer hereunder in the manner and at the times provided herein and to discharge the other duties assigned.

3. Information to be Furnished by the Issuer. The Issuer hereby covenants for the benefit of the registered and beneficial owners of the Bonds that, as long as the Bonds are outstanding under the Resolution, the Issuer will deliver the following information to the Agent:

(a) Within 180 days after the end of the Issuer's fiscal year, the audited financial statements of the Issuer, together with the report thereon of the Issuer's independent auditors, beginning with Fiscal Year ended June 30, 2007.

(b) The other financial, statistical and operating data for said fiscal year of the Issuer in the form and scope similar to the financial, statistical and operating data contained in "SECURITY FOR THE SERIES 2007 BONDS," "HISTORICAL PLEDGED REVENUES AND DEBT SERVICE" and, in the event the Bonds are called, the financial data contained in "DEBT SERVICE REQUIREMENTS" of the Issuer's Official Statement.

(c) In a timely manner, notice of any of the following events with respect to the Bonds, if material:

1. Principal and interest payment delinquencies on the Bonds;
2. Nonpayment related defaults;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions or events affecting the tax-exempt status of the Bonds;

7. Modifications to rights of Bondholders;
8. Bond calls;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Bonds;
11. Rating changes; and
12. Notice of a failure of the Issuer to provide the annual financial information specified in Section 3(a) and 3(b) hereof.

4. Manner and Time by Which Information is to be made Public by the Information Agent.

(a) The information required to be delivered to the Agent pursuant to Sections 3(a) and 3(b) shall be referred to as the Continuous Disclosure Information (the “Continuous Disclosure Information”) and the notices required to be delivered to the Agent pursuant to Section 3(c) shall be referred to as the Event Information (the “Event Information”).

(b) Not later than five business days after the receipt of any Continuous Disclosure Information or any Event Information, the Agent will deliver the information as provided in the following subsection (c).

(c) It shall be the Agent’s duty to:

1. deliver the Continuous Disclosure Information to the Repositories once it is received from the Issuer;
2. deliver the Event Information to the Repositories and the MSRB once it is received from the Issuer; and
3. determine the identity of all Repositories to which Continuous Disclosure Information and Event Information must be sent under the rules and regulations promulgated by the MSRB or by the SEC and to determine the existence of any SID by calling the SEC’s Public Reference Room at (202) 942-8090.

(d) The Agent shall have no duty or obligation to disclose any information other than (i) Continuous Disclosure Information that the Agent actually has received from the Issuer and (ii) Event Information about which the Agent has received notice from the Issuer. Any such disclosures shall be required to be made only as and when specified in this Agreement and only to those entities specified in this Section 4. The Agent’s duties and obligations are only those specifically set forth in this Agreement and the Resolution, and the Agent shall have no implied duties or obligations.

(e) On or before the 31st day of January of each year, the Agent shall provide to the Issuer written notice of the names of the Repositories to which the Agent has sent Continuous Disclosure Information during the preceding calendar year and the names of the Repositories to which the Agent proposes to send Continuous Disclosure Information during the current calendar year.

5. Indemnification.

(a) The Agent shall have no obligation to examine or review the Continuous Disclosure Information and shall have no liability or responsibility for the accurateness or completeness of the Continuous Disclosure Information disseminated by the Agent hereunder. The Continuous Disclosure Information shall contain a legend to such effect.

(b) The Issuer hereby agrees to hold harmless and to indemnify the Agent, its employees, officers, directors, agents and attorneys from and against any and all claims, damages, losses, liabilities, reasonable costs and expenses whatsoever (including attorneys' fees and expenses, whether incurred before trial, at trial, or on appeal, or in any bankruptcy or arbitration proceedings), which may be incurred by the Agent by reason of or in connection with the disclosure of information in accordance with this Agreement, except to the extent such claims, damages, losses, liabilities, costs or expenses result directly from the willful misconduct or gross negligence of the Agent in the performance of its duties under this Agreement.

6. Compensation. The Issuer hereby agrees to compensate the Agent for the services provided and the expenses incurred pursuant to this Agreement in an amount to be agreed upon from time to time hereunder. Such compensation shall be in addition to any fees previously agreed upon with respect to the fiduciary services of the Agent in its capacity as the Agent.

7. Enforcement. The obligations under this Agreement of the Issuer shall be for the benefit of the registered and beneficial holders of the Bonds. Any holder of the Bonds then outstanding, including any Beneficial Owner of the Bonds (as defined in the Resolution), may enforce specific performance of such obligations by any judicial proceeding available, provided however, that a default under this Agreement will not be a default under the Resolution.

8. Definitions. As used herein, the following terms shall have the following meanings:

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Official Statement" shall mean the final official statement relating to the Bonds dated _____, 2007.

"Repository" shall mean (i) each nationally recognized municipal securities information repository recognized by the SEC from time to time pursuant to the Rule and (ii) any SID.

"Rule 15c2-12" shall mean Rule 15c2-12, as amended, promulgated by the SEC under the Securities Exchange Act of 1934, as amended.

"SEC" shall mean the Securities and Exchange Commission.

"SID" means any State Information Depository of the State of Idaho.

9. Amendments and Termination. This Agreement may be amended with the mutual agreement of the Issuer and the Agent and without the consent of any registered or beneficial holders of the Bonds under the following conditions:

(a) the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person or type of business conducted;

(b) this Agreement, as amended, would have complied with the requirements of Rule 15c2-12 at the time of the primary offering, after taking into account any amendments or interpretations of Rule 15c2-12, as well as any change in circumstances; and

(c) the amendment does not materially impair the interests of holders of the Bonds, as determined by parties unaffiliated with the Issuer (such as the Agent or nationally recognized bond counsel).

Any party to this Agreement may terminate this Agreement by giving written notice of its intent to terminate to the other parties at least thirty (30) days prior to such termination, provided that no such termination

shall relieve the obligation of the Issuer to comply with Rule 15c2-12(b)(5) either through a successor agent or otherwise.

The Issuer's next annual report must explain, in narrative form, the reasons for any such amendment or termination and the impact of the change in the type of operating data or financial information being provided or, in the case of accounting principles, the presentation of such operating data or financial information.

The undertaking contained in this Agreement shall be in effect from and after the issuance and delivery of the Bonds and shall extend to the earlier of (i) the date all principal and interest on the Bonds shall have been paid pursuant to the terms of the Resolution; (ii) the date that the Issuer shall no longer constitute an "obligated person" within the meaning of Rule 15c2-12; or (iii) the date on which those portions of Rule 15c2-12 that require this written undertaking (a) are held to be invalid by a court of competent jurisdiction in a nonappealable action, (b) have been repealed retroactively, or (c) in the opinion of counsel who is an expert in federal securities laws, acceptable to the Issuer or the Agent, otherwise, do not apply to the Bonds. The Issuer shall notify the Repositories if this Agreement is terminated pursuant to (iii), above.

10. Successor Agent. Upon the transfer of the duties created under the Resolution from the current Agent to a successor Agent, such successor Agent shall succeed to the duties under this Agreement without any further action on the part of any party, and the then current Agent shall have no further duties or obligations upon the transfer to a successor Agent. Such Successor Agent may terminate this Agreement or cause it to be amended as provided in paragraph 9.

11. Notices. Notices and the required information under this Agreement shall be given to the parties at their addresses set forth below under their signatures or at such places as the parties to this Agreement may designate from time to time.

12. Counterparts. This Agreement may be executed in one or more counterparts, and each such instrument shall constitute an original counterpart of this Agreement.

13. Governing Law. This Agreement shall be governed by the laws of the State of Idaho.

14. Alternate Filings. Any filing to a National Repository or the MSRB and a State Repository under this certificate may be made solely by transmitting such filing to the Texas Municipal Advisory Council (the "MAC") as provided at <http://www.disclosureusa.org> unless the United States Securities and Exchange Commission has withdrawn the interpretive advice in its letter to the MAC dated September 7, 2004.

IN WITNESS WHEREOF, the Issuer and the Agent have caused this Agreement to be executed and delivered by a duly authorized officer of each of them, all as of this ____ day of _____, 2007.

IDAHO STATE UNIVERSITY

By: _____
James A. Fletcher
Vice President for Finance and Administration

U.S. BANK NATIONAL ASSOCIATION,
as Agent

By: _____
Kim R. Galbraith
Vice President

THE BOARD OF TRUSTEES OF IDAHO STATE UNIVERSITY

Supplemental Resolution
Authorizing the Issuance and Sale of
\$ _____
General Revenue Bonds
Series 2007
of
The Board of Trustees of Idaho State University

Adopted August 9, 2007

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SUPPLEMENTAL RESOLUTION

A SUPPLEMENTAL RESOLUTION authorizing the issuance and sale of \$_____ General Revenue Bonds, Series 2007 of the Board of Trustees of Idaho State University; making certain findings under Title 33, Chapter 38 of the Idaho Code, and by the Resolution for the issuance of additional bonds; setting forth the issue date, interest payment dates, interest rates, maturity dates, maturity amounts and redemption amounts of the Series 2007 Bonds; authorizing the execution and delivery of a bond purchase agreement; and providing for other matters relating to the Series 2007 Bonds.

WHEREAS, Idaho State University (the “University”) is a state institution of higher education and body politic and corporate organized and existing under and pursuant to the Constitution and laws of the State of Idaho; and

WHEREAS, the Board of Trustees of the University (the “Board”) is authorized, pursuant to the Educational Institutions Act of 1935, the same being Title 33, Chapter 38, Idaho Code, and the Constitution of the State of Idaho, to issue bonds for “projects” as defined in said Act; and

WHEREAS, on September 17, 1992, the Board adopted a Resolution (the “1992 Resolution”) relating to the issuance and sale of \$10,000,000 Student Facilities Fee Revenue Bonds, Series 1992 (the “Series 1992 Bonds”), and providing among other things for the issuance of additional Student Facilities Fee Revenue Bonds for future projects (“Additional Bonds”); and

WHEREAS, the University is authorized under the provisions of Article VII of the Resolution to issue Additional Bonds upon compliance with the requirements of Section 7.2 of the Resolution; and

WHEREAS, pursuant to Supplemental Resolutions which have amended and supplemented the 1992 Resolution, the Board has authorized the issuance of the University’s (i) Student Facilities Fee Revenue Bonds, Series 1993, (ii) Student Facilities Fee Refunding and Improvement Revenue Bonds, Series 1998, (iii) General Refunding and Improvement Revenue Bonds, Series 2003, (iv) General Revenue Bonds, Series 2004A (v) General Revenue Bonds, Series 2004B (vi) General Revenue Bonds (Taxable), Series 2004C, and (vii) General Revenue Bonds (Federally Taxable), Series 2006; and

WHEREAS, the Board has determined that it is both necessary for the proper operation of the University and economically feasible for the University (i) to renovate and construct additions to an existing recreation facility (the “Recreation Project”); (ii) to purchase and renovate a portion of a building in Meridian, Idaho to be used for instructional purposes, including capitalized interest on the related bonds (the “Meridian Project” and collectively with the Recreation Project, the “Series 2007 Projects”) and (iii) to provide funds to finance the Series 2007 Projects by the issuance of its Series 2007

Bonds (hereinafter defined) pursuant to the Resolution in the manner provided by Title 33, Chapter 38, Idaho Code; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF IDAHO STATE UNIVERSITY AS FOLLOWS:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions.

(a) Except as provided in subparagraph (b) of this Section 1.1, all defined terms contained in this Supplemental Resolution shall have the same meanings as set forth in the Resolution.

(b) As used in this Supplemental Resolution, unless the context shall otherwise require, the following terms shall have the following meanings:

["Acquisition Proceeds" means the portion of the proceeds of the Series 2007 Bonds deposited into the Series 2007 Project Account in the Construction Fund pursuant to Section 4.2(b) of this Supplemental Resolution for purposes of acquiring and constructing the Series 2007 Projects.]

["Bond Insurance Policy" means, with respect to the Series 2007 Bonds, the Financial Guaranty Insurance Policy of the Bond Insurer.]

"Bond Purchase Agreement" means the Bond Purchase Agreement dated _____, 2007, between the Board and the Underwriter pursuant to which the Series 2007 Bonds are to be sold.

"Bond Register" means the registration records of the University, maintained by the Trustee, on which shall appear the names and addresses of the Registered Owners of the Series 2007 Bonds.

"Book-Entry System" means the book-entry system of registration of the Series 2007 Bonds described in Section 2.11 of this Supplemental Resolution.

"Cede & Co." means Cede & Co., as nominee of The Depository Trust Company, New York, New York.

"Code" means the Internal Revenue Code of 1986, as amended.

"DTC Participants" means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

["Financial Guaranty Insurance Policy" means the financial guaranty insurance policy issued by _____ insuring the payment when due of the principal of and interest on the Series 2007 Bonds as provided therein.]

"Information Reporting Agreement" means the agreement with respect to the Series 2007 Bonds, between the University and the Trustee and authorized by Section 2.6 of this Supplemental Resolution.

“Meridian Project” means the acquisition and renovation of a portion of a building in Meridian, Idaho to be used for instructional purposes, including capitalized interest on the related Series 2007 Bonds.

“Recreation Project” means the renovation and construction of additions to an existing recreation facility.

“Representation Letter” means the Blanket Representation Letter dated June 26, 2003, from the University to DTC.

“Resolution” means the 1992 Resolution, as amended and supplemented by Supplemental Resolutions thereto, including the Restatement.

“Restatement” means the restatement of the 1992 Resolution, as amended and supplemented by Supplemental Resolutions, which restatement was adopted by the Board on August 12, 2004.

“Securities Depository” means The Depository Trust Company, New York, New York, or any successor Securities Depository appointed pursuant to Section 2.10.

“Series 2007 Bondholder” means the Holder of any Series 2007 Bond.

“Series 2007 Bonds” means the \$_____ principal amount of General Revenue Bonds, Series 2007 authorized to be issued pursuant to this Supplemental Resolution.

“Series 2007 Cost of Issuance Fund” means the special account created by Section 4.1 of this Supplemental Resolution, from which the Costs of Issuance of the Series 2007 Bonds shall be paid.

“Series 2007 Project Account” means the special account created by Section 4.1 of this Supplemental Resolution, from which a portion of the Cost of Acquisition and Construction of the Series 2007 Projects shall be paid.

“Series 2007 Projects” means the Recreation Project and the Meridian Project, as more particularly described in Exhibit A attached to this Supplemental Resolution and incorporated herein by reference.

“Supplemental Resolution” means this Supplemental Resolution of the University adopted on August 9, 2007, authorizing the Series 2007 Bonds.

“Trustee and Paying Agent” means U.S. Bank National Association, and its successors and permitted assigns under the Resolution.

“Underwriter” means Lehman Brothers Inc.

The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder,” and any similar terms as used in this Supplemental Resolution refer to this Supplemental Resolution.

Section 1.2 Authority for Supplemental Resolution. This Supplemental Resolution is adopted pursuant to the provisions of the Act and the Resolution.

ARTICLE II

AUTHORIZATION, TERMS AND ISSUANCE OF SERIES 2007 BONDS

Section 2.1 Authorization of Series 2007 Bonds, Principal Amount, Designation and Series. In order to provide sufficient funds to finance a portion of the costs of the Series 2007 Projects, and in accordance with and subject to the terms, conditions and limitations established in the Resolution, as previously amended, a series of Additional Bonds is hereby authorized to be issued in the aggregate principal amount of \$_____, shall be designated “Idaho State University General Revenue Bonds, Series 2007.” The Series 2007 Bonds shall be issued only in fully registered form, without coupons.

Section 2.2 Addition to Facilities and Confirmation of Pledged Revenues. As contemplated by the Resolution, the term “Facilities” as defined therein shall include the Series 2007 Projects. The Series 2007 Bonds are secured by the pledge of Pledged Revenues under Section 5.1 of the Resolution, as previously amended, equally and ratably with all Outstanding Bonds issued under the Resolution

Section 2.3 Finding and Purpose. The Board hereby finds, determines and declares:

(a) pursuant to Section 33-3805, Idaho Code, the Series 2007 Projects are desirable and necessary for the proper operation of the University and are economically feasible;

(b) pursuant to Section 33-3805A, Idaho Code, the Series 2007 Projects will not require state general account appropriated funds for construction, operation or maintenance;

(c) pursuant to Section 33-3806, Idaho Code, fees, rentals and other charges from those that are served by the Series 2007 Projects shall be the same as those applicable to any existing project similar in nature and purpose, provided that there may be allowed reasonable differentials based on the condition, type, location and relative convenience of such other project, but the differentials shall be uniform as to all those similarly accommodated;

(d) pursuant to Section 33-3809, Idaho Code, this Supplemental Resolution does not contract a debt on behalf of, or in any way obligate the State of Idaho, or pledge, assign or encumber in any way, or permit the pledging, assigning or encumbering in any way of, appropriations made by the Legislature, or revenue derived from the investment of the proceeds of the sale, and from the rental of such lands as have been set aside by the Idaho Admission Bill approved July 3, 1890, or other legislative enactments of the United States, for the use and benefit of the respective state educational institutions;

(e) pursuant to Section 33-3810, Idaho Code, the Series 2007 Bonds shall be exclusively obligations of the University, payable only in accordance

with the terms thereof and shall not be obligations general, special or otherwise of the State of Idaho; and

(f) the requirements of Section 7.2 of the Resolution, as amended, will have been complied with upon the delivery of the Series 2007 Bonds.

Section 2.4 Issue Date. The Series 2007 Bonds shall be dated as of the date of their initial delivery.

Section 2.5 Series 2007 Bonds.

(a) The Series 2007 Bonds shall mature on April 1 of each of the years and in the principal amounts, and shall bear interest at the rates, as set forth in the following table:

<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Rate of Interest</u>
2008	\$	%
2009		
2010		
2011		
2012		
2013		
2014		
2015		
2016		
2017		
2018		
2019		
2020		
2021		
2027		
2032		

(b) The Series 2007 Bonds shall bear interest from the date of delivery thereof, payable on April 1, 2008 and semiannually thereafter on each April 1 and October 1.

Section 2.6 Sale of Series 2007 Bonds. The Series 2007 Bonds authorized to be issued herein are hereby sold to the Underwriter at an aggregate purchase price equal to the par amount of the Series 2007 Bonds on the terms and conditions set forth in the Bond Purchase Agreement. Under the Bond Purchase Agreement, the Underwriter is to be paid a fee of \$_____ for purchasing the Series 2007 Bonds.

To evidence the acceptance of the Bond Purchase Agreement, the Bursar is hereby authorized to execute and deliver, and the Secretary to attest, the Bond Purchase Agreement in the form presented at this meeting.

The final Official Statement of the University for the sale of the Series 2007 Bonds, in substantially the form presented at this meeting, with such changes, omissions, insertions and revisions as the Bursar shall approve, is hereby authorized, and the Bursar shall sign such final Official Statement and deliver such final Official Statement to the Underwriter for distribution to prospective purchasers of the Series 2007 Bonds and other interested persons, which signature shall evidence such approval. The use of the Preliminary Official Statement dated _____, 2007, by the Underwriter and the actions of the University, including the certification by the Bursar as to the “deemed finality” of the Preliminary Official Statement pursuant to SEC Rule 15c2-12 in connection with the offering of the Series 2007 Bonds, are hereby acknowledged, approved and ratified.

In order to comply with subsection (b)(5) of SEC Rule 15c2-12, the Underwriter has provided in the Bond Purchase Agreement that it is a condition to delivery of the Series 2007 Bonds that the University and the Trustee shall have executed and delivered the Information Reporting Agreement. The Information Reporting Agreement is hereby ratified and approved in all respects and the President, Vice President for Finance and Administration or the Bursar are hereby authorized to execute and deliver the Information Reporting Agreement in the form of Exhibit B to the Bond Purchase Agreement.

The Vice President for Finance and Administration of the University and the President and Secretary of the Board are, and each of them is, hereby authorized to do or perform all such acts as may be necessary or advisable to comply with the Bond Purchase Agreement and to carry the same into effect.

Section 2.7 Delivery of Series 2007 Bonds. The Series 2007 Bonds shall be delivered to the Underwriter upon compliance with the provisions of Section 3.2 of the Resolution, at such time and place as provided in, and subject to, the provisions of the Bond Purchase Agreement. The Series 2007 Bonds shall be executed as provided in Section 3.2 of the Resolution.

Section 2.8 Redemption of Series 2007 Bonds Prior to Maturity.

(a) Optional Redemption. The Series 2007 Bonds maturing on or prior to April 1, 2017 are not subject to redemption prior to maturity. The Series 2007 Bonds maturing on or after April 1, 2018 are subject to redemption prior to maturity at the option of the University in whole or in part on any date on and after April 1, 2017 and if in part, in such order of maturity as may be directed by the University at a redemption price equal to 100% of the principal amount of the Series 2007 Bonds to be redeemed plus accrued interest to the date of redemption

(b) Mandatory Sinking Fund Redemption. The Series 2007 Bonds maturing on April 1, 2027 are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the date of redemption on the dates and in the principal amounts as follows:

Redemption Date (<u>April 1</u>)	Principal <u>Amount</u>
2022	\$
2023	
2024	
2025	
2026	
2027*	

* Final Maturity

The Series 2007 Bonds maturing on April 1, 2032 are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the date of redemption on the dates and in the principal amounts as follows:

Redemption Date (<u>April 1</u>)	Principal <u>Amount</u>
2028	\$
2029	
2030	
2031	
2032*	

* Final Maturity

(c) Upon redemption of any Series 2007 Bonds maturing on April 1, 2027 or April 1, 2032, other than by application of such mandatory sinking fund redemption, an amount equal to the principal amount so redeemed will be credited toward a part or all of any one or more of such mandatory sinking fund redemption amounts for the Series 2007 Bonds maturing on April 1, 2027 or April 1, 2032, respectively, in such order of mandatory sinking fund date as shall be directed by the University.

(d) Notice of Redemption. When the Series 2007 Bonds are called for redemption, notice must be sent by the Trustee, postage prepaid, by first class mail not less than thirty-five (35) nor more than sixty (60) days prior to the redemption date to the registered owners of the Series 2007 Bonds to be redeemed at the address shown on the Bond Register. As provided in the Resolution, the

Trustee may give further notice of redemption at least thirty-five (35) days before the redemption or distribution date by registered or certified mail or overnight delivery service to certain registered national securities depositories and national information services; provided, however that no defect in such further notice or failure to give all or any portion of such further notice will in any manner defeat the effectiveness of a call for redemption.

(e) Conditional Notice of Redemption. In addition to the items required by the Resolution, each notice of redemption may further state, in the case of optional redemption, that such redemption shall be conditioned upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of and interest on such Series 2007 Bonds to be redeemed and that if such moneys shall not have been so received said notice shall be of no force and effect and such Series 2007 Bonds shall not be required to be redeemed. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, one time, in the same manner in which the notice of redemption was given, that such moneys were not so received.

Section 2.9 Form of Series 2007 Bond. The form of Series 2007 Bond is attached to this Supplemental Resolution as Exhibit B, and is incorporated herein by this reference.

Section 2.10 Submittal to Attorney General. There shall promptly be submitted to the Attorney General of the State of Idaho by the Secretary of the Board a certified copy of this Supplemental Resolution, together with the proceedings had in their adoption, in order that the Attorney General may examine into and pass upon the validity of the Series 2007 Bonds and the regularity of such proceedings, in the manner and with the effect specified in Chapter 38 of Title 33, Idaho Code, as amended.

Section 2.11 Book-Entry Only System.

(a) The Series 2007 Bonds shall initially be registered on the Bond Register in the name of Cede & Co., the nominee for the Securities Depository, and no Beneficial Owner will receive certificates representing their respective interests in the Series 2007 Bonds, except in the event the Trustee issues Replacement Bonds as provided below. It is anticipated that during the term of the Series 2007 Bonds, the Securities Depository will make book-entry transfers among the DTC Participants and receive and transmit payments of principal of and interest on the Series 2007 Bonds until and unless the Trustee authenticates and delivers Replacement Bonds to the Beneficial Owners as described below. So long as any of the Series 2007 Bonds are registered in the name of Cede & Co., as nominee of the DTC, all payments with respect to principal of, premium, if any, and interest on the Series 2007 Bonds and all notices with respect to the Series 2007 Bonds shall be made and given in the manner provided in the Representation Letter.

(b) If the Securities Depository determines to discontinue providing its services with respect to the Series 2007 Bonds and the University cannot obtain a qualified successor Securities Depository, or if the University determines not to use the book-entry system of the Securities Depository, the University shall execute and the Trustee shall authenticate and deliver one or more Series 2007 Bond certificates (the "Replacement Bonds") to the DTC Participants in principal amounts and maturities corresponding to the identifiable Beneficial Owners' interests in the Series 2007 Bonds, with such adjustments as the Trustee may find necessary or appropriate as to accrued interest and previous calls for redemption, if any. In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository has possession of at least one Series 2007 Bond. Upon the issuance of Replacement Bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Trustee, to the extent applicable with respect to such Replacement Bonds.

(c) With respect to Series 2007 Bonds registered in the name of Cede & Co. as nominee for the Securities Depository, neither the University nor the Trustee shall have any responsibility to any Beneficial Owner with respect to:

(i) the sending of transaction statements, or maintenance, supervision, or review of records of the Securities Depository;

(ii) the accuracy of the records of the Securities Depository or Cede & Co. with respect to any ownership interest in the Series 2007 Bonds;

(iii) the payment to any Beneficial Owner, or any person other than the Securities Depository, of any amount with respect to principal of, interest on, or redemption premium, if any, on the Series 2007 Bonds; or

(iv) any consent given or other action taken by the Securities Depository or Cede & Co. as owner of the Series 2007 Bonds.

(d) The University has previously executed and delivered to DTC the Representation Letter in connection with the issuance of its Bonds, including the Series 2007 Bonds. Such Representation Letter is for the purpose of effectuating the initial Book-Entry System for the Series 2007 Bonds through DTC as Securities Depository and shall not be deemed to amend, supersede or supplement the terms of this Supplemental Resolution which are intended to be complete without reference to the Representation Letter. In the event of any conflict between the terms of the Representation Letter and the terms of this Supplemental Resolution, the terms of this Supplemental Resolution shall control. The Securities Depository may exercise the rights of a Registered Owner hereunder only in accordance with the terms hereof applicable to the exercise of such rights.

Section 2.12 Successor Securities Depository. In the event the Securities Depository resigns, is unable to properly discharge its responsibilities or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable state or federal statute or regulation, the University, may appoint a successor Securities Depository, and shall deliver notice of such appointment to the Trustee. Any such successor Securities Depository shall be a securities depository which is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable state or federal statute or regulation. Upon the appointment of a successor Securities Depository, the former Securities Depository shall surrender the Series 2007 Bonds to the Trustee for transfer to the successor Securities Depository, and the Trustee shall cause the authentication and delivery of Series 2007 Bonds to the successor Securities Depository in appropriate denominations and form as provided herein.

Section 2.13 Tax Exemption of Bonds.

(a) The University's Vice President for Finance and Administration and Bursar is hereby authorized and directed to execute such Tax Certificates as shall be necessary to establish that (i) the Series 2007 Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Code and the Regulations, (ii) the Series 2007 Bonds are not and will not become "private activity bonds" within the meaning of Section 141 of the Code, (iii) all applicable requirements of Section 149 of the Code are and will be met, (iv) the covenants of the Board contained in this Section 2.13 will be complied with and (v) interest on the Series 2007 Bonds is not and will not become includible in gross income for federal income tax purposes under the Code and applicable Regulations.

(b) The Board and the University covenant and certify to and for the benefit of the Series 2007 Bondholders from time to time of the Series 2007 Bonds that:

(i) the University will at all times comply with the provisions of any Tax Certificates;

(ii) the University will at all times comply with the rebate requirements contained in Section 148(f) of the Code, including, without limitation, the entering into any necessary rebate calculation agreement to provide for the calculations of amounts required to be rebated to the United States, the keeping of records necessary to enable such calculations to be made and the timely payment to the United States, of all amounts, including any applicable penalties and interest, required to be rebated;

(iii) no use will be made of the proceeds of the issue and sale of the Series 2007 Bonds, or any funds or accounts of the University which may be deemed to be proceeds of the Series 2007 Bonds, pursuant to Section 148 of the Code and applicable Regulations, which use, if it had been reasonably expected on the date of issuance of the Series 2007

Bonds, would have caused the Series 2007 Bonds to be classified as “arbitrage bonds” within the meaning of Section 148 of the Code;

(iv) the University will not use or permit the use of any of its facilities or properties in such manner that such use would cause the Series 2007 Bonds to be “private activity bonds” described in Section 141 of the Code;

(v) no bonds or other evidences of indebtedness of the University that are reasonably expected to be paid out of substantially the same source of funds as the Series 2007 Bonds have been or will be issued, sold or delivered within a period beginning 15 days prior to the sale of the Series 2007 Bonds and ending 15 days following the delivery of the Series 2007 Bonds, other than the Series 2007 Bonds; and

(vi) the University will not take any action that would cause interest on the Series 2007 Bonds to be or to become ineligible for the exclusion from gross income of the Series 2007 Bondholders of the Series 2007 Bonds as provided in Section 103 of the Code, nor will it omit to take or cause to be taken, in timely manner, any action, which omission would cause interest on the Series 2007 Bonds to be or to become ineligible for the exclusion from gross income of the Series 2007 Bondholders of the Series 2007 Bonds as provided in Section 103 of the Code.

Pursuant to these covenants, the Board and the University obligate themselves to comply throughout the term of the issue of the Series 2007 Bonds with the requirements of Section 103 of the Code and the Regulations proposed or promulgated thereunder.

ARTICLE III

PROVISIONS RELATING TO BOND INSURANCE POLICY AND BOND INSURER

ARTICLE IV

CREATION OF ACCOUNTS, APPLICATION OF SERIES 2007 BOND PROCEEDS,
ACQUISITION OF SERIES 2007 PROJECTS

Section 4.1 Creation of Accounts. In accordance with Section 5.4B of the Resolution, there is hereby established a "Series 2007 Project Account" in the Construction Fund and a "Series 2007 Cost of Issuance Fund," all to be held by the University. The University shall invest the monies on deposit in the Series 2007 Project Account in Investment Securities.

Section 4.2 Application of Proceeds of Series 2007 Bonds. The proceeds of the sale of the Series 2007 Bonds (less the bond insurance premium paid by the Underwriter on behalf of the University) shall be paid or deposited as follows:

(a) Bond proceeds in the amount of \$_____ to the University for deposit into the Series 2007 Cost of Issuance Fund, for payment of the Costs of Issuance of the Series 2007 Bonds, including the Underwriting fees, such costs either paid by the University or paid by the Trustee on behalf of the University; and

(b) Acquisition Proceeds in the amount of \$_____ for deposit into the Series 2007 Project Account to acquire and construct a portion of the Series 2007 Project.

(c) Pursuant to Section 5.4 of the Resolution, before any payment is made from the Series 2007 Project Account, the University shall execute a Written Certificate showing with respect to each payment to be made the name of the person to whom payment is due and the amount to be paid and certifying that the obligation to be paid was incurred and is a proper charge against the Series 2007 Project Account in the Construction Fund and in a reasonable amount against the respective account and has not been theretofore included in a prior Written Certificate.

Section 4.3 Series 2007 Cost of Issuance Fund. The Series 2007 Cost of Issuance Fund shall be held by the University. There shall be deposited so much of the Bond proceeds of the Series 2007 Bonds as shall be required to pay the Costs of Issuance and from which all Costs of Issuance shall be paid. Before any such payment shall be made, the University shall execute its Written Certificate, signed by an authorized officer of the University, stating, in respect of each payment to be made, (a) the name and address of the person, firm, or corporation to whom payment is due, (b) the amount to be paid, (c) the particular item of the Cost of Issuance to be paid, and (d) that the cost or obligation in the stated amount is a proper item of the Costs of Issuance and has not been paid. Any balance remaining in the Series 2007 Cost of Issuance Fund after payment of the Costs of Issuance, and no later than _____, shall be transferred to the Series 2007 Project Account, and the Series 2007 Cost of Issuance Fund shall be closed.

ARTICLE V

MISCELLANEOUS

Section 5.1 Governing Law. By the acceptance of the Series 2007 Bonds, the Series 2007 Bondholders shall be deemed to agree that their respective rights shall be governed by the laws of the State of Idaho.

Section 5.2 Partial Invalidity. If any one or more of the covenants or agreements, or portions thereof, provided in this Supplemental Resolution on the part of the University (or of the Trustee or of any Paying Agent) to be performed should be contrary to law, such covenant or covenants, such agreement or agreements, or such portions thereof shall be null and void and shall be deemed separable from the remaining covenants and agreements or portions thereof and shall in no way affect the validity of this Supplemental Resolution or of the Series 2007 Bonds; but the Series 2007 Bondholders shall retain all the rights and benefits accorded to them under the Act or any other applicable provisions of law.

Section 5.3 Savings Clause. Except as amended by this Supplemental Resolution, the Resolution shall remain in full force and effect.

Section 5.4 Conflicting Resolutions; Effective Date. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

Section 5.5 Perfection of Security Interest.

(a) The Resolution creates a valid and binding pledge and assignment of security interest in all of the Pledged Revenues under the Resolution as security for payment of the Series 2007 Bonds, enforceable by the Board in accordance with the terms thereof.

(b) Under the laws of the State of Idaho, such pledge and assignment and security interest is automatically perfected by Section 57-234, Idaho Code, as amended, and is and shall have priority as against all parties having claims of any kind in tort, contract, or otherwise hereafter imposed on the Pledged Revenues.

ADOPTED AND APPROVED this 9th day of August, 2007.

THE BOARD OF TRUSTEES OF IDAHO
STATE UNIVERSITY

President

ATTEST:

Secretary

EXHIBIT A

DESCRIPTION OF SERIES 2007 PROJECTS

THE RECREATION PROJECT

Bond proceeds of \$_____ are expected to be used to design and construct an addition to a student recreation center located in the Reed Gymnasium complex. Once completed, the project will provide campus recreation a separate identity from the rest of the Reed Gymnasium complex, provide better access control, and increase capacity.

THE MERIDIAN PROJECT

Bond proceeds of \$_____ are expected to be used for the purchase and renovation, including capitalized interest, of approximately one-third of an existing building in Meridian, ID to provide educational services in the greater Boise area. The building is being purchased from the Meridian School District and includes over 100,000 square feet of inside space with outside parking.

EXHIBIT B

FORM OF SERIES 2007 BOND

R-_____

\$_____

UNITED STATES OF AMERICA
 STATE OF IDAHO
 IDAHO STATE UNIVERSITY
 GENERAL REVENUE BONDS
 SERIES 2007

Interest RateMaturity DateDated DateCUSIP

April 1, 2032

Registered Owner: CEDE & CO.

Principal Amount: _____ DOLLARS*****

KNOW ALL MEN BY THESE PRESENTS that Idaho State University, a body politic and corporate and an institution of higher education of the State of Idaho (the "University"), for value received, hereby promises to pay, from the Bond Fund hereinafter defined, to the registered owner identified above, or registered assigns, on the maturity date specified above, the principal sum indicated above, and to pay interest thereon from the Bond Fund from the dated date hereof, or the most recent date to which interest has been paid or duly provided for, at the rate per annum specified above, payable on April 1, 2008, and semiannually on each April 1 and October 1 thereafter, until the date of maturity or prior redemption of this Bond. Interest shall be calculated on the basis of a 360-day year and twelve 30-day months.

This Bond is an obligation of the University payable solely in accordance with the terms hereof and is not an obligation, general, special, or otherwise of the State of Idaho, does not constitute a debt, legal, moral, or otherwise, of the State of Idaho, and is not enforceable against the State, nor shall payment hereof be enforceable out of any funds of the University other than the revenues, fees, and charges pledged thereto in the Bond Resolution (defined herein). Pursuant to the Bond Resolution, sufficient revenues have been pledged and will be set aside into the Bond Fund (as defined in the Bond Resolution) to provide for the prompt payment of the principal of, interest on, and redemption price of the Bonds of which this Bond is a part. For a more particular description of the Bond Fund, the revenues to be deposited therein, and the nature and extent of the security afforded thereby, reference is made to the provisions of the Bond Resolution.

Both principal of and interest on this Bond are payable in lawful money of the United States of America to the registered owner hereof whose name and address shall

appear on the registration books of the University (the "Bond Register") maintained by the Corporate Trust Department of U.S. Bank National Association (the "Trustee"), in St. Paul, Minnesota. Interest shall be paid to the registered owner whose name appears on the Bond Register on the fifteenth day of the calendar month next preceding the interest payment date, at the address appearing on the Bond Register, and shall be paid by check or draft of the Trustee mailed to such registered owner on the due date at the address appearing on the Bond Register or at such other address as may be furnished in writing by such registered owner to the Trustee. Principal shall be paid to the registered owner upon presentation and surrender of this Bond at the principal corporate trust office of the Trustee on or after the date of maturity or prior redemption.

This Bond is one of a duly authorized issue of Bonds of like date, tenor, and effect, except for variations required to state numbers, denominations, rates of interest, and dates of maturity, aggregating \$_____ in principal amount. The Bonds are issued pursuant to and in full compliance with the Constitution and statutes of the State of Idaho, particularly Chapter 38, Title 33, Idaho Code, and proceedings duly adopted and authorized by the Board on behalf of the University, more particularly the Resolution adopted by the Board on September 17, 1992, as previously amended, supplemented and restated from time to time, including with respect to the Bonds by a Supplemental Resolution by the Board on August 9, 2007, authorizing the issuance of the Bonds (collectively, the "Bond Resolution").

This Bond is one of the General Revenue Bonds, Series 2007, of the University issued under the provisions of Chapter 38, Title 33, Idaho Code, for the purpose of providing funds with which to (i) renovate and construct additions to an existing recreation facility (the "Recreation Project"), (ii) acquire and renovate a portion of a building in Meridian, Idaho for instructional purposes, including capitalized interest (the "Meridian Project" and collectively with the Recreation Project, the "Series 2007 Projects") and (iii) pay expenses properly incident thereto and to the issuance of the Bonds. The principal of, interest on, and redemption price of the Bonds is payable from revenues and funds of the University pledged therefor and consisting generally of the University's tuition, Student Facilities Fee/Facilities, Net Revenues of the Housing System, certain revenues from leasing the CAES Project and certain other fees and revenues, as more particularly set forth in the Bond Resolution.

The Series 2007 Bonds are subject to redemption and mandatory distribution at the time, in the amounts and at the prices and with such notice all as provided in the Resolution.

****The Bonds are initially issued in the form of a separate single certificated fully registered Bond for each maturity, and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC").****

****Unless this Bond is presented by an authorized representative of DTC to the University or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede &**

Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.**

Upon any partial redemption of this Bond, Cede & Co., in its discretion, may request the Trustee to authenticate a new Series 2007 Bond or shall make an appropriate notation on this Bond indicating the date and amount of prepayment, except in the case of final maturity, in which case this Bond must be presented to the Trustee prior to payment.

The Series 2007 Bonds shall not be transferable or exchangeable except as set forth in the Resolution.

[This Bond is transferable by the registered owner hereof in person or by his attorney duly authorized in writing upon presentation and surrender of this Bond at the principal corporate trust office of the Trustee. Upon such transfer, a new Bond, of the same denomination, maturity, and interest rate will be issued to the transferee in exchange therefor.]

Reference is hereby made to the Bond Resolution for the covenants and declarations of the University and other terms and conditions under which this Bond and the bonds of this issue have been issued. The covenants contained herein and in the Bond Resolution may be discharged by making provisions at any time for the payment of the principal of and interest on this Bond in the manner provided in the Bond Resolution.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication hereon shall have been manually signed by the Trustee.

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions, and things required by the Constitution and statutes of the State of Idaho to exist, to have happened, been done, and performed precedent to and in the issuance of this Bond have happened, been done, and performed, and that the issuance of this Bond and the Bonds of this issue does not violate any Constitutional, statutory, or other limitation upon the amount of bonded indebtedness that the University may incur.

IN WITNESS WHEREOF, the Board of Trustees of Idaho State University (the "Board"), has caused this Bond to be executed by the manual or facsimile signature of the President of the Board and of the Bursar of the University and attested by the manual or facsimile signature of the Secretary of the Board, and a facsimile or original of the official seal of the University to be imprinted hereon, as of the dated date set forth above.

IDAHO STATE UNIVERSITY

By: _____
President of the Board of Trustees
of Idaho State University

COUNTERSIGNED:

(SEAL)

By: _____
Bursar

ATTEST:

By: _____
Secretary of the Board of Trustees
of Idaho State University

CERTIFICATE OF AUTHENTICATION

This Bond is one of the General Revenue Bonds, Series 2007, of Idaho State University, described in the within-mentioned Bond Resolution.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Signature

Date of Authentication: _____

VALIDATION CERTIFICATE

I hereby certify that I have examined a certified copy of the record of proceedings taken preliminary to and in the issuance of the within bond; that such proceedings and such bond conform to and show lawful authority for the issuance thereof in accordance with the provisions of Title 33, Chapter 38, Idaho Code, as amended. Such bond has been issued in accordance with the Constitution and laws of the State of Idaho and shall in any suit, action or proceeding involving its validity be conclusively deemed to be fully authorized by Title 33, Chapter 38, Idaho Code, and to have been issued, sold, executed, and delivered in conformity with the Constitution and laws of the State of Idaho and to be valid and binding and enforceable in accordance with its terms, and such bond is incontestable for any cause.

Hon. Lawrence G. Wasden
Attorney General

ASSIGNMENT

FOR VALUE RECEIVED, _____,
the undersigned sells, assigns and transfers unto:

(Social Security or Other Identifying Number of Assignee)

(Please Print or Typewrite Name and Address of Assignee)

the within Bond and hereby irrevocably constitutes and appoints _____
of _____ to transfer the said bond on the books kept for
registration thereof with full power of substitution in the premises.

Dated: _____

Signature: _____

NOTICE: The signature on this assignment must correspond with the name(s) of the Registered owner as it appears upon the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

SIGNATURE GUARANTEED:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company and must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

PREPAYMENT PANEL

The following installments of principal (or portions thereof) of this Bond have been prepaid in accordance with the terms of the Resolution.

[illegible]

**** Include when Bonds registered with DTC.****
[Bracketed text deleted when Bonds DTC-registered.]

[STATEMENT OF INSURANCE]

(End of Form of Series 2007 Bond)

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BOND PURCHASE AGREEMENT

Idaho State University
\$ _____
General Revenue Bonds,
Series 2007

August 9, 2007

The Board of Trustees of
Idaho State University
Attn: James A. Fletcher, Vice President
for Finance and Administration
921 South 8th Avenue, Stop 8219
Building #10, 2nd Floor
Pocatello, Idaho 83209

Ladies and Gentlemen:

The undersigned, Lehman Brothers Inc., as underwriter (the "Underwriter"), hereby offers to enter into this Bond Purchase Agreement with Idaho State University (the "University") which, upon the acceptance by the University of this offer, shall be in full force and effect in accordance with its terms and shall be binding upon the University and the Underwriter.

This offer is made subject to your acceptance and approval on or before 5:00 p.m. Mountain Time, on August 9, 2007. Terms not otherwise defined herein shall have the same meaning as are set forth in the Official Statement referred to hereinafter.

ARTICLE I

1.1 Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and covenants herein set forth, the Underwriter hereby agrees to purchase from the University, and the University hereby agrees to sell to the Underwriter, all but not less than all of the University's General Revenue Bonds, Series 2007 (the "Series 2007 Bonds" or the "Bonds") for a purchase price equal to \$_____, representing the par amount of the Series 2007 Bonds, [plus/less] a net reoffering [premium/discount] of \$_____. Upon the issuance of the Bonds, the University shall pay the Underwriter, by wire transfer, an underwriting fee of \$_____.

1.2 The Bonds. The Bonds are being issued to (i) finance the costs to renovate and construct additions to an existing recreation facility (the "Recreation Project"), (ii) finance the purchase and renovation of a portion of a building in Meridian,

Idaho to be used for instructional purposes, including capitalized interest (the “Meridian Project”), and (iii) paying the costs of issuance of the Series 2007 Bonds.

The Bonds shall be dated as of the date of delivery, bear interest at the rates and mature in the amounts and on the dates set forth in Exhibit A hereto and be otherwise as described in the Preliminary Official Statement dated July 30, 2007. The Bonds shall be further described in and shall be issued under and pursuant to the Resolution of the Board of Trustees of the University (the “Board”) adopted September 17, 1992 as supplemented, amended and restated and a Supplemental Resolution of the Board dated August 9, 2007 (collectively, the “Resolution”), substantially in the form heretofore delivered to the Underwriter, with only such changes therein as shall be mutually agreed upon among us.

1.3 Preliminary Official Statement. The University has previously delivered to the Underwriter the Preliminary Official Statement. The University represents and warrants that the Preliminary Official Statement has been deemed final by the University for purposes of Rule 15c2-12(b)(1) under the Securities Exchange Act of 1934 (the “1934 Act”), except for the omission of no more than offering prices, interest rates, Underwriter’s fee, aggregate principal amount and principal amounts per maturity, delivery dates, ratings, insurance and other terms of the Bonds depending on such matters. The University hereby ratifies, approves and confirms the distribution and use of the Preliminary Official Statement by the Underwriter in connection with the public offering and sale of the Bonds prior to the availability of the final Official Statement.

1.4 Official Statement. Within seven business days after the date hereof and in sufficient time to accompany any confirmation that requests payment for the Bonds from any customer of the Underwriter, the University shall deliver to the Underwriter at the expense of the University two copies of the final Official Statement executed on behalf of the University by the President or Vice President for Finance and Administration of the University and a sufficient quantity of conformed copies thereof to enable the Underwriter to comply with paragraph b(4) of Rule 15c2-12 under the 1934 Act and the rules of the Securities and Exchange Commission (the “SEC”) and the Municipal Securities Rulemaking Board and to meet the requirements of Section 1.6 hereof, containing only such changes from the Preliminary Official Statement to finalize the terms of the Series 2007 Bonds or as are previously consented to by the Underwriter (such final Official Statement, including all appendices thereto, and with such supplements and amendments as are consented to by the Underwriter, being herein called the “Official Statement”). The University hereby authorizes the distribution and use by the Underwriter of the Official Statement in connection with the public offering and sale of the Bonds.

1.5 Amendments or Supplements. If at any time from the date hereof until the Closing (defined below), and for a period of 25 days following the “end of the underwriting period,” the beginning of which the University may assume is the Closing Date unless notified otherwise by the Underwriter, any event known to the University relating to or affecting the University or the Series 2007 Bonds or any agreement related to the Series 2007 Bonds shall occur which might affect the accuracy or completeness of

any statement of a material fact contained in the Official Statement or any document incorporated by reference therein, the University shall promptly notify the Underwriter in writing of the circumstances and details of such event. The University will cooperate with the Underwriter in the preparation of such amendments and supplements to the Official Statement as may be advisable, in the reasonable judgment of the Underwriter, to assure that the Official Statement as amended or supplemented will at no time include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made in the Official Statement, in light of the circumstances under which they are made, not misleading.

1.6 Delivery to NRMSIR. The University authorizes the Underwriter, and the Underwriter agrees, to deliver three copies of the Official Statement to each nationally recognized municipal securities information repository ("NRMSIR") not later than seven days after the date of the Official Statement. The Underwriter shall fulfill all other responsibilities imposed upon underwriters by Rule 15c2-12 of the SEC.

1.7 Public Offering. It shall be a condition to the University's obligations to sell and to deliver the Bonds to the Underwriter and to the Underwriter's obligations to purchase, to accept delivery of and to pay for the Bonds that the entire principal amount of the Bonds shall be issued, sold and delivered by the University and purchased, accepted and paid for by the Underwriter at Closing. The Underwriter agrees to make a bona fide public offering of all the Bonds at a price which does not exceed the initial public offering prices or the yields as set forth on the inside cover page of the Official Statement; however, the Underwriter reserves the right to make concessions to dealers and to change such initial offering prices as the Underwriter shall deem necessary in connection with the marketing of the Bonds. The Underwriter may reoffer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) at a price lower than the offering prices set forth in the Official Statement. In connection with the offering of the Bonds, the Underwriter may over-allot or effect transactions that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time by the Underwriter without prior notice.

1.8 Closing. At 8:00 a.m., Mountain Daylight Time on August 30, 2007, with respect to the Bonds, or at such other time or on such earlier or later date upon which we mutually agree (herein called the "Closing"), the University will deliver or cause to be delivered to the Underwriter the executed Bonds in book entry form and the other documents herein mentioned; and the Underwriter will accept such delivery and pay the purchase price for the Bonds in immediately available funds to the order of U.S. Bank National Association, Salt Lake City, Utah, as Trustee for the Bonds. Such delivery of Bonds shall occur take place at the offices of Ballard Spahr Andrews & Ingersoll, LLP, in Salt Lake City, Utah, or at such other place as the Underwriter may designate.

1.9 In order to assist the Underwriter in complying with paragraph (b)(5) of Rule 15c2-12, the University will undertake, pursuant to the Information Reporting Agreement in the form authorized by the University and attached hereto as Exhibit B, to send annually to each nationally recognized municipal securities information repository

(“NRMSIR’s”) and to the repository, if any, designated by the State of Idaho, as the state information depository (the “SID”) and recognized as such by the Securities and Exchange Commission (the “Commission”) for purposes of Rule 15c2-12, and to provide notice of certain material events to the NRMSIR’s, the SID and the Municipal Securities Rulemaking Board pursuant to the requirements of Section (b)(5) of Rule 15c2-12.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE UNIVERSITY

To induce the Underwriter to enter into this Bond Purchase Agreement and to sell the Bonds with full realization and appreciation of the fact that the investment value of the Bonds and the ability of the University to sell and the Underwriter to resell the Bonds are in part dependent upon the credit standing of the University, and in consideration of the foregoing and execution and delivery of this Bond Purchase Agreement, the University represents and warrants to the Underwriter as follows:

2.1 The University has been duly organized and is validly existing under the Constitution and laws of the State of Idaho and has all power and authority to consummate the transactions contemplated by this Bond Purchase Agreement and the Official Statement, including the execution, delivery and/or approval of all documents and agreements referred to herein or therein.

2.2 The adoption, execution and delivery of the Resolution, the approval by the University of the Bond Purchase Agreement and the Bonds, and the application of the proceeds of the Bonds for the purposes described in the Official Statement do not and will not conflict with or result in the breach of any of the terms, conditions or provisions of, or constitute a default under, any existing law, court or administrative regulation, decree or order, or any other agreement, indenture, mortgage, lease or instrument by which the University or any of its respective property is or may be bound.

2.3 The University has duly authorized all necessary action to be taken by it for the issuance and sale of the Bonds by the University upon the terms and conditions set forth herein, in the Official Statement, in the Resolution, and in the approval of the Official Statement and the Bonds.

2.4 Except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court or administrative body pending or, to the knowledge of the University, threatened against or affecting the University, or to the knowledge of the University, any meritorious basis therefor, wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition of the University or the transactions contemplated by this Bond Purchase Agreement and the Official Statement, or would have an adverse effect on the validity or enforceability of the Bonds, the Resolution or any agreement or instrument by which the University is or may be bound, or would in any way adversely affect the existence or powers of the University.

2.5 The University is not in breach of or in default under any existing law, court or administrative regulation, decree or order, or any other agreement, indenture, mortgage, lease, sublease or other instrument to which the University is a party or by which it or its property is or may be bound, and no event has occurred or is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default thereunder, in either case in any manner or to enough extent which could have a material adverse effect on the financial condition of the University or the transactions contemplated by this Bond Purchase Agreement and the Official Statement, or would have an adverse effect on the validity or enforceability in accordance with their respective terms of the Bonds, or the Resolution, or would in any way adversely affect the existence or powers of the University.

2.6 The information contained in the Preliminary Official Statement was, as of its date, and the information contained in the Official Statement was and will be, as of the Closing Date, true and correct in all material respects. The Preliminary Official Statement does not contain, and the Official Statement, as of its date and as of the Closing Date, will not contain any untrue statement of a material fact, and the Preliminary Official Statement does not omit and the Official Statement, as of its date and as of the Closing Date, will not omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; provided, however, that this representation and warranty shall not be deemed to cover or apply to (x) information provided to the University in writing by the Underwriter and included on the cover page of the Preliminary Official Statement or the Official Statement regarding the principal amount, interest rates, maturities and initial public offering prices of the Series 2007 Bonds or (y) statements in the Preliminary Official Statement or the Official Statement under the captions “THE SERIES 2007 BONDS—Book-Entry-Only System”, or “UNDERWRITING” and in Appendix E and Appendix F thereto.

2.7 Each representation, warranty or agreement stated in any certificate signed by any officer of the University and delivered to the Underwriter at or before the Closing shall constitute a representation, warranty or agreement by the University, as the case may be, upon which the Underwriter shall be entitled to rely.

ARTICLE III

UNDERWRITER’S CONDITIONS

3.1 The Underwriter has entered into this Bond Purchase Agreement in reliance upon the performance by the University of its obligations hereunder, both as of the date hereof and as of the date of Closing. The Underwriter’s obligations under this Bond Purchase Agreement are and shall be subject to the following further conditions:

- (a) At the time of Closing (i) the Official Statement, the Resolution and this Bond Purchase Agreement shall be in full force and effect and shall not have been amended, modified or supplemented, except as therein permitted or as may have been agreed to in writing by the Underwriter, and (ii) the proceeds of

sale of the Bonds shall be paid to the Trustee of the Bonds for deposit or use as described in the Official Statement.

(b) At the time of Closing and in compliance with subsection (b)(5) of SEC Rule 15c2-12, the University and the Trustee shall have executed and delivered the Information Reporting Agreement in the form authorized by the University and attached hereto as Exhibit B.

(c) The Underwriter shall have the right to cancel its obligation to purchase the Bonds if, between the date hereof and the Closing, (i) legislation shall have been enacted or introduced by the Congress of the United States or shall have been reported out of committee or be pending in committee, or a decision shall have been rendered by a court of the United States or the Tax Court of the United States, or a ruling shall have been made or a regulation shall have been proposed or made or any other release or announcement shall have been made by the Treasury Department of the United States or the Internal Revenue Service, with respect to federal taxation upon revenues or other income derived by the University or any similar body or upon interest received on obligations of the general character of the Series 2007 Bonds, that, in the reasonable judgment of the Underwriter, materially adversely affects the market for the Bonds, or (ii) laws, regulations, rulings or other actions shall have been adopted or taken place or are proposed to be adopted which in effect make interest on the Series 2007 Bonds taxable under the State of Idaho income tax laws, or (iii) there shall exist any event that, in the reasonable judgment of the Underwriter, either (A) makes untrue or incorrect in any material respect any statement or information in the Official Statement or (B) is not reflected in the Official Statement but should be reflected therein in order to make the statements and information therein not misleading in any material respect, or (iv) legislation shall be enacted, or actively considered for enactment by the Congress, with an effective date prior to the date of Closing, or a decision by a court of the United States shall be rendered, or a ruling or regulation by the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall be made, the effect of which is that (A) the Bonds are not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or (B) the Resolution is not exempt from the registration, qualification or other requirements of the Trust Indenture Act of 1939, as amended and as then in effect, or (v) a stop order, ruling or regulation by the Securities and Exchange Commission shall be issued or made, the effect of which is that the issuance, offering or sale of the Bonds, as contemplated herein or in the Preliminary Official Statement or the Official Statement, is in violation of any provision of the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect, or (vi) there shall have occurred any outbreak or escalation of hostilities or mobilization in anticipation thereof, any terrorist activities, or any national or international calamity or crisis, financial or otherwise, which, in the sole opinion of the Underwriter, materially and adversely

affects the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for sale of such Bonds, or (vii) there shall be in force a general suspension of trading on the New York Stock Exchange or minimum or maximum prices for trading substantially all listed securities thereon shall have been fixed and be in force, or maximum ranges for prices for such securities shall have been required to be in force on the New York Stock Exchange, whether by virtue of a determination by that Exchange or by order of the Securities and Exchange Commission or any other governmental authority having jurisdiction, or (viii) a general banking moratorium shall have been declared by either federal or New York authorities having jurisdiction and be in force or (ix) any order, decree or injunction of any court of competent jurisdiction or any judicial proceeding or any order, ruling, regulation or administrative proceeding by any governmental body or agency shall have been enacted, the purpose or effect of which is to prohibit the issuance, offering or sale of the Bonds as contemplated hereby or by the Official Statement, or to prohibit the performance by the University of its obligations under the Resolution or this Bond Purchase Agreement in accordance with their respective terms; and

(d) At or prior to the Closing for the Bonds, the Underwriter shall receive the following relating to the series of Bonds being delivered at such Closing:

(i) The approving opinion of Ballard Spahr Andrews & Ingersoll, LLP (“Bond Counsel”), dated the date of Closing, in substantially the form included as Appendix D to the Official Statement;

(ii) The supplemental opinion of Ballard Spahr Andrews & Ingersoll, LLP, dated the date of Closing and addressed to the Underwriter in substantially the form attached hereto as Exhibit C;

(iii) The opinion of Bradley H. Hall, counsel to the University, in substantially the form attached hereto as Exhibit D;

(iv) The University’s certificate or certificates signed by its Vice President for Finance and Administration dated the date of the Closing to the effect that (A) no litigation is pending or, to its knowledge, threatened (i) to restrain or enjoin the collection of revenues pledged or to be pledged under the Resolution, (ii) in any way contesting or affecting any authority for the issuance of the Bonds, the validity of the Bonds or the Resolution, or this Bond Purchase Agreement, or (iii) in any way contesting the powers or operation of the University; (B) to the best of his knowledge, the descriptions and information contained in the Official Statement are correct in all material respects except that no view need be expressed about the information under the captions “THE SERIES 2007 BONDS—Book-Entry-Only System” or “UNDERWRITING” and in Appendix E and Appendix G thereto; (C) such descriptions and information, as of the date of the Official Statement, did not and, as of the

date of Closing, do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; (D) at the time of the Closing, no default or event of default has occurred and is continuing which, with the lapse of time or the giving of notice, or both, would constitute a default or an event of default under the Resolution, this Bond Purchase Agreement or any other material agreement or material instrument to which the University is a party or by which it is or may be bound or to which any of its property or other assets is or may be subject; (E) the Resolution authorizing or approving the execution of this Bond Purchase Agreement, the Information Reporting Agreement, the Official Statement, and the form of the Bonds has been duly adopted by the Board and have not been modified, amended or repealed; (F) no event affecting the University has occurred since the date of the Official Statement that either makes untrue or incorrect, as of the date of Closing, any statement or information relating to the same and contained in the Official Statement or that should be disclosed therein in order to make the statements and information therein, in light of the circumstances under which they were made, not misleading; (G) the representations of the University herein are true and correct in all material respects as of the date of Closing;

(v) Two copies of the Resolution;

(vi) Two copies of the certificate of the University relating to matters affecting the tax-exempt status of interest on the Series 2007 Bonds, including the use of proceeds of sale of the Series 2007 Bonds and matters relating to arbitrage rebate pursuant to Section 148 of the Code and the applicable regulations thereunder, in form and substance satisfactory to Bond Counsel;

(vii) Satisfactory evidence that the Bonds are rated “_____” by _____, and “_____” by _____;

(viii) Ten copies of the Official Statement related to the Bonds executed on behalf of the University;

(ix) Two specimens of the Bonds;

(x) A copy of the executed Information Return for Tax-Exempt Governmental Bond Issues, Form 8038-G (current version), and evidence of the mailing thereof on the Closing Date for the Bonds;

(xi) Evidence that a copy of the Official Statement has been filed with the Treasurer of the State of Idaho, pursuant to Idaho Code Section 67-1222;

(xii) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter or Bond Counsel may reasonably request.

ARTICLE IV

FEES AND EXPENSES

All expenses and costs of the University incident to the performance of its obligations in connection with the authorization, issuance and sale of the Bonds to the Underwriter, including the costs of printing of the Bonds, advertising costs, the costs of posting, printing, duplicating and mailing the Preliminary Official Statement and the Official Statement, the fees of consultants and rating agencies, the initial fee of the Trustee in connection with the issuance of the Bonds, and the fees and expenses of Bond Counsel and counsel for the University shall be paid out of funds made available by the University, including proceeds of the Bonds. All out-of-pocket expenses of the Underwriter, except for expenses of the University advanced by the Underwriter for which the Underwriter will be reimbursed by the University, including travel and other expenses and the fees and expenses of any counsel employed by it, shall be paid by the Underwriter.

ARTICLE V

GENERAL PROVISIONS

Any notice or other communication to be given to the University under this Bond Purchase Agreement may be given by delivering the same in writing, at the University's address set forth above, and any such notice or other communication to be given to the Underwriter may be given by delivering the same in writing to Lehman Brothers Inc., 701 Fifth Avenue, Suite 7101, Seattle, WA 98104.

This Bond Purchase Agreement is made solely for the benefit of the University and the Underwriter (including the successors or assigns of the Underwriter), and no other person, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. All agreements, representations and warranties of the University in this Bond Purchase Agreement shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriter and shall survive the delivery of and payment for the Bonds.

The approval of the Underwriter when required hereunder or the determination of its satisfaction with respect to any document referred to herein shall be in writing signed by the Underwriter and delivered to the University. This Bond Purchase Agreement shall become legally effective upon mutual acceptance and approval.

This Bond Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

LEHMAN BROTHERS INC.

By: _____
Richard B. King
Senior Vice President

ACCEPTED:

IDAHO STATE UNIVERSITY

By: _____
James A. Fletcher
Vice President for Finance and
Administration
and Bursar

ATTEST:

By: _____
Secretary

EXHIBIT A

IDAHO STATE UNIVERSITY
\$ _____
GENERAL REVENUE BONDS,
SERIES 2007

Purchase Price:

Principal Amount	\$
[Plus/Less] Net Reoffering [Premium/Discount]	\$
 Purchase Price	 \$

Interest on the Idaho State University General Revenue Bonds, Series 2007 (the “Series 2007 Bonds”) is payable semiannually on each April 1 and October 1, commencing April 1, 2008. Principal on the Series 2007 Bonds is payable on the dates, and the Series 2007 Bonds will bear interest at the rates, set forth below:

<u>Maturity</u> <u>(April 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>
2008	\$		
2009			
2010			
2011			
2012			
2013			
2014			
2015			
2016			
2017			
2018			
2019			
2020			
2021			

\$ _____; _____ % Term Bond Due April 1, 2027; Price _____ %
\$ _____; _____ % Term Bond Due April 1, 2032; Price _____ %

Redemption Provisions:

Optional Redemption of the Series 2007 Bonds. The Series 2007 Bonds maturing on or prior to April 1, 2017 are not subject to redemption prior to maturity. The Series 2007 Bonds maturing on or after April 1, 2018 are subject to redemption prior to maturity at the option of the University in whole or in part on any date on and after April 1, 2017 and if in part, in such order of maturity as may be directed by the University at a redemption price equal to 100% of the principal amount of the Series 2007 Bonds to be redeemed plus accrued interest to the date of redemption.

Mandatory Sinking Fund Redemption of the Series 2007 Bonds. The Series 2007 Bonds maturing on April 1, 2027 are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the date of redemption on the dates and in the principal amounts as follows:

Redemption Date (April 1)	Principal Amount
2022	\$
2023	
2024	
2025	
2026	
2027 [†]	

[†] Final maturity

The Series 2007 Bonds maturing on April 1, 2032 are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the date of redemption on the dates and in the principal amounts as follows:

Redemption Date (April 1)	Principal Amount
2028	\$
2029	
2030	
2031	
2032 [†]	

[†] Final maturity

Upon redemption of any Series 2007 Bonds maturing on April 1, 2027 or April 1, 2032 other than by application of such mandatory sinking fund redemption, an amount equal to the principal amount so redeemed will be credited toward a part or all of any one or more of such mandatory sinking fund redemption amounts for the Series 2007 Bonds maturing on April 1, 2027 or April 1, 2032, respectively, in such order of mandatory sinking fund date as shall be directed by the University.

EXHIBIT B

INFORMATION REPORTING AGREEMENT

Re: \$ _____ principal amount of General Revenue Bonds, Series 2007 (the "Series 2007 Bonds" or the "Bonds"), dated as of the date of delivery, of Idaho State University (the "Issuer") and issued pursuant to a Resolution of the Board of Trustees of the University (the "Board") adopted September 17, 1992 as supplemented, amended and restated and a Supplemental Resolution, adopted August 9, 2007 (collectively the "Resolution") which names U.S. Bank National Association, as Trustee (the "Trustee")

THIS INFORMATION REPORTING AGREEMENT (the "Agreement") is executed and delivered by the Issuer and the Trustee, as of the date set forth below, in order for the Issuer to authorize and direct the Trustee, as the agent of the Issuer, to make certain information available to the public, as herein provided.

W I T N E S S E T H:

1. Background. The Issuer has resolved to issue the Bonds pursuant to the Resolution. The CUSIP number assigned to the final maturity of the Bonds is _____.

2. Appointment of Trustee. The Issuer hereby appoints the Trustee and any successor Trustee acting as such under the Resolution to be the Issuer's agent under this Agreement to disseminate the information furnished by the Issuer hereunder in the manner and at the times provided herein and to discharge the other duties assigned.

3. Information to be Furnished by the Issuer. The Issuer hereby covenants for the benefit of the registered and beneficial owners of the Bonds that, as long as the Bonds are outstanding under the Resolution, the Issuer will deliver the following information to the Trustee:

(a) Within 180 days after the end of the Issuer's fiscal year, the audited financial statements of the Issuer, together with the report thereon of the Issuer's independent auditors, beginning with Fiscal Year ended June 30, 2007.

(b) The other financial, statistical and operating data for said fiscal year of the Issuer in the form and scope similar to the financial, statistical and operating data contained in "SECURITY FOR THE SERIES 2007 BONDS," "HISTORICAL PLEDGED REVENUES AND DEBT SERVICE" and, in the event the Bonds are called, the financial data contained in "DEBT SERVICE REQUIREMENTS" of the Issuer's Official Statement.

(c) In a timely manner, notice of any of the following events with respect to the Bonds, if material:

- (i) Principal and interest payment delinquencies on the Bonds;
- (ii) Nonpayment related defaults;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- (vii) Modifications to rights of Bondholders;
- (viii) Bond calls;
- (ix) Defeasances;
- (x) Release, substitution or sale of property securing repayment of the Bonds;
- (xi) Rating changes; and
- (xii) Notice of a failure of the Issuer to provide the annual financial information specified in Section 3(a) and 3(b) hereof.

4. Manner and Time by Which Information is to be made Public by the Information Agent.

(a) The information required to be delivered to the Trustee pursuant to Sections 3(a) and 3(b) shall be referred to as the Continuous Disclosure Information (the “Continuous Disclosure Information”) and the notices required to be delivered to the Trustee pursuant to Section 3(c) shall be referred to as the Event Information (the “Event Information”).

(b) Not later than five business days after the receipt of any Continuous Disclosure Information or any Event Information, the Trustee will deliver the information as provided in the following subsection (c).

(c) It shall be the Trustee’s duty to:

- (i) deliver the Continuous Disclosure Information to the Repositories once it is received from the Issuer;

(ii) deliver the Event Information to the Repositories and the MSRB once it is received from the Issuer; and

(iii) determine the identity of all Repositories to which Continuous Disclosure Information and Event Information must be sent under the rules and regulations promulgated by the MSRB or by the SEC and to determine the existence of any SID by calling the SEC's Public Reference Room at (202) 942-8090.

(d) The Trustee shall have no duty or obligation to disclose any information other than (i) Continuous Disclosure Information that the Trustee actually has received from the Issuer and (ii) Event Information about which the Trustee has received notice from the Issuer. Any such disclosures shall be required to be made only as and when specified in this Agreement and only to those entities specified in this Section 4. The Trustee's duties and obligations are only those specifically set forth in this Agreement and the Resolution, and the Trustee shall have no implied duties or obligations.

(e) On or before the 31st day of January of each year, the Trustee shall provide to the Issuer written notice of the names of the Repositories to which the Trustee has sent Continuous Disclosure Information during the preceding calendar year and the names of the Repositories to which the Trustee proposes to send Continuous Disclosure Information during the current calendar year.

5. Indemnification.

(a) The Trustee shall have no obligation to examine or review the Continuous Disclosure Information and shall have no liability or responsibility for the accurateness or completeness of the Continuous Disclosure Information disseminated by the Trustee hereunder. The Continuous Disclosure Information shall contain a legend to such effect.

(b) The Issuer hereby agrees to hold harmless and to indemnify the Trustee, its employees, officers, directors, agents and attorneys from and against any and all claims, damages, losses, liabilities, reasonable costs and expenses whatsoever (including attorneys' fees and expenses, whether incurred before trial, at trial, or on appeal, or in any bankruptcy or arbitration proceedings), which may be incurred by the Trustee by reason of or in connection with the disclosure of information in accordance with this Agreement, except to the extent such claims, damages, losses, liabilities, costs or expenses result directly from the willful misconduct or gross negligence of the Trustee in the performance of its duties under this Agreement.

6. Compensation. The Issuer hereby agrees to compensate the Trustee for the services provided and the expenses incurred pursuant to this Agreement in an amount to be agreed upon from time to time hereunder. Such compensation shall be in addition

to any fees previously agreed upon with respect to the fiduciary services of the Trustee in its capacity as the Trustee.

7. Enforcement. The obligations under this Agreement of the Issuer shall be for the benefit of the registered and beneficial holders of the Bonds. Any holder of the Bonds then outstanding, including any Beneficial Owner of the Bonds (as defined in the Resolution), may enforce specific performance of such obligations by any judicial proceeding available, provided however, that a default under this Agreement will not be a default under the Resolution.

8. Definitions. As used herein, the following terms shall have the following meanings:

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“Official Statement” shall mean the final official statement relating to the Bonds dated August [9], 2007.

“Repository” shall mean (i) each nationally recognized municipal securities information repository recognized by the SEC from time to time pursuant to the Rule and (ii) any SID.

“Rule 15c2-12” shall mean Rule 15c2-12, as amended, promulgated by the SEC under the Securities Exchange Act of 1934, as amended.

“SEC” shall mean the Securities and Exchange Commission.

“SID” means any state information depository of the State of Idaho.

9. Amendments and Termination. This Agreement may be amended with the mutual agreement of the Issuer and the Trustee and without the consent of any registered or beneficial holders of the Bonds under the following conditions:

(a) the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person or type of business conducted;

(b) this Agreement, as amended, would have complied with the requirements of Rule 15c2-12 at the time of the primary offering, after taking into account any amendments or interpretations of Rule 15c2-12, as well as any change in circumstances; and

(c) the amendment does not materially impair the interests of holders of the Bonds, as determined by parties unaffiliated with the Issuer (such as the Trustee or nationally recognized bond counsel).

Any party to this Agreement may terminate this Agreement by giving written notice of its intent to terminate to the other parties at least thirty (30) days prior to such termination, provided that no such termination shall relieve the obligation of the Issuer to comply with Rule 15c2-12(b)(5) either through a successor agent or otherwise.

The Issuer's next annual report must explain, in narrative form, the reasons for any such amendment or termination and the impact of the change in the type of operating data or financial information being provided or, in the case of accounting principles, the presentation of such operating data or financial information.

The undertaking contained in this Agreement shall be in effect from and after the issuance and delivery of the Bonds and shall extend to the earlier of (i) the date all principal and interest on the Bonds shall have been paid pursuant to the terms of the Resolution; (ii) the date that the Issuer shall no longer constitute an "obligated person" within the meaning of Rule 15c2-12; or (iii) the date on which those portions of Rule 15c2-12 that require this written undertaking (a) are held to be invalid by a court of competent jurisdiction in a nonappealable action, (b) have been repealed retroactively, or (c) in the opinion of counsel who is an expert in federal securities laws, acceptable to the Issuer or the Trustee, otherwise, do not apply to the Bonds. The Issuer shall notify the Repositories if this Agreement is terminated pursuant to (iii), above.

10. Successor Trustee. Upon the transfer of the duties created under the Resolution from the current Trustee to a successor Trustee, such successor Trustee shall succeed to the duties under this Agreement without any further action on the part of any party, and the then current Trustee shall have no further duties or obligations upon the transfer to a successor Trustee. Such Successor Trustee may terminate this Agreement or cause it to be amended as provided in paragraph 9.

11. Notices. Notices and the required information under this Agreement shall be given to the parties at their addresses set forth below under their signatures or at such places as the parties to this Agreement may designate from time to time.

12. Counterparts. This Agreement may be executed in one or more counterparts, and each such instrument shall constitute an original counterpart of this Agreement.

13. Governing Law. This Agreement shall be governed by the laws of the State of Idaho.

14. Alternate Filings. Any filing to a National Repository or the MSRB and a State Repository under this certificate may be made solely by transmitting such filing to the Texas Municipal Advisory Council (the "MAC") as provided at <http://www.disclosureusa.org> unless the United States Securities and Exchange Commission has withdrawn the interpretive advice in its letter to the MAC dated September 7, 2004.

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this Agreement to be executed and delivered by a duly authorized officer of each of them, all as of this _____ day of _____, 2007.

IDAHO STATE UNIVERSITY

By _____
James A. Fletcher
Vice President for Finance and
Administration

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By _____
Kim R. Galbraith
Vice President

EXHIBIT C

SUPPLEMENTAL OPINION OF
BALLARD SPAHR ANDREWS & INGERSOLL, LLP,

_____, 2007

Lehman Brothers Inc.
Columbia Center
701 Fifth Avenue, Suite 7101
Seattle, Washington 98104

Re: \$_____ Idaho State University General Revenue Bonds, Series 2007

This letter is being delivered to you pursuant to Section 3.1(d)(2) of the Bond Purchase Agreement (the "Purchase Agreement") dated _____, 2007 between Lehman Brothers Inc., (the "Underwriter"), and Idaho State University (the "University"), which Purchase Agreement relates to the purchase by the Underwriter of \$_____ aggregate principal amount of the University's General Revenue Bonds, Series 2007 (the "Series 2007 Bonds"). Capitalized terms which are used herein but which are not otherwise defined shall have the meanings assigned to them in the Purchase Agreement.

We have acted as bond counsel to the University in connection with the issuance of the Series 2007 Bonds and, in that capacity, have examined executed counterparts of the Purchase Agreement, the Resolution, and the Official Statement of the University with respect to the Series 2007 Bonds dated _____, 2007 (the "Official Statement"). We have also examined the originals or copies, certified or otherwise identified to our satisfaction, of such other documents, records and other instruments as we have deemed necessary or advisable for purposes of this letter.

On the basis of such examination, we are of the opinion as of the date hereof and under currently existing law as follows:

1. The Purchase Agreement has been duly authorized, executed and delivered by the University.
2. The Series 2007 Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Resolution is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

3. The statements contained in the Official Statement under the captions “THE SERIES 2007 BONDS,” “SECURITY FOR THE SERIES 2007 BONDS,” and “TAX MATTERS,” and in APPENDIX A and APPENDIX B to the Official Statement insofar as the statements contained under such captions purport to summarize and/or extract certain provisions of the Series 2007 Bonds and the Resolution, present an accurate summary and/or extract of such provisions in all material respects.

Because the primary purpose of our professional engagement was not to establish factual matters and because of the wholly or partially nonlegal character of many determinations involved in the preparation of the Official Statement, except with regards to the matters contained in Paragraph 3 above, we are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of any of the statements contained in the Official Statement and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements. However, in our capacity as bond counsel, during the course of preparation of the Official Statement, we met in conferences with representatives of the University, your representatives, and others, during which conferences the contents of the Official Statement and related matters were discussed. Based on our participation in the above-mentioned conferences, and in reliance thereon and on the certificates and other documents herein mentioned, we advise you that no information came to the attention of the attorneys in our firm rendering legal services in such connection which caused them to believe that Official Statement as of its date and as of the date of this letter contained or contains any untrue statement of a material fact or omitted or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except that no opinion or belief is expressed herein as to financial statements, financial, economic demographic or statistical data, forecasts, charts, estimates, projections, assumptions, expressions of opinion, any information about book-entry and The Depository Trust Company and information contained in Appendix C, Appendix E and Appendix F to the Official Statement).

We have on this day rendered our approving opinion as Bond Counsel to the University with respect to the Series 2007 Bonds. You are entitled to rely on such opinion as if it were addressed to you.

This letter is furnished by us as bond counsel to the University. No attorney-client relationship has existed or exists between our firm and you in connection with the Series 2007 Bonds or by virtue of this letter. We disclaim any obligation to update this letter. This letter is delivered to you solely for your benefit and may not be relied upon by any other persons. This letter is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person. This letter is not intended to, and may not, be relied upon by the owners of the Series 2007 Bonds or by any party to whom it is not addressed.

Respectfully submitted,

EXHIBIT D

OPINION OF COUNSEL TO IDAHO STATE UNIVERSITY

[Idaho State University letterhead]

_____, 2007

The Board of Trustees of
Idaho State University
921 South 8th Avenue, Stop 8219
Pocatello, Idaho 83209

Ballard Spahr Andrews & Ingersoll, LLP
201 South Main Street, Suite 600
Salt Lake City, Utah 84111

Lehman Brothers Inc.
701 Fifth Avenue, Suite 7101
Seattle, Washington 98104

Re: General Revenue Bonds, Series 2007 in the Principal Amount of
\$ _____

Ladies and Gentlemen:

As General Counsel to Idaho State University (the "University"), I have reviewed certain documents in connection with the issuance and sale by the University of the above-captioned bonds (the "Bonds"), including the Resolution of the Board of Trustees of the University (the "Board") adopted on September 17, 1992 as previously amended, supplemented and restated (the "Original Resolution") and as further supplemented and amended by a Supplemental Resolution dated August 9, 2007, authorizing the issuance and sale of the Bonds (the "Supplemental Resolution," and, together with the Original Resolution as previously supplemented, the "Resolution"), the Preliminary Official Statement dated _____, 2007, and the Official Statement dated _____, 2007 (the "Official Statement"), and such other documents as I deemed necessary to render this opinion. Capitalized terms used as defined terms in this opinion have the meaning assigned to such terms in the Resolution. This opinion is

rendered under the Bond Purchase Agreement dated _____, 2007, between the University and Lehman Brothers Inc. (the "Bond Purchase Agreement").

Based upon my examination, it is my opinion that:

1. The University is an institution of higher education and a body politic of the State of Idaho, duly and validly created and existing pursuant to the laws of the State of Idaho, with full legal right, power, and authority (i) to issue bonds of the University pursuant to the Resolution; (ii) to adopt the Resolution; (iii) to enter into the Bond Purchase Agreement; (iv) to pledge the Pledged Revenues (as defined in the Resolution) to secure the payment of the principal of and interest on the Bonds; and (v) to carry out and consummate the transactions contemplated by the Resolution and the Bond Purchase Agreement.

2. The provisions of the Resolution, the execution and delivery of the Bond Purchase Agreement, and the performance by the University of the transactions contemplated thereby will not conflict with or constitute a breach of, or default under, any commitment, note, agreement or other instrument to which the University is a party or by which it or any of its property is bound, or any provision of the Idaho Constitution or laws or any existing law, rule, regulation, ordinance, judgment, order or decree to which the University or its Board is subject.

3. Based upon conferences with and representations of officials of the University, the statements in the Official Statement under the subheading "Idaho State University" under the caption "INTRODUCTION" and under the captions "SECURITY FOR THE SERIES 2007 BONDS," "THE RECREATION PROJECT," "THE MERIDIAN PROJECT," "THE UNIVERSITY," "SOURCES OF FUNDING FOR THE UNIVERSITY," "UNIVERSITY GOVERNANCE AND ADMINISTRATION" and "LITIGATION" contained in the Official Statement are true and correct in all material respects and do not contain an untrue statement or omission of a material fact, it being understood that, in rendering this opinion, I am not expressing an opinion with respect to financial, statistical or operating data contained under these captions of the Official Statement. I hereby consent to the inclusion of my name as counsel to the University in the section of the Official Statement entitled "LEGAL MATTERS" and on the cover page thereof.

4. Except as described in the Official Statement, there is no action, suit, proceeding, official inquiry or investigation, at law or in equity, pending which (i) questions the existence or powers of the Board or the University or the title to office of any present official of the University; (ii) seeks to prohibit, restrain or enjoin the sale, issuance or delivery of any of the Bonds or the execution and delivery of the Bond Purchase Agreement; (iii) affects the collection of the Pledged Revenues pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge of the revenues and other funds and accounts under the Resolution; (iv) contests the completeness or accuracy of the Official Statement; or (v) contests any authority for the issuance of the Bonds, and the adoption of the Resolution, or the execution and delivery of the Bond

Purchase Agreement or the validity of any proceedings taken by the University in connection with the issuance or sale of the Bonds.

Very truly yours,

Bradley H. Hall
University Counsel

HOUSE CONCURRENT RESOLUTION NO. 30

Bill Status

HCR030.....by APPROPRIATIONS

IDAHO STATE UNIVERSITY - Stating findings of the Legislature and providing authorization for Idaho State University to purchase 102,000 square feet of unfinished space in the former Jabil Circuit Building to be used for health sciences education.

03/16 House intro - 1st rdg - to printing

03/19 Rpt prt - to 2nd rdg

03/20 2nd rdg - to 3rd rdg

Rls susp - ADOPTED - 68-0-2

AYES -- Anderson, Andrus, Barrett, Bayer, Bedke, Bell, Bilbao, Black, Block, Bock, Boe, Bolz, Brackett, Bradford, Chadderdon, Chew, Clark, Collins, Crane, Edmunson, Eskridge, Hagedorn, Hart, Harwood, Henbest, Henderson, Jaquet, Killen, King, Kren, Labrador, Lake, LeFavour, Loertscher, Luker, Marriott, Mathews, McGeachin, Mortimer, Moyle, Nielsen, Nonini, Pasley-Stuart, Patrick, Pence, Raybould, Ring, Ringo, Roberts, Ruchti, Rusche, Sayler, Schaefer, Shepherd(2), Shepherd(8), Shirley, Shively, Smith(30), Smith(24), Snodgrass, Stevenson, Thayne, Trail, Vander Woude, Wills, Wood(27), Wood(35), Mr.

Speaker

NAYS -- None

Absent and excused -- Chavez, Durst

Floor Sponsor - Wood(27)

Title apvd - To Senate

03/21 Senate intro - 1st rdg - to Fin

03/22 Rpt out - rec d/p - to 10th Ord

03/23 10th Ord - ADOPTED - 34-1-0

AYES -- Andreason, Bair, Bastian, Bilyeu, Broadsword, Burkett, Cameron, Coiner, Corder, Darrington, Davis, Fulcher, Gannon, Geddes, Hammond, Heinrich, Hill, Jorgenson, Kelly, Keough, Langhorst, Little, Lodge, Malepeai, McGee, McKague, McKenzie, Pearce, Richardson, Schroeder, Siddoway, Stegner, Stennett, Werk

NAYS -- Goedde

Absent and excused -- None

Floor Sponsor - Cameron

Title apvd - to House

03/26 To enrol - Rpt enrol - Sp signed - Pres signed

To Secretary of State

Bill Text

]]]] LEGISLATURE OF THE STATE OF IDAHO]]]]
Fifty-ninth Legislature First Regular Session - 2007

IN THE HOUSE OF REPRESENTATIVES

HOUSE CONCURRENT RESOLUTION NO. 30

BY APPROPRIATIONS COMMITTEE

1 A CONCURRENT RESOLUTION
2 STATING FINDINGS OF THE LEGISLATURE AND AUTHORIZING IDAHO STATE
UNIVERSITY TO
3 PURCHASE SPACE IN A FACILITY FOR HEALTH SCIENCES EDUCATIONAL
OFFERINGS IN
4 THE TREASURE VALLEY.

5 Be It Resolved by the Legislature of the State of Idaho:

6 WHEREAS, Idaho State University currently leases approximately 55,600
7 square feet among seven different facilities throughout the Treasure Valley at
8 an annual cost of over \$920,400; and

9 WHEREAS, a private foundation has pledged a \$5 million grant to assist
10 Idaho State University with the purchase of space in the Treasure Valley to be
11 used for health sciences education; and

12 WHEREAS, the purchase of said real estate will also enable Idaho State
13 University to consolidate its current leaseholds and to accommodate planned
14 enrollment growth; and

15 WHEREAS, a unique opportunity exists for Idaho State University to pur-
16 chase 102,000 square feet of unfinished space in the former Jabil Circuit
17 Building located in Meridian, Idaho, and now owned by Joint School District
18 #2; and

19 WHEREAS, co-ownership of this facility with Joint School District #2 will
20 also provide a unique venue for Idaho State University to offer concurrent
21 enrollment opportunities, and to utilize school district space during
22 evenings, weekends and summers; and

23 WHEREAS, academic use space is a recognized criteria to make a new higher
24 education facility eligible to receive state moneys for the costs associated
25 with occupancy, operation and maintenance.

26 NOW, THEREFORE, BE IT RESOLVED by the members of the First Regular Session
27 of the Fifty-ninth Idaho Legislature, the House of Representatives and the
28 Senate concurring therein, that pursuant to Section 33-3805A, Idaho Code,

29 approval is hereby granted to the State Board of Education, acting as trustees
30 for Idaho State University, to purchase 102,000 square feet of unfinished
31 space in the former Jabil Circuit Building located in Meridian, Idaho, and now
32 owned by Joint School District #2, to be used as a health sciences building.

Statement of Purpose / Fiscal Impact

Statement of Purpose
RS17187

The purpose of this resolution is to provide authorization, pursuant to Idaho Code §33-3805A, to the State Board of Education to allow Idaho State University to proceed with the purchase of 102,000 square feet within the former Jabil Circuit building located in Meridian at 1303 East Central Drive, and now owned by Joint School District #2.

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Fiscal Note

Funding for the purchase will come from private foundation funds and institutional bonds. There is no fiscal impact to the General Fund. When the purchase is complete and the state assumes ownership, Idaho State University will request additional General Funds for occupancy costs which involve custodial, utility and other costs associated with operating general education space within the facility. Based on the current formula, these costs are estimated to be approximately \$656,000. In addition, approval of this resolution does not preclude Idaho State University from requesting General Funds or Permanent Building funds in the future for the expansion of this facility.

Contact: Matt Freeman 334-4740
Legislative Services Office, Budget & Policy Analysis
Statement of Purpose/Fiscal Note Bill No. HCR30

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IDAHO STATE UNIVERSITY
DEBT CAPACITY

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
ANNUAL DEBT SERVICE												
<u>New Projects</u>												
Meridian Bldg		750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
ERP System		3,402,819	525,819	602,819	975,000	1,085,000	1,090,000	1,090,000	1,025,000	1,000,000	280,945	0
Reed Gym		450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000
New Debt Financing	0	4,602,819	1,725,819	1,802,819	2,175,000	2,285,000	2,290,000	2,290,000	2,225,000	2,200,000	1,480,945	1,200,000
Current Debt Financing	4,801,273	5,164,112	5,170,732	5,488,650	5,488,993	5,490,685	5,489,757	5,485,269	5,388,399	5,392,091	5,387,345	5,388,873
Total Anticipated Financing	4,801,273	9,766,931	6,896,551	7,291,469	7,663,993	7,775,685	7,779,757	7,775,269	7,613,399	7,592,091	6,868,290	6,588,873
Operating Budget (Excluding Direct Loans)	216,458,819	225,911,774	232,689,127	239,669,801	246,859,895	254,265,692	261,893,663	269,750,473	277,842,987	286,178,277	294,763,625	303,606,534
Debt Service as a % of operating budget												
Current Debt Financing	2.22%	2.29%	2.22%	2.29%	2.22%	2.16%	2.10%	2.03%	1.94%	2.65%	2.33%	2.17%
New Debt Financing												
Meridian Bldg	0.00%	0.33%	0.32%	0.31%	0.30%	0.30%	0.29%	0.28%	0.27%	0.26%	0.25%	0.25%
ERP System	0.00%	1.51%	0.23%	0.25%	0.40%	0.43%	0.42%	0.40%	0.37%	0.35%	0.10%	0.00%
Reed Gym	0.00%	0.20%	0.19%	0.19%	0.18%	0.18%	0.17%	0.17%	0.16%	0.16%	0.15%	0.15%
Total Anticipated Financing	2.22%	4.32%	2.96%	3.04%	3.10%	3.06%	2.97%	2.88%	2.74%	2.65%	2.33%	2.17%

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BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO

SUBJECT

Information item by the University of Idaho (UI) regarding selection of bond counsel and investment banker

REFERENCE

April 2007 Information item by University of Idaho (UI) regarding future financing plans under single bond system.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures; Section V.F.
Section 33-3804, Idaho Code

BACKGROUND

The University of Idaho presented information at the April 2007 SBOE meeting regarding plans for future financing. This presentation included a desire to refinance certain bonds to achieve savings and to investigate new money borrowing to address infrastructure needs in support of the UI Strategic Plan. In order to pursue this course of action, it was necessary for UI to procure services from both bond counsel and investment banking professionals.

DISCUSSION

UI issued Requests for Proposal (RFP) for bond counsel and investment banking services in April and May, respectively. Successful respondents to the RFP's were selected by representatives of UI.

Bond Counsel:

Skinner Fawcett with Ballard Spahr Andrews & Ingersoll was selected to serve as bond counsel. Skinner Fawcett has over thirty years of public finance experience in Idaho. Ballard Spahr Andrews & Ingersoll is a nationally recognized leader in municipal finance. This team provides a strong combination of both local and national experience representing institutions of higher education.

Investment Banker:

George K. Baum is a national investment banking firm with nearly 80 years of experience and a strong presence in higher education finance. They are recognized as industry leaders in structuring, underwriting, and marketing of tax exempt securities.

IMPACT

It is expected that refunding current bonds will not impact the University's credit rating of A1/A+. UI believes that borrowing is necessary to address safety and

**BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007**

**INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO – continued**

deferred maintenance in order to grow enrollments and research consistent with the University's Strategic Plan.

ATTACHMENTS
N/A

STAFF COMMENTS AND RECOMMENDATIONS

Staff has reviewed the information presented by UI, and concurs that it would be in the best interest of the University to procure professional bond counsel and investment banking services.

BOARD ACTION

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

BUSINESS AFFAIRS AND HUMAN RESOURCES
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REFERENCE – APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: V. FINANCIAL AFFAIRS
Subsection: F. Bonds and Other Indebtedness

August 2002

1. General Powers

The University of Idaho, Idaho State University, Lewis-Clark State College, and Boise State University may, by a majority vote of all the members of the Board, borrow money with or without the issuance of bonds pursuant to Chapter 38, Title 33, Idaho Code. The Board must act by formal resolution. Such indebtedness is not an obligation of the state of Idaho but is an obligation solely of the respective institutions and the respective board of trustees. Any indebtedness is to be used to acquire a project, facility, or other asset that may be required by or be convenient for the purposes of the institution. Student fees, rentals, charges for the use of the projected facility, or other revenue may be pledged or otherwise encumbered to pay the indebtedness. Refunding bonds also may be issued.

Eastern Idaho Technical College is not authorized to borrow money under Chapter 38, Title 33, Idaho Code.

2. Attorney General's Opinion

The Board or the institution may request the Attorney General of Idaho to review and pass upon the validity of a proposed bond issue. If found valid, the bond is an incontestable, binding obligation on the institution.

3. Private Sale

A private sale of bonds is permitted only with the prior approval of the Board as the governing body of the institution. The chief executive officer of the institution must justify why a public sale is not desirable and explain the benefits of a private sale of bonds.

4. Responsibility of the Chief Executive Officer

The chief executive officer of the institution is responsible for compliance with state law and these provisions when any indebtedness is incurred.

5. Expenditure of Excess Revenue

Expenditure of project revenues over and above that pledged or otherwise encumbered to meet the indebtedness is limited to expenditures for projects

BUSINESS AFFAIRS AND HUMAN RESOURCES
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identified in the bond's Official Statement. Expenditure of excess revenue for other projects requires prior Board approval. Expenditures between two hundred fifty thousand dollars (\$250,000) and five hundred thousand dollars (\$500,000) require prior approval from the executive director and expenditures greater than five hundred thousand dollars (\$500,000) require prior Board approval.

BUSINESS AFFAIRS AND HUMAN RESOURCES
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REFERENCE – APPLICABLE STATUTE, RULE OR POLICY

GENERAL LAWS
TITLE 33. EDUCATION
CHAPTER 38. STATE INSTITUTIONS OF HIGHER EDUCATION BOND ACT
Idaho Code § 33-3804 (2006)

§ 33-3804. Powers and duties of state institutions

Every institution shall have power in its proper name as aforesaid:

- (a) To have a corporate seal and alter the same at pleasure;
- (b) To sue and be sued;
- (c) To acquire by purchase, gift or the exercise of the right of eminent domain and hold and dispose of real or personal property or rights or interests therein and water rights;
- (d) To make contracts and to execute all instruments necessary or convenient;
- (e) To acquire any project or projects, and to own, operate, and maintain such project;
- (f) To accept grants of money or materials or property of any kind from a federal agency, upon such terms and conditions as such federal agency may impose;
- (g) To borrow money, with or without the issuance of bonds and to provide for the payment of the same and for the rights of the holders of such bonds and/or of any other instrument of such indebtedness, including the power to fix the maximum rate of interest to be paid thereon and to warrant and indemnify the validity and tax exempt character;
- (h) To perform all acts and do all things necessary or convenient to carry out the powers herein granted, to obtain loans or grants or both from any federal agency, and to accomplish the purposes of *sections 33-3801 -- 33-3813, Idaho Code*, and secure the benefits of the Recovery Act;
- (i) To issue refunding bonds, for the purpose of paying, redeeming, or refunding any outstanding bonds theretofore issued under authority of this chapter. Refunding bonds so issued shall have such details, shall bear such rate or rates of interest and shall be otherwise issued and secured as provided by the board authorizing the issuance of such bonds and as otherwise provided in this chapter, provided, however, that such changes in the security and revenues pledged to the payment thereof may be made by such board as may be provided by it in the proceedings authorizing such bonds, but in no event shall such refunding bonds ever be secured by revenues not authorized by this chapter to be pledged to the payment of bonds issued for other than refunding purposes. Refunding bonds issued hereunder may be exchanged for a like principal amount of the bonds to be refunded, may be sold in the manner provided in this chapter for the sale of other bonds, or may be exchanged in part and sold in part. If sold, the proceeds of such bonds may be deposited in escrow for the payment of the bonds to be refunded, provided such bonds mature or are callable for redemption under their terms within six (6) months from the date of the delivery of the refunding bonds. No refunding bonds may be issued hereunder in a principal amount in excess of the principal amount of the bonds to be refunded nor may any bonds not maturing or callable for redemption under their terms as above provided be refunded hereunder

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

without the consent of the holders thereof. Refunding bonds so authorized and issued may in the discretion of the board be combined with other bonds to be authorized and issued under this chapter, and a single issue of bonds may be so authorized in part for improvement and in part for refunding purposes.

(j) In connection with borrowing without the issuance of bonds, to fix fees, rents or other charges for utilization of any facility or project being financed by said borrowing and to pledge the same, together with any other revenue from such project or facility, as collateral for repayment of principal and interest in the same manner and to the same extent as provided in this chapter for securing the payment of bonds issued pursuant to this chapter.

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO

SUBJECT

Revisions to the University active employee health plan to include a cafeteria-style benefit program with a new method of delivery

REFERENCE

June 14, 2007 Information item to the Regents outlining overall revisions to implement a cafeteria-style health benefits program

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures; Section II.J.

BACKGROUND

SBOE policy section II.J. authorizes the University of Idaho to provide health or other insurance programs for its employees, "and for such additional benefits as may be established [by the university]... subject to prior approval by the Board.

The University wishes to implement a cafeteria-style benefit program as described in information materials provided to the Regents at the June 2007 SBOE meeting.

The delivery of these benefits would include:

1. A matching contribution by the University to a health savings account - \$1 of University contribution for every \$2 of employee direct deposit into a health savings account, capped at \$500 total University contribution per employee; and
2. A limited "cash back" payment in lieu of benefits in instances where a University employee's total selection of benefits is less than the University's contribution for such employee's benefits.

These represent changes to current benefit programs, but could also be considered "additional new benefits" as covered in SBOE Policy II.J.

The University of Idaho requests approval to provide a limited/capped matching deposit into health savings accounts and to provide limited redirected "cash back" in lieu of benefits as described in the flexible cafeteria-style plan approach.

DISCUSSION

As detailed in information materials at the June 2007 SBOE meeting, the University is exploring a means to deliver its full complement of health programs

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO – continued

through a cafeteria or menu of benefit options in a program called Custom Choices.

Attachment 1 provides an illustration of:

- Changes to the health benefit program for active employees as compared to the current structure.
- The University's cost of benefits which is inclusion of the matching contribution to a health savings account for employees who enroll in the qualified high deductible medical plan option.
- Consistent employer cost for each medical plan option.
- Positive financial results of redirected cash / credit back for unspent employer credits toward benefits.

IMPACT

No additional cost to the University is associated with these changes. The University anticipates better cost containment of health care inflation in the future. The University anticipates lower costs associated with attrition through improved ability to attract and retain talent as well as a better transition for our employees into retirement.

ATTACHMENTS

Attachment 1 – Illustration of Changes

Page 5

STAFF COMMENTS AND RECOMMENDATIONS

The University is attempting to moderate rising health care costs by including provisions for limited cash-back payments to employees, and capped matching payments into employee health savings accounts. These provisions will offer employees more tools to manage their own health care costs and maintain a health savings account now and into retirement.

Staff recommends approval.

BOARD ACTION

A motion to approve the request by the University of Idaho to include, within its cafeteria style benefits program, certain limited cash-back payments to University employees in lieu of benefits, and certain limited and capped matching payments to University employee health savings accounts, in the manner described in the materials presented to the Board.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

**BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007**

REFERENCE – APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: II. HUMAN RESOURCES POLICIES AND PROCEDURES

Subsection: J. Other Benefits – All Employees

April 2002

Employees are eligible for health or other insurance programs established by the State of Idaho (or by the University of Idaho for its employees), for unemployment compensation as provided by the Employment Security Law of Idaho, workers compensation, disability and for such additional benefits as may be established by any institution, agency or school for its employees subject to prior approval by the Board.

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Illustration of Changes

- Program Changes Compared to Current
- Employee Example Showing Consistent University Cost, Credit Back, Redirected Cash Back and HSA Matching
- Positive Results of Redirected Cash / Credit Back
- Benchmarks

The University of Idaho cafeteria-style program will offer medical, dental, vision, life, accident, disability and tax-favored spending accounts as well as the introduction of an IRS qualified high deductible medical benefit option linked to a health savings account. Although the University currently offers all of these benefits, we wish to change the manner in which these benefits are delivered. The University will fund a set amount regardless of the choice that is made by the employee. If the employee spends more than the University has funded, he or she will pay the difference. If the employee spends less than the University has funded, the savings from that benefit category can be applied to benefits in other categories.

Changes Compared to Current

Current	Proposed	Change
Medical <ul style="list-style-type: none"> • PPO \$100 deductible • PPO \$350 deductible • No-network \$350 deductible • Waive Coverage <i>Includes Rx, and vision examination</i>	Medical <ul style="list-style-type: none"> • * PPO \$175 deductible • * PPO \$350 deductible • HSA-qualified \$1500 deductible • Waive coverage <i>* Combined with Rx and fitness access</i>	<ul style="list-style-type: none"> • Redirected cash or credit back for less or waived coverage • Fitness Classes are included • HSA-qualified \$1500 deductible • Modifies deductibles and co-payments • Separates dental and vision
Dental <ul style="list-style-type: none"> • Basic Plan bundled with medical Vision <ul style="list-style-type: none"> • Exam benefit bundled with medical 	Dental (3) options combined with vision <ul style="list-style-type: none"> • Preventative Only / vision • Basic dental / vision • Plus dental w/ orthodontia & vision 	<ul style="list-style-type: none"> • Adds high and low dental options • Bundles vision with dental • Adds new features to dental and vision
Employee Life & Accidental Death and Dismemberment (AD&D) <ul style="list-style-type: none"> • 1 x's annual salary 	Employee Life (6) options <ul style="list-style-type: none"> • ½ to 5 x's annual salary 	<ul style="list-style-type: none"> • Adds (5) additional options • Lower rates for non-tobacco users

	<ul style="list-style-type: none"> Non- Tobacco / Tobacco rates 	<ul style="list-style-type: none"> Separates AD&D from Life insurance
--	--	--

Bold type under the “Change” heading designates item for approval.

Current	Proposed	Change
Spouse Life <ul style="list-style-type: none"> \$1000 	Spouse Life (8) Options <ul style="list-style-type: none"> \$25,000 - \$250,000 	<ul style="list-style-type: none"> New options Voluntary
Child Life <ul style="list-style-type: none"> \$500 	Child Life (3) Options <ul style="list-style-type: none"> \$5,000 - \$25,000 	<ul style="list-style-type: none"> New Options Voluntary
Accidental Death & Dismemberment <ul style="list-style-type: none"> included with life insurance 	Accidental Death & Dismemberment Employee / family (5) options <ul style="list-style-type: none"> 1 to 5 times employee salary 	<ul style="list-style-type: none"> Independent of life coverage New options Voluntary
Short Term Disability <ul style="list-style-type: none"> 60% to \$700 / week 	Short Term Disability (3) options <ul style="list-style-type: none"> 50% to \$500 60% to \$700 66.67% to \$1250 	<ul style="list-style-type: none"> New Options
Long Term Disability <ul style="list-style-type: none"> 60% to \$3000 / Month 	Long Term Disability (3) options <ul style="list-style-type: none"> 50% to \$2000 / month 60% to \$3000 / month 66.67% to \$5000 / month 	<ul style="list-style-type: none"> New Options

Current	Proposed	Change
Health Care Spending Account <ul style="list-style-type: none"> \$5000 max set aside 	Health Care Spending Account <ul style="list-style-type: none"> \$5000 maximum set aside 	<ul style="list-style-type: none"> None
Dependent Care Spending Account <ul style="list-style-type: none"> \$5000 max set aside 	Dependent Care Spending Account <ul style="list-style-type: none"> \$5000 maximum set aside 	<ul style="list-style-type: none"> None
	Transportation Spending Account Voluntary Option	<ul style="list-style-type: none"> New tax free employee funded account

	Health Savings Account	<ul style="list-style-type: none"> New Account linked to the high deductible medical Employer contribution of up to \$500/year
AFLAC Personal Policies	AFLAC Personal Policies	<ul style="list-style-type: none"> None

Bold type under the “Change” heading designates item for approval.

Consistent University Cost

The current goal of benefit restructuring is to keep the University's cost per participant equal. The long term goal is to control future costs through better cost containment. The program features encourage employee accountability, healthy behaviors that influence cost, and provides cost containment for the program with benefit options that increase at a slower pace.

	Plan A PPO Basic	Plan B PPO Plus	Plan C Health Savings Eligible Health & Wealth Builder
University Cost	\$493.21*	\$493.21*	\$493.21*
Employee Cost	\$ 61.72	\$ 191.39	(\$ 23.61)
Total Cost	\$ 554.93	\$ 684.60	\$ 469.60
Deductible	\$350 / \$1,050	\$175/ \$525	\$1500 / \$3,000
Co-Insurance	80%	90%	70%

* Rates provided in this example are monthly composite rates. A composite rate is determined by combining the rates for each family tier, employee only, employee and spouse, employee and child, employee and children and family into one rate. A composite rate is used for cost planning only. Rates which will be provided in later examples are bi-weekly rather than monthly and unlike the composite rate are separated by each family tier and will not tie back to this illustration.

The University's cost per participant does not vary, based on employee choice. The employer cost is constant and the employee pays the difference. The employee who wants more coverage will pay more and the employee who chooses less coverage, will pay less.

The employer cost (\$493.21) includes healthy lifestyle incentives and matching contributions to the health savings account (discussed below).

HSA Matching Contributions

Matching contributions to an employee's health savings account (HSA) would occur when an employee elects the "health-savings-account-qualified" high-deductible medical plan option and chooses to direct his or her own money into the health savings account.

Like your automobile insurance, the more risk you are willing to take with a higher deductible, the lower your cost. With the introduction of an IRS qualified high-deductible plan featuring a \$1500 deductible, the cost of this option will be significantly less than the other two lower-deductible medical options.

The intention of linking a health savings account to a high-deductible medical option is to encourage individuals to deposit the savings associated with the lower cost of coverage into a health savings account, to encourage self-payment and self-awareness of first dollar expenses, and to encourage accumulation of funds on into retirement. In order to achieve these objectives, the University also wishes to reinvest our avoided costs into the employee's health savings account as a limited/capped employer matching contribution.

The University would contribute \$1 for every \$2 deposited by the employee into the HSA. The match will be calculated with a maximum contribution of \$19.23 per pay period, not to exceed \$500 per year.

Redirected Credit and Cash Back

Credit back would occur when an employee chooses a benefit option that is less costly than the employer provided funding for benefits in that category (Choice Dollars). The credit can be applied to cover the employee share of cost and for richer benefits selected in any other benefit category.

Most employees will redirect this credit-back to cover the cost of family coverage, or the employee share of cost in other benefit categories, or for mid-to-high coverage options in other categories such as dental or life insurance, or to pay for voluntary benefits such as spouse life insurance or tax-favored spending accounts.

However, a minimal number of employees (fewer than 50 employees estimated) who do not have dependents to cover, "may" select the least amount of coverage in each benefit category, which will include an option to waive only medical coverage. As a result, a small number of employees could receive a limited

payment in lieu of benefits added to their pay as additional taxable income as illustrated below.

The illustrations which follow are for a hypothetical employee, Joe Vandal. He earns a salary of \$37,000, elects employee-only coverage, and declares that he is a non-tobacco user. He does not qualify to waive medical through evidence of other coverage. A demonstration of the redirected credit /cash-back potential appears below each benefit category. The possible results of two scenarios are also provided: 1) election of minimal benefit options in all benefit categories, and 2) waived medical with the election of minimal benefits in all other categories. This demonstrates the two circumstances that could result in redirected Choice Dollars, added to the employees pay as taxable income.

The University's estimated funding (Choice Dollars) for Joe Vandal or any other employee of similar salary would be:

1. Medical coverage	\$ 268.91
2. Dental coverage	\$ 22.71
3. Life Insurance	\$ 5.63*
4. Disability (short term)	\$ 6.75*
5. Disability (long term)	\$ 1.92*
6. Fitness	\$ 4.50 if medical is elected
7. Non-tobacco user	\$ 4.50 if medical is elected
	\$ 314.92 Choice Dollar allowance with medical

* Benefits that are derived from a multiplier of salary will result in a difference in Choice Dollars allocated to individuals who earn a different salary. However, all employees will be provided with enough Choice Dollars to select the same level of coverage, such as one times annual salary in life insurance.

The total Choice Dollar allowance in this example reduces from \$314.92 to \$60.08 if medical coverage is waived. A choice to waive medical requires evidence of other coverage.

An illustration of Joe Vandal's options and elections in each benefit category is shown below. Joe's elections are highlighted in yellow. An accounting of the Choice Dollars spent and remaining after benefits are elected in each category is provided for each section. Choice Dollars remaining after the election of one benefit carries forward to the next category. After options have been elected in each benefit category, most employees will have a cost that exceeds the employer funding (Choice Dollars), which on average will be approximately 25% of the total cost. The potential for limited redirected credit/ cash back added as pay as additional taxable income, as illustrated below, will occur only in the rare event that all employer funding (Choice Dollars) is not spent to cover the cost of all benefit elections.

1. Medical Benefit Options

MEDICAL CHOICES	Employee Only	Employee Spouse	Employee Child	Employee Children	Family
Plan A \$350 Deductible	\$ 297.74	\$ 403.17	\$ 357.43	\$ 397.56	\$ 502.99
Plan B \$175 Deductible	\$ 351.39	\$ 513.62	\$ 435.75	\$ 506.12	\$ 663.10
Plan C HSA Qualified \$1500 Deductible	\$ 267.16	\$ 324.57	\$ 303.87	\$ 320.28	\$ 346.81
Waive – Other Plan Required	\$.00	\$.00	\$.00	\$.00	\$.00

Beginning Choice Dollars	\$ 314.92
Medical Election	\$ 267.16
Ending Choice Dollars	\$ 47.76

If medical coverage had been waived the beginning and ending Choice Dollars would be \$60.08. This amount would carry forward to the next category.

2. Dental Benefit Options

DENTAL / VISION	Employee Only	Employee Spouse	Employee Child	Employee Children	Family
Plan A Preventative Only	\$ 18.20	\$ 24.65	\$ 23.96	\$ 24.59	\$ 25.65
Plan B \$1000 maximum	\$ 24.24	\$ 27.11	\$ 25.53	\$ 26.69	\$ 28.62
Plan C \$1250 maximum Orthodontia	\$ 29.16	\$ 36.84	\$ 35.98	\$ 38.36	\$ 44.20

Beginning Choice Dollars	\$ 47.76
Dental Election	\$ 18.20

Ending Choice Dollars	\$ 29.56
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Waived medical example: Beginning Choice Dollars \$ 60.08
Dental Election \$ 18.20
Ending Choice Dollars \$ 41.88

3. Life Insurance Options

EMPLOYEE BASIC LIFE OPTIONS	Non-Tobacco User	Tobacco User
½ Annual Salary \$18,500	\$ 2.31	\$ 2.82
Annual Salary \$37,000	\$ 4.62	\$ 5.63

SUPPLEMENTAL LIFE OPTIONS	Non-Tobacco User	Tobacco User
Annual Salary	\$ 1.20	\$ 2.05
Twice Annual Salary	\$ 2.40	\$ 4.10
Three x's Annual Salary	\$ 3.60	\$ 6.15
Four x's Annual Salary	\$ 4.80	\$ 8.20
Waived	\$.00	\$.00

Beginning Choice Dollars	\$ 29.56
Life Insurance Election	\$ 2.31
Ending Choice Dollars	\$ 27.25

Waived medical example: Beginning Choice Dollars \$ 41.88
 Life Insurance Election \$ 2.31
 Ending Choice Dollars \$ 39.57

4 & 5. Disability Options (Short Term and Long Term)

SHORT TERM DISABILITY CHOICES	
50% of salary to \$500 / wk	\$ 5.41
60% of salary to \$700 / wk	\$ 6.75
66.67 % of salary to \$1250 / wk	\$17.31

LONG TERM DISABILITY CHOICES	
50% of salary to \$2000 / mo	\$ 1.37
60% of salary to \$1875 / mo	\$ 1.92
66.67% of salary to \$5000 / mo	\$ 2.88

Beginning Choice Dollars	\$ 27.25
Short-Term Disability	\$ 6.75
Long-Term Disability	\$ 1.37
Ending Choice Dollars	\$ 19.13

Waived medical example:	Beginning Choice Dollars	\$ 39.57
	Short-Term Disability Election	\$ 6.75
	Long-Term Disability Election	\$ 1.37
	Ending Choice Dollars	\$ 31.45

6. Fitness / Combined with Medical

CAMPUS FITNESS	Employee Only
Wellness Classes	\$ 4.50
Recreation Center	\$ 10.96
Wellness Classes and Recreation Center	\$ 15.00

OFF-CAMPUS FITNESS	Employee Only
Reimbursement	\$ 4.50

Beginning Choice Dollars	\$ 19.13
Fitness Election	\$ 4.50
Ending Choice Dollars	\$ 14.63

Waived medical example:	Beginning Choice Dollars	\$ 31.45
	Fitness Election	\$ 4.50
	Ending Choice Dollars	\$ 26.95

Benefits that require an election in each category end at this point. If no other benefits are elected, the remaining \$14.63 (or \$26.95 for waived coverage) would become additional taxable income added to pay. Redirected cash back for unspent Choice Dollars would only occur in instances, such as this example, when there is only a single employee covered in the lowest cost option from all benefit categories and who also does not participate in any further options.

Employees would have additional benefit choices which include Tax Free Spending Accounts, plus two new tax favored options, Transportation Spending and the Health Savings Account and other personal insurance policies such as those available through AFLAC, which are not detailed in this example.

Tax Free Spending Accounts	Annual Election	Bi-Weekly Deduction
Health Care Spending	n/a	n/a
Dependent Care Spending	\$.00	\$.00
Transportation Spending	\$.00	\$.00

In this example, Joe Vandal is a single employee without dependents. IRS regulations prohibit enrollment in the health spending account when a health savings account which is linked to the high deductible plan is elected. Joe makes no elections in the above categories.

It is important to note that except for an option to waive coverage, the health savings account qualified high deductible is the next least costly benefit option. The employer matching contribution encourages employees to redirect this credit into a health savings account as illustrated below:

Health Savings Account	Annual Election	Bi-Weekly Deduction
Employee Election	\$ 1,000	\$ 38.46

Beginning Choice Dollars	\$ 14.63
Health Savings Account	\$ 38.46
Pre-Tax Payroll Deduction	(\$ 23.83)

Joe Vandal, in this example, is like most employees. His entire allocation of Choice Dollars has been spent. He directs money to the health savings account and also contributes an additional \$28.83 as his own share of the cost.

The Health Savings Account election results in the employer match discussed and illustrated below:

Health Savings Account	Annual Contribution	Bi-Weekly Contribution
Employee Election	\$ 1,000	\$ 38.46
Employer Match	\$ 500	\$ 19.23

Employees are encouraged to deposit at least \$1000 to the health savings account to take advantage of the University maximum matching contribution of \$500. Joe Vandal will have \$1500 in his health savings account, enough to cover the high \$1500 deductible. Any amount that is not withdrawn for qualified health expenses accumulates with interest. The balance rolls forward from year to year and on into retirement.

Rapidly growing cost of health care has forced recent changes to the University's Retiree Health Program. One of the objectives associated with our new strategy is to provide employees with tools to save and plan for retiree health care costs. The health savings account provides such a tool.

By selecting the health-savings-account-qualified high deductible medical option, Joe Vandal avoided annual costs of \$ 2190 by not choosing option “B” and avoided \$ 798 by not choosing medical Plan “A”. Most employees will reinvest 100% of avoided costs as well as funds otherwise directed to a use-it-or-lose-it health spending account. This illustration is conservative.

Employees will understand the advantages of maximizing health savings account contributions and have assistance in making benefit choices through the use of interactive modeling support tools available during enrollment that can be customized to each individual situation.

Positive Results of Redirected Cash / Credit Back

Employees who are not over-insured and who have their own money at risk are financially motivated to make wise informed choices about the care they receive.

Redirected cash or credit back encourages employees to choose only the coverage they need. Americans with access to employer-provided health coverage, especially from more than one source, are typically “over-insured” and tend to be less cautious about expenditure and the least educated about health care costs. Many Americans remember the good old days when health coverage meant a 100% benefit. As a result, Americans tend to gravitate to plans with first dollar benefits and richest coverage options, or they maintain two health plans when available, even when there is not a health care need for rich coverage. A redirected cash / credit back approach allows the employee who waives coverage the same advantage of other employees who will select less coverage in one category to use employer funding in another benefit category.

The ability to receive redirected cash added to pay as additional taxable take home pay in the rare event that all employer funding is not spent to cover the cost of all benefit elections, allows the employee to cover the cost of their benefits that might come from another source such as a spouse's employer. The redirected cash / credit back approach also prevents the employee from buying more coverage than is needed, because they will not lose the “benefit” if it is not purchased.

Employees who are not over-insured and who share in the cost of health care services are better health care consumers. Better consumption of health care will provide a better nationwide impact on the cost of health care, whether costs are incurred in our program or that of another employer.

Benchmarks

A Mercer study reports that (11) eleven percent of all large employers offer a health-savings-account-qualified high deductible plan. A United Benefit Advisor Health Plan study indicates 340 of their survey participants in government,

education, and utilities also offer this type of program. The College and University Professional Association for Human Resources (CUPA-HR) 2006 survey reported that 30 institutions offer a high deductible plan linked to a health savings account. A sample of other government employers and schools who offer these programs include the school districts covered by the **Idaho School District Council, City of Boise, Idaho**, DePaul University, The City of Coral Springs, Hillsborough Public Schools, and Pinellas County Schools.

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

INSTITUTION/AGENCY AGENDA
UNIVERSITY OF IDAHO

SUBJECT

Consent to Assignment and Assumption of Ground Lease of Regents property from Beta Theta Facility Corporation of Kappa Alpha Theta Fraternity, Inc., to Kappa Alpha Theta Fraternity

REFERENCE

June 21, 2001

Ground lease approved (p. 14)

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Policies and Procedures, Section V.I.5.b.1.

BACKGROUND

In 2002 the Regents leased land it owns at 630 Elm Street (near the Student Union Building) at the University of Idaho campus in Moscow to the Beta Theta Facility Corporation of Kappa Alpha Theta Fraternity, Inc. enabling that group to construct a new Kappa Alpha Theta sorority house on that site. The house was completed in 2004 and has been operated by the local facility corporation since that time. The Beta Theta Facility Corporation of Kappa Alpha Theta Fraternity, Inc. is now requesting the Regents consent to the assignment of the ground lease to Kappa Alpha Theta Fraternity which is the national corporation for the same sorority. Section 12 of the 2002 ground lease requires the Regents consent prior to any assignment of the ground lease.

DISCUSSION

University of Idaho administration is not opposed to the transfer of the house from the local facility corporation to the national corporation. The University is satisfied with the continued term of the existing ground lease and its assignment of ownership from the local facility corporation to the national corporation.

IMPACT

N/A

ATTACHMENTS

Attachment 1 – Proposed Assignment of Ground Lease

Page 5

Attachment 2 – Existing Ground Lease

Page 11

STAFF COMMENTS AND RECOMMENDATIONS

Staff has reviewed the provided attachments and believes there is no negative impact to the State Board of Education or University of Idaho.

Staff recommends approval.

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

INSTITUTION/AGENCY AGENDA
UNIVERSITY OF IDAHO - continued

BOARD ACTION

A motion to authorize the Vice President for Finance and Administration at the University of Idaho to consent to the assignment and assumption of the previously executed ground lease in substantial consistency with the draft submitted as part of this request.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

**BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007**

REFERENCE – APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: V. FINANCIAL AFFAIRS

Subsection: I. Real and Personal Property and Services

April 2002

5. Disposal of Real Property

a. Temporary Permits

Permits to make a temporary and limited use of real property under the control of an institution, school or agency may be issued by the institution, school or agency without prior Board approval.

b. Board approval of other transfers

- (1) Leases to use real property under the control of an institution, school or agency require prior Board approval - if the term of the lease exceeds five (5) years or if the lease revenue exceeds two hundred fifty thousand dollars (\$250,000).
- (2) Easements to make a permanent use of real property under the control of an institution, school or agency require prior Board approval - unless easements are to public entities for utilities.
- (3) The transfer by an institution, school or agency of any other interest in real property requires prior Board approval.

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This instrument prepared by:
Nicole J. Papa, Esq.
Vorys, Sater, Seymour and Pease LLP
52 East Gay Street
P.O. Box 1008
Columbus, OH 43216-1008

Space above this line for Recorder's Use Only

ASSIGNMENT AND ASSUMPTION OF GROUND LEASE

THIS ASSIGNMENT AND ASSUMPTION OF GROUND LEASE (the "**Assignment**") is made and entered into as of this ____ day of _____, 2007, by and between BETA THETA FACILITY CORPORATION OF KAPPA ALPHA THETA FRATERNITY, INC., an Idaho nonprofit corporation having an office at 2014 East E Street, Moscow, Idaho 83843 (the "**Assignor**") to KAPPA ALPHA THETA FRATERNITY, an Indiana nonprofit corporation, having an office at 8740 Founders Road, Indianapolis, Indiana 46268 (the "**Assignee**").

RECITALS:

1. Pursuant to the Ground Lease, dated _____, 2001, by and between The Regents of the University of Idaho, lessor, and Beta Theta Corporation of Kappa Alpha Theta, Inc., lessee, a memorandum of which was recorded with the Latah County Recorder's Office as Deed Book Volume _____, Page _____ (the "**Ground Lease**"), Assignor is the owner and holder of a leasehold interest in the real property described in Exhibit A attached hereto (the "**Property**") and the owner of the improvements located thereon; and

2. Assignor wishes to assign and convey to Assignee all of its right, title and interest in and to the Ground Lease, and Assignee has agreed to assume all of Assignor's obligations and liabilities incurred or accrued with respect to the Ground Lease.

NOW, THEREFORE, for and in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee agree as follows:

1. Assignor does hereby sell, assign, transfer, set over and convey unto Assignee, its successors and assigns, all of Assignor's right, title, and interest in and to the Ground Lease and in and to the Property, all improvements situated thereon and all appurtenances thereto, including all streets, alleys, and other public or private ways adjacent

thereto, together with all security deposits or prepaid rentals heretofore paid by Assignor, if any, subject to all of the terms, conditions, and restrictions contained in the Ground Lease, to have and to hold the same for and during the remainder of the existing lease term of the Ground Lease, as defined therein (the "Assignment of Rights").

2. Assignee, for itself and for its successors and assigns, hereby accepts such Assignment of Rights and assumes all of the Assignor's obligations and liabilities incurred or accrued with respect to the Ground Lease, including, but not limited to, the obligation to pay all rents and punctually perform all of the other obligations of the tenant/lessee under the Ground Lease. Without limiting the generality of the foregoing, Assignee shall and does hereby agree to protect, defend, indemnify and hold Assignor harmless of and from any and all losses, liabilities, costs, expenses, damages, claims and the like (including reasonable attorney's fees) including, without limitation, such costs and expenses accruing under, relating to or arising out of the Ground Lease from and after the date hereof.

3. This Assignment may be executed in multiple counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute but one and the same instrument.

[Signatures appear on the next page.]

IN WITNESS WHEREOF, Assignor and Assignee have caused this Assignment to be executed as of the date first above written.

ASSIGNOR:

BETA THETA FACILITY CORPORATION
OF KAPPA ALPHA THETA FRATERNITY,
INC., an Idaho nonprofit corporation

By: _____
Name: Linda Fricke
Title: Treasurer

STATE OF IDAHO)
): SS.
COUNTY OF LATAH)

On this ____ day of _____, 2007, before me, _____, a Notary Public in and for said State, personally appeared Linda Fricke, known to me to be the Treasurer of **Beta Theta Facility Corporation of Kappa Alpha Theta Fraternity, Inc.**, an Idaho nonprofit corporation that executed the within instrument or the person who executed the instrument on behalf of said non-profit corporation, and acknowledged to me that such nonprofit corporation executed the same.

WITNESS MY HAND and official seal hereto affixed the day, month and year in this certificate first above written.

Notary Public for the State of Idaho
Residing at _____
My Commission Expires _____

[Signatures appear on the next page.]

ASSIGNEE:
KAPPA ALPHA THETA FRATERNITY, INC.,
an Indiana nonprofit corporation

By: _____
Name: Elizabeth S. Corridan
Title: Secretary

STATE OF INDIANA)
): SS.
COUNTY OF _____)

On this ____ day of _____, 2007, before me, _____, a
Notary Public in and for said State, personally appeared Elizabeth S. Corridan known to me to be
the Secretary of **Kappa Alpha Theta Fraternity, Inc.**, an Indiana nonprofit corporation that
executed the within instrument or the person who executed the instrument on behalf of said
corporation, and acknowledged to me that such corporation executed the same.

WITNESS MY HAND and official seal hereto affixed the day, month and year in
this certificate first above written.

Notary Public for the State of Indiana
Residing at _____
My Commission Expires _____

The undersigned, the lessor under the Ground Lease hereby consents to the Assignment of Rights contemplated herein.

THE REGENTS OF THE UNIVERSITY OF
IDAHO, a body politic and corporate organized and
existing under the laws of the State of Idaho

By: _____
Name: _____
Title: _____

STATE OF IDAHO)
): SS.
COUNTY OF LATAH)

On this ____ day of _____, 2007, before me, _____, a
Notary Public in and for said State, personally appeared _____ known to
me to be _____ of **The Regents of the
University of Idaho**, a body politic and corporate organized and existing under the laws of the
State of Idaho, that executed the within instrument or the person who executed the instrument on
behalf of said body politic, and acknowledged to me that such body politic executed the same.

WITNESS MY HAND and official seal hereto affixed the day, month and year in
this certificate first above written.

Notary Public for the State of Idaho
Residing at _____
My Commission Expires _____

EXHIBIT A

(See attached)

GROUND LEASE

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GROUND LEASE

THIS GROUND LEASE (“Ground Lease”) is made as of the _____ day of _____, 2001, by and between **Beta Theta Facility Corporation of Kappa Alpha Theta, Inc.**, an Idaho non-profit corporation, and **The Regents of the University of Idaho**, a body politic and corporate organized and existing under the laws of the state of Idaho.

1. **Definitions.** The following terms as used in this Ground Lease shall have the meanings hereinafter set forth:

1.1 **“Landlord”:** The Regents of the University of Idaho, a body politic and corporate organized and existing under the laws of the State of Idaho.

1.2 **“Leased Premises”:** That certain real property located in the City of Moscow, County of Latah, State of Idaho, as more particularly described in **Schedule I** attached hereto and incorporated herein by this reference together with all buildings and improvements located thereon and all easements, rights and appurtenances thereto.

1.3 **“Lienholder”:** Any mortgagee under a mortgage, trustee or beneficiary under a deed of trust, or other secured party under any other form of financing constituting a lien on the Leased Premises.

1.4 **“Tenant”:** Beta Theta Facility Corporation of Kappa Alpha Theta, Inc., an Idaho non-profit corporation.

2. **Term.** Landlord leases and Tenant rents the Leased Premises for a term of ninety-nine (99) consecutive years commencing on the date of this Ground Lease, and terminating on the ninety-ninth (99th) anniversary of the date of this Ground Lease.

3. Rent.

3.1 Amount. Tenant shall pay during the term of this Ground Lease from and after the date of this Ground Lease an annual rent in the amount of Ten Dollars (\$10) per year (“**Annual Rent**”). Annual Rent shall be payable on or before July 1 of each year during the term of this Ground Lease. The first installment of Annual Rent shall be due and payable within five (5) days after the date of this Ground Lease. Annual Rent for any partial year shall not be prorated. Any other amounts due and payable to Landlord from Tenant under this Ground Lease shall be considered rent.

3.2 Delivery. Rent payments shall be mailed to Landlord at the address or any alternative address specified pursuant to Article 15 (Notices).

4. Tenant’s Use. Tenant may only use the Leased Premises for the housing of and related services to students enrolled, intending to enroll in the next enrollment period, or planning to continue a course of study beginning as of the next enrollment period at the University of Idaho. Notwithstanding the foregoing sentence, housemothers, caretakers, janitors, and other personnel of a character necessarily and customarily involved in the housing of students shall be permitted to occupy the Leased Premises. No tents, trailers, or shacks shall be permitted on the Leased Premises. After initial construction of the student housing building as described in Section 5.1 (Initial Construction) and issuance of a certificate of occupancy therefor, Tenant shall operate the Leased Premises for the housing of University of Idaho students and shall not permit the Leased Premises to be vacated or abandoned, except during holidays, spring break, winter break, summer vacation and cessations of use caused by casualty, condemnation or

remodel. Furthermore, Tenant shall use its best efforts to rent one-hundred percent (100%) of the rooms designated for housing on the Leased Premises during all periods of operation.

5. Construction, Alterations and Improvements.

5.1 Initial Construction. Tenant, at Tenant's sole cost and expense, shall commence construction of a student housing building having approximately 23,000 square feet of total floor area on the Leased Premises, according to plans and specifications approved by Landlord, on or before July 1, 2002.

5.2 Approval Procedure. Before any construction, alteration (including, without limitation, color changes) or improvement (including, without limitation, signs; provided that temporary signs and decorations associated with special events of the students shall be permitted without Landlord's approval) to any building, structure or any other improvement on or to be located on the Leased Premises is commenced, Tenant shall obtain Landlord's prior written approval. When obtaining Landlord's approval, sufficient information shall be sent to Landlord to enable Landlord to make a reasonable decision as to the proposal. Landlord shall have the right to grant, withhold, or condition its approval to the proposal in its sole and absolute discretion. If the proposal is disapproved, then an alternate proposal may be submitted, which alternate proposal shall be handled in the same manner as the initial proposal.

5.3 Diligent Completion. Once any construction, alteration or improvement is commenced, the same shall be continuously and diligently pursued to completion.

5.4 Liens. Except as otherwise permitted in Section 20 (Mortgage), Tenant shall keep the Leased Premises free from any liens arising out of any work performed, materials furnished or obligations incurred by or for Tenant or to the Leased Premises. Any work

performed, materials furnished or obligations incurred shall be at Tenant's sole request and not at the instance of or as agent for Landlord. Tenant shall, within thirty (30) days after any lien is recorded against the Leased Premises, cause such lien or claim of lien to be released of record or transferred to bond in accordance with Idaho law. If Tenant fails to cause such lien or claim of lien to be released of record or transferred to bond, Landlord shall have the right, at Tenant's expense, to transfer said lien to bond.

5.5 Construction Requirements. Tenant shall comply with and shall require all contractors and subcontractors to comply with all applicable federal, state and local laws, rules and regulations when performing any work on or delivering materials for the construction of any building, structure or improvement on or serving the Leased Premises. All construction shall comply with all applicable federal, state and local laws, rules and regulations and shall comply with the University of Idaho Design Guidelines for adjacent campus neighborhoods as the same may be modified from time to time.

6. Maintenance and Restoration of the Leased Premises.

6.1 Maintenance and Repair by Tenant. Tenant shall, at Tenant's sole cost and expense, maintain, repair and replace (except as otherwise permitted in Sections 6.3 and 16.3[d]) as necessary in good working condition, reasonable wear and tear excepted, all buildings, structures, and improvements on the Leased Premises and maintain, repair and replace as necessary all above and below ground utilities on the Leased Premises and the extension from the Leased Premises to such utility's connection at the main line. Tenant shall keep and maintain the Leased Premises in a clean and attractive condition. Tenant shall regularly sweep all paved surfaces and keep the same free of snow and ice. All landscaping on the Leased Premises shall

be regularly watered and maintained and Tenant shall install such landscaping so as to enhance the overall appearance of the surrounding neighborhood.

6.2 Maintenance and Repair by Landlord. Landlord shall not be responsible for any maintenance, repair or replacement of any building, structure, improvement (including, without limitation, any utility) on the Leased Premises unless such maintenance, repair or replacement is required because of the willful or negligent act or omission of Landlord. Landlord has no obligation to provide fire or police protection for the Leased Premises. In the event Tenant shall fail to complete its obligations under Section 6.1 (Maintenance and Repair by Tenant), after notice and an opportunity to cure as provided for in Article 14 (Default), Landlord may perform the same at Tenant's expense and Tenant shall reimburse Landlord for all costs incurred by Landlord within fifteen (15) days after receipt of an invoice for the expenses.

6.3 Restoration.

(a) In the event any building on the Leased Premises is materially damaged or destroyed by fire or other casualty, Tenant may terminate this Ground Lease by delivering written notice to Landlord within thirty (30) days after the occurrence of such casualty. This Ground Lease shall terminate once Tenant has removed the improvements on the Leased Premises, capped all utilities, graded the Leased Premises to the level of the adjoining property and in such a manner that drainage from the Leased Premises does not adversely affect the surrounding properties, installed an automatic sprinkler system for the entire Leased Premises (with all sprinkler heads to be retractable to grade) and covered the Leased Premises in sod (hydro-seeding shall not be permitted). Tenant shall complete its obligation set forth in the preceding sentence within sixty (60) days after Tenant has delivered the lease termination to

Landlord. In the event Tenant should fail to complete those obligations within such sixty (60) day period, Landlord may perform such obligations at Tenant's expense. In the event Landlord incurs any expenses in performing such obligations, Landlord, in Landlord's sole discretion, shall be entitled to so much of the insurance proceeds payable on account of such casualty as is necessary to reimburse Landlord for Landlord's expenses.

(b) In the event Tenant does not elect to terminate this Ground Lease after any building on the Leased Premises is materially damaged or destroyed by fire or other casualty, this Ground Lease shall continue in full force and effect, without abatement in Annual Rent, and Tenant shall pursue repair or restoration of the casualty within forty-five (45) days after the casualty, subject to Landlord's approval pursuant to Section 5.2 (Approval Procedure), and shall thereafter diligently pursue the repair or restoration to completion. Any repair or restoration made by Tenant shall return the building to a similar or improved size, function and quality as existed prior to the casualty unless otherwise approved by Landlord in writing.

(c) In the event any building on the Leased Premises is materially damaged or destroyed by fire or other casualty within the last ten (10) years of the then existing term of this Ground Lease, Landlord may terminate this Ground Lease by delivering written notice to Tenant within ninety (90) days after the occurrence of such casualty. Within sixty (60) days after receipt of Landlord's termination notice, Tenant shall remove the improvements on the Leased Premises, cap all utilities, grade the Leased Premises to the level of the adjoining property and in such a manner that drainage from the Leased Premises does not adversely affect the surrounding properties, install an automatic sprinkler system for the entire Leased Premises (with all sprinkler heads to be retractable to grade) and cover the Leased Premises in sod (hydro-seeding shall not

be permitted). Upon completion of Tenant's obligations set forth in the preceding sentence, this Ground Lease shall terminate. In the event Tenant should fail to complete those obligations within such sixty (60) day period, Landlord may perform such obligations at Tenant's expense. In the event Landlord incurs any expenses in performing such obligations, Landlord, in Landlord's sole discretion, shall be entitled to so much of the insurance proceeds payable on account of such casualty as is necessary to reimburse Landlord for Landlord's expenses.

7. Landlord's Title.

7.1 Fee Title. Landlord covenants that Landlord is the holder of fee simple title to the Leased Premises and that Landlord has full right and authority to enter into this Ground Lease.

7.2 Quiet Enjoyment. Landlord covenants that so long as Tenant is not in default under this Ground Lease, Tenant shall have quiet and peaceful possession of the Leased Premises without interference from Landlord.

7.3 Delivery of Leased Premises. Prior to this Ground Lease, Landlord has given Tenant ample opportunity to inspect and test the condition of the Leased Premises. Therefore, Tenant takes possession of the Leased Premises in its "AS-IS" condition with all faults, including both latent and patent defects, and Tenant releases Landlord from any and all liability relating to any aspect or condition of the Leased Premises, known or unknown, foreseeable or unforeseeable, actual or contingent, arising by statute, common law or otherwise. Except as otherwise expressly set forth herein, Landlord and Landlord's agents are not making, have not made and expressly disclaim any representations or warranties, express or implied, with respect to any aspect, feature or condition of the Leased Premises including, without limitation,

the existence of hazardous waste, or the suitability of Leased Premises for Tenant's intended use. Tenant is relying solely upon Tenant's inspections as to the condition of Leased Premises.

7.4 Landlord's Reservations. Landlord reserves the right to install public or private utilities, communication lines and cables and any other services for the benefit of Landlord or Landlord's surrounding properties on, over, under or through those portions of the Leased Premises dedicated for public utility lines or otherwise not covered by any building or structure; provided that the installation, operation, repair and replacement of such services does not unreasonably interfere with Tenant's use of the Leased Premises and Landlord repairs any damage done to the Leased Premises caused by the installation, operation, repair and replacement of such services. Landlord reserves the rights-of-way for all utilities communication lines and cables and any other services currently existing on, over, under or through the Leased Premises.

8. Taxes and Assessments. Tenant agrees to pay prior to delinquency all taxes and assessments, if any, levied or assessed against the Leased Premises or Tenant's personal property thereon during the term of this Ground Lease from and after the date of this Ground Lease with taxes and assessments to be prorated from the date of this Ground Lease to the date of expiration or earlier termination of this Ground Lease. In the event any taxes or assessments levied or assessed against the Leased Premises during the term of this Ground Lease may be legally paid in installments, Tenant may pay such taxes or assessments in installments.

9. Utilities. Tenant agrees to pay all charges for electricity, gas, heat, water, telephone, cable, waste disposal and other utility services provided to the Leased Premises

during the term of this Ground Lease. Landlord shall not be liable for any interruption in utilities furnished to the Leased Premises.

10. Indemnification and Insurance.

10.1 Tenant's Indemnity. Tenant, during the term of this Ground Lease, hereby waives as to Landlord, releases Landlord and agrees to indemnify, defend and hold harmless Landlord from and against any and all liability, claims, damages, expenses (including reasonable attorneys' fees and reasonable attorneys' fees on any appeal), judgments, proceedings and causes of action, for injury to or death of any person or damage to or destruction of any property occurring on the Leased Premises or arising out of Tenant's use or occupancy of the Leased Premises unless caused by the negligent or willful act of Landlord.

10.2 Liability Insurance. Tenant shall provide and maintain commercial general liability insurance (Occurrence Basis) with broad form coverage endorsement covering its obligations under this Article 10 and insuring it against claims for personal injury, bodily injury or death, and property damage or destruction. Such insurance shall be written with an insurer licensed to do business in the state of Idaho, shall name Landlord as additional insured on ISO Form CG 2026 1185, and contain a waiver of subrogation endorsement in favor of Landlord. The initial limits of liability of all such insurance shall be not less than \$1,000,000 for personal injury or bodily injury or death of any one person, \$1,000,000 for personal injury or bodily injury or death of more than one person in one occurrence and \$500,000 with respect to damage to or destruction of property; or, in lieu of such coverage, a combined single limit (covering personal injury, bodily injury or death and property damage or destruction) with a limit of not less than \$2,000,000 per occurrence.

10.3 Property Insurance. Tenant, at Tenant's sole cost and expense, shall purchase and maintain Causes of Loss-Special Form (formerly "all risk") Property Insurance insuring one hundred percent (100%) of the replacement cost of all improvements, buildings, structures, furniture, fixtures, and equipment located on the Leased Premises. The insurance shall name Landlord as a loss payee and contain a waiver of subrogation in favor of Landlord.

10.4 Workers' Compensation Insurance. Tenant, at Tenant's sole cost and expense, shall carry Workers' Compensation Insurance as required by Idaho law. No "alternative" forms or self insurance coverage will be allowed.

10.5 Auto Insurance. Tenant, at Tenant's sole cost and expense, shall carry Commercial Business Automobile Liability Insurance (Occurrence Basis) with a \$1,000,000 combined single limit coverage. Such insurance shall be endorsed with a waiver of subrogation endorsement in favor of Landlord and include coverage for hired and non-owned vehicles and owned vehicles if Tenant owns a vehicle.

10.6 Insurance Requirements. For all insurance which Tenant is required to maintain hereunder, Tenant shall furnish Landlord with certificates evidencing the insurance. All policies shall be obtained from an insurer licensed to do business in the State of Idaho, with a Best's Rating of "A" or higher and a Financial Size Category of "VIII" or higher. The policies of insurance shall provide that the insurance represented by the certificates shall not be cancelled, materially changed or nonrenewed without the giving of thirty (30) days' prior written notice to the holders of the insurance and the holders of the certificates. If Tenant shall fail to obtain any policy of insurance required hereunder, Landlord may obtain the same and keep the insurance in effect, and Tenant shall pay Landlord the cost thereof plus a ten percent (10%)

service charge to cover Landlord's administration costs within ten (10) days after receipt of an invoice. No policy will contain a deductible or self-insured retention in excess of \$10,000 without Landlord's prior written approval. If requested by Landlord, Tenant will promptly deliver to Landlord a certified copy of any insurance policies required by this Lease. If the forms of policies, endorsement, certificates, or evidence of insurance required by this Article 10 are superseded or no longer available or the rating service of insurers is no longer available or modified, Landlord will have the right to require other equivalent or better forms. Furthermore, Landlord shall have the right to adjust the dollar amounts required by this Article 10 from time to time in Landlord's sole discretion.

10.7 Noncontribution. The insurance carried by Tenant hereunder shall be primary and not contributory with any other insurance which is maintained by Landlord.

10.8 Blanket Policy. All insurance which Tenant is required to maintain hereunder may be provided under a blanket policy provided such policy otherwise complies with the requirements of this Ground Lease and is endorsed with an Aggregate Limits of Insurance (Per Location) endorsement.

10.9 Net Worth. Tenant agrees to maintain a net worth of at least Five Hundred Thousand Dollars (\$500,000) during the term of this Ground Lease, but such net worth shall in no way limit Tenant's liabilities under this Ground Lease. Tenant's net worth requirement shall be increased to match the aggregate liability of a governmental entity pursuant to the Idaho Tort Claims Act as the same may be modified from time to time; provided that Tenant's net worth requirement shall not be increased by more than five percent (5%) per calendar year. For example, if the governmental liability is increased to \$1,000,000 in the year

2005, Tenant's net worth requirement shall be \$607,753.12. If governmental liability under the Idaho Tort Claims Act remains unchanged, Tenant's net worth requirement shall remain unchanged. Such net worth may be obtained through a letter of credit, provided that the letter of credit is not cancelled or materially modified without thirty (30) days prior written notice to Landlord. Tenant's net worth shall be determined in accordance with generally accepted accounting principles, based on Tenant's most current balance sheet, which balance sheet shall be based on information not older than Tenant's prior fiscal year. On or before May 1 of each year during the term of this Ground Lease, Tenant shall provide Landlord with a statement certified to Landlord by Tenant's certified public accountant showing Tenant's current net worth. Except as required by applicable disclosure requirements, Landlord shall keep such statement confidential, though Landlord may share such statement with Landlord's accountants, attorneys and consultants.

11. Condemnation.

11.1 Termination Right. In the event of a taking of, or damage to, any portion of, interest in or access to the Leased Premises, or any easements, rights or appurtenances thereto by eminent domain or any transfer in lieu thereof or by any other governmental action, which taking or damage materially and adversely affects Tenant's use of the Leased Premises, Tenant may terminate this Ground Lease as of the date of such taking or damage by written notice to Landlord within three (3) months after the taking or damage deprives Tenant of possession of any such portion of, interest in or access to the Leased Premises, or any easements, rights or appurtenances thereto. In no event will a taking or condemnation of all or any portion of the

Leased Premises constitute a default by Landlord under this Ground Lease, including, without limitation, Landlord's covenant of quiet enjoyment.

11.2 Award. In the event of any condemnation in which Tenant elects to terminate this Ground Lease and Landlord purchases the improvements pursuant to Section 16.3(a), Tenant shall not be entitled to any awards or payments made in the condemnation proceedings. In the event of any condemnation and Tenant elects not to terminate this Ground Lease or Tenant elects to terminate this Ground Lease and complies with Section 16.3(d), Tenant shall only be entitled to any and all awards or payments made in the condemnation proceedings with respect to any damage to any improvements located on the Leased Premises together with all additions, alterations and improvements thereto, and Tenant's trade fixtures and equipment.

12. Assignment and Subletting. Tenant may not assign this Ground Lease or sublet the whole or any part of the Leased Premises without the prior written approval of Landlord, which approval Landlord may grant or withhold in Landlord's sole and absolute discretion; provided that Landlord's approval shall not be required for subletting portions of the Leased Premises to University of Idaho students for housing purposes. If Tenant assigns this Ground Lease, Tenant shall remain primarily liable to Landlord for the full performance of Tenant's obligations. Immediately upon any assignment or subletting of all or substantially all of the Leased Premises, Tenant shall provide Landlord with a complete and accurate copy of the assignment or sublease document. No approval of any assignment or subletting by Landlord shall waive Landlord's right to approve any subsequent assignment or subletting. Should Tenant sublet the Leased Premises for an annual rent in excess of the Annual Rent (other than subletting

to individual University of Idaho students), Tenant shall pay the excess annual rent amount to Landlord when received.

13. Compliance With All Laws. During the term of this Ground Lease, all obligations of Tenant under this Ground Lease and actions taken by Tenant pursuant to this Ground Lease shall comply with all applicable codes, laws, orders, statutes and regulations of all federal, state, county and municipal authorities having jurisdiction of the Leased Premises. Furthermore, Tenant shall comply with all rules imposed by the University of Idaho from time to time; including, without limitation, parking regulations.

14. Default.

14.1 Default Defined. A party shall be deemed to be in default of this Ground Lease only upon the expiration of thirty (30) days (ten [10] days in the event of failure to pay money) from receipt of written notice from the other party specifying the particulars in which such party has failed to perform the obligations of this Ground Lease unless such party, prior to the expiration of said thirty (30) days (ten [10] days in the event of failure to pay money), has rectified the particulars specified in said notice of default. However, such party shall not be deemed to be in default if such failure (except a failure to pay money) cannot be rectified within said thirty (30) day period and such party is using good faith and its best efforts to rectify the particulars specified in the notice of default and is diligently pursuing the remedy.

14.2 Landlord's Remedies. In the event of a default by Tenant, Landlord may, upon thirty (30) days' prior written notice to Tenant, (i) terminate this Ground Lease and re-enter the Leased Premises, (ii) perform or cure any obligation or duty of Tenant under this Ground Lease and any expense incurred by Landlord shall be due and payable by Tenant within

fifteen (15) days after receipt of an invoice for the expenses, or (iii) re-enter the Leased Premises without terminating this Ground Lease and sublet the whole or any part thereof for the account of Tenant upon terms and conditions as Landlord, in Landlord's sole and absolute discretion, deems desirable. In the event of sub-item (iii), (a) Landlord shall have the right to collect any rent which may thereafter become due and payable under such sublease and to apply the same first, to the payment of any expenses incurred by Landlord in dispossessing Tenant and in subletting the Leased Premises, and second, to the payment of the Annual Rent herein reserved and to the fulfillment of Tenant's other covenants hereunder, and (b) Tenant shall be liable for amounts equal to the several installments of Annual Rent as they would under the terms of this Ground Lease become due, less any amounts actually received by Landlord and applied on account of rent as aforesaid.

14.3 Non-Waiver. The failure of a party to insist upon strict performance of any of the terms, covenants, conditions or agreements contained herein shall not be deemed a waiver of any rights or remedies that said party may have, and shall not be deemed a waiver of any subsequent breach or default in the performance of any of the terms, covenants, conditions or agreements contained herein.

14.4 Remedies Cumulative. In addition to the remedies set forth in this Ground Lease, Landlord and Tenant shall have all other remedies provided by law or statute to the same extent as if fully set forth herein word for word. No remedy herein conferred upon, or reserved to Landlord or Tenant shall exclude any other remedy herein or by law provided, but each shall be cumulative.

15. Notices.

15.1 Addresses. All notices given pursuant to this Ground Lease shall be in writing and shall be given by personal delivery, by United States mail or by United States express mail or other established express delivery service (such as Federal Express), postage or delivery charge prepaid, return receipt requested, addressed to the person and address designated below. All notices to Landlord or Tenant shall be sent to the person and address set forth below:

Landlord: Vice President for Finance and Administration
University of Idaho
Moscow, ID 83844-3145

Tenant: Beta Theta Facility Corporation of Kappa Alpha
Theta, Inc.

The person and address to which notices are to be given may be changed at any time by any party upon written notice to the other party. All notices given pursuant to this Ground Lease shall be deemed given upon receipt.

15.2 Receipt. For the purpose of this Ground Lease, the term “**receipt**” shall mean the earlier of any of the following: (i) the date of delivery of the notice or other document to the address specified pursuant to Section 15.1 as shown on the return receipt, (ii) the date of actual receipt of the notice or other document by the person or entity specified pursuant to Section 15.1, or (iii) in the case of refusal to accept delivery or inability to deliver the notice or other document, the earlier of (a) the date of the attempted delivery or refusal to accept delivery, (b) the date of the postmark on the return receipt, or (c) the date of receipt of notice of refusal or notice of nondelivery by the sending party.

15.3 Additional Notices. Landlord and Tenant agree that a copy of all notices given hereunder shall also be given to such other persons and addresses as Landlord or Tenant may designate in writing to the other party.

16. End of Term.

16.1 Holdover. If the Tenant shall hold over following the expiration of the term of this Ground Lease, such holding over shall be on a month-to-month tenancy under the terms of this Ground Lease.

16.2 Surrender. Tenant agrees that upon termination of this Ground Lease, Tenant shall surrender the Leased Premises, including any and all improvements thereon, to Landlord in good condition, reasonable wear and tear excepted, and broom clean. Tenant shall, prior to the date of termination of the Lease, remove from the Leased Premises Tenant's personal property not affixed to the Leased Premises from the Leased Premises and shall repair any damage to the Leased Premises caused by such removal. Tenant's failure to remove any of Tenant's personal property shall be deemed an abandonment thereof, whereby title shall become vested in Landlord without further action taken or notice provided. Tenant shall not remove from the Leased Premises any fixtures or equipment affixed to the Leased Premises, including any improvements thereon, unless removal is requested by Landlord in writing prior to the date of termination.

16.3 End of Term Alternatives. In the event Tenant is not in default of this Ground Lease at the time this Ground Lease terminates, Tenant, upon eighteen (18) months' prior written notice to Landlord before the end of this Ground Lease, shall have the option of the following:

(a) Tenant shall be entitled to offer to sell the improvements on the Leased Premises to Landlord at Fair Market Value. Subject to the Board of Regents approval, which approval may be granted or withheld in the Regent's sole and absolute discretion, Landlord shall purchase the improvements at Fair Market Value, which amount shall be paid pursuant to a Promissory Note in the form of **Exhibit "A"** attached hereto and incorporated herein by this reference. The Promissory Note shall be delivered to Tenant within sixty (60) days after the later of (i) the date the Board of Regents approves in writing the purchase of the improvements, or (ii) the determination of Fair Market Value. Upon receipt of the Promissory Note, Tenant shall transfer the improvements to Landlord by warranty bill of sale free and clear of any liens or encumbrances. Any escrow fees shall be shared equally between Landlord and Tenant and all other closing costs shall be paid by Tenant.

(b) Tenant may offer to renew this Ground Lease on the same terms and conditions as then existing (unless otherwise agreed to by Landlord and Tenant in writing) for an additional ninety-nine (99) years; provided that (i) such extension shall be subject to the Board of Regents approval, which approval may be granted or withheld in the Regent's sole and absolute discretion, and (ii) in no event shall the term of this Ground Lease be extended for a period in excess of one hundred ninety-eight (198) years.

(c) Subject to Section 12 (Assignment and Subletting), Tenant may sell the improvements on the Leased Premises to a third party and Landlord, upon approval by the Board of Regents, which approval may be granted or withheld in the Regent's sole and absolute discretion, shall offer to enter into a new ground lease on the same terms and conditions as then existing for this Ground Lease (unless otherwise agreed to by Landlord and such third party in

writing) for an additional ninety-nine (99) years; provided that in no event shall the term of this Ground Lease plus the term of any new ground lease exceed a sum total of one hundred ninety-eight (198) years. Notwithstanding the first sentence of this Section 16.3(c) to the contrary, in the event Tenant receives a bona fide offer to purchase the improvements on the Leased Premises, Landlord shall have a right of first refusal to purchase the improvements according to the terms and conditions below. Prior to any sale of the improvements to a third party, Tenant shall give Landlord written notice of Tenant's receipt such offer ("**Tenant's Notice**"), including a complete copy of such offer, and Landlord shall have sixty (60) days in which match such offer. If Landlord does not deliver a written exercise notice to Tenant ("**Exercise Notice**") within the sixty (60) day period, Tenant may sell the improvements to such third party on the terms and conditions set forth in Tenant's Notice. In the event the consideration for purchasing the improvements on the Leased Premises includes payments over time, Landlord may, in Landlord's sole discretion, pre-pay the principal amount due at any time without penalty, regardless of any terms in the offer to the contrary. In the event the consideration for purchasing the improvements on the Leased Premises includes the performance of services, Landlord shall not be required to perform such services and Tenant shall not be entitled to any substitute consideration for such services. In the event Landlord does not deliver the Exercise Notice and thereafter the sale to the third party does not close or the terms of the sale otherwise change, then Landlord's right of first refusal shall be renewed and reinstated as to any subsequent or revised offer to purchase. Furthermore, in the event such sale does close, any sale by such third party of the improvements and all subsequent sales of the improvements shall be subject to Landlord's right of first refusal as set forth in this Section.

(d) Tenant may remove the improvements from the Leased Premises, cap all utilities, grade the Leased Premises to the level of the adjoining property and in such a manner that drainage from the Leased Premises does not adversely affect the surrounding properties, install an automatic sprinkler system for the entire Leased Premises (with all sprinkler heads to be retractable to grade) and cover the Leased Premises in sod (hydro-seeding shall not be permitted).

In the event Landlord's Board of Regents does not approve of Tenant's selection of option (a), (b) or (c) above or Tenant fails to timely give Landlord notice of Tenant's selection, Tenant must perform the obligations under sub-paragraph (d). For purposes of this Ground Lease, "**Fair Market Value**" means the amount the improvements (excluding the real property) would change hands between a willing buyer and a willing seller, for the use permitted in this Ground Lease, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts. In the event Landlord and Tenant are unable to agree on the Fair Market Value of the improvements, within thirty (30) days after receipt of notice from either party to the other, Landlord and Tenant shall each appoint an appraiser who shall be a member of the Appraisal Institute (or substitute organization which certifies and trains appraisers) with at least three (3) years experience in appraising commercial real property in Latah County. The appointed appraisers shall diligently proceed to appraise the Fair Market Value of the improvements. If one appraisal is five percent (5%) more than the other appraisal, and the parties still cannot agree upon the Fair Market Value of the improvements, then the two appraisers shall together appoint a similarly qualified third appraiser and a majority of the three appraisers shall determine the Fair Market Value of the improvements. In the event a majority of

the three appraisers are unable to agree upon the Fair Market Value of the improvements, or the difference from the two appraisals is less than five percent (5%), the amount obtained by averaging the respective appraisals shall constitute the Fair Market Value. Each party agrees to pay its respective appraiser's fee plus one-half of the third appraiser's fee.

16.4 Survival. The obligations of Landlord and Tenant as set forth in this Section 16 (End of Term Alternatives) shall survive termination of this Ground Lease.

17. Estoppel Certificates.

17.1 Certificates. Each party agrees, upon receipt of written request from the other party and provided the requested party do so truthfully, to certify in writing to a prospective assignee, sublessee, purchaser or Lienholder of the requesting party (i) that this Ground Lease is in full force and effect, (ii) that this Ground Lease has not been amended (or, if it has, identifying all such amendments), (iii) that this Ground Lease has not been assigned by the requested party (or, if it has, identifying all such assignments), (iv) that, to the requested party's knowledge, the requesting party is not in default of any of the terms, covenants, conditions or agreements contained in this Ground Lease (or, if the requesting party is in default, specifying the nature of such default), and (v) such additional facts within the requested party's knowledge as may be reasonably required by the requesting party.

17.2 Waiver. Any certificate issued pursuant to Section 17.1 (Certificates) shall act as a waiver of any claim by the party furnishing it against any such prospective purchaser or Lienholder (but not against the requesting party) to the extent such claim is based upon facts contrary to those contained in the certificate and to the extent such claim is asserted against a bona fide purchaser or encumbrancer for value without knowledge of facts to the

contrary of those contained in the certificate and who has acted in reasonable reliance upon such certificate.

18. Attorneys' Fees. In the event either party to this Ground Lease initiates or defends any legal action or proceeding with the other party in any way connected with this Ground Lease, the prevailing party in any such legal action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to recover from the losing party in any such legal action or proceeding its reasonable costs and attorneys' fees (including its reasonable costs and attorneys' fees on any appeal). In the event either party to this Ground Lease initiates or defends any legal action or proceeding with a third party because of the violation of any term, covenant, condition or agreement contained in this Ground Lease by the other party to this Ground Lease, then the party so litigating shall be entitled to recover its reasonable costs and attorneys' fees (including its reasonable costs and attorneys' fees on any appeal) incurred in connection with such litigation from the other party to this Ground Lease. All such costs and attorneys' fees shall be deemed to have accrued on commencement of any such legal action or proceeding and shall be enforceable whether or not such legal action or proceeding is prosecuted to judgment.

19. Memorandum of Ground Lease. This Ground Lease shall not be recorded, but a Memorandum of this Ground Lease in the form of **Exhibit "B"**, attached hereto and incorporated herein by this reference, shall be executed and acknowledged by the parties and recorded in Latah County, Idaho.

20. Mortgage.

20.1 Permitted Encumbrances. Tenant or any assignee or subtenant of Tenant may place a mortgage or deed of trust on any improvements constructed on the Leased Premises and on Tenant's interest in the Leased Premises. Such mortgage or deed of trust shall not encumber Landlord's fee title to the Leased Premises.

20.2 Notices to Lienholder. In the event Tenant is in default under this Ground Lease as defined in Article 14 (Default), Landlord agrees to give written notice of such default to the Lienholder under any such mortgage or deed of trust, provided the name and address of such Lienholder has been furnished to Landlord by Tenant. Landlord shall not terminate this Ground Lease, re-enter the Leased Premises, or exercise any other remedy available at law which would dispossess Tenant of the Leased Premises, provided said Lienholder has cured said default within the time allowed Tenant for same hereunder or within thirty (30) days (ten [10] days in the event of a failure to pay money) after receipt of said notice of default by said Lienholder, whichever is greater.

20.3 Attornment. Landlord further agrees that, should said Lienholder or its designee acquire Tenant's interest in the improvements constructed on the Leased Premises through a foreclosure of such mortgage or deed of trust or any transfer in lieu thereof, said Lienholder or its designee shall have the right to attorn to Landlord, provided said Lienholder or its designee cures all defaults of Tenant under this Ground Lease existing at the time of such attornment, which are within the power of said Lienholder or its designee to cure, and Landlord will accept such attornment, and said Lienholder or its designee and Landlord shall have the same rights and obligations toward one another which they would have had had this Ground

Lease been entered into with Landlord, as Landlord, and said Lienholder or its designee, as Tenant. Landlord agrees to execute any documents reasonably requested by said Lienholder and acceptable to Landlord, in Landlord's sole discretion, in connection with Landlord's obligations under this Article 20.

20.4 Subordination. This Ground Lease, at Landlord's option, shall at all times be subject and subordinate to all and any mortgage, deed of trust or other financing placed on Landlord's fee title interest in the Leased Premises and all extensions, modifications, consolidations, renewals and replacements thereof. Tenant agrees that upon written request by Landlord, Tenant will execute, acknowledge and deliver any and all instruments requested by Landlord which are necessary or proper to effect the subordination of this Ground Lease to any mortgage, deed of trust or financing placed by Landlord on the Leased Premises. Should fee title to the Leased Premises be acquired by any Lienholder in connection with any proceeding under the terms of any such mortgage, deed of trust or financing arrangement, this Ground Lease shall continue in full force and effect, and Tenant hereby agrees to attorn to such Lienholder. Any prospective Lienholder requesting subordination by Tenant shall enter into a nondisturbance agreement assuring Tenant that so long as Tenant is in compliance with the terms and conditions of this Ground Lease, Tenant's right to continue in possession of the Leased Premises shall not be interfered with.

21. Landlord's Right of Entry. After obtaining Tenant's consent, which shall not be unreasonably withheld or delayed, Landlord and Landlord's agents may enter the Leased Premises to (i) inspect the general condition and state of repair of the Leased Premises, (ii) show the Leased Premises to such persons as Landlord deems reasonably necessary, or (iii) for any

List of Exhibits and Schedules:

Exhibit “A” – Promissory Note

Exhibit “B” – Memorandum of Ground Lease

Schedule I – Description of Leased Premises

EXHIBIT "A"**PROMISSORY NOTE**

\$ _____ Moscow, Idaho
 _____, 2__

FOR VALUE RECEIVED, THE REGENTS OF THE UNIVERSITY OF IDAHO, a body politic and corporate organized and existing under the laws of the State of Idaho, promises to pay to the order of BETA THETA FACILITY CORPORATION OF KAPPA ALPHA THETA, INC., an Idaho non-profit corporation, the sum of \$ _____ lawful money of the United States of America, with interest thereon, from _____, 2__, until paid, at the rate of five percent (5%) per annum compounded annually.

THIS IS AN INSTALLMENT NOTE and shall be paid in ten (10) annual installments of \$ _____, with the first payment to be due and payable as of the date of this Note, and subsequent payments, shall be due and payable on or before each and every anniversary of the date of this Note until the whole of said principal and interest has been paid in full.

THIS OBLIGATION may be prepaid without the prior consent of the Holder at any time. Any advance payment shall reduce the principal balance due but shall not reduce the annual payment due until the full amount due and payable under this Note is paid in full.

IF THE MAKER hereof shall fail to make any of the installments when due, the holders of this Note may, after giving the Maker fifteen (15) days' written notice, and the Maker fails to make the delinquent payment within such time, at the option of the holders, declare the entire principal and interest balance of this Note immediately due and payable.

IN THE EVENT that default is made in any of the above payments, and said Note is placed in the hands of an attorney for collection, or suit is brought to collect this Note or any portion hereof, the Maker promises to pay, in addition to the costs and disbursements provided by statute, a reasonable amount for attorney's fees.

THE REGENTS OF THE UNIVERSITY OF
IDAHO, a body politic and corporate organized and
existing under the laws of the State of Idaho

By: _____
 Jerry Wallace, Vice President
 Finance and Administration

Recording Requested By and
When Recorded Return to:

HAWLEY TROXELL ENNIS & HAWLEY LLP
Attn: Timothy W. Tyree
P.O. Box 1617
Boise, Idaho 83701

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

MEMORANDUM OF GROUND LEASE

THIS MEMORANDUM OF GROUND LEASE ("**Memorandum**") is made as of the _____ day of _____, 2001, by and between **Beta Theta Facility Corporation of Kappa Alpha Theta, Inc.**, an Idaho non-profit corporation ("**Tenant**"), and **The Regents of the University of Idaho**, a body politic and corporate organized and existing under the laws of the state of Idaho ("**Landlord**").

1. **Premises.** Landlord and Tenant have entered into a Ground Lease dated as of the date of this Memorandum ("**Ground Lease**"), whereby Landlord has leased to Tenant that certain real property located in the City of Moscow, County of Latah, State of Idaho, as more particularly described in Schedule I attached hereto and incorporated herein by this reference, together with all buildings and improvements located thereon and all easements, rights and appurtenances thereto.

2. **Term.** The term of the Ground Lease is for a term of ninety-nine (99) consecutive years commencing on the date of the Ground Lease and terminating on the ninety-ninth (99th) anniversary of the date of the Ground Lease.

3. Tenant's Use. The Ground Lease provides that:

Tenant may only use the Leased Premises for the housing of and related services to students enrolled, intending to enroll in the next enrollment period, or planning to continue a course of study beginning as of the next enrollment period at the University of Idaho. Notwithstanding the foregoing sentence, housemothers, caretakers, janitors, and other personnel of a character necessarily and customarily involved in the housing of students shall be permitted to occupy the Leased Premises. No tents, trailers, or shacks shall be permitted on the Leased Premises. After initial construction of the student housing building as described in Section 5.1 (Initial Construction) and issuance of a certificate of occupancy therefor, Tenant shall operate the Leased Premises for the housing of University of Idaho students and shall not permit the Leased Premises to be vacated or abandoned, except during holidays, spring break, winter break, summer vacation and cessations of use caused by casualty, condemnation or remodel. Furthermore, Tenant shall use its best efforts to rent one-hundred percent (100%) of the rooms designated for housing on the Leased Premises during all periods of operation.

4. Construction, Alterations and Improvements. Section 5 of the Ground Lease provides that:

5.1 Initial Construction. Tenant, at Tenant's sole cost and expense, shall commence construction of a student housing building having approximately 23,000 square feet of total floor area on the Leased Premises, according to plans and specifications approved by Landlord, on or before July 1, 2002.

5.2 Approval Procedure. Before any construction, alteration (including, without limitation, color changes) or improvement (including, without limitation, signs; provided that temporary signs and decorations associated with special events of the students shall be permitted without Landlord's approval) to any building, structure or any other improvement on or to be located on the Leased Premises is commenced, Tenant shall obtain Landlord's prior written approval. When obtaining Landlord's approval, sufficient information shall be sent to Landlord to enable Landlord to make a reasonable decision as to the proposal. Landlord shall have the right to grant, withhold, or condition its approval to the proposal in its sole and absolute discretion. If the proposal is disapproved, then an alternate proposal may be submitted, which alternate proposal shall be handled in the same manner as the initial proposal.

5.3 Diligent Completion. Once any construction, alteration or improvement is commenced, the same shall be continuously and diligently pursued to completion.

5.4 Liens. Except as otherwise permitted in Section 20 (Mortgage), Tenant shall keep the Leased Premises free from any liens arising out of any work performed, materials furnished or obligations incurred by or for Tenant or to the Leased Premises. Any work performed, materials furnished or obligations incurred shall be at Tenant's sole request and not at the instance of or as agent for Landlord. Tenant shall, within thirty (30) days after any lien is recorded against the Leased Premises, cause such lien or claim of lien to be released of record or transferred to bond in accordance with Idaho law. If Tenant fails to cause such lien or claim of lien to be released of record or transferred to bond, Landlord shall have the right, at Tenant's expense, to transfer said lien to bond.

5.5 Construction Requirements. Tenant shall comply with and shall require all contractors and subcontractors to comply with all applicable federal, state and local laws, rules and regulations when performing any work on or delivering materials for the construction of any building, structure or improvement on or serving the Leased Premises. All construction shall comply with all applicable federal, state and local laws, rules and regulations and shall comply with the University of Idaho Design Guidelines for adjacent campus neighborhoods as the same may be modified from time to time.

5. Maintenance and Restoration of the Leased Premises. Section 6 of the

Ground Lease provides that:

6.1 Maintenance and Repair by Tenant. Tenant shall, at Tenant's sole cost and expense, maintain, repair and replace (except as otherwise permitted in Sections 6.3 and 16.3[d]) as necessary in good working condition, reasonable wear and tear excepted, all buildings, structures, and improvements on the Leased Premises and maintain, repair and replace as necessary all above and below ground utilities on the Leased Premises and the extension from the Leased Premises to such utility's connection at the main line. Tenant shall keep and maintain the Leased Premises in a clean and attractive condition. Tenant shall regularly sweep all paved surfaces and keep the same free of snow and ice. All landscaping on the Leased Premises shall be regularly watered and maintained and Tenant shall install such landscaping so as to enhance the overall appearance of the surrounding neighborhood.

6.2 Maintenance and Repair by Landlord. Landlord shall not be responsible for any maintenance, repair or replacement of any building, structure, improvement (including, without limitation, any utility) on the Leased Premises unless such maintenance, repair or replacement is required because of the willful or negligent act or omission of Landlord. Landlord has no obligation to provide fire or police protection for the Leased Premises. In the event Tenant shall fail to complete its obligations under Section 6.1 (Maintenance and Repair by Tenant), after notice and an opportunity to cure as provided for in Article 14 (Default), Landlord may perform the same at Tenant's expense and Tenant shall reimburse Landlord for all costs incurred by Landlord within fifteen (15) days after receipt of an invoice for the expenses.

6.3 Restoration.

(a) In the event any building on the Leased Premises is materially damaged or destroyed by fire or other casualty, Tenant may terminate this Ground Lease by delivering written notice to Landlord within thirty (30) days after the occurrence of such casualty. This Ground Lease shall terminate once Tenant has removed the improvements on the Leased Premises, capped all utilities, graded the Leased Premises to the level of the adjoining property and in such a manner that drainage from the Leased Premises does not adversely affect the surrounding properties, installed an automatic sprinkler system for the entire Leased Premises (with all sprinkler heads to be retractable to grade) and covered the Leased Premises in sod (hydro-seeding shall not be permitted). Tenant shall complete its obligation set forth in the preceding sentence within sixty (60) days after Tenant has delivered the lease termination to Landlord. In the event Tenant should fail to complete those obligations within such sixty (60) day period, Landlord may perform such obligations at Tenant's expense. In the event Landlord incurs any expenses in performing such obligations, Landlord, in Landlord's sole discretion, shall be entitled to so much of the insurance proceeds payable on account of such casualty as is necessary to reimburse Landlord for Landlord's expenses.

(b) In the event Tenant does not elect to terminate this Ground Lease after any building on the Leased Premises is materially damaged or destroyed by fire or other casualty, this Ground Lease shall continue in full force and effect, without abatement in Annual Rent, and Tenant shall pursue repair or restoration of the casualty within forty-five (45) days after the casualty, subject to Landlord's approval pursuant to Section 5.2 (Approval Procedure), and shall thereafter diligently pursue the repair or restoration to completion. Any repair or restoration made by Tenant shall return the building to a similar or improved size, function and

quality as existed prior to the casualty unless otherwise approved by Landlord in writing.

(c) In the event any building on the Leased Premises is materially damaged or destroyed by fire or other casualty within the last ten (10) years of the then existing term of this Ground Lease, Landlord may terminate this Ground Lease by delivering written notice to Tenant within ninety (90) days after the occurrence of such casualty. Within sixty (60) days after receipt of Landlord's termination notice, Tenant shall remove the improvements on the Leased Premises, cap all utilities, grade the Leased Premises to the level of the adjoining property and in such a manner that drainage from the Leased Premises does not adversely affect the surrounding properties, install an automatic sprinkler system for the entire Leased Premises (with all sprinkler heads to be retractable to grade) and cover the Leased Premises in sod (hydro-seeding shall not be permitted). Upon completion of Tenant's obligations set forth in the preceding sentence, this Ground Lease shall terminate. In the event Tenant should fail to complete those obligations within such sixty (60) day period, Landlord may perform such obligations at Tenant's expense. In the event Landlord incurs any expenses in performing such obligations, Landlord, in Landlord's sole discretion, shall be entitled to so much of the insurance proceeds payable on account of such casualty as is necessary to reimburse Landlord for Landlord's expenses.

6. Landlord's Title. Portions of Section 7 of the Ground Lease provide that:

7.4 Landlord's Reservations. Landlord reserves the right to install public or private utilities, communication lines and cables and any other services for the benefit of Landlord or Landlord's surrounding properties on, over, under or through those portions of the Leased Premises dedicated for public utility lines or otherwise not covered by any building or structure; provided that the installation, operation, repair and replacement of such services does not unreasonably interfere with Tenant's use of the Leased Premises and Landlord repairs any damage done to the Leased Premises caused by the installation, operation, repair and replacement of such services. Landlord reserves the rights-of-way for all utilities communication lines and cables and any other services currently existing on, over, under or through the Leased Premises.

7. Assignment and Subletting. The Ground Lease provides that:

Tenant may not assign this Ground Lease or sublet the whole or any part of the Leased Premises without the prior written approval of Landlord, which approval Landlord may grant or withhold in Landlord's

sole and absolute discretion; provided that Landlord's approval shall not be required for subletting portions of the Leased Premises to University of Idaho students for housing purposes. If Tenant assigns this Ground Lease, Tenant shall remain primarily liable to Landlord for the full performance of Tenant's obligations. Immediately upon any assignment or subletting of all or substantially all of the Leased Premises, Tenant shall provide Landlord with a complete and accurate copy of the assignment or sublease document. No approval of any assignment or subletting by Landlord shall waive Landlord's right to approve any subsequent assignment or subletting. Should Tenant sublet the Leased Premises for an annual rent in excess of the Annual Rent (other than subletting to individual University of Idaho students), Tenant shall pay the excess annual rent amount to Landlord when received.

8. Notices. Section 15 of the Ground Lease provides that:

15.1 Addresses. All notices given pursuant to this Ground Lease shall be in writing and shall be given by personal delivery, by United States mail or by United States express mail or other established express delivery service (such as Federal Express), postage or delivery charge prepaid, return receipt requested, addressed to the person and address designated below. All notices to Landlord or Tenant shall be sent to the person and address set forth below:

Landlord: Vice President for Finance and Administration
University of Idaho
Moscow, ID 83844-3145

Tenant: Beta Theta Facility Corporation of Kappa Alpha
Theta, Inc.

The person and address to which notices are to be given may be changed at any time by any party upon written notice to the other party. All notices given pursuant to this Ground Lease shall be deemed given upon receipt.

15.2 Receipt. For the purpose of this Ground Lease, the term "receipt" shall mean the earlier of any of the following: (i) the date of delivery of the notice or other document to the address specified pursuant to Section 15.1 as shown on the return receipt, (ii) the date of actual receipt of the notice or other document by the person or entity specified pursuant to Section 15.1, or (iii) in the case of refusal to accept delivery or inability to deliver the notice or other document, the earlier of (a) the date

of the attempted delivery or refusal to accept delivery, (b) the date of the postmark on the return receipt, or (c) the date of receipt of notice of refusal or notice of nondelivery by the sending party.

15.3 Additional Notices. Landlord and Tenant agree that a copy of all notices given hereunder shall also be given to such other persons and addresses as Landlord or Tenant may designate in writing to the other party.

9. End of Term. Portions of Section 16 of the Ground Lease provide that:

16.1 Holdover. If the Tenant shall hold over following the expiration of the term of this Ground Lease, such holding over shall be on a month-to-month tenancy under the terms of this Ground Lease.

16.2 Surrender. Tenant agrees that upon termination of this Ground Lease, Tenant shall surrender the Leased Premises, including any and all improvements thereon, to Landlord in good condition, reasonable wear and tear excepted, and broom clean. Tenant shall, prior to the date of termination of the Lease, remove from the Leased Premises Tenant's personal property not affixed to the Leased Premises from the Leased Premises and shall repair any damage to the Leased Premises caused by such removal. Tenant's failure to remove any of Tenant's personal property shall be deemed an abandonment thereof, whereby title shall become vested in Landlord without further action taken or notice provided. Tenant shall not remove from the Leased Premises any fixtures or equipment affixed to the Leased Premises, including any improvements thereon, unless removal is requested by Landlord in writing prior to the date of termination.

16.3 End of Term Alternatives. In the event Tenant is not in default of this Ground Lease at the time this Ground Lease terminates, Tenant, upon eighteen (18) months' prior written notice to Landlord before the end of this Ground Lease, shall have the option of the following:

(b) Tenant may offer to renew this Ground Lease on the same terms and conditions as then existing (unless otherwise agreed to by Landlord and Tenant in writing) for an additional ninety-nine (99) years; provided that (i) such extension shall be subject to the Board of Regents approval, which approval may be granted or withheld in the Regent's sole and absolute discretion, and (ii) in no event shall the term of this Ground Lease be extended for a period in excess of one hundred ninety-eight (198) years.

(c) Subject to Section 12 (Assignment and Subletting), Tenant may sell the improvements on the Leased Premises to a third party and Landlord, upon approval by the Board of Regents, which approval may be granted or withheld in the Regent's sole and absolute discretion, shall offer to enter into a new ground lease on the same terms and conditions as then existing for this Ground Lease (unless otherwise agreed to by Landlord and such third party in writing) for an additional ninety-nine (99) years; provided that in no event shall the term of this Ground Lease plus the term of any new ground lease exceed a sum total of one hundred ninety-eight (198) years. Notwithstanding the first sentence of this Section 16.3(c) to the contrary, in the event Tenant receives a bona fide offer to purchase the improvements on the Leased Premises, Landlord shall have a right of first refusal to purchase the improvements according to the terms and conditions below. Prior to any sale of the improvements to a third party, Tenant shall give Landlord written notice of Tenant's receipt such offer ("**Tenant's Notice**"), including a complete copy of such offer, and Landlord shall have sixty (60) days in which match such offer. If Landlord does not deliver a written exercise notice to Tenant ("**Exercise Notice**") within the sixty (60) day period, Tenant may sell the improvements to such third party on the terms and conditions set forth in Tenant's Notice. In the event the consideration for purchasing the improvements on the Leased Premises includes payments over time, Landlord may, in Landlord's sole discretion, pre-pay the principal amount due at any time without penalty, regardless of any terms in the offer to the contrary. In the event the consideration for purchasing the improvements on the Leased Premises includes the performance of services, Landlord shall not be required to perform such services and Tenant shall not be entitled to any substitute consideration for such services. In the event Landlord does not deliver the Exercise Notice and thereafter the sale to the third party does not close or the terms of the sale otherwise change, then Landlord's right of first refusal shall be renewed and reinstated as to any subsequent or revised offer to purchase. Furthermore, in the event such sale does close, any sale by such third party of the improvements and all subsequent sales of the improvements shall be subject to Landlord's right of first refusal as set forth in this Section.

10. Mortgage. Section 20 of the Ground Lease provides that:

20.1 Permitted Encumbrances. Tenant or any assignee or subtenant of Tenant may place a mortgage or deed of trust on any improvements constructed on the Leased Premises and on Tenant's interest in the Leased Premises. Such mortgage or deed of trust shall not encumber Landlord's fee title to the Leased Premises.

20.2 Notices to Lienholder. In the event Tenant is in default under this Ground Lease as defined in Article 14 (Default), Landlord agrees to give written notice of such default to the Lienholder under any such mortgage or deed of trust, provided the name and address of such Lienholder has been furnished to Landlord by Tenant. Landlord shall not terminate this Ground Lease, re-enter the Leased Premises, or exercise any other remedy available at law which would dispossess Tenant of the Leased Premises, provided said Lienholder has cured said default within the time allowed Tenant for same hereunder or within thirty (30) days (ten [10] days in the event of a failure to pay money) after receipt of said notice of default by said Lienholder, whichever is greater.

20.3 Attornment. Landlord further agrees that, should said Lienholder or its designee acquire Tenant's interest in the improvements constructed on the Leased Premises through a foreclosure of such mortgage or deed of trust or any transfer in lieu thereof, said Lienholder or its designee shall have the right to attorn to Landlord, provided said Lienholder or its designee cures all defaults of Tenant under this Ground Lease existing at the time of such attornment, which are within the power of said Lienholder or its designee to cure, and Landlord will accept such attornment, and said Lienholder or its designee and Landlord shall have the same rights and obligations toward one another which they would have had had this Ground Lease been entered into with Landlord, as Landlord, and said Lienholder or its designee, as Tenant. Landlord agrees to execute any documents reasonably requested by said Lienholder and acceptable to Landlord, in Landlord's sole discretion, in connection with Landlord's obligations under this Article 20.

20.4 Subordination. This Ground Lease, at Landlord's option, shall at all times be subject and subordinate to all and any mortgage, deed of trust or other financing placed on Landlord's fee title interest in the Leased Premises and all extensions, modifications, consolidations, renewals and replacements thereof. Tenant agrees that upon written request by Landlord, Tenant will execute, acknowledge and deliver any and all instruments requested by Landlord which are necessary or proper to effect the subordination of this Ground Lease to any mortgage, deed of trust or financing placed by Landlord on the Leased Premises. Should fee title to the Leased Premises be acquired by any Lienholder in connection with any proceeding under the terms of any such mortgage, deed of trust or financing arrangement, this Ground Lease shall continue in full force and effect, and Tenant hereby agrees to attorn to such Lienholder. Any prospective Lienholder requesting subordination by Tenant shall enter into a nondisturbance agreement assuring Tenant that so long as Tenant is in compliance with the terms and conditions of this Ground Lease, Tenant's

right to continue in possession of the Leased Premises shall not be interfered with.

11. Landlord's Right of Entry. The Ground Lease provides that:

After obtaining Tenant's consent, which shall not be unreasonably withheld or delayed, Landlord and Landlord's agents may enter the Leased Premises to (i) inspect the general condition and state of repair of the Leased Premises, (ii) show the Leased Premises to such persons as Landlord deems reasonably necessary, or (iii) for any other purpose Landlord deems reasonably necessary. In the event of an emergency arising within the Leased Premises which endangers property or persons, the consent requirement is waived by Tenant.

12. Conveyance by Landlord. The Ground Lease provides that:

Landlord may sell, assign or otherwise transfer the Leased Premises without the consent of Tenant. If Landlord should sell or transfer Landlord's interest in the Leased Premises, then effective with the date of the sale or transfer, Landlord's successor in interest shall be fully responsible for all of the terms and conditions expressed in this Ground Lease. If the successor in interest agrees in writing to be bound by all of the terms and conditions in this Ground Lease, then the Regents of the University of Idaho shall be released and discharged from any and all further obligations and responsibilities under this Ground Lease (except those already accrued).

13. General Provisions. Section 23 of the Ground Lease provides that:

23.1 Successors and Assigns. All of the provisions contained in this Ground Lease shall be binding upon and inure to the benefit of the heirs, personal representatives, successors and assigns of the parties hereto.

23.2 Partial Invalidity. If any term, covenant, condition or agreement of this Ground Lease or the application of it to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Ground Lease or the application of such term, covenant, condition or agreement to persons or circumstances, other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term, covenant, condition or agreement of this Ground Lease shall be valid and shall be enforced to the extent permitted by law.

23.3 Headings. The captions and headings in this Ground Lease are for reference only and shall not be deemed to define or limit the scope or intent of any of the terms, covenants, conditions or agreements contained herein.

23.4 Entire Agreement. This Ground Lease contains the entire agreement between the parties hereto and supersedes all prior agreements, oral or written, with respect to the subject matter hereof. The provisions of this Ground Lease shall be construed as a whole and not strictly for or against any party.

23.5 Gender. In construing the provisions of this Ground Lease and whenever the context so requires, the use of a gender shall include all other genders, the use of the singular shall include the plural, and the use of the plural shall include the singular.

23.6 Authority. Each individual executing this Ground Lease on behalf of either party represents and warrants that he or she is duly authorized to execute and deliver this Ground Lease on behalf of said party, in accordance with all agreements of such party and that this Ground Lease is binding upon said party in accordance with the terms hereof.

23.7 Venue. This Ground Lease shall be governed by the laws of the State of Idaho. All legal proceedings under this Ground Lease shall be instituted in the courts of the County of Latah, State of Idaho, and each party agrees to submit to the jurisdiction of such courts.

23.8 Joint and Several Liability. In the event any party hereto is composed of more than one person, the obligations of said party shall be joint and several.

23.9 Relationship. The provisions of this Ground Lease are not intended to create, nor shall they be in any way interpreted or construed to create, a joint venture, partnership, or any other similar relationship between the parties.

23.10 Third Party Beneficiary. This Ground Lease is not intended to create, nor shall it be in any way interpreted or construed to create, any third party beneficiary rights in any person not a party hereto unless otherwise expressly provided herein.

14. Ground Lease Incorporated. All the terms, conditions and covenants of the Ground Lease, are incorporated herein by this reference. Notwithstanding the foregoing, in the

event of any conflict between this Memorandum and the Ground Lease, the Ground Lease shall control.

EXECUTED as of the date first above written.

LANDLORD:

**The Regents of the University of Idaho,
a body politic and corporate organized and
existing under the laws of the state of Idaho**

By: _____
Jerry Wallace
Vice President,
Finance and Administration

TENANT:

**Beta Theta Facility Corporation of Kappa
Alpha Theta, Inc.,
an Idaho non-profit corporation**

By: Kappa Alpha Theta Fraternity, Inc.,
a _____ corporation
Its: President

By: _____
Name: _____
Its: _____

STATE OF IDAHO)
) ss.
 County of Ada)

On this ____ day of _____, 2001, before me, _____,
 a Notary Public in and for said State, personally appeared _____,
 known to me to be _____ Kappa Alpha Theta Fraternity, Inc.,
 President of **Beta Theta Facility Corporation of Kappa Alpha Theta, Inc.**, the non-profit
 corporation that executed the within instrument or the person who executed the instrument on
 behalf of said non-profit corporation, and acknowledged to me that such non-profit corporation
 executed the same.

WITNESS MY HAND and official seal hereto affixed the day, month and year in this
 certificate first above written.

 Notary Public for the State of Idaho
 Residing at _____
 My Commission Expires _____

STATE OF IDAHO)
) ss.
 County of Ada)

On this ____ day of _____, 2001, before me, _____,
 a Notary Public in and for said State, personally appeared Jerry Wallace known to me to be Vice
 President, Finance and Administration of **The Regents of the University of Idaho**, a body
 politic and corporate organized and existing under the laws of the State of Idaho, that executed
 the within instrument or the person who executed the instrument on behalf of said body politic,
 and acknowledged to me that such body politic executed the same.

WITNESS MY HAND and official seal hereto affixed the day, month and year in this
 certificate first above written.

 Notary Public for the State of Idaho
 Residing at _____
 My Commission Expires _____

SCHEDULE I

Legal Description of Leased Premises

Lots 7 and 8 of Block 1 of Taylor and Lauders Addition to the City of Moscow, as shown by the recorded plat thereof.

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

INSTITUTION/AGENCY AGENDA
UNIVERSITY OF IDAHO

SUBJECT

Higher education facilities and programs in Sandpoint

REFERENCE

February 22, 2007 Board approved Memorandum of Understanding (MOU) with Wild Rose Foundation (Wild Rose).

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures; Sections V.E.1., V.I. & V.K.
Section 58-335, Idaho Code

BACKGROUND

The Board of Regents owns approximately 77 acres of agricultural property within the City of Sandpoint (See Exhibit 1 of the Development Agreement, pages 3 and 5, for property depiction). The property is currently operated as the Sandpoint Research and Extension Center by the University's College of Agricultural and Life Sciences.

Since February, 2007, when the Board approved, and the parties executed, the MOU, Wild Rose and the University have been working together to advance the arrangement described in the MOU and formalize it in a Development Agreement. Under the Development Agreement, the University will sell the 77 acres to Wild Rose for its current appraised market value. Wild Rose will build facilities for the delivery of higher education programs for the Sandpoint area on a portion of the property, and convey the completed buildings and property to the University as a gift.

The impact of this project will be immediate and substantive, bringing improved higher education opportunities to the North Idaho Panhandle beginning in the fall of 2009 under the current schedule, and expanding the facilities of the University to go where the need lies, all in furtherance of the University's long term plan for delivery of education, research, and outreach services.

The University seeks approval from the Board to enter into the Development Agreement and to complete all associated initial transactions, which includes the sale of the parcel to Wild Rose, the establishment of an endowment within the University of Idaho Foundation with the sale proceeds, the build out of Phase 1 of the campus and the acceptance of 18 additional acres from Wild Rose to replace land previously used for agricultural research and extension field activities. The University thereafter will provide an update of construction status at the March 2008 meeting, and every six months thereafter until construction is complete.

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

INSTITUTION/AGENCY AGENDA
UNIVERSITY OF IDAHO - continued

Upon completion of Phase 1 the buildings, building footprint, and associated real property will be presented to the Board for acceptance of delivery of title back from Wild Rose.

DISCUSSION

The build-out and start-up of the Sandpoint Center leverages the University's resources in education, research, and outreach through the significant donation of capital by Wild Rose to create a unique opportunity for education and research on a local, state and national level. The Development Agreement and Exhibits thereto (Attachment 1) sets out the parties' obligations and duties with respect to the Sandpoint Campus development.

The essence of the arrangement is set out in the first eight pages of the Development Agreement, which is summarized below:

Initial Land Transactions:

Sale of University parcel to Wild Rose. Regents will convey the approximately 77-acre parcel to Wild Rose at market value -- the current appraised value is \$6.25 million. This property will then be divided into a University parcel (defined as College parcel in the documents) and a high school parcel, as depicted in Exhibit 2 of the Development Agreement. The high school parcel will be made available to the local public school district for the construction of a public high school. If the school district is unable to gain approval and initiate construction of a public school within twenty years of Wild Rose's acquisition, the property will revert to the Regents at no cost.

Donation of new Research Parcel. Within 60 days of the sale of the Regents' parcel to Wild Rose, Wild Rose will donate to the Regents 18 acres of land that is nearby and is suitable for relocation of some of the displaced agricultural research and extension field activities. (See Exhibit 3 of the Development Agreement). Necessary facility improvements on the parcel will be constructed at the expense of the University.

All of the property will be conveyed to and from the Regents with covenants and restrictions to ensure educational use of the property.

Project Build Out and Delivery:

Phase 1 Build Out. The project is designed to be built in phases. Wild Rose commits to funding of not less than \$30,000,000 and to building all of Phase 1 of the project, which includes four buildings: Performing Arts

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

INSTITUTION/AGENCY AGENDA
UNIVERSITY OF IDAHO - continued

Learning Center, Agricultural and Life Sciences, Administration and Center Operations, and Student Union. (See, Master Plan and Program Planning Guide, Exhibit 1 of the Development Agreement, pages 10 and 15 for a drawing and map of the proposed project and location of Phase 1 buildings). Wild Rose will initiate construction of all four buildings simultaneously. The commitment to build out all of Phase 1, and the budget therefore, (Exhibit 9 of the Development Agreement), takes precedence over the stated funding commitment in the event that the build out cost exceeds \$30,000,000.

Subsequent Phases. The Development Agreement allows for addition of subsequent phases and contemplates amendments to incorporate design documents for each phase. Page 22 of Exhibit 1 of the Development Agreement depicts future phased development.

Delivery of Completed Buildings. Wild Rose will be solely responsible for all design and construction costs for every building and associated improvements. All buildings, building footprints and associated improved real property will be conveyed to University, upon completion and prior to occupancy. The property will be conveyed with deed restrictions limiting use to educational purposes; the deed restrictions will expire in 2056. Wild Rose will retain a reversionary right that may be exercised in the event University is unwilling or financially unable to deliver academic programming. However, all property that has reverted to Wild Rose by exercise of its reversionary rights, will be conveyed back to University 20 years after the date of reversion, and in any case no later than 2048. All property that has not been developed, including the high school parcel if not developed, will be conveyed back to the University by gift deed no later than December 31, 2028.

Program Delivery:

Initiation of Program Delivery: Provided that Phase 1 of the Project is on schedule as of January 1, 2009, the University will initiate program delivery in the fall of 2009. If construction falls behind schedule, then program delivery will be initiated in the academic year beginning after the delivery of the improved real property and associated personal property.

Substance of Academic Program: The program plan and underlying business plan for the Sandpoint campus are set out in Exhibit 5 of the Development Agreement. The proposed program is designed to be consistent with and support the University's strategic plan, and will be built around the land grant concept with programs in teaching and learning,

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

INSTITUTION/AGENCY AGENDA
UNIVERSITY OF IDAHO - continued

scholarly and creative activity, and outreach and engagement. Appendix 1 of Exhibit 5 of the Development Agreement describes the program in detail, and table 2 on page 25 of Exhibit 5, sets out the initial core faculty positions that are planned for the Sandpoint campus, in addition to the current research and extension faculty in Sandpoint. The undergraduate program will be built on an interdisciplinary curriculum that will allow focus in one of three areas of emphasis: Arts and Community, Health and Wellness and Natural Resources and Sustainability. Pending Board approval of the Development Agreement, the University will bring to the Board those elements of the Program Delivery that require specific Board approval in subsequent meetings.

Program Funding: In addition to the funding of the real and personal property improvements, Wild Rose and/or the members of the local business community will match program funding by the University up to \$800,000 per year for the first five years.

IMPACT

The fiscal impact of the Sandpoint Center will be spread among University operating funds, student and other appropriate fees, request for new occupancy costs for each new building, endowment earnings, Wild Rose contributions, and community matching funds as follows:

Wild Rose contributions:

Land Acquisition: \$6.25 million purchase price

Capital Improvements: \$30,000,000 minimum, to be gifted to University

Community matching contributions:

Operating and Programmatic Costs: \$800,000 per year matching funds for five years to be provided by community businesses and/or Wild Rose

University funding

Fund for Start-up Costs: \$500,000 of the \$6.25 million sales proceeds from the 77 acre parcel will be set aside to help fund initial start up costs.

Endowment for Ongoing Programmatic Costs: The balance of the sale proceeds, (\$5.75 million) will fund an endowment in the University of Idaho Foundation, the income from which will be directed to funding programmatic costs at the Sandpoint Center.

Ongoing Revenue and Expenditure Projections: The schedules in Appendix 3 of Exhibit 5 of the Development Agreement outline projected revenue sources, expenditures and growth in net assets for the Center over the first 10 years of

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

INSTITUTION/AGENCY AGENDA
UNIVERSITY OF IDAHO - continued

operation. The assumptions for the financial projections are detailed in Appendix 2. The University will seek general funds for the ongoing occupancy costs of the facilities once they are transferred from Wild Rose, as well as for specialized equipment and needs for programs as they may arise. Schedule A-1 of Appendix 3 shows revenue and expenditure projections with occupancy costs funded, and Schedule A-2 shows the same without funding of occupancy costs.

ATTACHMENTS

Attachment 1 - Development Agreement, with Exhibits 1-9

Page 15

STAFF COMMENTS AND RECOMMENDATIONS

The match of \$800,000 annually for the first five years has increased from the \$500,000 that was identified in the February agenda.

While the institution is obtaining a substantial benefit from the gift of the planned facilities, the Development Agreement does not contain construction oversight usually provided by capital projects under the authority of the institutional construction management staff.

The Student/Faculty History and Projection, Exhibit 1 - page 36, contains the projected enrollments for the project:

“Regular growth of 3% is anticipated in enrollments with most of the startup programs; however, all programs are expected to grow each year as new students are added to new incoming classes. The program could grow to a larger extent with the addition of new faculty to the Campus. Within 5 years the headcount at the campus is expected to approach 1,000 +/- with a FTE of 600.”

Exhibit 5, page 32, lists some of the criteria used to project enrollments and fee revenues. This includes “a significant increase in fulltime students in the 4 year program is predicted in the first three years and reaching a total of 270 in FY12.”

Also, the Master Plan states the following:

University funding is projected based on new state funding beyond the occupancy funding plus reallocated funds for operating and positions. One-time funds of \$150,000 shown in FY09 are from the College of Ag and Life Sciences and are set aside for a new building on the new experiment station property. An additional \$150,000 in one-time money is set aside in both FY10 and FY11 by the university are to address the expected enrollment in the first 3 years. The institution’s goal is to maintain a reserve at 5-15% at

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

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all times to maintain a hedge against the loss of and/or lack of increased enrollment as well as other revenue shortfalls.

Staff believes the University has addressed enrollment issues in light of the fact that a 3.7% decrease in enrollment was projected for FY 2008.

Staff recommends approval of the project.

BOARD ACTION

A motion to approve the Development Agreement in substantially the same form as the version attached hereto, and all of the included and underlying initial transactions including:

Authorization of the sale of the approximate 77 acre parcel and approval to direct the sale proceeds to the University of Idaho Foundation to establish an endowment for the purpose of funding programmatic and operation costs of the Sandpoint campus, and to provide \$500,000 for start up efforts in Sandpoint;

Acceptance of the gift of the 18 acre Research Parcel, subject to a satisfactory environmental assessment; and

Approval of the build out of Phase 1 of the Sandpoint Project consistent with the Master Plan and Program Planning Guide

The Vice President for Finance and Administration at the University of Idaho is authorized to execute the Development Agreement and all other transaction documents necessary for above described transactions.

The University shall provide an update of construction status at the March 2008 Board meeting, and every six months thereafter until construction is complete, and Phase 1 is presented to the Board for acceptance of delivery of the buildings, building footprint, and associated real property.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

**BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007**

REFERENCE – APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: V. FINANCIAL AFFAIRS
Subsection: E. Gifts and Institutional Foundations

July 2008

1. Acceptance of Gifts

The Board may accept gifts, legacies, and devises (hereinafter "gifts") of real and personal property to the state of Idaho for the benefit of any institution, school or agency under its governance. Gifts worth more than \$10,000 must be accepted by the Board before the gift may be expended or otherwise used by the institution, school or agency. The chief executive officer of any institution, school or agency is authorized to receive, on behalf of the Board, gifts worth \$10,000 or less and of a routine nature. (Section 33-3714, Idaho Code.)

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

REFERENCE – APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: V. FINANCIAL AFFAIRS

Subsection: I. Real and Personal Property and Services

April 2002

1. Authority

- a. The Board may acquire, hold, and dispose of real and personal property pursuant to Article IX, Section 2 and Article IX, Section 10, Idaho Constitution, pursuant to various sections of Idaho Code.
- b. Leases of office space or classroom space by any institution, school or agency except the University of Idaho are acquired by and through the Department of Administration pursuant to Section 67-5708, Idaho Code.
- c. All property that is not real property must be purchased consistent with Sections 67-5715 through 67-5737, Idaho Code, except that the University of Idaho may acquire such property directly and not through the Department of Administration. Each institution, school and agency must designate an officer with overall responsibility for all purchasing procedures.
- d. Sale, surplus disposal, trade-in, or exchange of property must be consistent with Section 67-5722, Idaho Code, except that the University of Idaho may dispose of such property directly and not through the Department of Administration.
- e. If the executive director finds or is informed that an emergency exists, he or she may consider and approve a purchase or disposal of equipment or services otherwise requiring prior Board approval. The institution, school or agency must report the transaction in the Business Affairs and Human Resources agenda at the next regular Board meeting together with a justification for the emergency action.

2. Acquisition of Real Property

- a. Any interest in real property acquired for the University of Idaho must be taken in the name of the Board of Regents of the University of Idaho.
- b. Any interest in real property acquired for any other institution, school or agency under the governance of the Board must be taken in the name of the state of Idaho by and through the State Board of Education.
- c. This does not preclude a foundation or other legal entity separate and apart from an institution, school or agency under Board governance from taking title to real

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property in the name of the foundation or other organization for the present or future benefit of the institution, school or agency. (See Section V.E.)

- d. Acquisition of an option, lease, or any other present or future interest in real property by or on behalf of an institution, school or agency requires prior Board approval if the term of the lease exceeds five (5) years or if the cost exceeds two hundred fifty thousand dollars (\$250,000) annually.
- e. Appraisal.

An independent appraiser must be hired to give an opinion of fair market value before an institution, school or agency acquires fee simple title to real property.

- f. Method of sale - exchange of property.

The Board will provide for the manner of selling real property under its control, giving due consideration to Section 33-601(4), applied to the Board through Section 33- 2211(5), and to Chapter 3, Title 58, Idaho Code. The Board may exchange real property under the terms, conditions, and procedures deemed appropriate by the Board.

- g. Execution.

All easements, deeds, and leases excluding easements, deeds, and leases delegated authority granted to the institutions, school and agencies must be executed and acknowledged by the president of the Board or another officer designated by the Board and attested to and sealed by the secretary of the Board as being consistent with Board action.

3. Acquisition of Personal Property and Services

- a. Purchases of equipment, data processing software and equipment, and all contracts for consulting or professional services either in total or through time purchase or other financing agreements, between two hundred fifty thousand dollars (\$250,000) and five hundred thousand dollars (\$500,000) require prior approval by the executive director. The executive director must be expressly advised when the recommended bid is other than the lowest qualified bid. Purchases exceeding five hundred thousand dollars (\$500,000) require prior Board approval.
- b. Acquisition or development of new administrative software or systems that materially affect the administrative operations of the institution by adding new services must be reviewed with the executive director before beginning development. When feasible, such development will be undertaken as a joint endeavor by the four institutions and with overall coordination by the Office of the State Board of Education.

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4. Hold of Personal Property

a. Inventory

An inventory of all items of chattel property valued at two thousand dollars (\$2,000) or limits established by Department of Administration owned or leased by any agency, school or institution must be maintained in cooperation with the Department of Administration as required by Section 67-5746, Idaho Code.

b. Insurance

Each agency, school and institution must ensure that all insurable real and personal property under its control is insured against physical loss or damage and that its employees are included under any outstanding policy of public liability insurance maintained by the state of Idaho. All insurance must be acquired through the State Department of Administration or any successor entity.

c. Vehicle Use

Vehicles owned or leased by an institution, school or agency must be used solely for institutional, school or agency purposes. Employees may not, with certain exceptions, keep institutional vehicles at their personal residences. Exceptions to this policy include the chief executive officers and other employees who have received specific written approval from the chief executive officer of the institution, school or agency.

5. Disposal of Real Property

a. Temporary Permits

Permits to make a temporary and limited use of real property under the control of an institution, school or agency may be issued by the institution, school or agency without prior Board approval.

b. Board approval of other transfers

(1) Leases to use real property under the control of an institution, school or agency require prior Board approval - if the term of the lease exceeds five (5) years or if the lease revenue exceeds two hundred fifty thousand dollars (\$250,000).

(2) Easements to make a permanent use of real property under the control of an institution, school or agency require prior Board approval - unless easements are to public entities for utilities.

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- (3) The transfer by an institution, school or agency of any other interest in real property requires prior Board approval.

6. Disposal of Personal Property

Sale, surplus disposal, trade-in, or exchange of property with a value greater than two hundred fifty thousand dollars (\$250,000) requires prior Board approval.

a. First Refusal

When the property has a value greater than five thousand dollars (\$5,000), the institution, school or agency must first make a good faith effort to give other institutions, school and agencies under Board governance the opportunity of first refusal to the property before it turns the property over to the Department of Administration or otherwise disposes of the property.

b. Sale of Services

I.

The sale of any services or rights (broadcast or other) of any institution, school or agency requires prior approval of the Board when it is reasonably expected that the proceeds of such action may exceed two hundred fifty thousand dollars (\$250,000). Any sale of such services or rights must be conducted via an open bidding process or other means that maximizes the returns in revenues, assets, or benefits to the institution, school or agency.

c. Inter-agency Transfer

Transfer of property from one Board institution, school or agency to another institution, school or agency under Board governance may be made without participation by the State Board of Examiners or the Department of Administration, but such transfers of property with a value greater than two hundred fifty thousand dollars (\$250,000) require prior Board approval.

7. Litigation

The chief executive officer may negotiate settlement regarding litigation matters, or any claims made that may result in litigation, for up to \$25,000. All such settlements must be reported to the Board in executive session at the next regularly scheduled meeting.

8. Intellectual Property

The chief executive officer may license intellectual property rights of their respective institutions, school and agencies up to (to be developed as the intellectual property policy is finalized).

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REFERENCE – APPLICABLE STATUTE, RULE OR POLICY

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

April 2002

1. Major Project Approvals - Proposed Plans

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

2. Project Approvals

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

3. Fiscal Revisions to Previously Approved Projects

Project revisions that substantially alter the use of the project causing changes in project costs between two hundred fifty thousand dollars (\$250,000) and five hundred thousand dollars (\$500,000) must first be submitted to the executive director for review and approval. Changes in project costs of more than five hundred thousand dollars (\$500,000) must first be submitted to the Board for its review and

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approval. Requests must be supported by a revised detailed project budget and justification for changes.

4. Project Acceptance

Projects under the supervision of the Department of Administration are accepted by the Department on behalf of the Board and the state of Idaho. Projects under the supervision of an institution, school or agency are accepted by the institution, school or agency and the project architect. Projects under the supervision of the University of Idaho are accepted by the University on behalf of the Board of Regents.

5. Statute and Code Compliance

- a. All projects must be in compliance with Section 504 of the Rehabilitation Act of 1973 and must provide access to all persons. All projects must be in compliance with applicable state and local building and life-safety codes and applicable local land-use regulations as provided in Chapter 41, Title 39, and Section 67-6528, Idaho Code.
- b. In designing and implementing construction projects, due consideration must be given to energy conservation and long-term maintenance and operation savings versus short-term capital costs.

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DEVELOPMENT AGREEMENT

This Agreement, entered into and effective as of the [DATE], is made and entered into between the Regents of the University of Idaho (University) and the Wild Rose Foundation, Inc. (Wild Rose) relating to the financing and development of facility infrastructure, office, education, laboratory facilities and related landscaping, parking and storage facilities to be located on specified property in Sandpoint, Idaho (Project).

WHEREAS, University and Wild Rose entered into a Memorandum of Understanding (MOU) dated March 1, 2007, which set out the Parties' intentions for the construction of a campus facility and delivery of higher educational programming on certain real property located in Sandpoint, Bonner County, Idaho (Exhibit xx); and

WHEREAS, the MOU anticipated a Development Agreement, to more precisely describe the Project, and each party's commitments with respect to the Project;

NOW THEREFORE, consistent with the overall Project description and intent expressed in the MOU and in consideration of the mutual promises herein the Parties agree as follows:

1. Definitions.

1.1 Campus Parcel: That certain parcel of property located in Sandpoint, Bonner County, Idaho, comprised of approximately 77 acres and further divided into the College and High School Parcel, generally depicted in Exhibit 1, pages 4 and 6.

1.2 College Parcel: The portion of the Campus Parcel north of the natural swale/slough that runs in an easterly-westerly direction across the Campus Parcel, comprised of approximately 31 acres, generally depicted in Exhibit 2.

1.3 High School Parcel: The portion of the Campus Parcel south of the natural swale/slough that runs in an easterly-westerly direction across the Campus Parcel comprised of approximately 46 acres, generally depicted in Exhibit 2.

1.4 Research Parcel: A parcel 18 acres in size, located on a southerly portion of an 80-acre parcel owned by a related party to Wild Rose, on North Boyer Avenue, near Sandpoint, Bonner County, Idaho, as shown in Exhibit 3, and legally described in Exhibit 4.

1.5 Campus Master Plan: Means the plan for the whole Campus Parcel, as set out in Exhibit 1.

1.6 Design Documents: Collectively shall refer to all documents that relate to the design of the Campus Parcel and the full build out thereof. Individually when referenced specific to a Phase, shall be those design documents that are specific to the building(s) and associated

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build out and site development to be completed in the referenced Phase. Design documents may include but are not limited to building and site plans and specifications, landscape, utility plans, and security plans. Design Documents for each Project Phase shall include a budget, and time schedule for that Phase.

1.7 Project: Means the whole of the capital improvements as depicted in the Campus Master Plan, which include but are not limited to campus facilities, including all interior roads, buildings, structures, and other related improvements and infrastructure.

1.8 Project Phase: Means the specified Phase of the Project, which is designed and depicted in the Campus Master Plan as a multi-phase project. Each Phase shall be referred to with sequential numbering, e.g. Phase 1, Phase 2, Phase 3.

1.9 Program Delivery: The provision of higher education programs through education, research and outreach as described in Exhibit 5. The Parties acknowledge that Exhibit 5, is a description of the planned Program Delivery as of the date of this Agreement and that the Program Delivery for the Project is subject to change over time as education, research, and outreach needs are identified and demand changes, and that Exhibit 5 accordingly is subject to periodic updates. In all cases, Program Delivery description and design shall build from a base of 23 education, research, and outreach faculty, configured so as to meet the needs and demands of the immediate area, the state of Idaho, and the student population, and to be consistent with the strategic plan of University.

2. Obligations of the Parties/Overall Development.

The Parties' intent as to the responsibility for Project development and the nature of the Project is set out in the MOU. The MOU is attached as Exhibit 6, and is incorporated herein, and as such, the terms of the MOU shall become binding contractual obligations. To the extent that there is any conflict between this Agreement and the MOU, this Agreement shall control.

3. Initial Land Transactions.

As a condition precedent to the initiation of the construction of the Project the following land transactions shall occur:

3.1 University shall sell the Campus Parcel to Wild Rose for a purchase price of the fair market appraised value of \$6.25 million. If this transaction occurs more than one year after the date of execution of the MOU, then the property shall be reappraised and the purchase price shall be the then current appraised value. University shall transfer the property via a quit claim deed, in substantially the same form as that attached hereto as Exhibit 7, which deed restricts the use of the Campus Parcel for public educational, research, and supporting purposes only. The restriction shall provide that it expire at 11:59 p.m. on December, 31, 2056. The restrictions on the deed shall run with the land in the event of subdivision and/or re-conveyance.

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3.2 Division of Campus Parcel for High School and Higher Education uses, as depicted and generally along the lines shown in Exhibit 2, such that the High School Parcel lies wholly to the south of the line created by the swale, and the College Parcel consists of all of the land north of the swale line.

3.3 University shall have access to the Research Parcel to conduct any required due diligence thereon, prior to the deeding of the Research Parcel, which shall deed such Research Parcel in an “as-is; where-is” condition as of the date of transfer.

3.4 Wild Rose, contemporaneously or within 60 days of the transfer of the Campus Parcel pursuant to section 3.1, shall cause the Research Parcel to be transferred and granted to University. This parcel shall be transferred to University as a gift without consideration for such gift. Wild Rose shall transfer the property via a gift deed, in substantially the same form as that attached hereto as Exhibit 8, which deed shall restrict the use of the Campus Parcel for public educational, research, and supporting purposes only. The restrictions on the deed shall expire at 11:59 p.m. on December, 31, 2056.

4. Project Build Out and Delivery.

4.1 Phase 1: The Parties acknowledge that the Project will be built on the College Parcel in phases. Project Phase 1, is fully described in Exhibit 1. At a minimum, Wild Rose agrees to build out all of capital improvements identified in Phase 1, and as further set out in Exhibit 9, which is the initial Project Phase 1 budget. Project Phase 1 represents the minimum build out necessary for adequate Program Delivery as described in Exhibit 5.

4.2 Design Documents for Project Phases: Subsequent Project Phases are delineated in the Campus Master Plan. As the Design Documents for each Project Phase are completed, they shall be appended hereto and incorporated herein as sequentially numbered exhibits, through written amendments signed by both Parties, following University approval pursuant to paragraph 9. This Agreement and all terms herein shall apply to all Project Phases, except to the extent that a term is modified by the Parties in a signed, written amendment.

4.3 Delivery of Completed Project Phases: Upon completion of each Project Phase and prior to occupancy, Wild Rose shall grant and convey the buildings, building footprint, associated improved real property (e.g. landscaped, parking, and utility areas), and associated personal property to the University. Each such conveyance shall transfer all of the property associated with that Phase (such property is referred to as the “Educational Property” in Section 6 of the MOU) as a gift without consideration. Wild Rose shall transfer the real property via a gift deed, in substantially the same form as that attached hereto as Exhibit xx, which deed shall restrict the use of the Campus Parcel for public educational, research, and supporting purposes only, and shall also contain a reversionary clause as follows:

“provided, however, that if and in the event University is unwilling or financially unable to provide Program Delivery in light of actual and projected enrollment in

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the manner described in Exhibit 5, or other programs that are substantially and reasonably equivalent to said Program Delivery, then and in that event, said property being conveyed herein shall revert to Wild Rose, upon notice given to University of the failure of Program Delivery for one year, and University not having cured said failure of Program Delivery by providing educational programs reasonably equivalent to the Program Delivery provided in Exhibit xx. This reversionary right shall expire on December 31, 2028.”

In the event planned subsequent project phases shown in the College Parcel Master Plan are not completed, then all such portions of the College Parcel shall be conveyed back by gift deed to University no later than December 31, 2028. If any property within the College Parcel has reverted back to Wild Rose, as provided in the above reversionary provision, then such property shall be conveyed back by gift deed to University no later than twenty (20) years from the date of any reversion, and in any case by December 31, 2048. The use restrictions on each deed shall expire at 11:59 p.m. on December 31, 2056.

4.4 Reversion of High School Parcel: In the event the school district does not construct a high school facility on the High School Parcel within twenty (20) years from the date of acquisition of the Campus Parcel by Wild Rose, ownership of the High School Parcel shall revert to the University, subject to the covenant that the property shall not be utilized for purposes other than public, educational, research, and supporting purposes, which use restrictions shall expire at 11:59 p.m. on December 31, 2056.

5. Delivery of Programs:

5.1 University shall initiate Program Delivery within each completed Project Phase in the academic year beginning after the delivery of the improved real property and associated personal property.

5.2 Under this Agreement, it is contemplated that Project Phase 1 shall be completed in sufficient time for Program Delivery commencing with the academic semester beginning Fall 2009. Provided that Project Phase 1 is and is reasonably projected to remain on schedule as of January 1, 2009, University shall initiate Program Delivery as contemplated in Exhibit 5 for Fall 2009; if Phase 1 is not or is not projected to remain on schedule, University shall initiate Program Delivery pursuant to paragraph 5.1.

5.3 The Parties shall meet annually to review Program Delivery, and University shall conduct and prepare a progress report on an annual basis. In addition, University shall conduct an overall progress report and review on a minimum five year rotation, and all progress reports shall address the goals, targets, and performance of Program Delivery, both on an annual and five-year basis. Wild Rose shall provide feedback to University on the Program Delivery in the annual meeting and following receipt of any progress report. In any year in which it determines Program Delivery to be declining, Wild Rose shall provide written feedback, and such feedback shall be

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provided prior to Wild Rose exercising its reversionary rights and initiating the cure period under the deed for failure of Program Delivery in any given year.

5.4 In addition to Project Funding set out in paragraph 6, Wild Rose and/or members of the local business community shall annually match the amount of funding allocated by University for Program Delivery as described in paragraph 10.1 of the MOU, except that the amount of match by Wild Rose and/or members of the local business community shall be \$800,000 per year.

6. Project Funding.

Wild Rose shall be responsible for all Project construction and pre-construction funding, including but not limited to, administrative and legal fees and costs, project management fees and costs, fees and costs for services of architects, contractors, and other professionals and tradesmen providing pre-construction and construction services required to deliver the improvements described in the Design Documents and Campus Master Plan. In addition, Wild Rose agrees to be responsible for fixtures and furniture to the extent identified in the budget within the Design Documents for a specified Phase. Wild Rose's commitment for funding the Project shall be no less than Thirty Million Dollars (\$30,000,000). Notwithstanding the funding amount stated herein, in the event that the agreed upon budget in the Design Documents for Project Phase 1 exceeds the amount herein, the incorporated Design Documents and Wild Rose's commitment to build out all of Project Phase 1 shall take precedence. Prior to initiating construction for each Project Phase, Wild Rose shall provide sufficient information to University to demonstrate its ability, to meet the funding commitment for the specified Project Phase.

7. Project Budget(s).

7.1 Attached hereto as Exhibit 9 is the initial Project Phase 1 budget, developed by Wild Rose and University based on the Campus Master Plan and the estimated cost of construction of the Project Phase 1. The subsequent detailed budget for Project Phase 1, and the budget for each subsequent Project Phase shall be included within the Design Documents for that Phase.

7.2 Pre-Construction Budget Changes. Changes to the Project Budget for any specific Project Phase may be made unilaterally by Wild Rose, provided that University is notified and the change does not materially alter the capital improvements or agreed upon furniture and fixtures as described in the Design Documents for that Phase, and so long as such changes due not materially affect University's Program Delivery. Any change to the Project Budget for a specific Project Phase that would result in a material change to the capital improvements or furniture and fixtures described in the Design Documents shall be agreed to by both Parties in writing.

8. Furniture and Equipment.

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Except as specifically included in the budget within the incorporated Design Documents for a given Project Phase, the Parties hereby recognize that furniture and equipment, including information technology equipment, will be the sole responsibility of University and/or any user/leasehold tenant of space within the Project. Upon transfer of the improved real property pursuant to paragraph xx herein, all personal property within the transferred buildings shall likewise be transferred to the University and shall become University owned personal property.

9. Completion of Design.

Wild Rose shall be responsible for procuring and finalizing architecture and design elements of the Project. University shall work with Wild Rose, its selected architects and other professionals in the development of the Design Documents. All final Design Documents for each Project Phase shall be subject to University approval, which shall not be unreasonably withheld and which shall be based on the identified needs of the University for delivery of education, research and outreach program, and for compliance with all applicable building and campus standards. In the event that University disapproves a final Design Document the Parties shall work together to resolve the identified concern and revise the Design Document to obtain University approval.

10. Zoning, Subdivision and Other Development Permits.

Wild Rose shall be responsible for obtaining all necessary zonings, subdivision, building, and all other permits or approvals associated with Project development for all elements of the Project within each Project Phase, and for so long as the property, including buildings and land, remain in Wild Rose's ownership; provided, however, that University shall provide support for the permits and approvals requested, so long as such permits and approvals being sought are consistent with the goals of this Agreement.

11. Construction.

It is understood that Wild Rose shall have full discretion to select the contractor and other professionals and tradesmen for the Project. Wild Rose shall have the right to solicit proposals from any qualified construction contractors and to enter into one or more contracts with contractors for construction of all or any part of the Project. All contractors working on the Project shall be bonded and licensed to perform work within the state of Idaho and shall meet the insurance requirements included herein. All construction shall comply with applicable building and related life/safety codes and shall meet all ADA requirements as they apply to public facilities.

12. Project Management.

Wild Rose will enter into a Project Management Agreement (the "Project Management Agreement") with ALSC Architects, with John Manning, Jr., as Project Manager, to manage, coordinate and administer the completion of the design and construction of the Project. Subject to

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the approvals and limitations herein, the Authorized Representatives designated below by the Parties shall have full authority on behalf of the designating party with respect to day to day decisions relating to design and construction of each Project Phase, once such Project Phase construction has begun.

13. Material Changes During Construction.

13.1 In the event material changes to a Project Phase or to the approved Design Documents are necessary to comply with applicable building codes or other applicable governmental regulations during construction of the Project Phase, Wild Rose may unilaterally initiate or implement any such material changes. Wild Rose shall notify University of such changes at the time it approves their initiation or implementation.

13.2 All other material changes to the Project must be agreed to by University (by and through its Authorized Representative).

14. Project Phase Schedules and Program Initiation.

The Project Phase 1 shall be developed according to the initial schedule attached hereto and incorporated herein, within Exhibit 9. Each Project Phase shall have a specific schedule for that Phase included within the Design Documents approved and incorporated for that Phase. Once construction begins on a Project Phase, Wild Rose shall have independent authority to authorize schedule changes for that Project Phase resulting from construction.

15. Project Phasing.

Wild Rose agrees that all structures and facilities constructed on the Campus Parcel will be constructed consistent with and pursuant to this Agreement. The Parties understand that the Project may be completed in Phases. With respect to the Project Phase 1, the Parties agree that it will be sufficient to allow the University to meet the Program Delivery agreed to as set out in Exhibit 5.

GENERAL TERMS

16. Successors of the Authority.

In the event of the dissolution or transfer of functions of Wild Rose, all the covenants, stipulations, promises and agreements in this Agreement contained, by or on behalf of, or for the benefit of, Wild Rose, shall bind or inure to the benefit of the successors of Wild Rose from time to time and any individual, entity, officer, board, commission, agency or instrumentality to whom or to which any duty, obligation or power of Wild Rose shall be transferred.

17. Parties in Interest.

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Except as herein otherwise specifically provided, nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than Wild Rose and University any right, remedy, or claim under or by reason of this Agreement, this Agreement being intended to be for the sole and exclusive benefit of Wild Rose and University.

18. Indemnification.

Wild Rose agrees that any personal injury to itself or third parties or any property damage incurred in the course of constructing the Project shall be the responsibility of Wild Rose, except to the extent such are caused by the negligence of University or its agents, contractors (including subcontractors), employees, invitees or guests. Wild Rose agrees to indemnify, defend, and hold harmless the state of Idaho and University and its governing board, officers, employees, and agents from and against any and all costs, losses, damages, liabilities, expenses, demands, and judgments, including court costs and attorney's fees, which may arise out of performance or failure to perform under this Agreement, or arising from any act, negligence or the failure to act of Wild Rose, or any of its agents, contractors (including subcontractors), employees, invitees or guests in relation to this Agreement, including but not limited to the construction of the Project.

University agrees that any personal injury to itself or its agents, contractors (including subcontractors), employees, invitees or guests, at the Project or Campus Parcel, shall be the responsibility of University, except to the extent such are caused by the negligence of Wild Rose or its agents, contractors (including subcontractors), employees, invitees or guests. Subject to the limits of liability specified in Idaho Code 6-901 through 6-929, known as the Idaho Tort Claims Act, University agrees to indemnify, and hold harmless Wild Rose and its governing board, officers, employees, and agents from and against any and all costs, losses, damages, liabilities, expenses, demands, and judgments, including court costs and attorney's fees, which may arise out of performance or failure to perform under this Agreement, or arising from any act, negligence or the failure to act of University, or any of its agents, contractors (including subcontractors), employees, invitees or guests in relation to this Agreement, including but not limited to the construction of the Project.

Wild Rose shall promptly notify University of Idaho, Attn: Risk Management Officer, P.O. Box 443162, Moscow, Idaho 83844-3162, of any such claim of which it has knowledge and shall cooperate fully with University or its representatives in the defense of the same.

University's liability coverage is provided through a self-funded liability program administered by the State of Idaho Office of Insurance Management. Limits of liability, and this indemnification, are \$500,000 Combined Single Limits, which amount is University's limit of liability under the Idaho Tort Claims Act.

This indemnification does not apply as to either party when such claims, damages, and liabilities are the result of negligent acts, errors, omissions or fault on the part of the other party, its agents or assigns, or when the claim or suit is made by one party against the other party. This provision shall survive the termination of this Agreement.

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19. Environmental Issues.

Wild Rose is not aware of any environmental liabilities or hazards with regard to the Research Parcel. University is not aware of any environmental liabilities or hazards with regard to the Campus Parcel. Prior to the transfer of said parcels contemplated under this Agreement, University shall conduct a Phase I Environmental Review on the Campus Parcel, and Wild Rose shall conduct a Phase I Environmental Review on the Research Parcel. If the Phase I Environmental Reviews contemplate or suggest any further environmental reviews or testing, then said reviews shall be conducted prior to the parcels being transferred. The cost of any environmental remediation, if any, required on the Research Parcel shall be borne by Wild Rose. The cost of any environmental remediation, if any, required on Campus Parcel shall be the responsibility of University, or by mutual agreement between Wild Rose and University, be deducted from the purchase price reflected herein for the purchase of said Campus Parcel. Notwithstanding the Phase 1 Environmental Review with regard to the Campus Parcel, should it be determined that after closing of the transaction to Wild Rose, an undisclosed or undiscovered environmental hazard or liability exists on the College Parcel that existed at the time of University ownership, University shall indemnify Wild Rose to the extent of the cost of remediation of said environmental liability or hazard., so long as the amount of such indemnification does not materially affect the business plan set out in Exhibit 5, such that the business plan is no longer feasible to achieve.

20. Severability.

In case any one or more of the provisions of this Agreement or of any Design Documents shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Agreement, this Agreement and the Design Documents shall be construed and enforced as if such illegal or invalid provisions had not been contained herein or therein.

21. Counterparts.

This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same Agreement.

22. Authorized Representative.

University hereby designates Larry Branen, Associate Vice President, Northern Idaho, as its Authorized Representative.

Wild Rose hereby designates John Manning, Jr., ALSR Architects, as its Authorized Representative.

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23. Notices.

The Authorized Representative of the Parties shall be notified of any changes to the Design Documents, and the Project Budget, in writing, and such notice shall be deemed given when mailed by registered mail, postage prepaid, faxed with receipt confirmed, or emailed with read receipt to the following:

To University:

Vice President for Finance and Administration
University of Idaho
Administration Building, Room 211
Moscow, ID 83844-3168
Telephone: (208) 885-6174
Facsimile: (208) 885-5504
Email: debbiee@uidaho.edu

With copy to:

Larry Branen
University of Idaho Northern Idaho
1000 West Hubbard, Suite 242
Coeur d'Alene, ID 83814
Moscow, ID 83844-3168
Telephone: (208) 292-2530
Facsimile: (208) 664-1272
Email: lbranen@uidaho.edu

To Wild Rose:

Dennis Pence
One Coldwater Creek Drive
Sandpoint, ID 83864
Telephone: (208) 265-3913
Facsimile: (208) 265-3912
Email: dcpence@thecreek.com

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With copy to:

Ford Elsaesser
Attorney at Law
Elsaesser Jarzabek Anderson Marks Elliott & McHugh, Chtd.
P. O. Box 1049
Sandpoint, ID 83864
Telephone: (208) 263-8517
Facsimile: (208) 263-0759
Email: ford@ejame.com

With copy to:

John Manning, Jr.
ALSC Architects
203 North Washington, Suite 400
Spokane, WA 99201
Telephone: (509) 838-8568
Facsimile: (509) 458-3710
Email: jmanning@alscarchitects.com

All other notices under this Agreement shall be in writing and be delivered in person or by public or private courier service (including United States Postal Service Express Mail) or certified mail with return receipt requested to the parties at the above addresses or at such other addresses as the parties may from time to time direct in writing. Any notice shall be deemed to have been given on the earlier of: (a) actual delivery or refusal to accept delivery, (b) the date of mailing by certified mail. Actual notice, however and from whomever received, shall always be effective.

24. Confidentiality of Information.

The Parties agree to keep confidential and not to disclose to third parties any information provided by the other party and labeled or otherwise identified as confidential. This obligation of confidentiality does not extend to any information that is subject to disclosure under the Idaho Public Records Act; is or shall become, through no fault of either party, available to the general public; or is independently developed and hereafter supplied to either party by a third party without restriction or disclosure. This provision shall survive expiration and termination of this Agreement.

25. Rights to Plans and Reports.

Wild Rose agrees that University shall have a non-transferable, royalty-free, non-exclusive license to use any intellectual property related to the Project developed by Wild Rose or on behalf of Wild Rose and to which Wild Rose has rights to, including but not limited to architectural and design plans, landscaping plans, documentation, or copyrightable work. The

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Parties agree to provide all information regarding the Project to all other parties upon reasonable request to the appropriate Authorized Representative. This provision shall survive expiration and termination of this Agreement.

26. Term and Termination.

This Agreement shall continue in full force and effect until such time as the Project is fully built out, all Project Phases have been completed, and all real property designated as the College Parcel has been re-conveyed to University.

27. Early Termination by Mutual Agreement.

During the term of this Agreement, and in particular, from the Effective Date of this Agreement through the reversion dates contemplated in paragraph 4.3, above, in the mutual agreement of Wild Rose and University, if determination is made that the Project cannot operate under the terms and conditions of this Agreement, and further operation of the Project would be futile, then and in that event, and only upon the express written mutual consent of both Wild Rose and University, this Agreement may be terminated earlier than the term hereof, and in addition, the restrictions and covenants and use of the property as contemplated under paragraph 4, and the relevant exhibits thereto, may be waived so that the Property may be developed, used, leased, or sold in a manner deemed appropriate by the mutual agreement of Wild Rose and University. Any such disposition of the Project shall also require, by mutual agreement and consent of Wild Rose and University, a disposition of proceeds, if any, reflecting the relative contributions made to the Project by Wild Rose and University.

28. Insurance.

28.1 General Requirements

a. Wild Rose and its contractors and subcontractor(s) retained to work on the Project are required to carry the types and limits of insurance shown in this insurance clause, section 9.0, and to provide University with a Certificate of Insurance (“certificate”). All certificates shall be coordinated by Wild Rose and provided to University within seven (7) days of the signing of the Agreement by Wild Rose and of contractors as retained thereafter. Certificates shall be executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements set forth below. All certificates shall provide for thirty (30) days’ written notice to University prior to cancellation, non-renewal, or other material change of any insurance referred to therein as evidenced by return receipt of United States certified mail. Said certificates shall evidence compliance with all provisions of this section 9.0. Exhibit B, the Request for Certificate of Insurance, provides a list of instructions for the insurance agent or broker of the Contractor and its subcontractor(s) of any tier.

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b. Additionally and at its option, University may request certified copies of required policies and endorsements. Such copies shall be provided within (10) ten days of University's request.

c. All insurance required hereunder shall be maintained in full force and effect with insurers with Best's rating of AV or better and be licensed and admitted in Idaho. All policies required shall be written as primary policies and not contributing to, nor in excess of any coverage University may choose to maintain. Failure to maintain the required insurance may result in termination of this Agreement at University's option.

d. All policies shall name University as Additional Insured. On the certificate, University shall be stated as: "State of Idaho and The Regents of the University of Idaho." Certificates shall be mailed to: University of Idaho, Risk Management, P. O. Box 443162, Moscow, ID 83844-3162.

e. Failure of University to demand such certificate or other evidence of full compliance with these insurance requirements or failure of University to identify a deficiency from evidence that is provided shall not be construed as a waiver of the obligation of Contractor and its subcontractor(s) of any tier to maintain such insurance.

f. No Representation of Coverage Adequacy. By requiring insurance herein, University does not represent that coverage and limits will necessarily be adequate to protect Contractor and its subcontractor(s) of any tier, and such coverage and limits shall not be deemed as a limitation on the liability of the Contractor and its subcontractor(s) of any tier under the indemnities granted to University in this Lease.

g. Wild Rose is responsible for coordinating the reporting of claims and for the following: (a) notifying University in writing as soon as practicable after notice of an injury or a claim is received; (b) cooperating completely with University in the defense of such injury or claim; and (c) taking no steps (such as admission of liability) which will prejudice the defense or otherwise prevent University from protecting its interests.

28.2 Required Insurance Coverage. Wild Rose, and its Project contractors and its subcontractor(s) of any tier shall obtain and maintain:

a. Commercial General and Umbrella / Excess Liability Insurance. Contractor and its subcontractor(s) of any tier shall maintain Commercial General Liability ("CGL") written on an occurrence basis and with a limit of not less than \$5,000,000 each occurrence and in the aggregate. If such CGL insurance contains a general aggregate limit, it shall apply separately by location and shall not be less than \$5,000,000. CGL insurance shall be written on standard ISO occurrence form (or a substitute form providing equivalent coverage) and shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury, and liability assumed under a contract including the tort

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liability of another assumed in a business contract. Waiver of subrogation language shall be included. If necessary to provide the required limits, the Commercial General Liability policy's limits may be layered with a Commercial Umbrella or Excess Liability policy.

b. Commercial Auto Insurance. If applicable, Contractor and its subcontractor(s) of any tier shall maintain a Commercial Auto policy with a Combined Single Limit of not less than \$5,000,000; Underinsured and Uninsured Motorists limit of not less than \$5,000,000; Comprehensive; Collision; and a Medical Payments limit of not less than \$10,000. Coverage shall include Non-Owned and Hired Car coverage. Waiver of subrogation language shall be included.

c. Personal property. If applicable, Contractor and its subcontractor(s) of any tier shall purchase insurance to cover personal property of Contractor and its subcontractor(s) of any tier. In no event shall University be liable for any damage to or loss of personal property sustained by Contractor, even if such loss is caused by the negligence of University, its employees, officers or agents. Waiver of subrogation language shall be included.

d. Workers' Compensation. Contractor and its subcontractor(s) of any tier shall maintain all coverage statutorily required of the Contractor and its subcontractor(s) of any tier, and coverage shall be in accordance with the laws of Idaho. Contractor and its subcontractor(s) of any tier shall maintain Employer's Liability with limits of not less than \$100,000 / \$500,000 / \$100,000.

e. Professional Liability. All Project contractors and subcontractors of a profession for which professional liability insurance is available and commonly maintained as a good business practice shall maintain Professional Liability (Errors & Omissions) insurance on a claims made basis, covering claims made during the policy period and reported within three years of the date of occurrence. Limits of liability shall be not less than one million dollars (\$5,000,000).

29. Attorneys' Fees.

In the event of any controversy, claim or action being filed or instituted between the parties to this Agreement to enforce the terms and conditions of this Agreement or arising from the breach of any provision hereof, the prevailing party will be entitled to receive from the other party all costs, damages, and expenses, including reasonable attorneys' fees, incurred by the prevailing party, whether or not such controversy or claim is litigated or prosecuted to judgment. The prevailing party will be that party who was awarded judgment as a result of trial or arbitration, or who receives a payment of money from the other party in settlement of claims asserted by that party.

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30. Entire Agreement; Modification.

This Agreement (and its attachments, if any) constitutes the entire understanding between the Parties with respect to the subject matter hereof and may not be amended except by an agreement signed by Contractor and an authorized representative of University.

31. Severability.

The terms of this Agreement are severable such that if any term or provision is declared by a court of competent jurisdiction to be illegal, void, or unenforceable, the remainder of the provisions shall continue to be valid and enforceable.

32. Governing Law; Forum.

Any legal proceeding instituted between the parties shall be in the courts of the County of Latah, State of Idaho, and each of the Parties agrees to submit to the jurisdiction of such courts. It is further agreed that this Agreement shall be governed by the laws of the State of Idaho as an agreement to be performed within the State of Idaho.

33. Paragraph Headings.

The paragraph headings in this Agreement are inserted for convenience only and shall not be construed to limit or modify the scope of any provision of this Agreement.

34. Non-Waiver.

The delay or failure of either party to exercise any of its rights under this Agreement for a breach thereof shall not be deemed to be a waiver of such rights, nor shall the same be deemed to be a waiver of any subsequent breach, either of the same provision or otherwise.

35. Assignment.

Neither party may assign the rights or delegate the obligations under this Agreement without the other Party's prior written consent.

36. Accounting; Audit.

For a period of three (3) years following completion of the Project called for hereunder, University or its authorized representatives shall be afforded access at reasonable times to Wild Rose's accounting records relating to the Project for the purposes of reviewing Project costs.

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37. Nondiscrimination and Affirmative Action.

Wild Rose shall not discriminate against any employee or applicant for employment in the performance of this Agreement with respect to tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, sex, color, religion, age, status as disabled or a veteran, or physical or mental handicaps, national origin or ancestry. Breach of this covenant may be regarded as a material breach of this Agreement. Wild Rose certifies that it does not, and will not maintain segregated facilities or accommodations on the basis of race, color, religion or national origin. Regarding any position for which an employee or an applicant is qualified, Wild Rose agrees to take affirmative action to employ, train, advance in employment, and retain individuals in accordance with applicable laws and regulations including:

For nondiscrimination based on race, color, religion, sex or national origin this includes, but is not limited to, the U.S. Constitution, and Parts II and IV of Executive Order 11246, September 24, 1965 (30 FR 12319). Contractor disputes related to compliance with its obligations shall be handled according to the rules, regulations, and relevant orders of the Secretary of Labor (See 41 CFR 60-1.1).

For nondiscrimination based on Disabled or Vietnam Veterans this includes, but is not limited to, the Vietnam Era Veterans Readjustment Assistance Act of 1972, as amended (38 U.S.C. 4012)(the Act); Executive Order 11701, January 24, 1973 (38 CFR 2675, January 29, 1973); and the regulations of the Secretary of Labor (41 CFR Part 60-250).

For nondiscrimination based on a Handicap this includes, but is not limited to, Section 503 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 793)(the Act); Executive Order 11758, January 15, 1974; and the regulations of the Secretary of Labor (41 FR Part 60- 741).

For nondiscrimination based on Age this includes, but is not limited to, Executive Order 11141, February 12, 1964 (29 CFR 2477).

Wild Rose agrees to include this clause in every contract for the Project.

38. Representations and Warranties.

Wild Rose represents and warrants the following: (a) that it is financially solvent, able to pay its debts as they mature, and possessed of sufficient working capital to complete the Project up to the minimum amount committed herein; (b) that it is able to furnish the plant, tools, materials, supplies, equipment, and labor required to complete the Project and has sufficient experience and competence to do so; (c) that it is authorized to do business in Idaho, that it will acquire the services of persons properly licensed by all necessary governmental and public and quasi-public authorities to work on, construct, and complete the Project; and (d) that it will obtain all licenses and permits required by law to complete the Project.

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39. Contingency Regarding Urban Area Transportation Plan.

After the execution of the MOU, and prior to the consideration by Wild Rose and University of this Agreement, the parties became aware of an “Urban Area Transportation Plan” (hereinafter “Transportation Plan”), involving the communities of Sandpoint, Dover, Kootenai, Ponderay, and the Independent Highway District. “Travel Scenario #4—Great Northern to Realigned SH-200” (hereinafter “Scenario #4”) of such Transportation Plan being contemplated would materially impair and impact, in a negative manner, and/or condemn the Research Parcel being conveyed to University hereunder. “Scenario #4” would therefore frustrate a primary intention of this Agreement in providing a new location for the agricultural research aspects of the Project. If appropriate action is not taken by the municipalities to decline going forward with “Scenario #4,” or any other alternative that impairs either the Research Parcel or the Campus Parcel, before the Effective Date of this Agreement, then and in that event, this Agreement, at the option of Wild Rose or University, may be declared null and void.

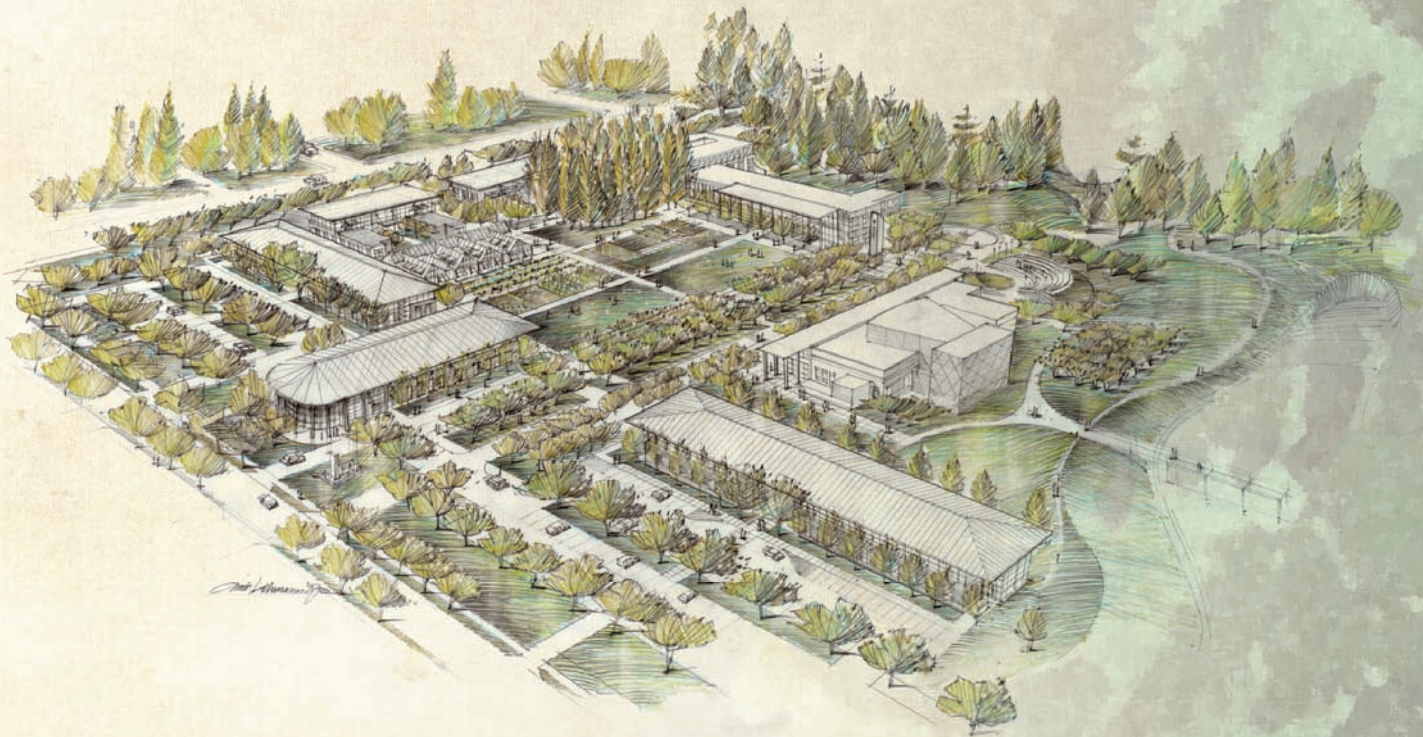
IN WITNESS WHEREOF, the Parties have executed this Agreement:

BOARD OF REGENTS OF THE
UNIVERSITY OF IDAHO

By _____ Date

WILD ROSE FOUNDATION, INC.

By _____ Date



UNIVERSITY
OF IDAHO
SANDPOINT CAMPUS

MASTER PLAN

Version 1.0

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INTRODUCTION

The purpose of this Master Plan is to clearly illustrate, guide and provide structure for the creation of the University of Idaho Sandpoint Campus. The Master Plan will provide a road map for successful implementation of the plan consistent with the values of the Wildrose Foundation and the University of Idaho; while recognizing the unique attributes of the site and the Sandpoint community. The idea of “campus” is first and foremost a sense of place and community. The Master Plan will give rise to both.

SITE HISTORY

The Sandpoint Research and Extension Center in Sandpoint, Idaho, was established in 1915 and was originally named the Sandpoint Branch Experiment Station. T. J. Humbert, President of the Humbert Lumber Company, donated the land comprising the Center. The deed transferring the property to the State Board of Education and Board of Regents of the University of Idaho was dated July 12, 1913.

Over the ensuing years, the original deeded acreage was reduced through easements to the U.S. Corps of Engineers and the Idaho State Highway Department as well as a land sale to Great Northern Railroad in 1916. The remaining 63 acres comprises the present Research and Extension Center.

In general, research at the Sandpoint Center was directed toward practical agriculture in the northern Idaho area. Although cereal production was not a major crop in Bonner County, this Center has been used extensively for testing varieties adapted to other northern Idaho counties. In the past few years, interest has grown in small fruits, ornamentals and Christmas trees as the number of small, family farms has increased in Idaho's three northern counties.

Though a component of this campus will be agricultural in nature in recognition of this history of use, the overall educational and academic mission of this campus at Sandpoint will be much broader based and geared both toward the future educational needs of this region and the overall mission of the University of Idaho as delineated in the University's Strategic Plan.

SITE VICINITY



VISION . . . CREATING CAMPUS AS LABORATORY

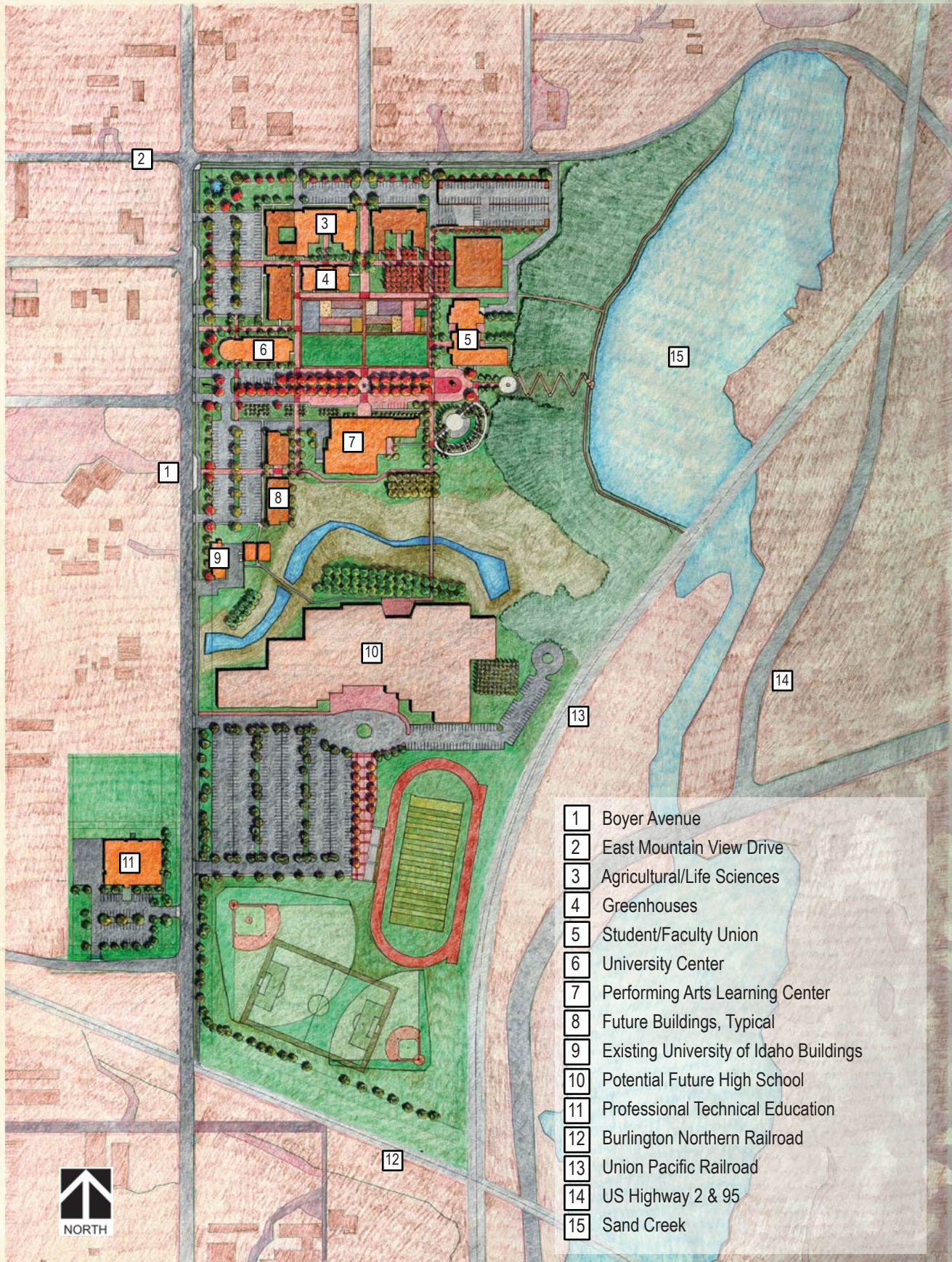
Sandpoint is an extraordinary setting for the new University of Idaho campus and its focus on the educational experience and the environment. The new campus will be an innovative teaching and learning venue with the Central Green to be developed as an experimental educational space and as an acknowledgment of the agricultural history of the site. The primary identity of the campus will be defined by this space and the development of its "landscape."

Likewise, the new buildings will create a scale of intimacy, vitality and appropriate diversity within the campus while facilitating the curriculum that supports and advances the mission of the University of Idaho. In other words, the buildings are a backdrop to the educational mission and the sense of place for academic endeavors. This new campus is to engage the larger Sandpoint community and region in active participation in educational opportunities ranging from Performing Arts to Master Gardening to an Executive MBA program. All aspects of the site and educational experience are to enrich and enliven the region.

The underlying values of environmental and ecological sensitivity will engender a conscious, sustainable approach to the treatment of the site and its surroundings. The over-arching goal of meeting sustainable objectives will give direction to the buildings and their systems and minimize the carbon footprint left behind. With pilot and demonstration projects threaded into the fabric of the campus, the campus will truly be an innovative approach where student and faculty alike benefit.



MASTER PLAN

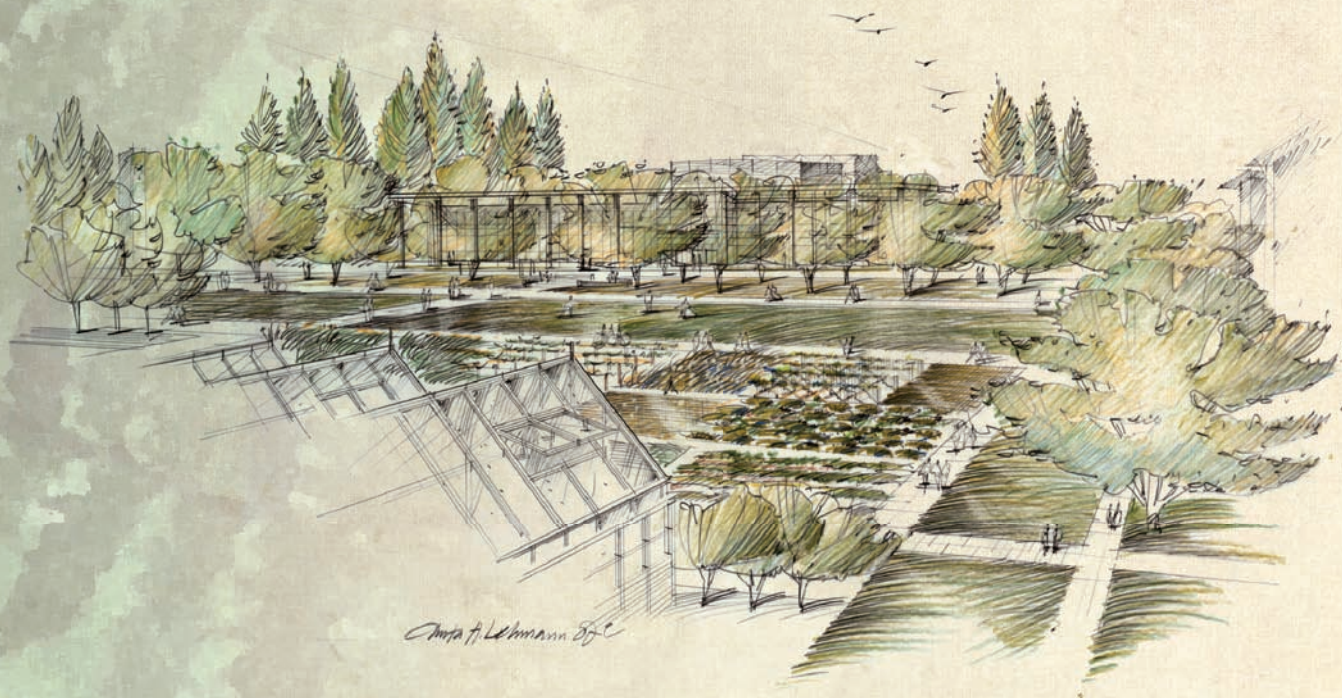


CAMPUS ENVIRONMENT

TENETS AND PLANNING PRINCIPLES

Guiding the Master Planning of the campus are several planning principles and tenets including:

- Authenticity, Integrity and Respect for the Campus
- Stewardship of the Historic Existing Natural Attributes
- Facilities and Infrastructure that Provide:
 - Flexibility/Expandability
 - Accessibility
 - Respect/Honor the Environment
- Value the Community Context
- Sustainability
- Use of Open Space as Organizational Center
- Human Scale
- Pedestrian Orientation and Accessibility



*Overall View Looking Southeast at Central Green,
Performing Arts Learning Center and Amphitheater*

CAMPUS ENVIRONMENT

THE NATURAL ENVIRONMENT, OPEN SPACE AND VIEWS



A minimum 40' greenbelt setback will be dedicated on the north edge along East Mountain View Drive and the west edge along Boyer Avenue. This generous soft edge helps to visually define the campus and provides a landscape buffer to adjacent community land owners.

Open space, landscape and the Central Green are to be developed over time to allow ecological and environmental projects to occur and co-exist within the framework of the campus, providing a rich mix of "landscape" and diversity of plant material. Master Gardening and Ag Extension projects are to be integrated into the Master Plan where workable and appropriate and may change over time depending on the nature of the research and community interest.



Landscape in and around the parking sectors will be designed to appropriate levels for mitigation of heat islands and will respect the Campus tenet of a "green," environmentally sensitive and responsible in sustainability. In this regard, alternative pavement types will be investigated and installed as a pilot project to demonstrate differing methods of controlling and dealing with stormwater while minimizing the heat island effects of normal paving.

Within the campus, the surrounding views and view corridors will accommodate and capture the existing background mountains and create new view corridors that reinforce connectivity to Sand Creek and views beyond to the Selkirk Mountains to the east. Views from the perimeter into the campus will be framed by buildings and allees of trees. The inward focus will be toward the Central Green which becomes the "place" that orients students, faculty and visitors to the academic core.

CAMPUS ENVIRONMENT

THE BUILT ENVIRONMENT, ARCHITECTURAL CHARACTER

The University of Idaho at Sandpoint has an opportunity to fashion a unique architectural expression that speaks to the mission and vision of this newly created campus. This character will evoke the qualities of the University of Idaho's main campus while recognizing the unique and extraordinary site context and specific building types that form this campus.

The architecture will be unique and authentic to five principle planning tenets. These tenets will ensure an integrity that unmistakably captures the essence of Sandpoint, the site and the University of Idaho. These tenets are:

1. North Idaho and Sandpoint's geographical context:
 - Water
 - Mountains
 - Vistas
 - Timber
 - Air
2. Site-specific qualities, characteristics and attributes that enrich and enhance the creative learning environment.
3. Main University of Idaho campus material qualities and attributes that promote:
 - Quality, Longevity, Permanence, Civic Import
 - The Natural and Sustainable
 - Basic University/Campus Standards
4. Authenticity of building expression true to each specific building type and function.
5. Sustainable principles and natural material selections that honor and respect the environment.

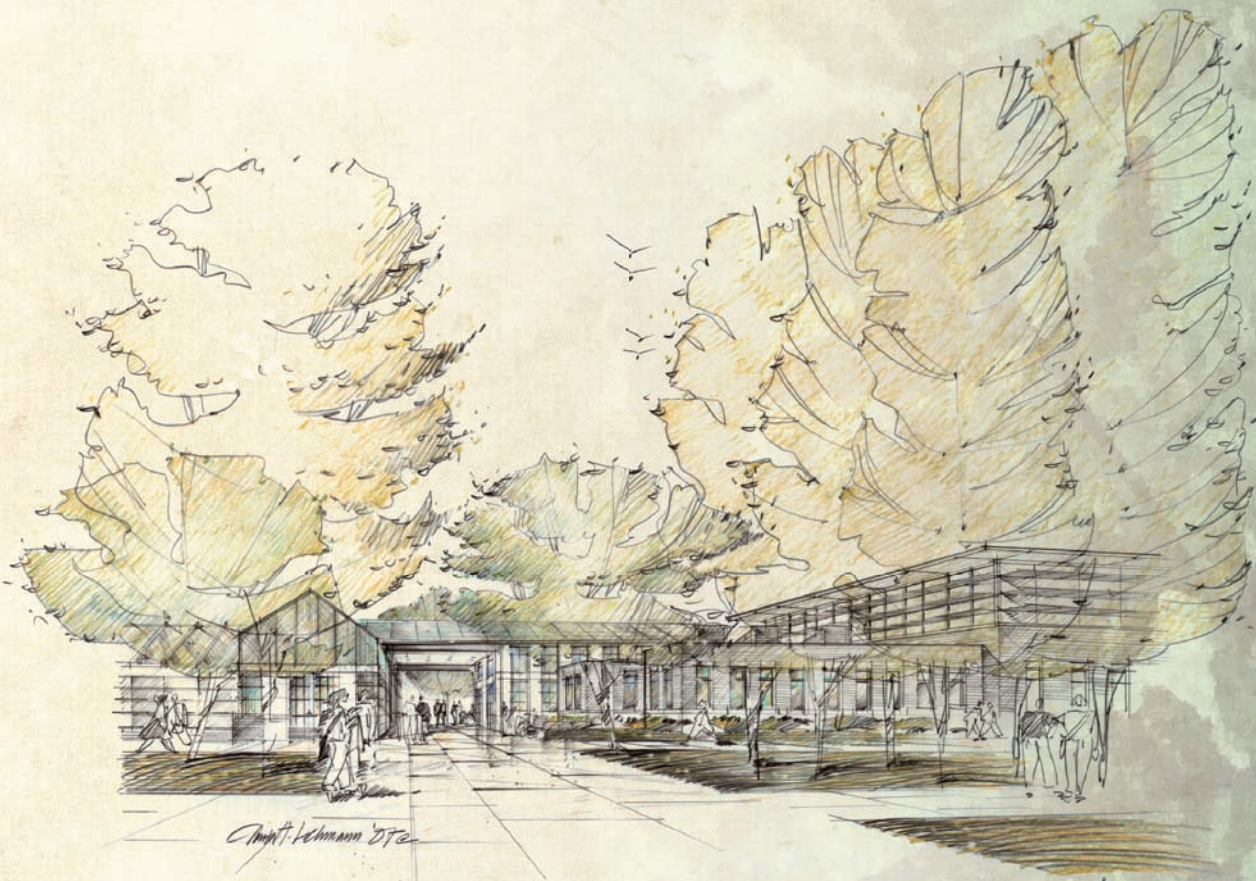
Building size and character of the architecture will be consistent and respect basic University of Idaho campus standards; and respect the context of the site, neighborhood and accepted campus qualities and characteristics . . . open spaces, vistas, etc. Specific character will vary depending on each building's designated use and be commensurate with functionality and expression unique to that use. The buildings are to be considered "contextual buildings" that shape the campus and create unique spaces between building edges.

Materials will be a range of concrete masonry, brick, stone, non-reflective glazing, wood where applicable and a variety of warm metals. All material selections will be of environmentally sensitive origin; sustainable and durable.

Buildings shall be of a human scale and be infused with texture and imagery derivative of both northern Idaho and the University of Idaho. Building edges shall provide shade, shelter and comfort from the weather and environment.

Height of buildings is generally not to exceed three levels or 45 feet, creating a uniform height appropriate to the programs and the functionality of each building. Possible exceptions will be a Campus Campanile serving as a campus identity and possibly the Performing Arts Hall that requires up to 50 foot in height to accommodate volume and fly lofts for stage sets used in teaching and learning.

CAMPUS ENVIRONMENT



View Looking Northwest Towards
College of Agriculture & Life Science

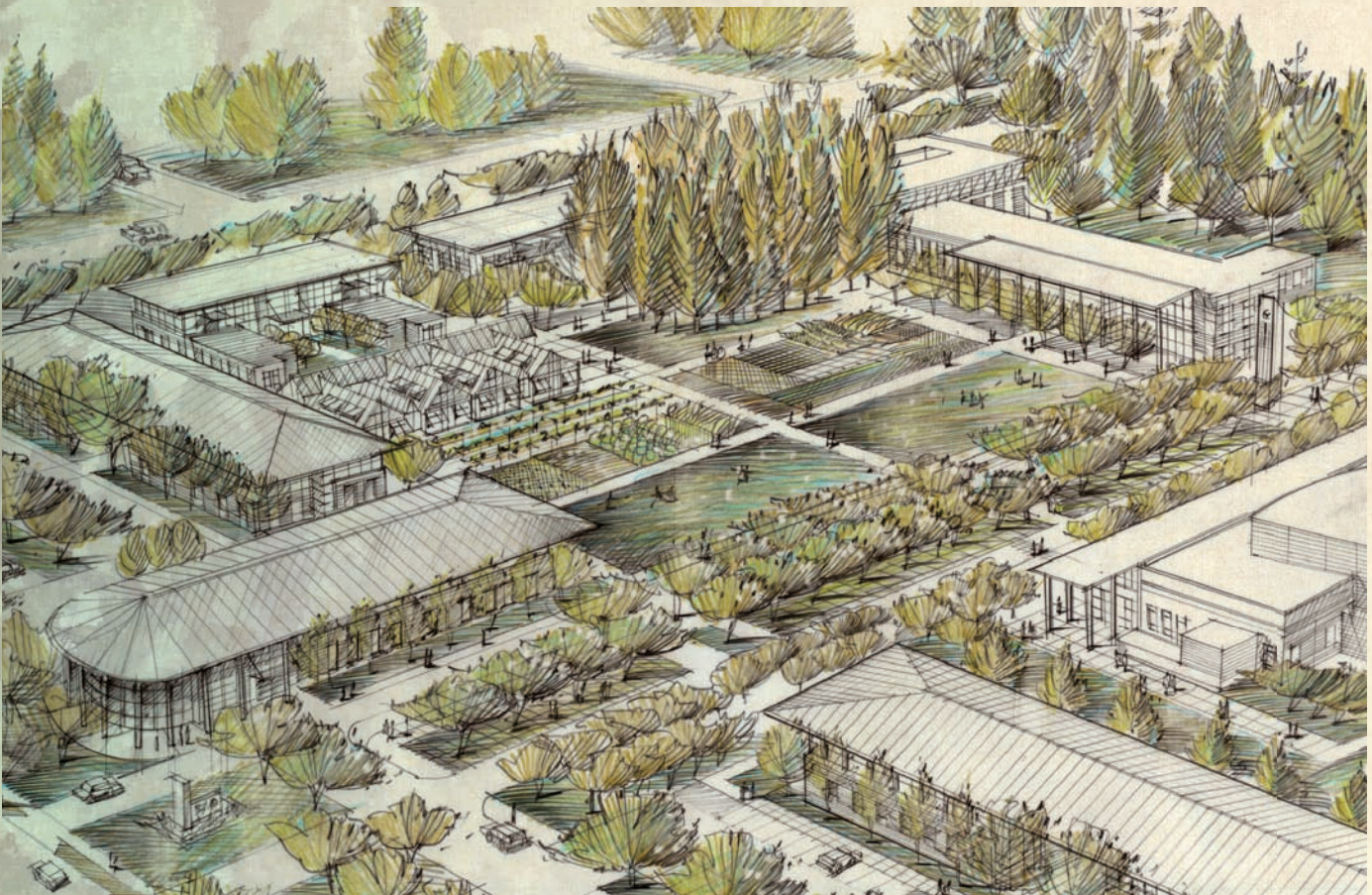
CAMPUS ENVIRONMENT

NEIGHBORHOODS, OPEN SPACE AND FOCAL POINTS

The campus is organized around a Central Green with academic disciplines arranged as distinct zones around this Central Green. This allows a five minute walk from building to building and a ten minute walk to cross campus or from parking sectors. The academic zones are as follows:

- Performing Arts Learning Center
- College of Agriculture & Life Sciences
- Administration/Center Operations
- Student Union

The initial Academic Buildings begin to frame the central space. As future building sites are developed, and additions to existing building are developed, these will further reinforce the Central Green, enhance the sense of place (both grand and intimate) and augment entry portals to the pedestrian center campus. These promenades, pathways and view corridors are to be preserved and further developed (shown in diagrams on page 17 and 20.)



Overall View Looking Northeast

CAMPUS ENVIRONMENT

GATEWAY, ENTRY FOCUS

The primary campus entry is on Boyer Avenue with a secondary entry off East Mountain View Drive. The primary campus auto/visitor entry is limited to the western edge of the campus for ease of visitor access to the new Administration Building.

In special cases, such as large theater productions and special events at the Performing Arts Learning Center, controlled access for buses and access for vehicles of persons with disabilities would be allowed along the main promenade. Vehicles are restricted to a looped drive that provides access to the south parking area and visitor parking.

Once parked, students, faculty and visitors are presented with "framed" view corridors, wide walking surfaces and treed promenades that provide direction to the main buildings on campus. The pedestrian pathways and the visual keys reinforce the special nature of the Campus Plan.



*View Looking East From Boyer Avenue at Administration/
Center Operations Building and Main Entry Drive*

CAMPUS ENVIRONMENT

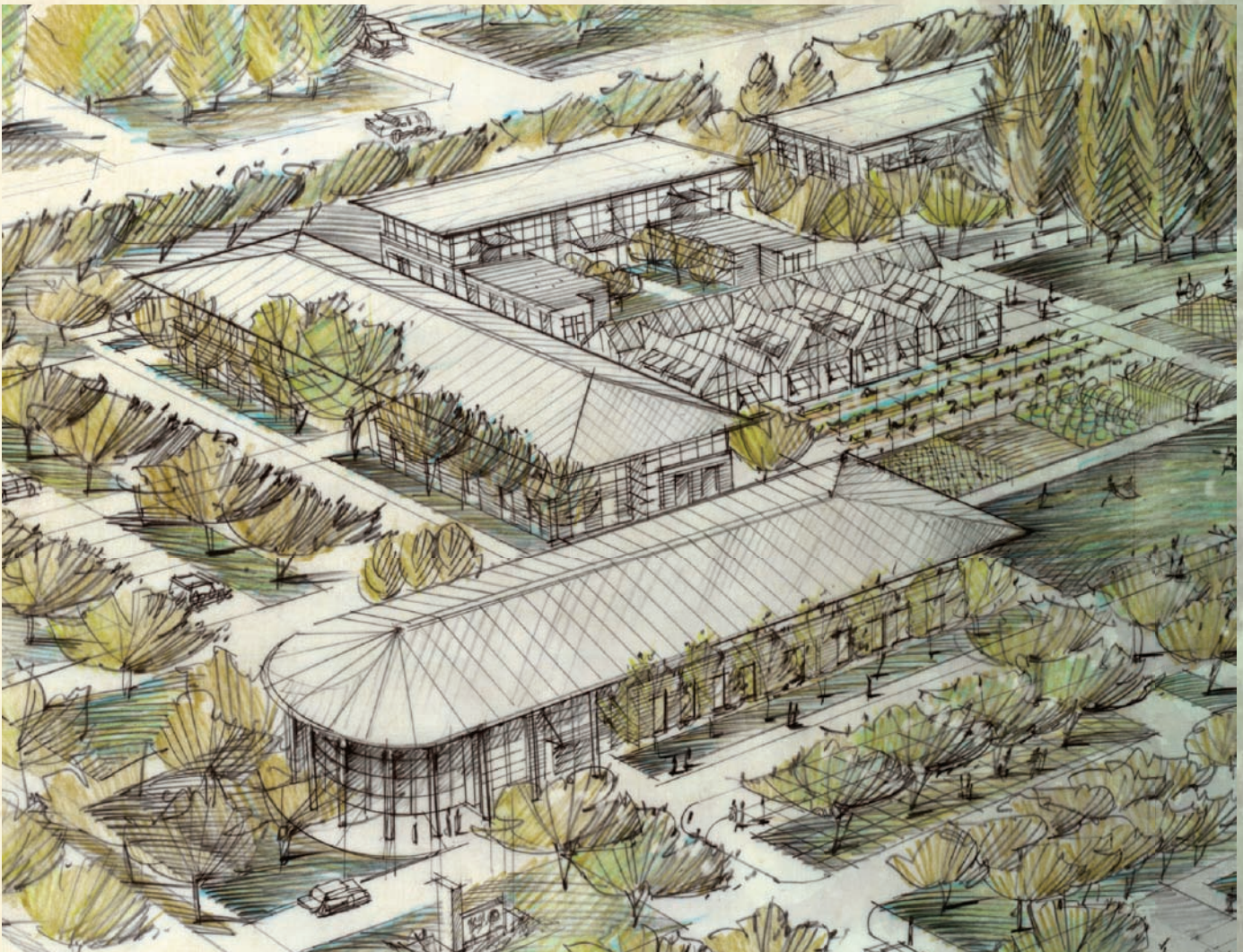
TRAFFIC AND PEDESTRIAN ORIENTATION

As primarily a commuter campus, parking is necessary and organized in three “sectors” and kept at the perimeter of the site. This will provide ease of access to the campus from Boyer Avenue and East Mountain View Drive respectively, keeping the campus a pedestrian priority environment free of automobiles. Three parking “sectors” will be surface parking with appropriate landscaping for the first phase and ultimate campus build out. The number of stalls is approximately 300-350 in the first phase. The full Master Plan build-out requires a two-level parking structure to satisfy the University of Idaho Sandpoint’s parking requirements of approximately 600⁺ stalls while minimizing the hard surface and/or storm water impact. Possible locations in the Master Plan for such parking structures are the northeast or southwest sectors.

Building service is also contained within and from the parking sectors, while only campus service vehicles are allowed within the campus proper via pedestrian pathways or promenades. Appropriate fire access lanes will be provided to each of the buildings and will be part of the service access circulation.

Accessible pedestrian pathways are organized around the Central Green and connect east-west from parking sectors to the waterfront, the Academic Core and Sand Creek. These pathways are to be developed over time to activate the natural dense greenbelt at the east edge of the campus. In the north-south direction, the pedestrian pathways connect the campus core with the existing pastoral greenbelt and potential future high school site. Bicycle pathways are to be recognized to coincide and connect with the existing system developed by the City and to occur at the eastern edge.

CAMPUS ENVIRONMENT



*View to Northeast of Administration/Center Operations,
Life Sciences and Central Green*

CAMPUS ENVIRONMENT

LANDSCAPE TENETS, PRINCIPLES AND SITE AMENITIES

Tenets that will guide the landscape development include:

- Accessibility
- Safety
- Esthetics
- Sustainability
- Disease Resistance
- Drought Tolerant
- Adaptive Species
- Native and Indigenous Species
- Ease and Effective & Maintenance

Site amenities (existing and new) include:

- East greenbelt with Sand Creek accessibility.
- The south pastoral greenbelt naturally divides yet is center to the entire 68 acre site. A man-made "water feature" in this greenbelt will serve as irrigation to the campus.
- A new outdoor amphitheater will anchor one corner of the site and will serve the Performing Arts Learning Center, the campus as a whole and the community at large.
- Connecting existing bicycle paths to new paths, ensuring connectivity to the campus.

The landscape design will include at its core a sustainable plant palette of native and adapted materials suitable to the microclimate. The plant palette will allow a much lower irrigation requirement, a lower need for pesticide application and pruning, and will provide a longer lasting landscape rather than introducing materials that are not well suited to the Sandpoint area, or consistent with University Campus Standards.

Irrigation systems will include equipment that will allow the use of on-site non-potable water sources, and will include variable speed pumps that place a lower electrical demand on the utility system; efficient water filters to provide water clean enough for irrigation use; highly efficient subsurface shrub and groundcover irrigation; and limited areas of landscape that require conventional rotor or spray heads. Irrigation systems will be equipped with rain sensors, soil moisture sensors, and, potentially, a weather station that will adapt irrigation water application in near real-time.

CAMPUS ENVIRONMENT

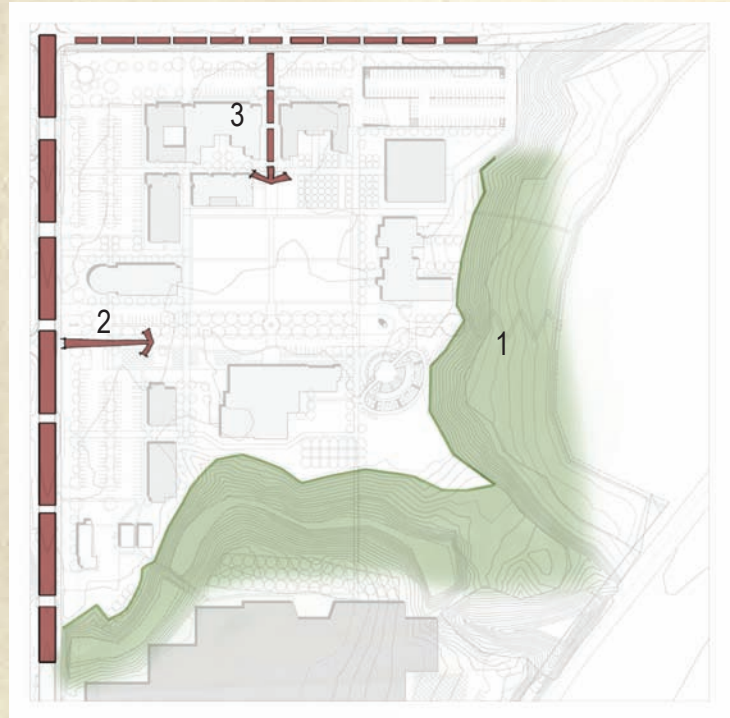


- | | | | |
|-------------------------------|-------------------------------|--------------------------|--------------------------------|
| 1 Boyer Avenue | 10 Fine Arts - Phase 1 | 19 Service | 28 Sand Creek |
| 2 Main Entry | 11 Ag Life Sciences - Phase 1 | 20 Future High School | 29 40' Setback From P.L. |
| 3 East Mountain View Drive | 12 Greenhouse - Phase 1 | 21 Bridge to High School | 30 Visitor Parking - 11 Stalls |
| 4 Existing Structures | 13 Student Union - Phase 1 | 22 Natural Water Feature | 31 Event Parking - 10 Stalls |
| 5 Parking - 101 Stalls | 14 Central Green | 23 Existing Walnut Trees | 32 Snow Removal Area |
| 6 Parking - 101 Stalls | 15 Amphitheater - 500 Seats | 24 Existing Apple Trees | 33 River Access |
| 7 Parking - 56 Stalls | 16 Clocktower Plaza | 25 Existing Plum Trees | 34 Union Pacific Railroad |
| 8 Parking Garage - 228 Stalls | 17 Overlook | 26 Existing Cherry Trees | |
| 9 Center Building - Phase 1 | 18 Phase 2 Buildings | 27 Existing Poplar Trees | |

PRINCIPLE DIAGRAMS

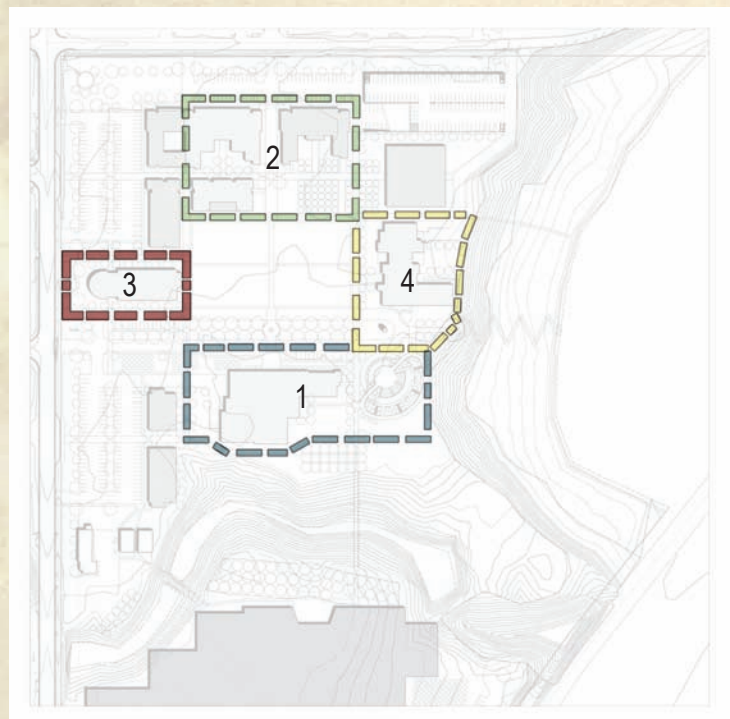
EDGES:

1. Existing "Edges" to Remain
2. Primary Gateway/Identity to Campus from Boyer Avenue
3. Secondary Entry Identity to Campus from East Mountain View Drive



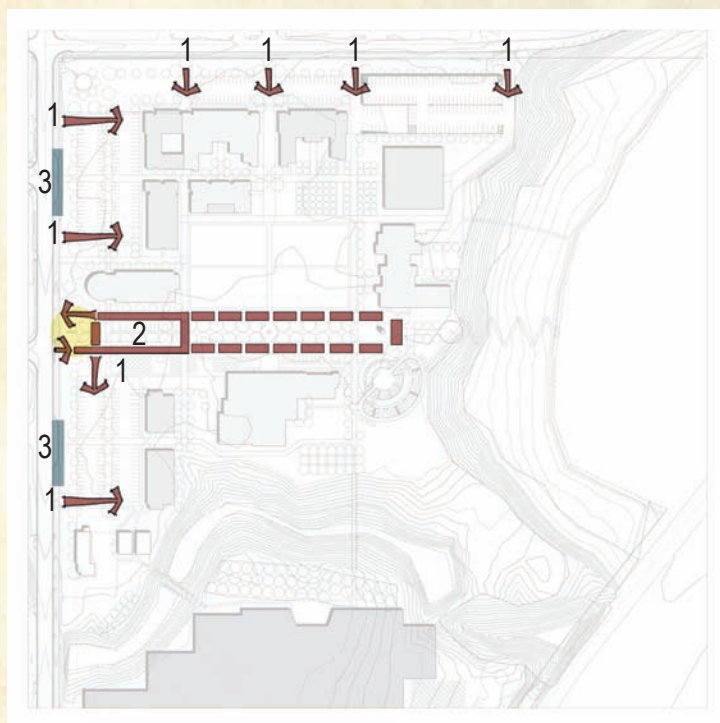
NEIGHBORHOOD & BUILDING ORGANIZATION:

1. Performing Arts Neighborhood
2. Agriculture/Life Sciences Neighborhood
3. Administration/Center Operations/Classroom Neighborhood
4. Student Union Neighborhood



PRINCIPLE DIAGRAMS

VEHICULAR/TRANSPORTATION MOVEMENT:



1. Entry Points to Parking
2. Main Entry Drive from Boyer Avenue with Controlled access to Performing Arts Learning Center
3. Covered Transit Drop Points Along Boyer Avenue that Align with Campus Pathways



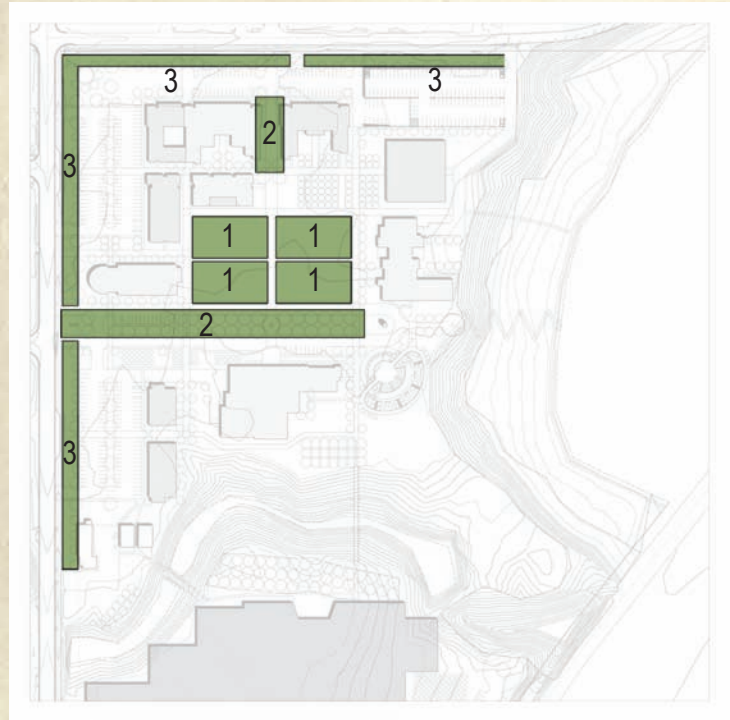
PEDESTRIAN CONNECTIVITY: PROMENADES & PATHWAYS

- 10 Minute Walking Distance from Edge to Edge of Campus
- 5 Minute Walking Distance from Building to Building
- Organized Network of Pedestrian Pathways (in green)
- Connectivity to Water
- Connectivity to South

PRINCIPLE DIAGRAMS

NEW OPEN SPACE: CENTRAL GREEN

1. New Central Green as Center of Campus
 2. Secondary Greens / Forecourts and Courtyards to Buildings
 3. 40' Wide Green Belt
- Existing Agricultural Projects / Plants Where Appropriate or Applicable



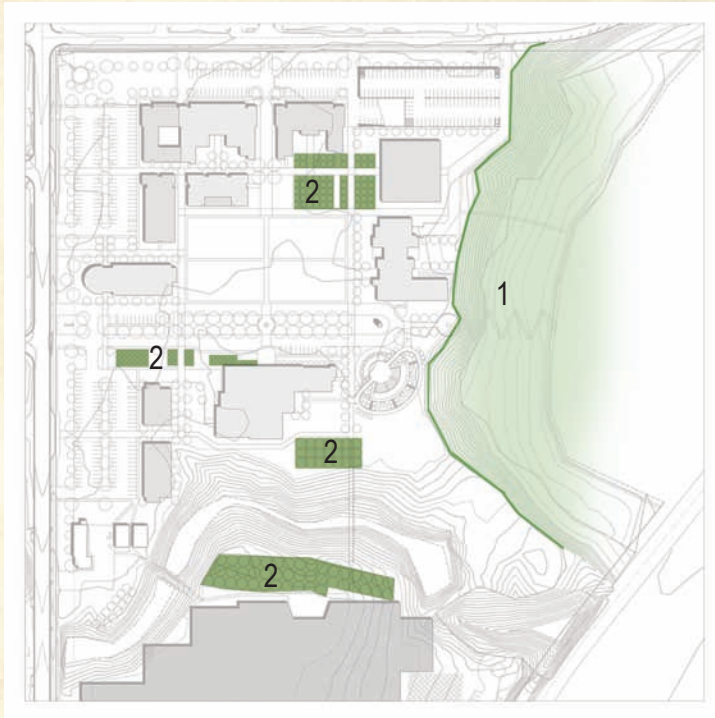
OPEN SPACE: NATURAL AMENITIES

1. Pastoral Green
2. Natural Amphitheater



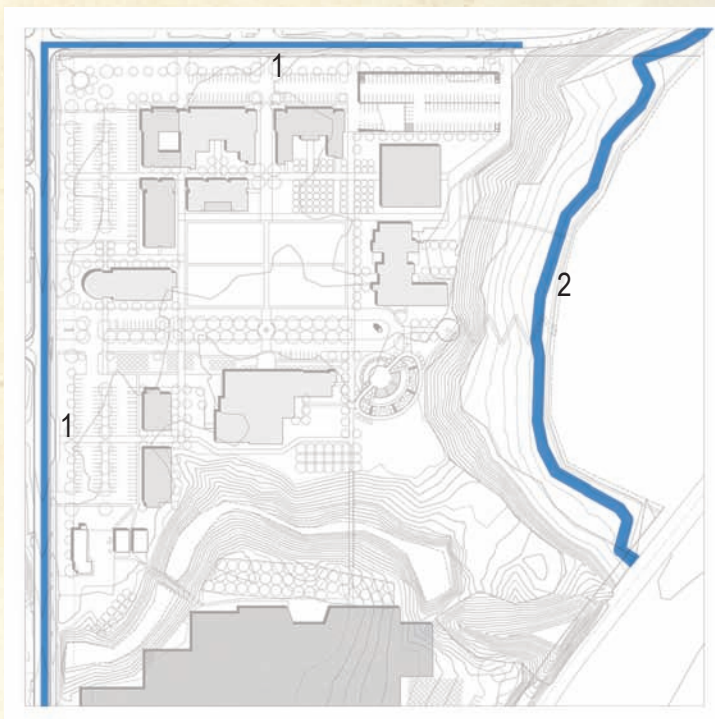
PRINCIPLE DIAGRAMS

EXISTING LANDSCAPE



1. Greenbelt to the East
2. Existing Tree Groves

BIKE CONNECTIVITY

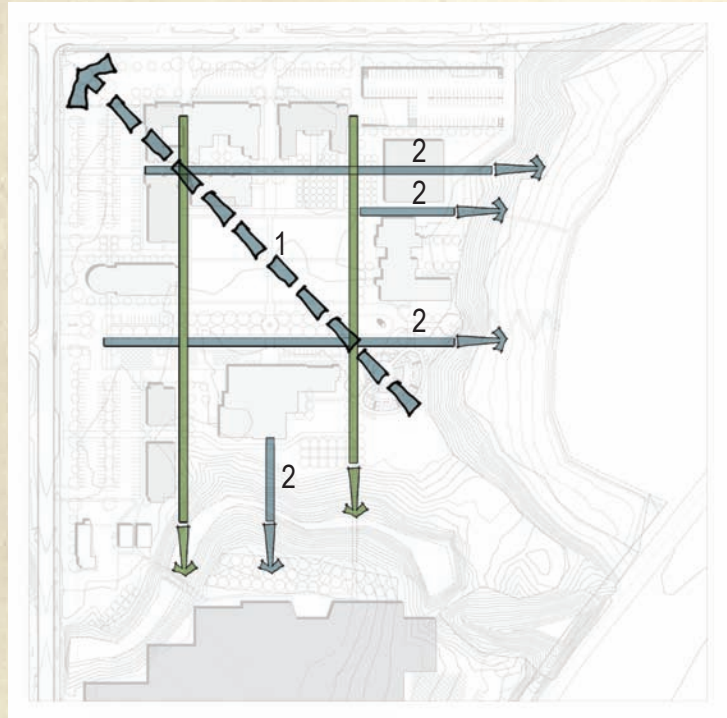


1. Existing Bike Path Along Boyer Avenue and East Mountain View Drive
2. New Bike Path on East of Site Along Sand Creek

PRINCIPLE DIAGRAMS

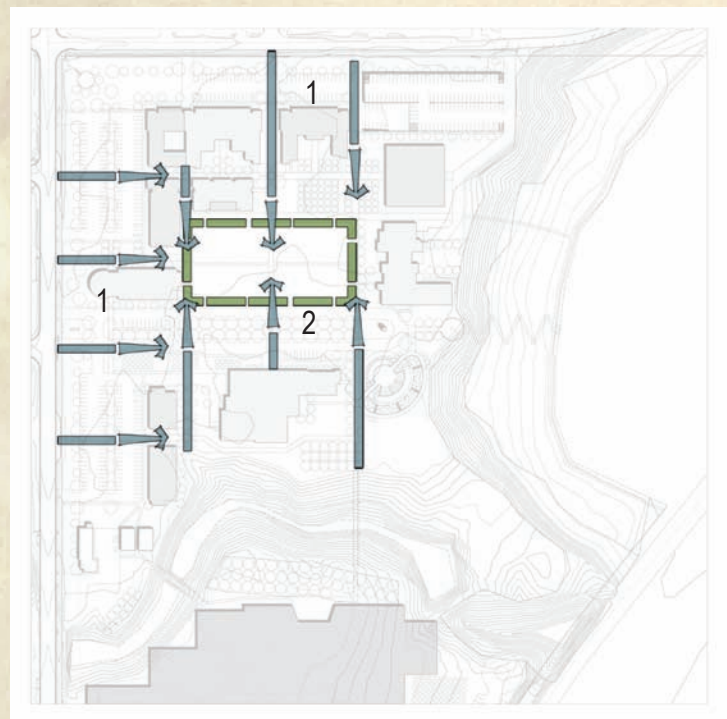
VIEW CORRIDORS OUT: MOUNTAIN/ WATER VIEWS

1. Mountain Views to Northwest
2. Secondary Views out to East and South



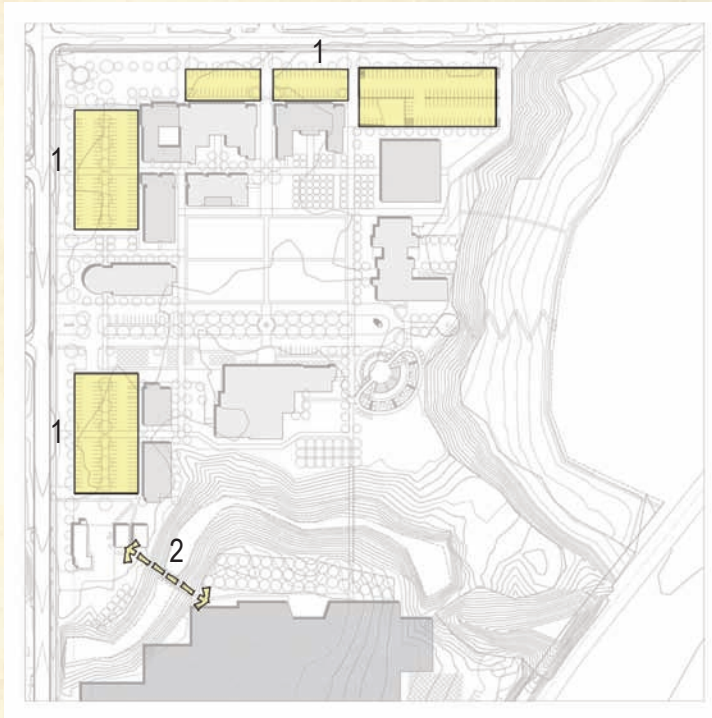
VIEW CORRIDORS IN

1. Views in from Perimeter
2. Views Along Promenade to Central Green

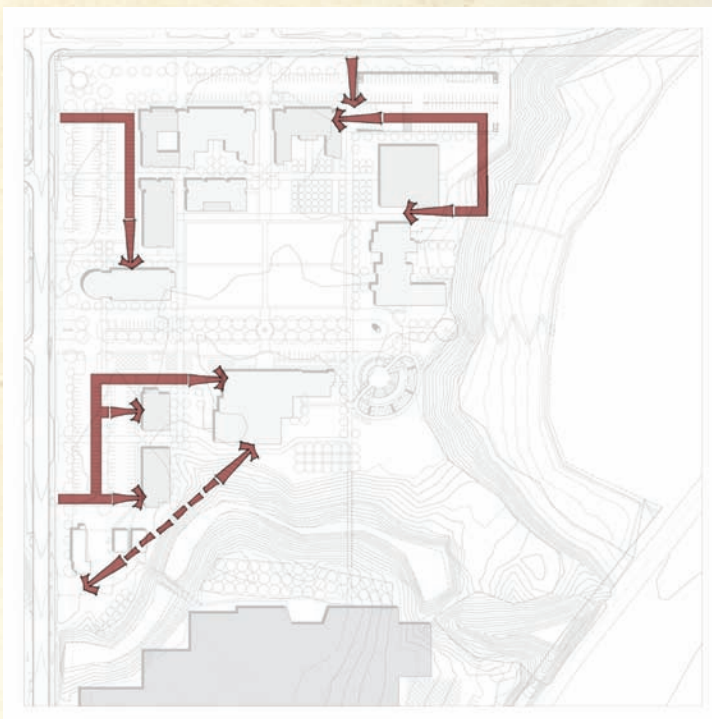


PRINCIPLE DIAGRAMS

PARKING SECTORS



1. Surface Parking at Perimeter with Access from Boyer Avenue and East Mountain View Drive
2. Future Shared Use Parking from South Parcel

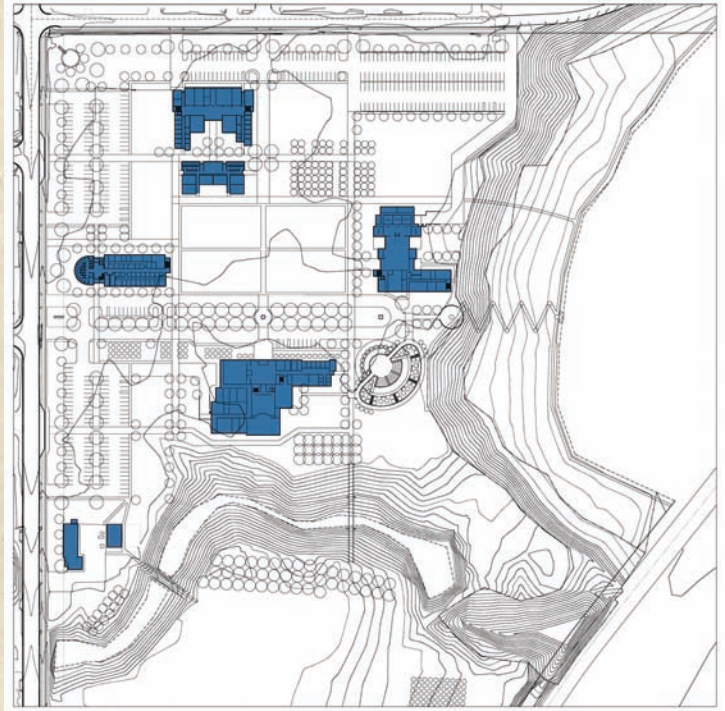


CAMPUS/BUILDING SERVICE

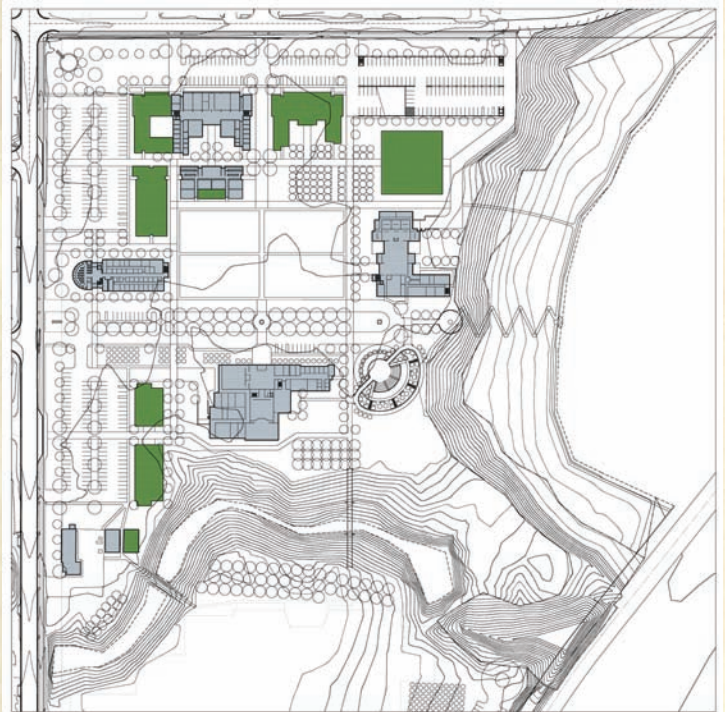
- Building Service Access from Perimeter through Parking

PHASING

PHASE 1



PHASE 2



HIGH SCHOOL (SOUTH PORTION OF SITE)

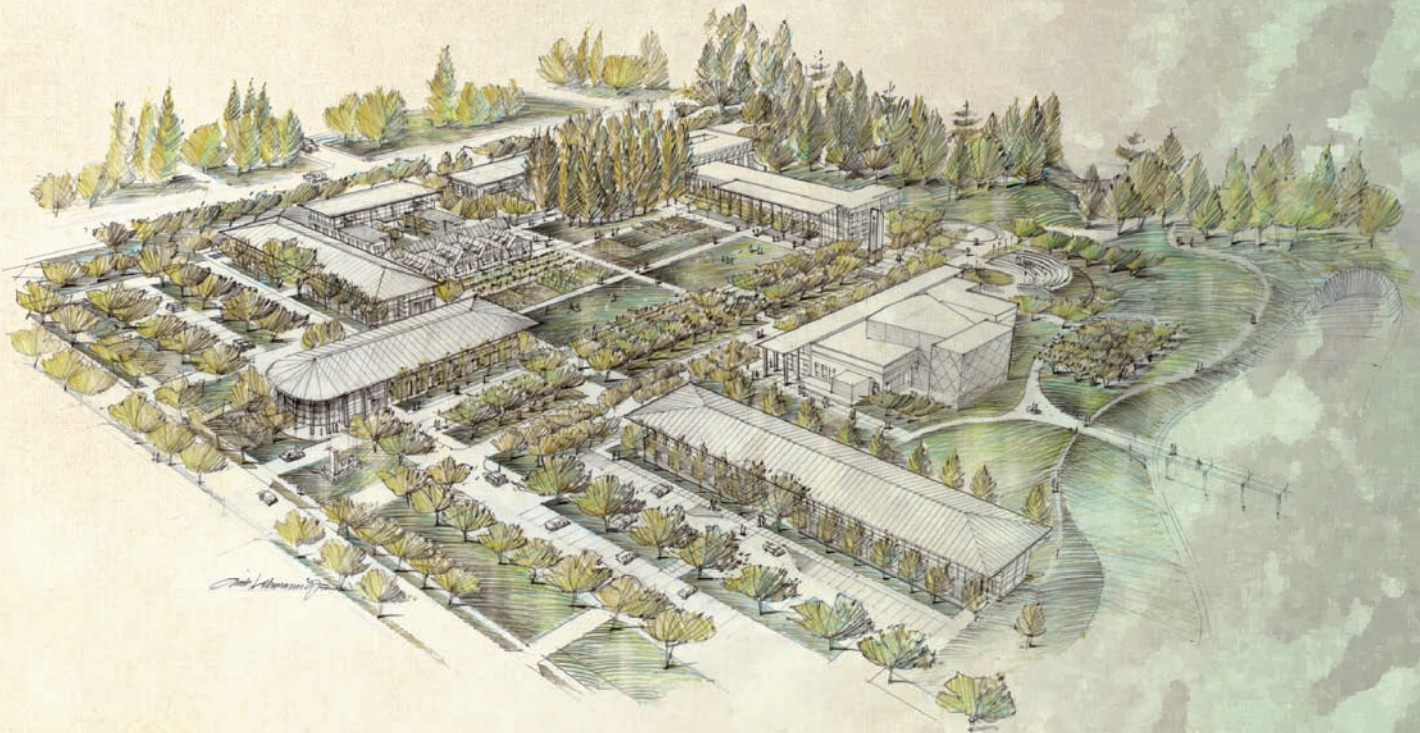
The south portion of the site is a possible location for a new High School of roughly 1,800-2,000 students totaling roughly 240,000-260,000 square feet. This location is adjacent to the new University of Idaho Sandpoint Campus and a natural pastoral greenbelt to the north and east.

Primary access to the site will occur off of Boyer Avenue with possible additional entries from the southern portion of the site.

This possible site location envisions having a clear and strong connectivity to the new University of Idaho Sandpoint Campus, facilities and classrooms; with shared use parking for faculty members, to parking along Boyer Avenue north of the natural greenbelt. (See Parking Sectors Diagram, Page 21)

This possible High School site will share in the amenities that the overall site offers such as natural settings, bicycle connectivity and newly formed pedestrian pathways that will be developed over time as part of the Master Plan.

South of the main building will include accommodations for adequate student parking, school bus drop-off and athletic facilities such as baseball/softball, track and field and football.



UNIVERSITY OF IDAHO SANDPOINT CAMPUS

PROJECT PROGRAM GUIDE



View Looking Northwest Towards
College of Agriculture & Life Science

INTRODUCTION

The purpose of this Project Program Guide (PPG) is to clearly illustrate, guide and provide a structure, integrity, program and program relationships for the creation of each building and to ensure the successful implementation of the plan consistent with the quality and values of the University of Idaho and the Campus Master Plan.

MISSION STATEMENT

The mission of the project is to create a 21st Century environment that fosters innovative, interdisciplinary, interactive, integrated, collaborative, and sustainable programs that reflect the land grant concept with programs provided in teaching, learning, scholarly and creative activity, research, outreach and engagement.

Physically, the campus will serve as an innovative venue that engages students and faculty in an uncommon way, fosters excellence in all programs and makes use of the natural environment and the campus infrastructure to experiment with and develop new programs and educational approaches.

Programmatically, the facility will support technologically enhanced teaching and learning, scholarship and creativity, outreach and engagement, social interaction, interdisciplinary activities, sensitivity to environmental sustainability with recognized centers of excellence in selected areas of emphasis consistent with the University strategic themes.

All programs and facilities should reflect the central theme, "Developing healthier and more sustainable lives and communities through education."

PROJECT GOALS AND OBJECTIVES

The University of Idaho at Sandpoint has an opportunity to create a unique place with a unique architectural expression that speaks to the mission/vision of the University of Idaho and the Wildrose Foundation. The buildings are to be considered as “background buildings” that shape the campus and create unique spaces between building edges. The goals and objectives are focused on three categories:

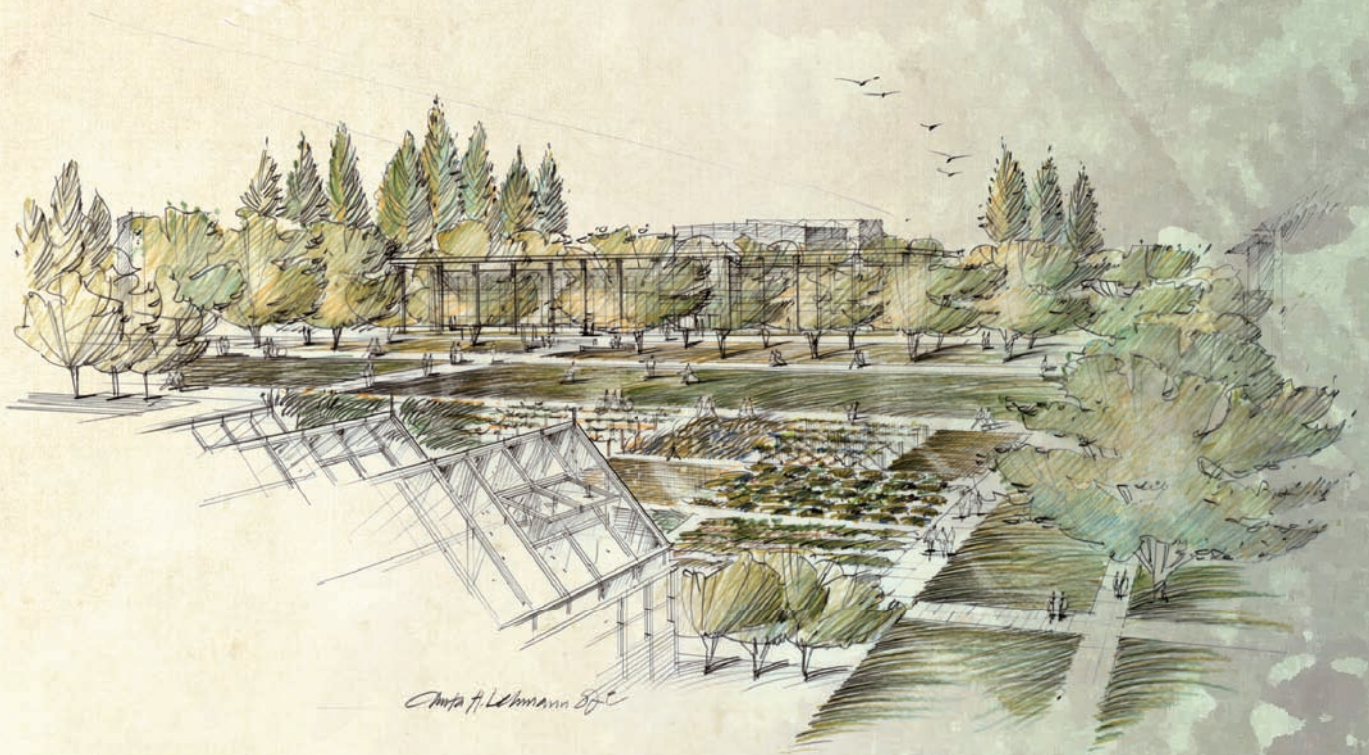
CAMPUS

- Plan and design the facilities and campus to create both a unified location and identity for the University of Idaho yet foster closer linkages with the community, all other educational institutions and other enterprises that enhance the campus community.
- Develop a campus that promotes collegiality among units and creates a sense of community for students and faculty.
- The campus should be a recruitment tool for future faculty, staff, students and potential donors with quality offices, student spaces and state-of-the art instructional and research spaces.
- The campus should respect the environment and remain open and intimate.
- The campus shall be a venue to exhibit sustainable practices.
- Enhance the campus with technologies that support, maintain, and improve the learning and scholarly activity of the Campus. Create an adaptable building whose infrastructure allows for future technologies and changes in uses.
- Expand the capacity for delivery of outreach programs and services. Buildings should provide state-of-the-art telecommunication capabilities for interactive program delivery.
- Create laboratory buildings that provide state-of-the-art equipment and provide for interactive research projects and flexibility in the use of the spaces.

ARCHITECTURAL

EDUCATIONAL

- Provide instructional spaces that support interdisciplinary, collaborative and interactive teaching and learning that are complemented by appropriate technology features. Team-teaching, student presentations, and small group interactions are integral to innovative curriculum delivery and require flexible and creative space layouts for teaching and learning. Flexibility will be essential in all environments and informal learning spaces should be included to complement formal spaces.
- The architecture shall be human scaled and memorable; infused with texture and scale.
- The architecture shall be consistent yet authentic to the specific program.
- The architecture shall be uniquely Sandpoint and foster a collegiate feel.
- The architecture shall focus on creating place, space and an interactive environment.
- The architecture shall reinforce pedestrian environment.
- The architecture shall provide edges and micro-climates that shelter and protect.



Overall View Looking Southeast at Central Green,
Performing Arts Learning Center and Amphitheater Beyond

GENERAL BACKGROUND

SITE DESCRIPTION

The Sandpoint Campus will occupy the northern half (approximately 31 acres) of the current University of Idaho Ag Research Center. The site is generally flat with a significant man-made water feature at the south edge of the proposed campus.

From the plateau of the main campus, the east edge is steeply graded down to Sand Creek. Walking trail access will be provided to this natural water course.

The campus currently features stands of experimental trees, fruit trees, conifers and fruit-bearing shrubs. These will be maintained to the degree they can be integrated into the campus master plan.



GENERAL BACKGROUND

EXISTING FACILITIES



Currently on the site is the University of Idaho Ag Research Station office and shops. This facility constitutes approximately 3,000 square feet of space. In addition, there are also two Quonset hut greenhouses.

The office and shop facility will remain and be renovated to accommodate new program uses, as well as, be compatible with the campus architecture. This facility shall fulfill service and facility support functions for the campus such as:

- General Storage
- Maintenance Office
- Shop Facility for Performing Arts
- Ground Maintenance Equipment

Once overall site operations and maintenance issues become clear, an addition to this building may be needed.

An existing pump station on Sand Creek will also remain and be utilized as a part of the site's general irrigation plan.



EDUCATIONAL PROGRAM

BACKGROUND & DESCRIPTION

The University of Idaho has delivered programming to the Sandpoint area since the early 1900's. The primary programming in Sandpoint has been through the research and extension programs provided through the College of Agricultural and Life Sciences. The College has maintained a Research & Extension Center in Sandpoint since 1912. The current station is located on 63 acres within the City of Sandpoint and includes a research laboratory, greenhouse, and field plots. Research at Sandpoint currently focuses on commercial and home horticulture, small-scale farming, specialty crops, and agroforestry. In addition to research, the center provides extension workshops and demonstrations and technical assistance to established and prospective commercial farmers. In cooperation with Bonner County, University of Idaho Cooperative Extension has been in Bonner County since the 1920's and continues to provide active extension programs in youth and family programs, master gardening and community development. Two extension educators and three staff are located in the county office. A compressed video center opened in the county office in 2001 and is currently funded through state dollars, Bonner County dollars, and user fees. The center offers academic credit courses through University of Idaho and NIC. It is also used by a variety of private/public entities.

The Northern Idaho Panhandle is one of the fastest growing areas of the State and educational programming is expected to play a major role in the development of the area in the next 10-20 years. With the successful development of programs in the region and a strong infrastructure of faculty, staff and facilities already in place, the University of Idaho is expected to play a lead role in the development of educational programming for the region.

The University of Idaho's action plan for the Northern Panhandle calls for significant growth in academics, research, and outreach programs. To achieve these goals will require development of additional infrastructure and funding. The University of Idaho must maintain the quality of program offerings while at the same time develop the quantity of offerings needed in the region. Consistent with the Land Grant mission of the University of Idaho, we have chosen to respond to the educational programming needs of this region through the development of educational centers at distinct

locations throughout the Northern Idaho Panhandle. This "dispersed" location approach assures access at the local level and allows the University to take advantage of unique local characteristics and support throughout the region. Through the organization of a common administrative structure for all programs and the use of these unique facilities and locations, fiscal, programmatic and administrative efficiencies can be achieved while at the same time providing local access. The University of Idaho will take advantage of existing extension and university facilities, infrastructure, and programs at three sites (Post Falls, Sandpoint, and Coeur d'Alene) and 5 county extension office sites in the North Idaho Panhandle.

In the fall of 2006, the College of Education established an MS program in educational leadership that is delivered in Sandpoint. Thirty seven students are enrolled in this "tailored-for-the-district" Master of Education Degree cohort. Two faculty members located at University of Idaho Coeur d'Alene provide on-site instruction, with one serving as overall coordinator. On-site program facilitation is provided by a COE selected affiliate who is an administrator in the District and University of Idaho PhD graduate. In order to sustain cohort enrollment, University of Idaho Coeur d'Alene and the University of Idaho College of General Studies have provided on-site financial and academic advising.

The new Sandpoint Campus will build on the existing programs at University of Idaho Coeur d'Alene, the University of Idaho Research Park and existing programs at the Sandpoint Research and Extension Center and Bonner County Extension to provide access to the growing population in the Bonner County area (> 50,000) for general higher education programs. The Campus will also provide unique programs that are based on local business, community and natural resource assets and take advantage of the local research and extension programs already existing at the site. Discussions are underway to locate the local high school adjacent to the new Campus thus increasing the synergism and collaboration between secondary and higher education in the area. With this combination, the new Campus is expected to be a unique model for higher education which combines the resources in higher education, extension, research and secondary education to create a Campus responsive to local and statewide economic and educational needs.

EDUCATIONAL PROGRAM

PROGRAM PLAN

Consistent with the vision and strategic action plan of the University of Idaho¹, the new Campus will be built around the land grant concept with programs provided in teaching and learning, scholarly and creative activity, and outreach and engagement. The new Sandpoint Campus will be developed to create a 21st Century environment that fosters innovative, interdisciplinary, interactive, integrated, collaborative, and sustainable programs. Reflecting our University's Strategic Action Plan, the Sandpoint Campus will:

- Emphasize quality and access, focusing efforts on sustaining strong programs and investing resources in strategic directions that advance the interests of Idaho in an increasingly interdependent and competitive world.
- Through collaboration across strong academic disciplines, and through the creation of public, private, and community partnerships undertake bold initiatives to:
 - Promote science, technology, and their applications.
 - Invigorate the liberal arts and sciences.
 - Catalyze entrepreneurial innovation.
 - Steward the natural environment.
 - Develop the design, lifestyles and civic infrastructures of sustainable communities.

The Sandpoint Campus objectives are also congruent with the five inter- and multidisciplinary academic thematic areas that have been identified by the University for investments in the future.² The academic themes are responsive to the needs of the people of Idaho and are believed to provide challenges to, and opportunities for, Idaho's future. The five thematic areas are:

1. Promoting Science and Technology: advancing Idaho's core competencies in science, technology, and engineering areas of imaging, power and energy, biosciences, and nanoscience and materials.
2. Advancing Liberal Arts and Sciences: strengthening the arts and sciences to improve scientific discovery, social and cultural enhancement, and progress in the applied professions.
3. Catalyzing Entrepreneurial Innovation: using ideas, creativity, innovation and engagement to inspire enterprise and technological change.
4. Stewarding the Environment: sustaining Idaho's natural resources that contribute to our quality of life and natural resources-based industries.
5. Understanding Sustainable Design and Life Style: the integration of architecture, creative arts, and law in urban, rural, and frontier environments.

¹ Strategic Action Plan 2006-2020. Vision, Values, and Directions

² University of Idaho Strategic Directions, A Plan for Renewal of People, Programs, and Place, February, 2005

EDUCATIONAL PROGRAM

AREAS OF EMPHASIS

Emphasis will be placed on the Campus that reflects innovation and excellence in all of our programs and makes use of the natural environment and the campus infrastructure to develop new innovative programs and educational approaches. A major theme of the campus will be “Developing healthier and more sustainable lives and communities through education.”

SCHOLARLY & CREATIVE ACTIVITY (Research)

Build a nationally recognized center for horticultural research in the biosciences.

- Build a unique laboratory, greenhouse and field infrastructure.
- Add faculty to Horticultural Molecular Biology, Soil Science, Food Science and Nutrition to create a unique interdisciplinary team, faculty and program.
- Engage business and institutions in application of basic and applied research to regionally serve the nursery and horticultural industry.
- Use the Campus venue for interactive experimental demonstrations with horticultural crops and practices aimed at sustainability.

Build a nationally recognized center for conservation impacts and solutions.

- Build a center for research, outreach and professional development on the causes, implications and opportunities in a region shaped by climate change, rapid development, and conservation stewardship.
- Build programs through addition of faculty in natural resources.
- Utilize surrounding water and forest assets as natural laboratories with focus on the Priest River Experimental Forest and Mica Creek Paired Watershed.
- Utilize the campus as a demonstration of sustainable practices.

- Develop outreach and professional development offerings on the challenges and opportunities of achieving sustainable resource allocation and constructive conservation planning in the dynamic environment of climate change and rapid population growth.

OUTREARCH & ENGAGEMENT (Extension)

- Continue and enhance the influence of the Bonner County Extension through new buildings and greater integration and involvement with the rest of the University of Idaho.
- Continue and enhance programs and partnerships such as Master Gardener, 4-H Youth Programming, Community Development.
- Develop greater outreach to the local school programs in music, conservation, environmental science, math and science.
- Develop the summer repertory theater as a part of Sandpoint Campus and encourage greater engagement with the local arts community.

TEACHING & LEARNING (Academic Degree Programs)

- Engage students in transformational experience of discovery, understanding and global citizenship.
- Build innovative curricula and develop effective integrative learning activities.
- Provide access to programs/courses Statewide.
- Provide offerings at both undergraduate and graduate degree levels in selected areas.
- Offer undergraduate completion degrees as well as four-year undergraduate degree programs.
- Offer graduate programs in select areas.
- Focus on live program delivery supplemented by web-based and web-assisted delivery.
- Use Interdisciplinary integrated approaches as the hallmark of all programs.

EDUCATIONAL PROGRAM

DEGREE OFFERINGS

The University of Idaho plans to deliver the following programs at its Sandpoint Campus when it opens in FY10:

General Education Core

The Core is at the heart of a broad university experience and comprises 33-35 credits in all University of Idaho programs. With a limited number of faculty at Sandpoint, we will use an integrated approach to the delivery of the core curriculum. The basis of the general core requirement will be met through the development of **core discovery courses** in three emphasis areas consistent with the campus themes: Arts and Community; Natural Resources and Sustainability; and Health, Nutrition and Wellness. The courses will be designed to meet the international and humanities/social sciences requirements of the core and will be linked to the **communications** courses to meet those requirements. **Science and math** courses comprise an additional 10-11 credits of the core requirements and these will also be delivered via a year long integrated science/math course that will incorporate biological, chemical, math and physics principles according to the campus themes.

- **Integrated Interdisciplinary B.S./B.A.:**

This program will be the marquee undergraduate program offered at Sandpoint. The program will be a 4 year program with a major goal of implementing the University of Idaho's Strategic Action Plan to engage students in a transformational experience and to build innovative curricula that include effective integrative learning activities. The program provides the University the opportunity to experiment with and refine a 21st century approach to teaching and learning. Consistent with the Sandpoint Campus development and the strategic themes of the University, the program will offer three emphasis areas: Arts and Community; Health, Nutrition and Wellness; and Natural Resources and Sustainability. General education requirements will be met through a combination of regular and integrated courses offered at the Sandpoint Campus. The program is expected to be a destination program nationally and to show rapid growth as the program is developed.

- **Business:**

- Executive MBA
- Website-based Business Undergraduate Minor
- Consideration given to delivery of B.S. in Business using Integrated Business Curriculum model

- **Education:**

- M.S. in Educational Leadership
- M.S. Program Combining M.S. in Education & Conservation Biology
- B.S. in Elementary & Secondary Education through University of Idaho Coeur d'Alene
- B.S. in Industrial Technology as a 2 Plus 2 Plus 2 Program

- **Psychology & General Studies:**

- Web-Based & Compressed Video & Live Delivery

- **Fine Arts:**

- Bachelor & Masters in Fine Arts in Music Theater
- Summer Repertory Theater

- **Environmental Science:**

- B.S. & M.S. in Environmental Science
- Outreach to Local High School

- **Food Science & Nutrition:**

- B.S. in Foods & Nutrition (nutrition and culinology options)
- M.S. degrees in Food Science & Nutrition

- **Horticulture & Plant Science**

- M.S. in Plant Science
- Classes in Master Gardening, Landscape Horticulture and Greenhouse Management

- **Natural Resources**

- Masters of Natural resources in Conservation Administration

- **Certificates:**

- Arts Management
- Geographical Information Systems (GIS)
- Organizational Dynamics
- Diversity & Stratification
- Food Science
- Conservation
- Graphic Arts

EDUCATIONAL PROGRAM

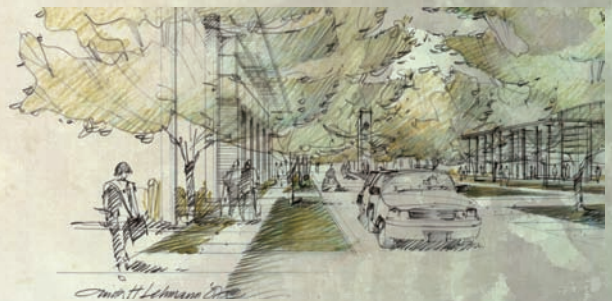
STUDENT/FACULTY HISTORY AND PROJECTION

PROJECTED ENROLLMENTS

Total headcount is expected to be approximately 350 at startup in FY10 with student FTE of 180. Total student credit hours for the academic year are expected to be approximately 5,600 with an additional 900 credit hours generated in the summer. Regular growth of 3% is anticipated in enrollments with most of the startup programs; however, all programs are expected to grow each year as new students are added to new incoming classes. The program could grow to a larger extent with the addition of new faculty to the Campus. Within 5 years the headcount at the campus is expected to approach 1,000 +/- with a FTE of 600.

PROJECTED FACULTY AND STAFF

Approximately 34 resident faculty and staff will occupy the buildings when opened in FY10. We also anticipate 10-20 additional non-resident faculty will be providing programs at the site on a regular basis. The number of resident faculty staff will likely increase as the numbers of students increase with a projected increase of 3% per year.



DESIGN CRITERIA AND FUNCTIONAL REQUIREMENTS

BUILDING DESIGN PRINCIPLES

The campus architecture will be unique and authentic to five principle tenets. These tenets will ensure an integrity that is unmistakably unique to Sandpoint, the site and University of Idaho.

1. North Idaho and Sandpoint context.
2. Site specific qualities, characteristics, attributes that enrich and enhance creative learning.
3. Main University of Idaho campus material qualities and attributes that regard:
 - Quality and longevity
 - Natural and Sustainable
 - Basic University/Campus Standards
4. Authenticity of building expression true to each specific building type and function.
5. Sustainable principles and natural material selections that honor and respect the environment.

The integrity of each building will reflect a heritage, seriousness and purposefulness of each respective building in its choices of materials and methods. The expression of each building and its form is not to imitate characteristics of the main campus Gothic architecture. Each building will respect and capture the values, qualities and attributes of the University of Idaho while remaining authentic to its unique identity and function.

Each building shall identify and address:

- Building edge priorities.
- Connectivity to campus and adjacent buildings and open space.
- Sustainability/daylighting.
- Expandability/flexibility.
- Clear wayfinding and circulation.
- Service/back-of-house.
- Constraints/opportunities.
- LEED Orientation
(Leadership in Energy and Environmental Design)
- Reinforcement of pedestrian environment.
- Campus as a place.
- Identity/authentic architectural expression.
- Views/view corridor opportunities.
- Entrance priorities.

DESIGN CRITERIA AND FUNCTIONAL REQUIREMENTS

SUSTAINABILITY

Sustainable design is a priority. Each building will employ fundamental sustainable practices that will evaluate systems, materials and create choices around water reclamation, energy consumption, capital investment and economic returns and will be measured throughout the process. Each building is to determine at what level it will perform and deliver a LEED project. Each building will strive to:

- Provide a healthy indoor environment.
- Reduce its carbon footprint.
- Use the site and buildings as a teaching tool linking curriculum to our relationship with the environment.
- Minimize energy use.
- Utilize sustainable and renewable material choices.
- Minimize environmental impact.
- Reduction of parking lot “heat islands” with increased permeability and alternative paving material.
- Creating a technologically smart campus that enables flexibility and versatility through technology, teaching and communications.
- Energy usage that is at least 25% better than natural energy standard.
- Daylighting.
- Natural ventilation where feasible.

Environmentally focused projects will be explored and employed strategically within the entire campus structure as well as within individual buildings. Items to be considered include:

- Photovoltaic exploration and demonstrations.
- Green roofs and water reclamation for the entire campus proper.
- Creating a water retention lake that maintains the hydrologic cycle (stormwater; with filtration, purification and reuse).

DESIGN CRITERIA AND FUNCTIONAL REQUIREMENTS

INTERIORS / SPACE PLANNING

The objectives of space planning and the allied interiors are to augment and support the exterior architecture and bring life to the functions that will be housed within. Space planning and interiors provides logic, efficiency and order to how space will be used and add flexibility to long-term operational potentials.

Characteristics of interior spaces include:

- Open and Accessible
- Secure
- Clear Circulation, Easy Orientation, Simple Wayfinding
- Logical and Efficient Floor and Room Layout
- Functionally Equipped:
 - Lecture
 - Distance Learning
 - Technologically Advanced
- Comfortable and Health Environment
- Warm, User-Friendly Materials
- Durable, Easily Maintained
- Adaptability to a Variety of Pedagogical Approaches
- Access to Daylight and Ventilation

EXTERIOR DESIGN CRITERIA

Building Scale, Mass, Proportion: The building masses will generally be three stories or less with a 45' high limitation. The other two dimensions (width and length) will be a product of the functions to be housed within. The resulting campus fabric will have a uniform height. The articulation of the functional masses of each programmed space or grouped spaces, coupled with appropriate materials, will give definition to the building and "breakdown the box" to the human scale.

Sizes of the buildings will be kept small (20,000-40,000 square feet). This is done to maintain an intimate feel and to allow the campus structure the ability to create a collegiate sense of place.

Building Site and Placement: Each building to be sited will respect each identified "parcel" in relation to the Master Plan. All buildings will have identifiable entries, that are well defined and easily read. All buildings will also have access to views and open space. Parking and service will be situated to facilitate access to the campus and building while maintaining the pedestrian character of the core. The building siting will be driven by building organization, planning as well as solar orientation and other environmental influences.

Building Materials: Materials in general will be durable and long-lived. Colors will be characteristic of Sandpoint's reds, browns, ochres and muted greens, with allowances for:

- Masonry
- Glass, Clear
- Mullions
- Aluminum Store Front
- Cast Stone
- Concrete/Colored Concrete
- Roofing
- Decorative Metals
- Stucco/Plaster
- Exterior Doors
- Exterior Lighting
- Optional: Accent Colors and Materials

DESIGN CRITERIA AND FUNCTIONAL REQUIREMENTS

UTILITIES: SITE INFRASTRUCTURE

Utilities in the surrounding streets will be extended onto the site and will be sized and configured to have proper capacity and allow easy access now and in the future.

Utilities and the purveyor of those utilities are as follows:

- Water: City of Sandpoint
- Sewer: City of Sandpoint
- Electricity: Avista
- Gas: Avista
- Telephone: Verizon
- Solid Waste/Recycling: Waste Management
- Telephone/Data: Network Operating Center (NOC) in Administration/Operations Center with Data Loop Around Campus

UTILITIES: BUILDING INFRASTRUCTURE

Each facility will tie to the on-site utility loop and around or within each building the following will be provided:

- A service yard with dumpster and potential chiller pad.
- Mechanical room for boiler/air handler.
- Pad mount transformer and interior electrical room with distribution closets on each floor.
- Flexible power distribution system.
- A data room with MDF for each data entrance board and equipment with IDF's on each floor.
- A cable tray/conduit loop for flexible routing of cable.
- HVAC system to satisfy the particular needs/requirements of each use.
- Emergency generator for life/safety systems and other mission critical systems as identified.
- A/V infrastructure to allow all teaching spaces to function as distance learning locations.

TECHNOLOGY GUIDELINES AND CRITERIA

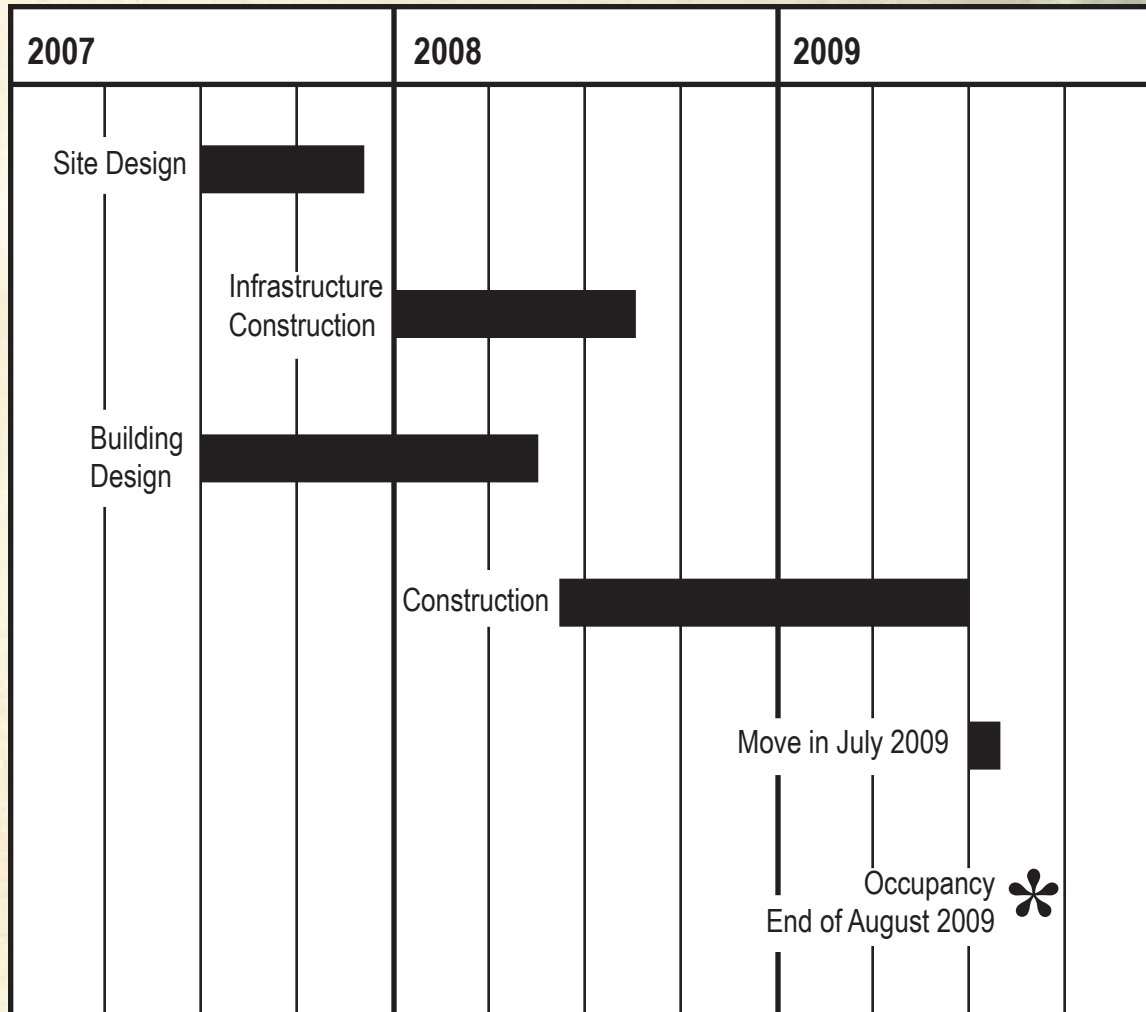
GENERAL TECHNICAL REQUIREMENTS

In meeting the University of Idaho's standards for providing telecommunications, data and technology to all facilities, the following will be provided and/or planned for:

- Telecommunications Rooms Separate from Electrical:
 - Size Parameters:
Minimum Size 10'x8'
Maximum Size 10'x12'
 - Ceiling Height: 8'-6" minimum.
Prefer open to structure for maximum accessibility and flexibility.
- Raceways, Conduits & Ducts:
 - An accessible cable tray system for main distribution.
 - Conduit and floor ducts for distribution in individual spaces.
 - Interconnect multiple telecom room on a floor.
- Environmental Control:
 - Provide 24/7 HVAC with possible emergency power back-up.
 - Maintain 64-75 degrees with 30-55% relative humidity.
 - Tile/sheet goods on floor to control dust.
- Fire Protection:
 - If required by code, provide fire protection system.
 - Provide protective wire cages and high temperature heads.
- Floor Loading:
 - Telecommunication rooms: 50#/SF.
 - Equipment rooms: 100#/SF and 2,000 lbf at areas intended to support equipment.
- Grounding:
 - All equipment and cable shields must be properly grounded. NEC Article 250, ANSI/EIA/TIA-607 and ANSI/NFPA 780.
- Lighting:
 - Minimum 500 LUX measured at 1 meter above floor.
 - Fixtures at a minimum 8'-6" above floor.
- Power:
 - Branch circuits to equipment, 20 amp capacity.
 - Minimum two dedicated 3-wire 120 VAC non-switched duplex for power equipment.
 - Separate duplex convenience outlets.
 - Emergency power if available.
- Security:
 - Telecommunications rooms to be locked.
 - Access controlled by building owner; card keyed to track access and by whom.

SCHEDULE OUTLINE

PHASE I



The project schedule for the first phase of work shows design work on the four designated buildings (Administration/Center Operations, Agricultural & Life Sciences, Student Union and Performing Arts Learning Center) starting now along with the associated site design.

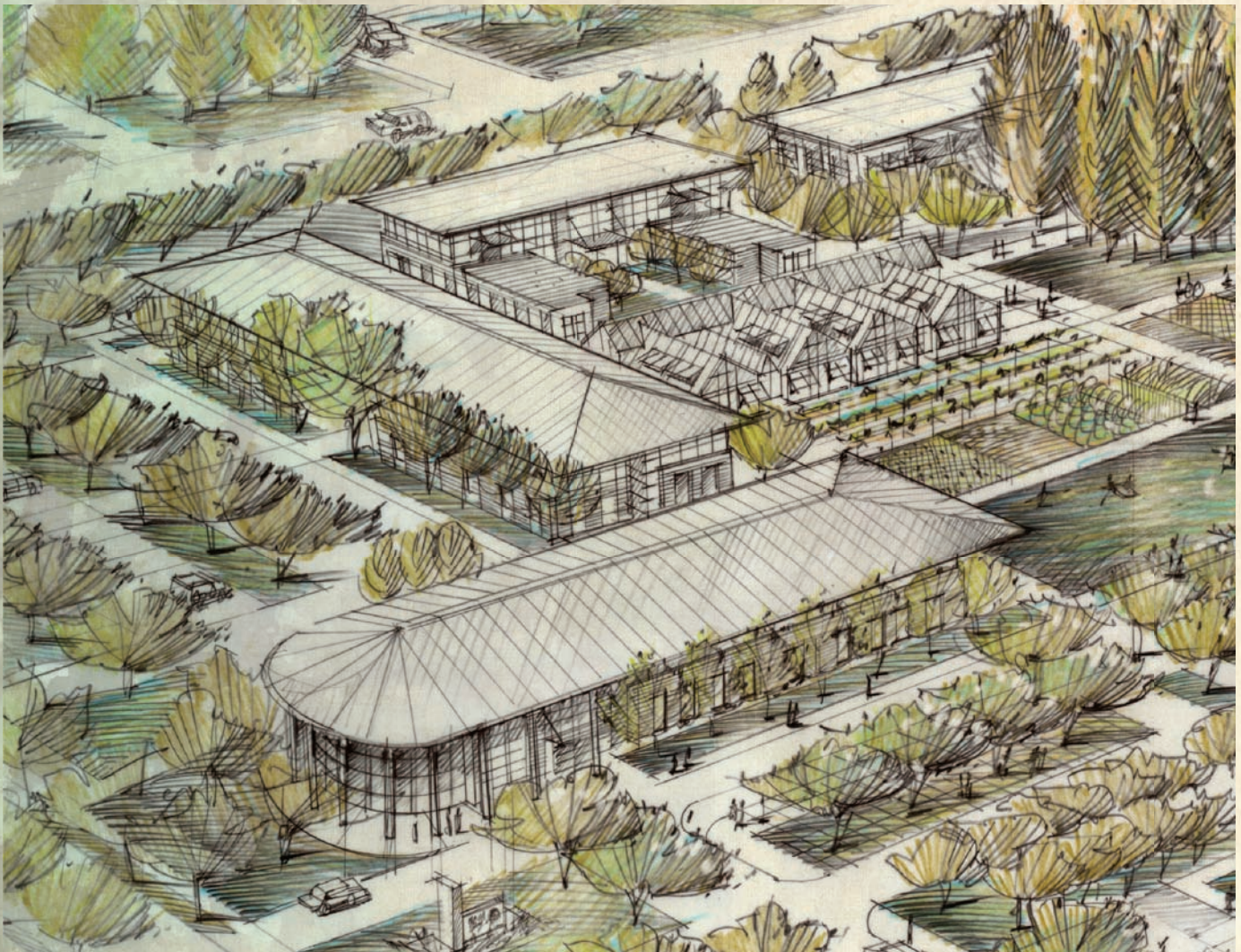
Site design work will focus on the campus utility infrastructure and site grading. Walkways, parking and landscaping would occur later as buildings are nearing completion.

Site design would also capture the environmental-aimed and sustainable parts of the project such as:

- Alternative Pavements
- Stormwater Capture and Enhancement of the Existing Swale

Building design will be broken into four projects starting construction in a near-concurrent timeframe, allowing 12-15 months for construction.

Overall completion would be late July/early August of 2009 for a late August/early September opening.



SITE AND PROGRAM

The Master Plan creates a guide and a structure for implementation of building placement, pedestrian circulation, parking distribution, campus and building service, open space and pilot and demonstration projects. The sites within the Master Plan allow for cohesive implementation while providing flexibility, adaptability and expandability of building development and design within their respective identified sites. Universal accessibility for all buildings is integrated into the parking sectors respective to building adjacencies.

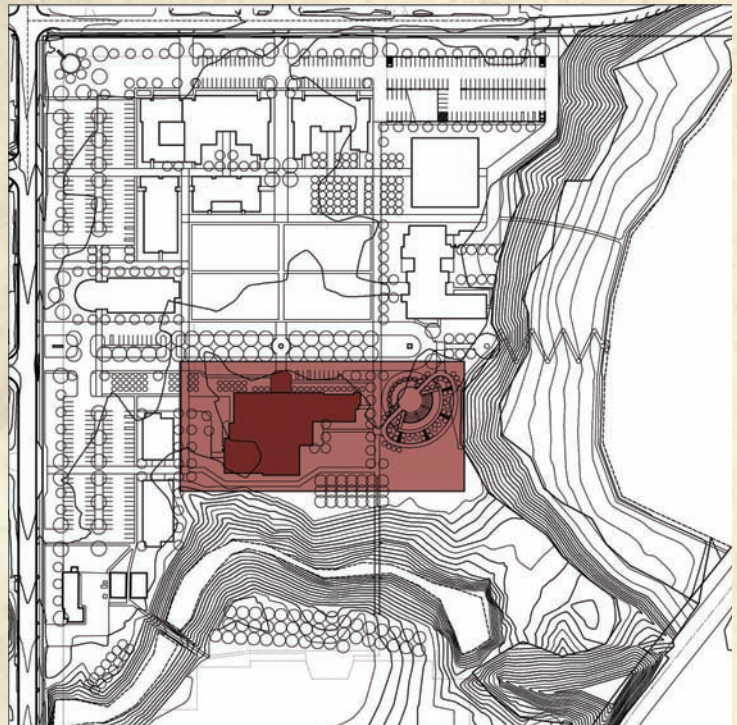
The existing Ag Research offices and shop at the southwest corner will be retained to handle facilities services for the campus. The facility will also support some of the curriculum's shop functions.

SUMMARY PROGRAM AREA

Performing Arts Learning Center	32,080	SF
College of Agriculture & Life Sciences	27,300	SF
Administration/Center Operations - Education	20,090	SF
Student Union	25,980	SF
Total Program Area	105,450	SF

PERFORMING ARTS LEARNING CENTER SITE

The Performing Arts Learning Center is a keystone within the overall plan. This building serves as a primary anchor to the academic mission and plays an important civic role of integrating the larger community within the campus and this facility. The site has prime visibility that allows for controlled event-specific accessibility for visiting tours and/or events that require vehicular access. An amphitheater adjacent to the Performing Arts Learning Center site supplements the Sandpoint Campus mission of an outdoor venue fitting for the site. The 500⁺ seat amphitheater is nestled in the southeast adjacent to two existing greenbelts and helps activate the student outdoor plaza with a campanile (clocktower).



PERFORMING ARTS LEARNING CENTER PROGRAM

<u>Program Element</u>	<u>Quantity</u>	<u>Program Area Each</u>	<u>Program Area Sub-Total</u>
1.00 Instructional Performance Spaces			
1.01 Theater House	1	2,500 sf	2,500 sf
1.02 Main Stage	1	2,500 sf	2,500 sf
1.03 Lighting and Sound Control Booth	1	250 sf	250 sf
1.04 Catwalk System	1	500 sf	500 sf
1.05 Orchestra Pit	1	400 sf	400 sf
1.06 Black Box Theater	1	2,200 sf	2,200 sf
1.07 Small Light/Sound Booth	1	100 sf	100 sf
1.08 Dance Studio	1	1,800 sf	1,800 sf
1.09 Viewing Room	1	150 sf	150 sf
2.00 Public Areas			
2.01 Lobby/Foyer/Gallery	1	2,700 sf	2,700 sf
2.02 Box Office	1	120 sf	120 sf
2.03 Concessions	1	400 sf	400 sf
2.04 Lobby and Event Storage	1	400 sf	400 sf
3.00 Backstage Spaces			
3.01 Green Room	1	500 sf	500 sf
3.02 Dressing Room	1	900 sf	900 sf
3.03 Makeup Room	1	400 sf	400 sf
3.04 Laundry Room/Dyeing	1	250 sf	250 sf
3.05 Costume Studio	1	650 sf	650 sf
3.06 Costume Storage	1	1,000 sf	1,000 sf
3.07 Scene Shop/ Paint and Welding (possibly in existing University of Idaho shop)	1	1,000 sf	1,000 sf
3.09 Prop and Furniture Storage	1	500 sf	500 sf
3.10 Portable Stage & Seating Storage	1	500 sf	500 sf
3.11 Receiving Dock	1	200 sf	200 sf
4.00 Additional Academic Spaces			
4.01 Set and Lighting Design Lab	1	500 sf	500 sf
4.02 FA Open Office & Waiting Area	1	200 sf	200 sf
4.03 FA Administration Office	1	130 sf	130 sf
4.04 Faculty Offices	5	130 sf	650 sf
4.05 Student/Faculty Lounge	1	250 sf	250 sf
4.07 Practice Rooms	6	80 sf	480 sf
4.07 Multi-Purpose Classroom	1	750 sf	750 sf
5.0 Artists/Students in Residence (move to Student Union Building)			
Total Assigned Area			22,880 sf
Unassigned Space (40% of Gross) ¹			9,200 sf
Gross Building Area			32,080 sf

Note 1: Includes circulation, toilet rooms and building service area.

PERFORMING ARTS LEARNING CENTER

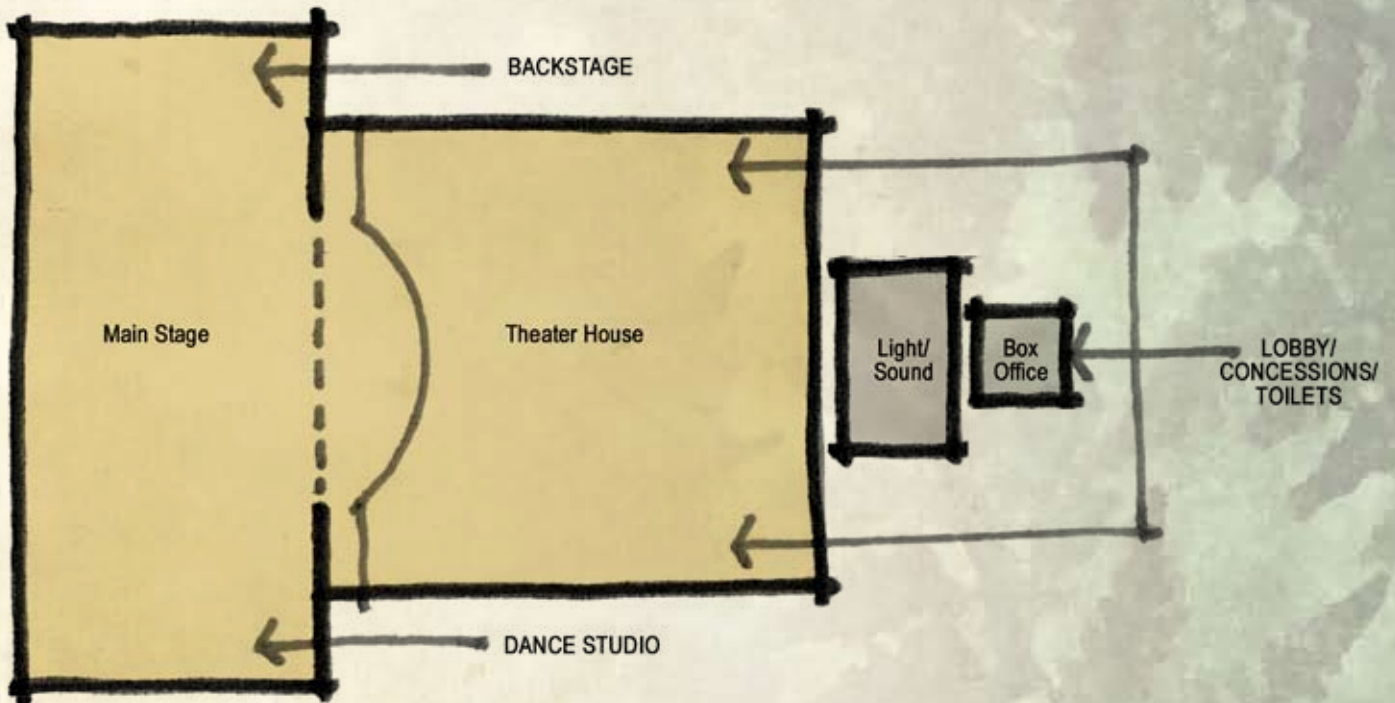
OVERALL PLAN



Teaching
 Public Space
 Office Space
 Lab Space
 Residential
 Support Space

PERFORMING ARTS

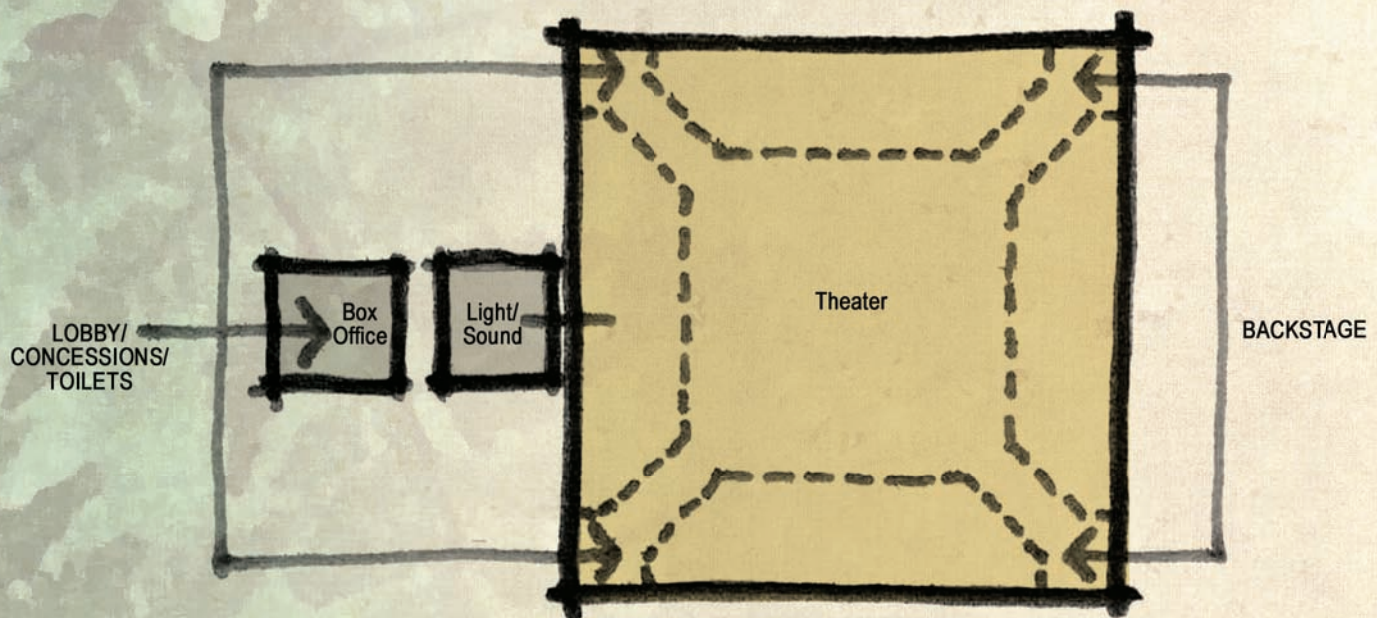
THEATER HOUSE, MAIN STAGE



- No Natural Light
- High Volume Shaped Space For Acoustics:
 - Music Primary
 - Speech And Drama Secondary
- Seating For 250-300:
 - Recessed Stepped Seating In Front
 - Stadium Seating In Rear
- Full Theatrical Lighting
- Adjustable Sound Reinforcement
- Quiet Mechanical System
- 50 Foot Clear Fly Capability
- Fully Rigged
- Proscenium/Partial Thrust Stage
- Orchestra Pit

PERFORMING ARTS LEARNING CENTER

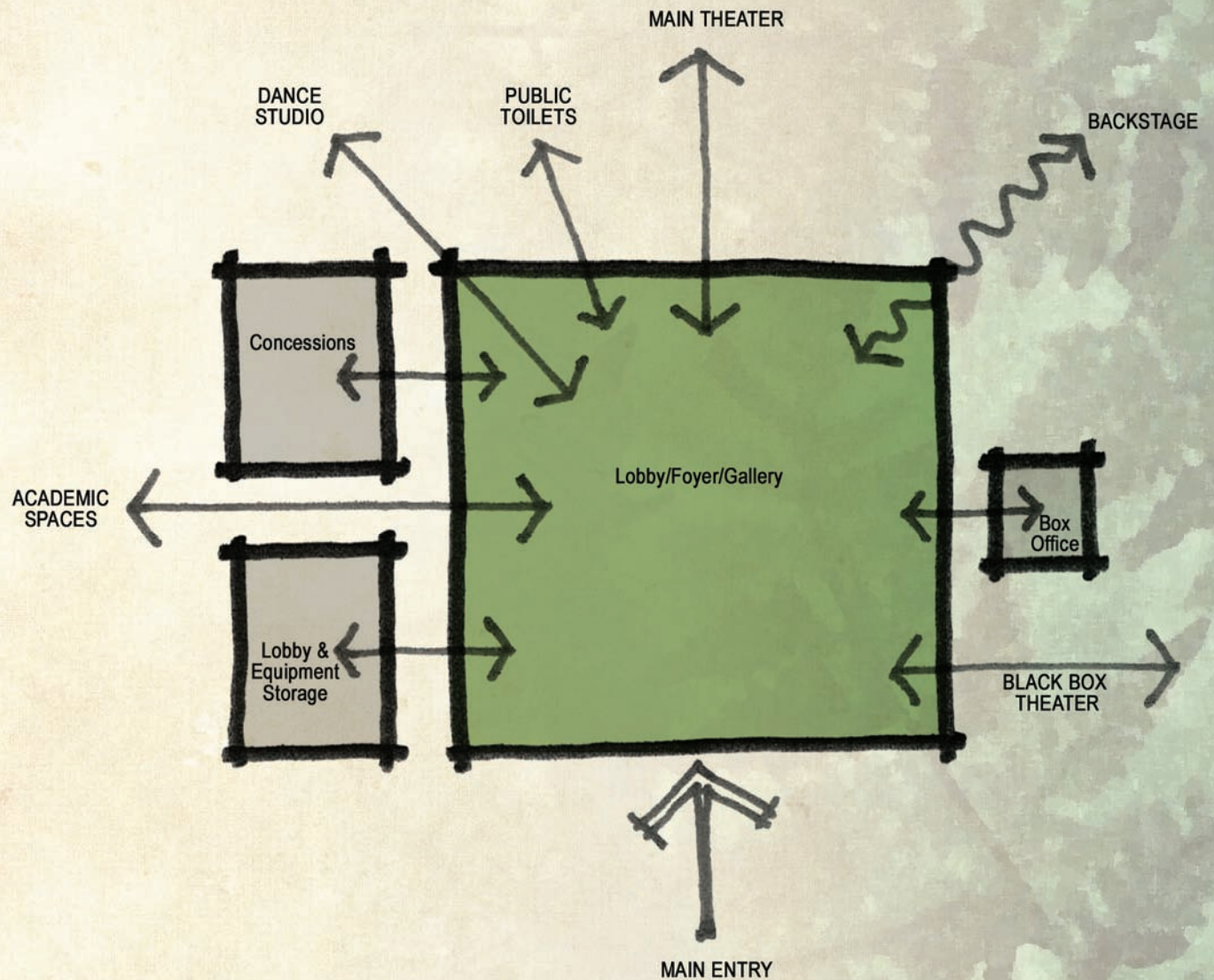
BLACK BOX THEATER



- No Natural Light
- Double Height For Sets, Lighting Rigging, Etc.
- Telescopic Seating On Four Sides For 150
- Access On Corners:
 - Public On Two
 - Performers On Two
- Performance And Rehearsal Space - Flexibility
- Elevated Light/Sound Booth
- Quiet Mechanical System
- Lighting Grid
- Adjustable Acoustics

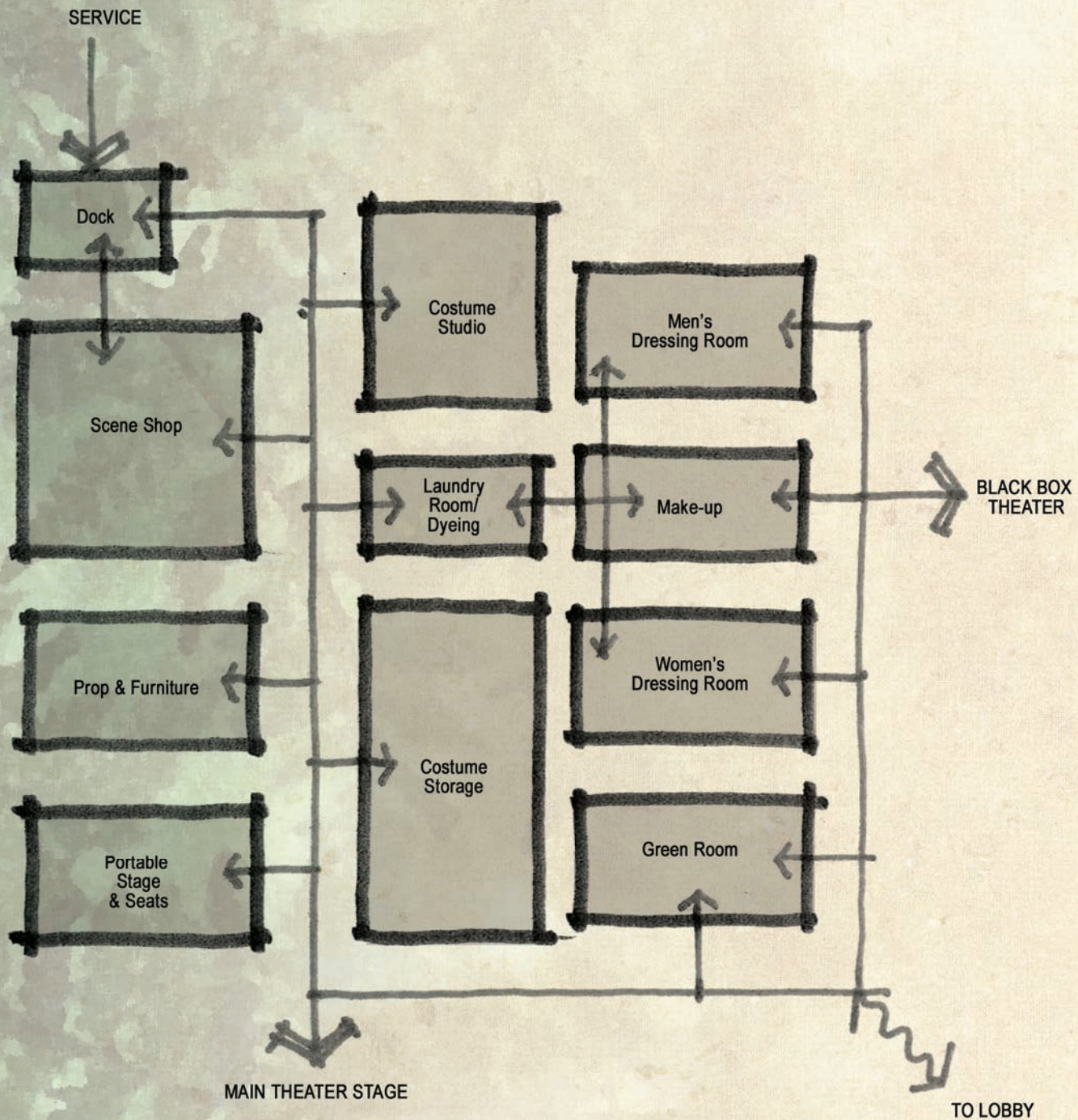
PERFORMING ARTS LEARNING CENTER

PUBLIC AREAS



- Box Office:
 - Accessible For Both Theaters And Dance Studio
- Lobby:
 - Multi-Purpose Space
 - Light-Filled Space, Lantern And Beacon
 - North Or Controlled Light For Gallery
 - Flexible Display Lighting
 - Moveable Display Walls
 - Provide Clear Wayfinding

PERFORMING ARTS LEARNING CENTER BACKSTAGE

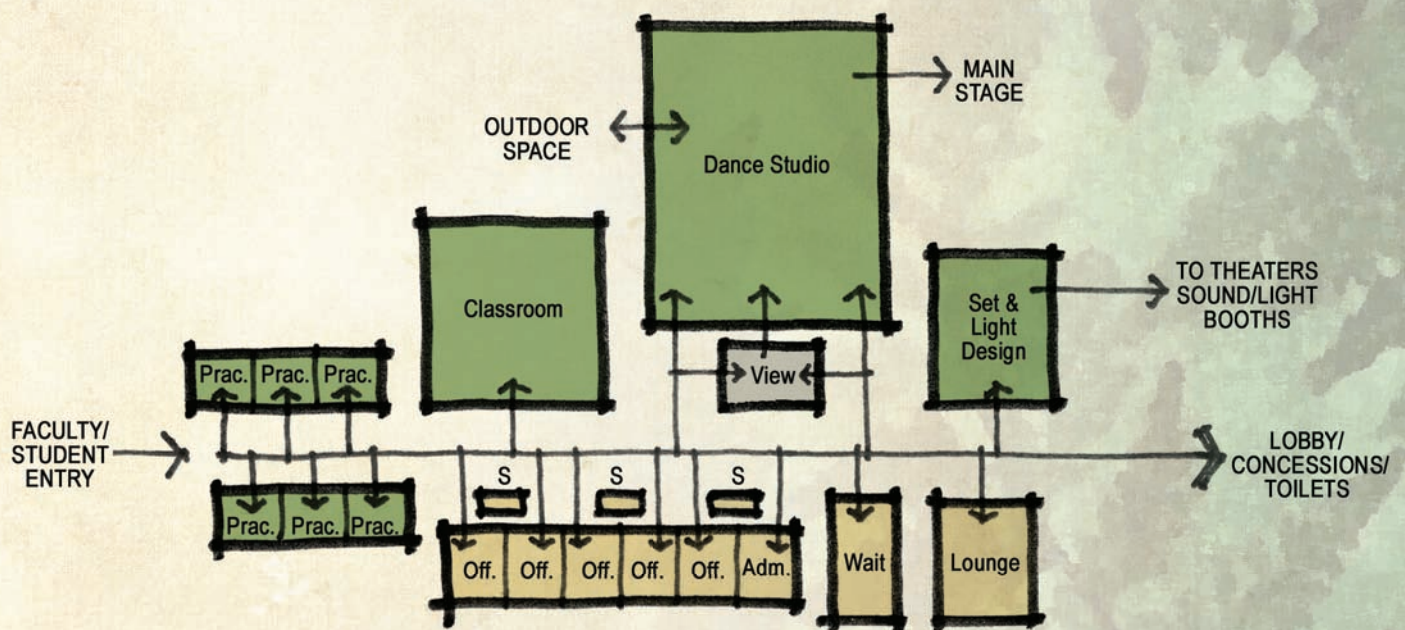


- Controlled Public Access
- Scene Shop:
 - High Natural Light
 - Special Power Requirements
- Costume Studio:
 - Natural Light, Windows
- Provide Receiving Dock
- Toilets To Support This Isolated Area

- Green Room:
 - Multi-Purpose
 - General Seating
- Dressing Rooms
 - Clothes Racks
 - Bench Seating
 - Access to Laundry
- Make-Up:
 - Special Lighting at Counters With Seating

PERFORMING ARTS LEARNING CENTER

ADDITIONAL ACADEMIC SPACES

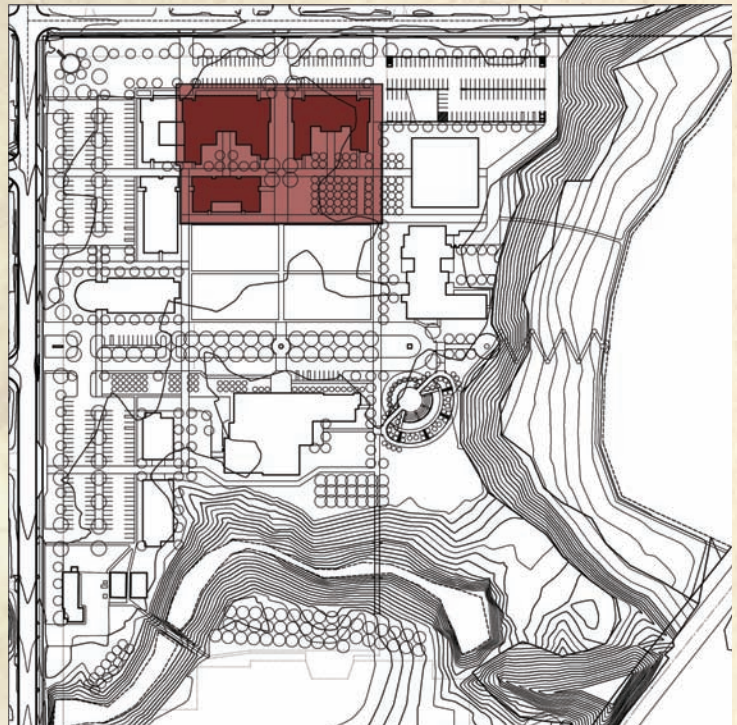


- Dance Studio:
 - High Volume
 - Wood Athletic Floor
 - Sound System
 - Limited Theatrical Lighting
 - Natural Light & View North Or East Preferred
 - Access To Outdoor Space
 - Multi-Purpose Space
- Viewing:
 - Glazed To Dance Studio
 - Tied To Sound System
 - Lockers For Temporary Storage
- Classroom:
 - Natural Light And View, One Wall
 - Minimal Casework
 - Seating For 25
- Practice Rooms:
 - Soundproof With Appropriate Internal Acoustics
- Set /Light Design Lab:
 - Controllable Light With View
 - Computer Stations For 15
 - Two Drafting Stations
 - Model Area
- Faculty Area:
 - Natural Light And View
 - Seating In Corridor For Informal Meetings

AGRICULTURE & LIFE SCIENCES SITE

The new Agriculture and Life Sciences Building is one of two “anchor” buildings on the north portion of the site forming the Agricultural District of the campus. These buildings are considered background buildings to the Central Green yet form an important gateway presence to the north end of campus facing East Mountain View Drive.

The first set of greenhouses are adjacent to the Central Green. They play an important role in activating the hands-on agricultural experience and engaging experiments in a lower scale, non-pretentious building.



AGRICULTURE & LIFE SCIENCES PROGRAM

<u>Program Element</u>	<u>Quantity</u>	<u>Program Area Each</u>	<u>Program Area Sub-Total</u>
1.00 Laboratory Space			
1.01 Microbiology/Chemistry Instrument	3	1,200 sf	3,600 sf
1.02 Laboratory Service Area (includes ultra cold freezer, clean room, dark room, radioactivity room, plant environ. chamber, etc.)	1	1,000 sf	1,000 sf
1.03 Coolers	3	70 sf	210 sf
1.04 Technician Cubicles plus 2 Graduate Carrels	2	14 sf	280 sf
1.05 Interaction Space	1	200 sf	200 sf
1.06 General Biology Lab	1	1,000 sf	1,000 sf
1.07 General Chemistry Lab	1	1,000 sf	1,000 sf
2.00 Classroom Spaces			
2.01 Small Conference Distance Learning	1	250 sf	250 sf
2.02 Small Conference Standard	1	250 sf	250 sf
2.03 24 Seat Medium Classroom	1	720 sf	720 sf
2.04 24 Seat Medium Distance Learning	1	720 sf	720 sf
2.05 40 Seat Large Classroom	1	1,000 sf	1,000 sf
3.00 Greenhouse Spaces			
3.01 Head House	1	1,000 sf	1,000 sf
3.02 Classrooms	1	800 sf	800 sf
3.03 Greenhouse Pods	6	600 sf	3,600 sf
3.04 Storage	1	400 sf	400 sf
3.05 Cooler	1	200 sf	200 sf
3.06 Laundry/Shower/Lockers	1	200 sf	200 sf
4.00 Office Spaces			
4.01 Faculty Offices (Hort., FST, MMBB, ES)	8	140 sf	1,120 sf
4.02 Staff Offices (Admin Asst, Farm Manager)	2	100 sf	200 sf
4.03 Administration Office	1	130 sf	130 sf
4.04 Lounge	1	260 sf	260 sf
4.05 Work Room	1	200 sf	200 sf
4.06 Building Reception Area	1	100 sf	100 sf
4.07 Master Gardener Clinic	1	200 sf	200 sf
5.00 Bonner County AG Extension			
5.01 Faculty	2	140 sf	280 sf
5.02 Staff Offices (4-H, Admin Asst., Master Gardener)	3	140 sf	420 sf
5.03 Clerical (workstations)	2	80 sf	160 sf
5.04 Multi-Purpose Classroom Ag Extension	1	720 sf	720 sf
5.05 Work Room	1	200 sf	200 sf
5.06 File Room	1	200 sf	200 sf
5.07 Remote Storage	1	1,000 sf	1,000 sf
Total Assigned Area			19,500 sf
Unassigned Space (40% of Gross) ¹			7,800 sf
Gross Building Area			27,300 sf

Note 1: Includes circulation, toilet rooms and building service area.

AGRICULTURE & LIFE SCIENCES

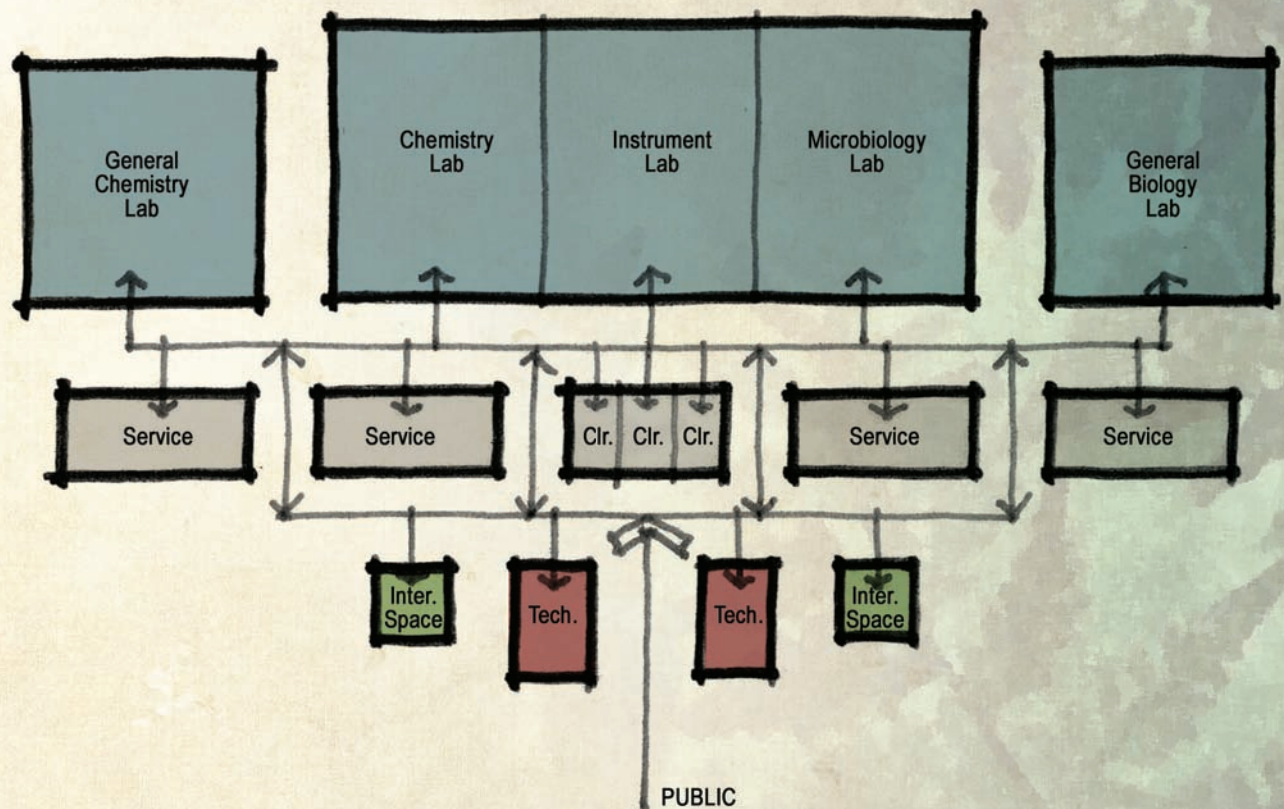
OVERALL PLAN



Teaching Public Space Office Space Lab Space Residential Support Space

AGRICULTURE & LIFE SCIENCES

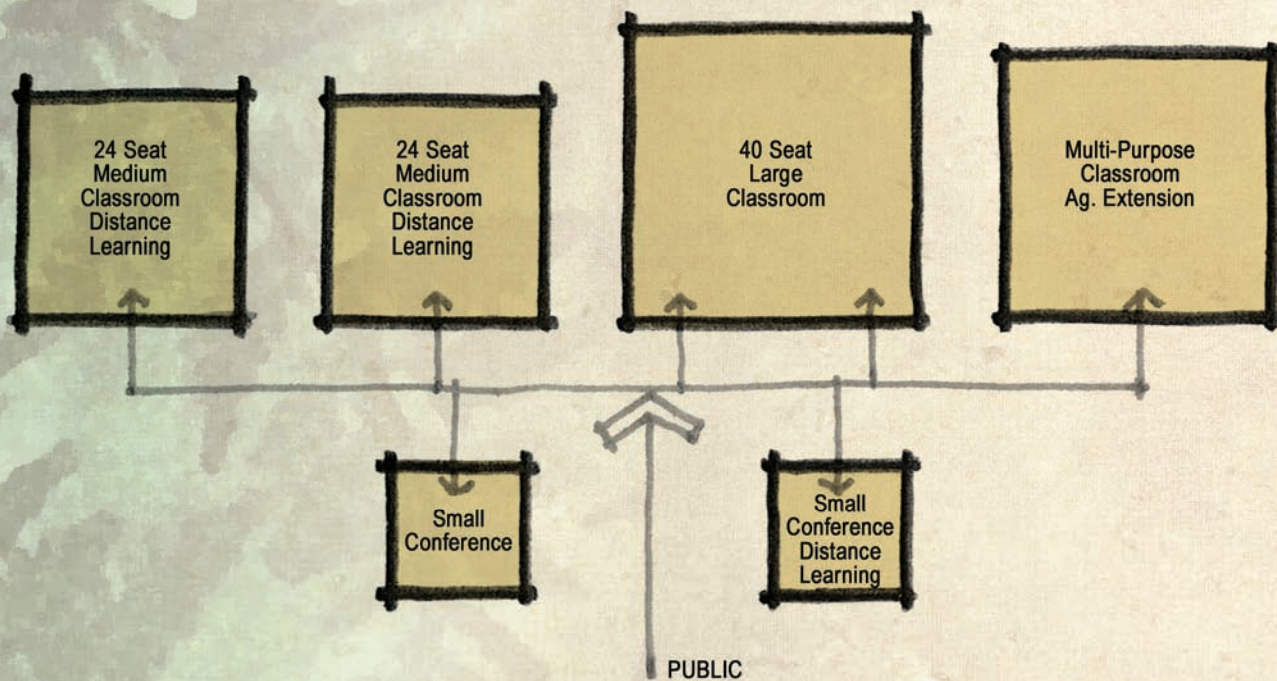
LABORATORY SPACES



- Labs To Receive North Light Or Appropriate Sun Control
- Lab Benches To Receive All Necessary Utilities
- General Chemistry And General Biology Labs May Group With Classrooms
- Service Core To Provide Buffer Between Public Corridor And Labs
- Interaction Spaces To Be Easily Accessible From Lab Area

AGRICULTURE & LIFE SCIENCES

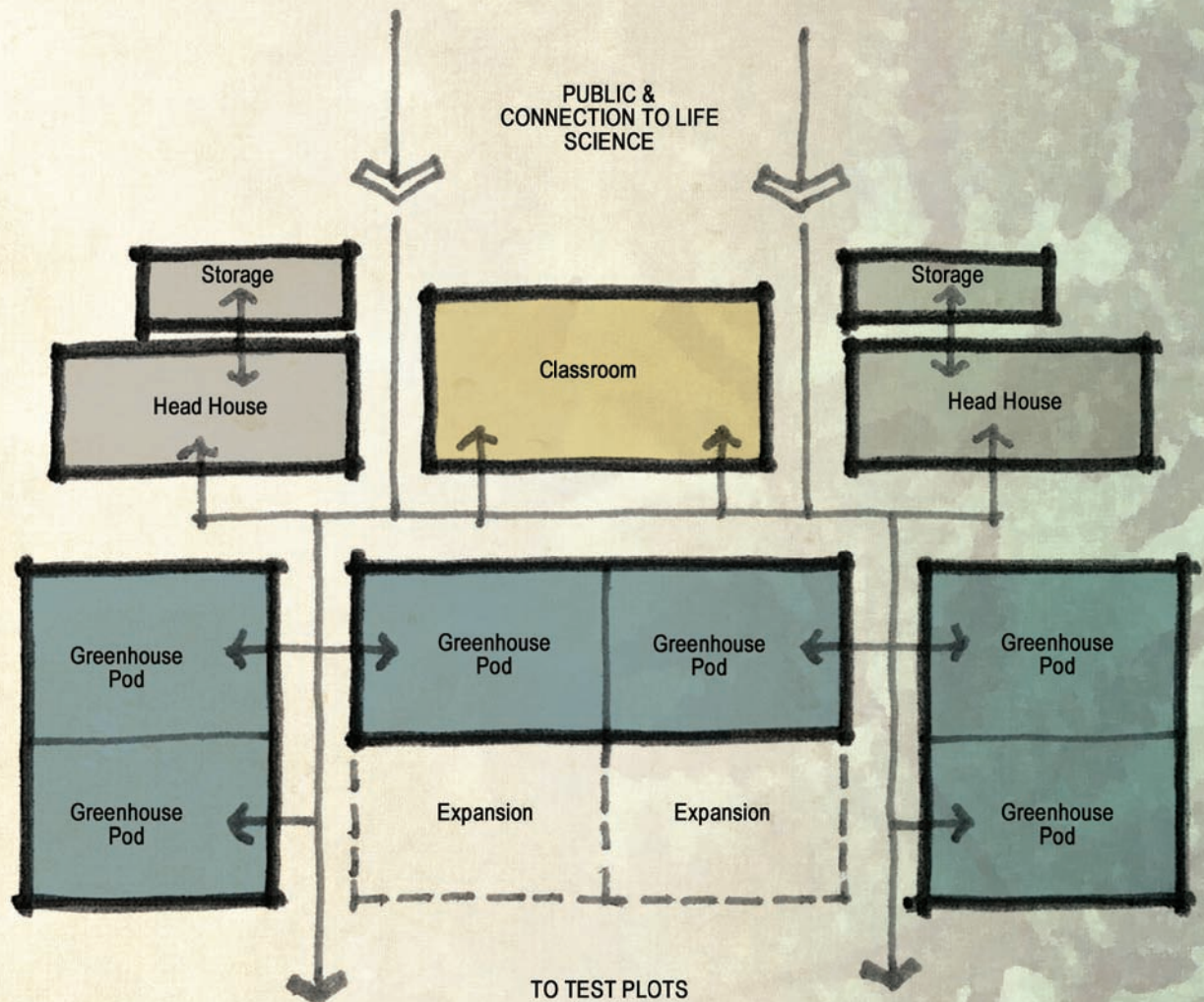
CLASSROOM SPACES



- Natural Light And View For All Spaces
- Blackout Capability For All Spaces
- Full Audio/Visual Capability For All Classrooms
- Distance Learning Technology Applied To One Medium Classroom And One Small Conference
- Tiered Seating In Large Classroom

AGRICULTURE & LIFE SCIENCES

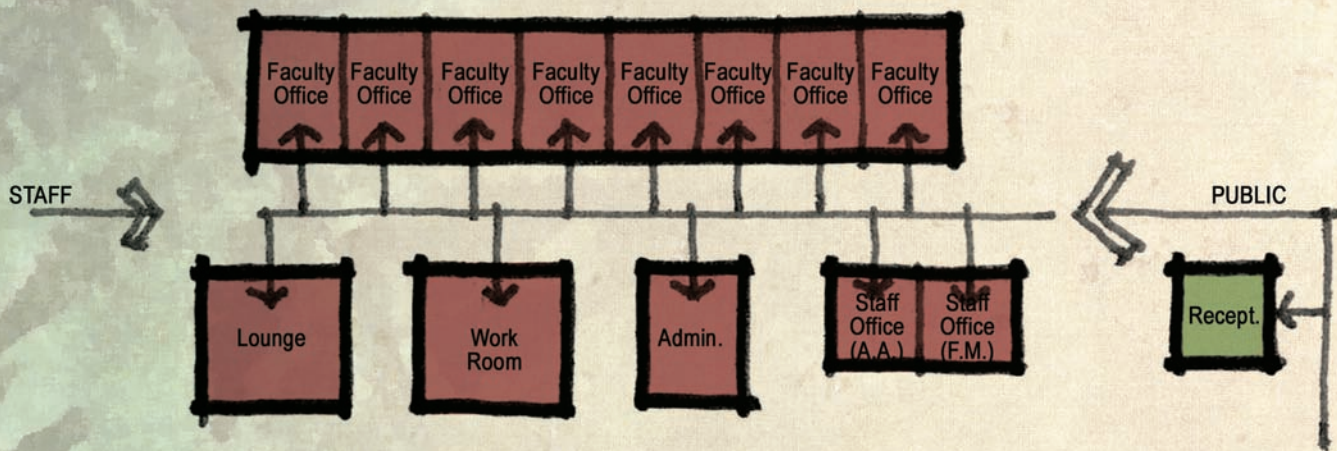
GREENHOUSE SPACES



- Greenhouse To Receive South, East And West Exposure
- Classroom May Have An Open Wall Toward Greenhouse Pods
- Potential Expansion To Work With Initial Head House
- Greenhouse Spaces Will Be Readily Accessible From Life Sciences And Test Plots For Field Study

AGRICULTURE & LIFE SCIENCES

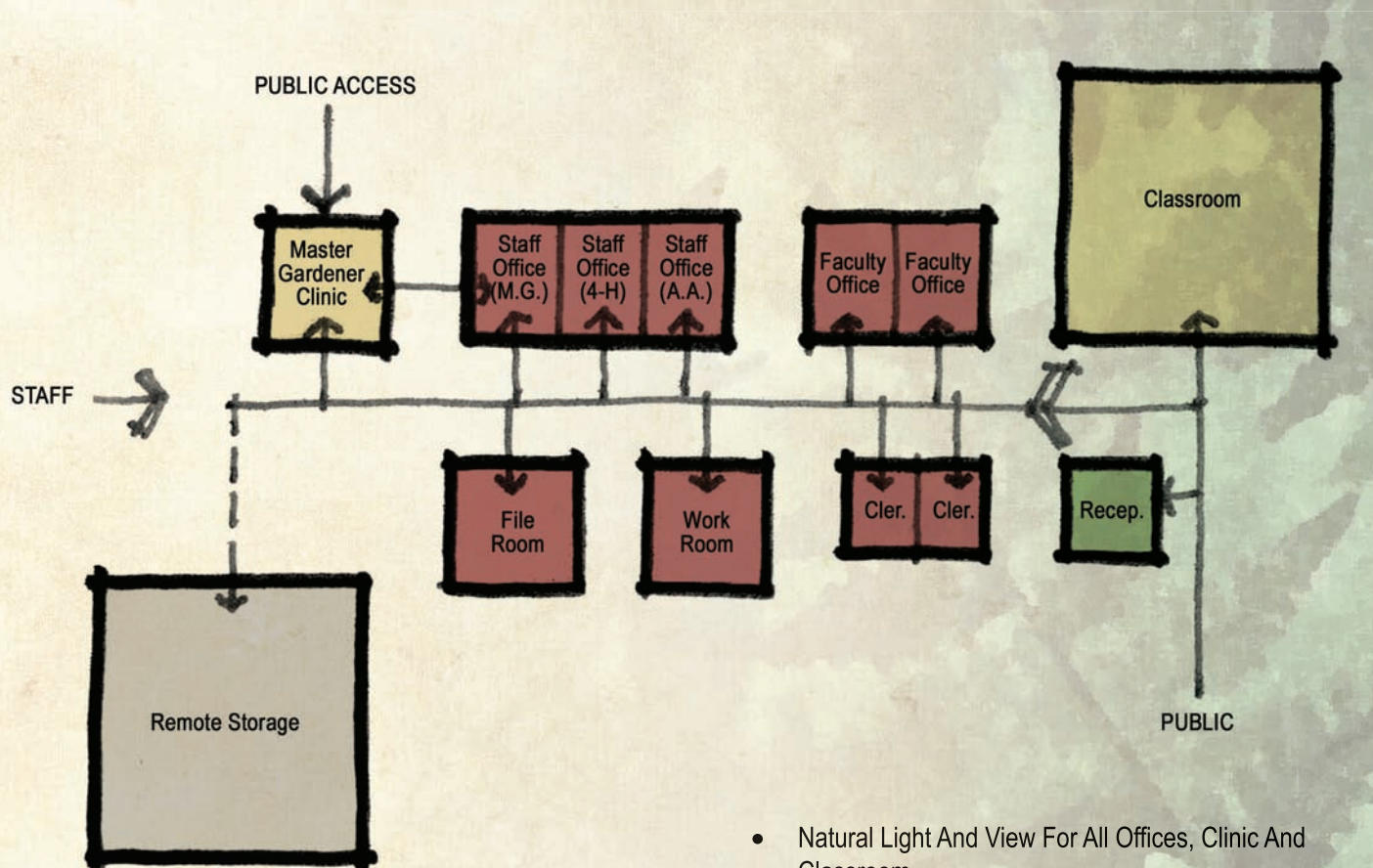
OFFICE SPACES



- Natural Light And View For All Spaces
- Reception Located in Main Lobby

AGRICULTURE & LIFE SCIENCES

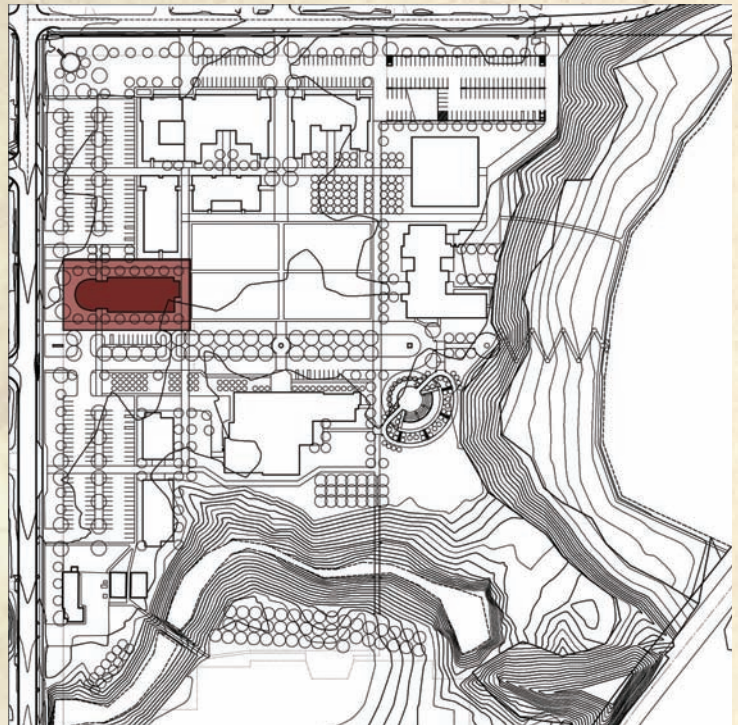
BONNER COUNTY AG EXTENSION



- Natural Light And View For All Offices, Clinic And Classroom
- Blackout Capability In Classroom
- Clerical In Open Workstations
- Workroom To Accommodate Large Printing Operation
- Clinic Accessible To Public
- Reception Located In Main Lobby
- Classroom Grouped With Other Classrooms

ADMINISTRATION/CENTER OPERATIONS SITE

The Administration/Center Operations Building site is front and center to the arrival of the entire campus. Its site has high visibility to Boyer Avenue and the primary campus entry and allows the building to have a dignity and clear presence that will set the tone for the entire campus.

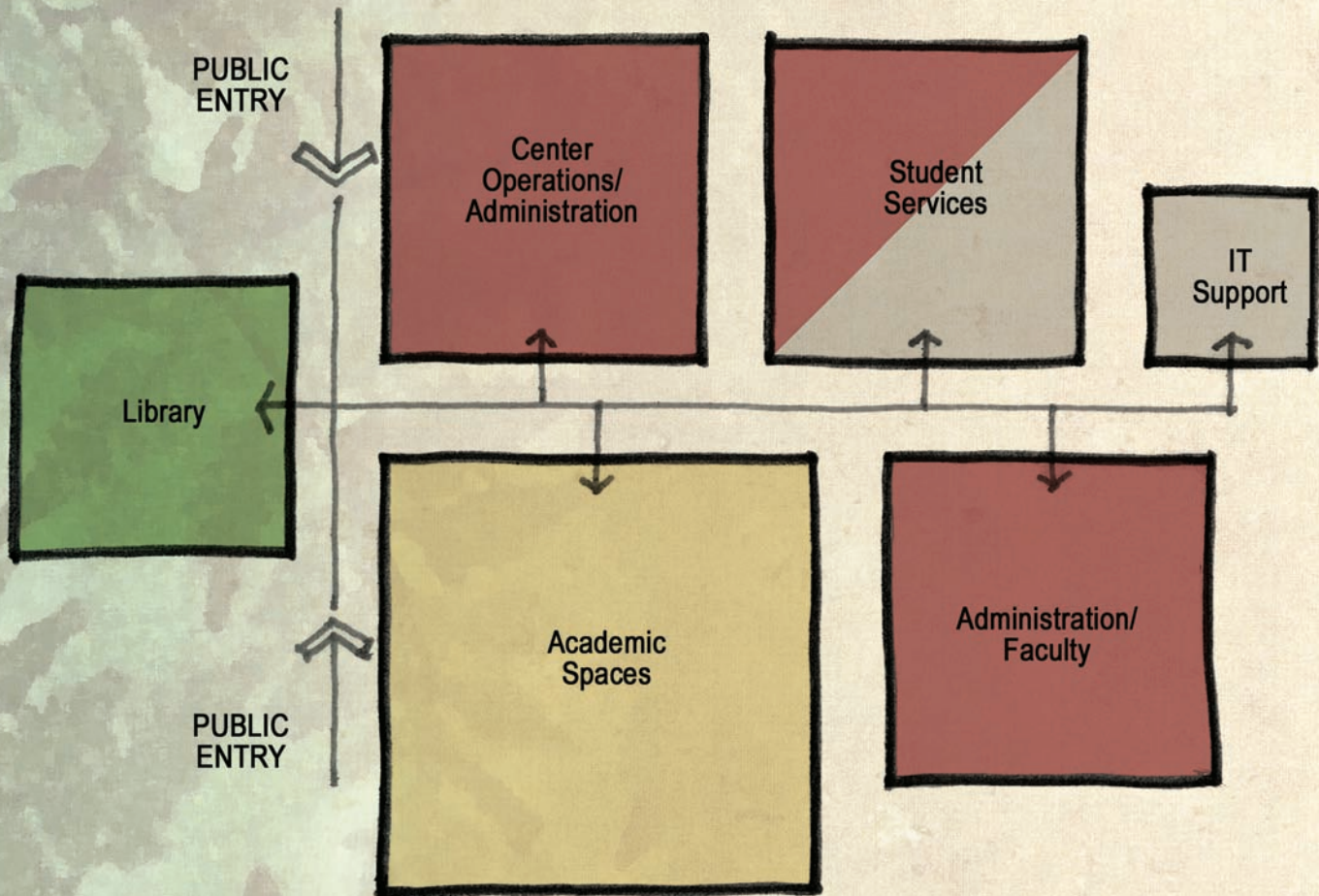


ADMINISTRATION/CENTER OPERATIONS PROGRAM

Program Element	Quantity	Program Area Each	Program Area Sub-Total
1.00 Center Operations/Administration			
1.01 University of Idaho Director	1	250 sf	250 sf
1.02 Facility Manager	1	140 sf	140 sf
1.03 Clerical Open Workstations	2	100 sf	200 sf
1.04 Visitor Work Center Open Workstation	1	150 sf	150 sf
1.05 Visiting Offices	2	140 sf	280 sf
1.06 Reception Open workstations	3	100 sf	300 sf
106a Waiting Area	1	120 sf	120 sf
1.07 Conference Rooms	1	360 sf	360 sf
1.08 Files	1	180 sf	180 sf
1.09 Storage	1	200 sf	200 sf
1.10 Mail/Copier/Work Room	1	200 sf	200 sf
2.00 Academic Spaces			
2.03 Small Conference Room Standard	1	250 sf	250 sf
2.04 24 Seat Medium Classroom	2	720 sf	1,440 sf
2.05 24 Seat Medium Computer Lab	1	720 sf	720 sf
2.06 40 Seat Large Classroom Distance Learning	1	1,000 sf	1,000 sf
2.07 40 Seat Large Classroom	1	1,000 sf	1,000 sf
3.00 IT Support			
3.01 IT Support Associates	1	140 sf	140 sf
3.01 IT Server Room	1	500 sf	500 sf
4.00 Student Services			
4.01 Registration Coordinator	1	140 sf	140 sf
4.02 Computer Work Room	1	700 sf	700 sf
4.03 Testing Area	1	500 sf	500 sf
4.04 Workroom	1	180 sf	180 sf
4.05 University of Idaho Files	1	180 sf	180 sf
4.06 Files	1	180 sf	180 sf
4.07 Clerical Records	2	140 sf	280 sf
4.08 Student Services Records	1	160 sf	160 sf
5.00 Library			
5.01 Library Resource Room	1	1,200 sf	1,200 sf
5.02 Staff Offices	1	140 sf	140 sf
5.03 Copy/Fax	1	60 sf	60 sf
5.04 Computer Stations	10	30 sf	300 sf
6.00 Administration/Faculty			
6.01 Director	1	180 sf	180 sf
6.02 General Faculty Office	8	140 sf	1,120 sf
6.03 Associate Faculty Offices	6	100 sf	600 sf
6.04 Faculty Offices	2	140 sf	280 sf
6.05 Faculty Office	1	140 sf	140 sf
6.04 Staff Offices	4	80 sf	320 sf
6.05 Workroom/File Room	1	200 sf	200 sf
6.06 Copy/Fax	1	60 sf	60 sf
Total Assigned Area			14,350 sf
Unassigned Space (40% of Gross) ¹			5,740 sf
Gross Building Area			20,090 sf

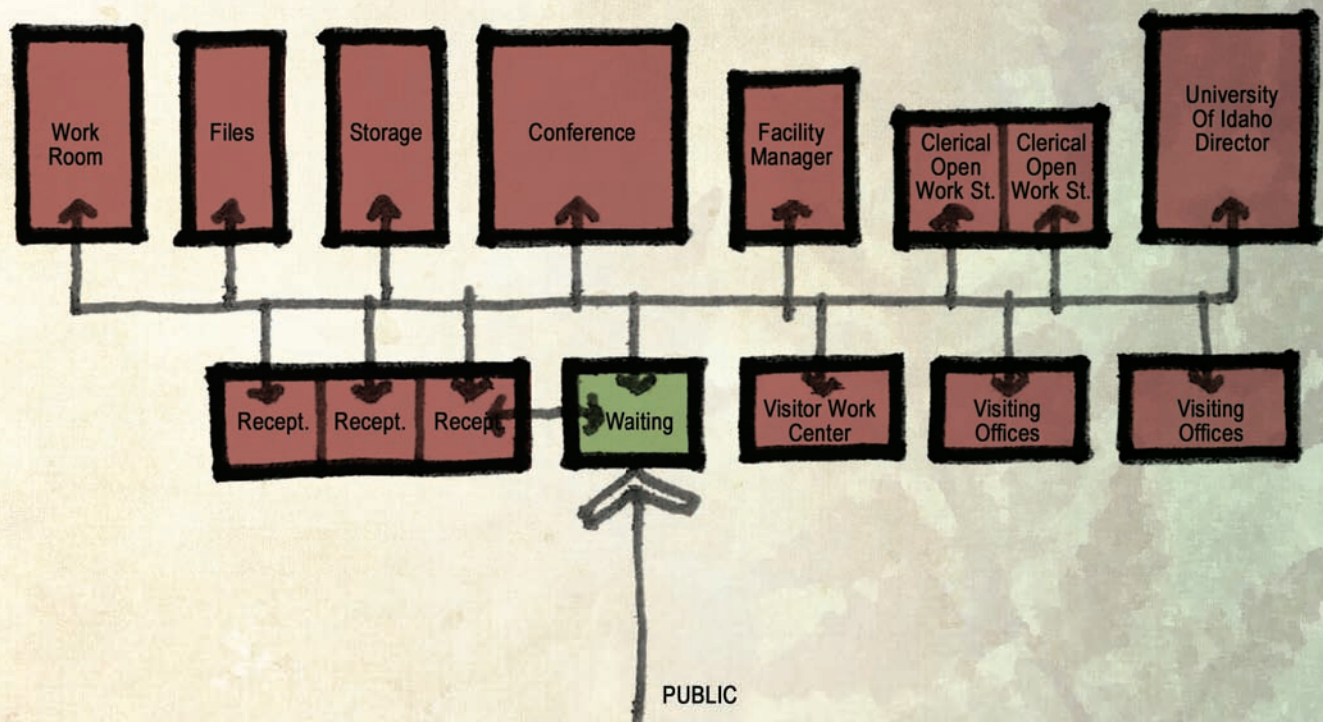
Note 1: Includes circulation, toilet rooms and building service area.

ADMINISTRATION/CENTER OPERATIONS OVERALL PLAN



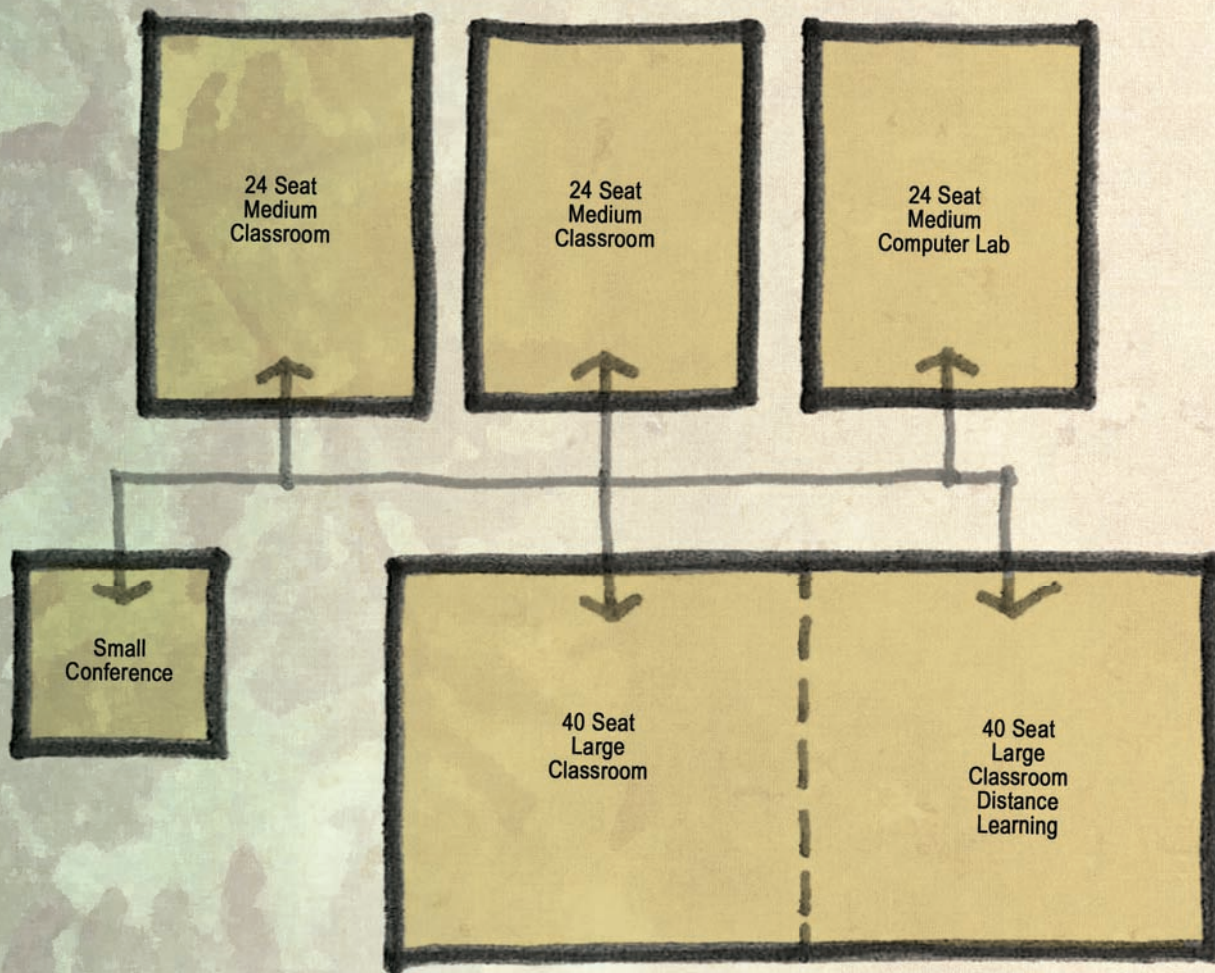
ADMINISTRATION/CENTER OPERATIONS

CENTER OPERATIONS/ADMINISTRATION



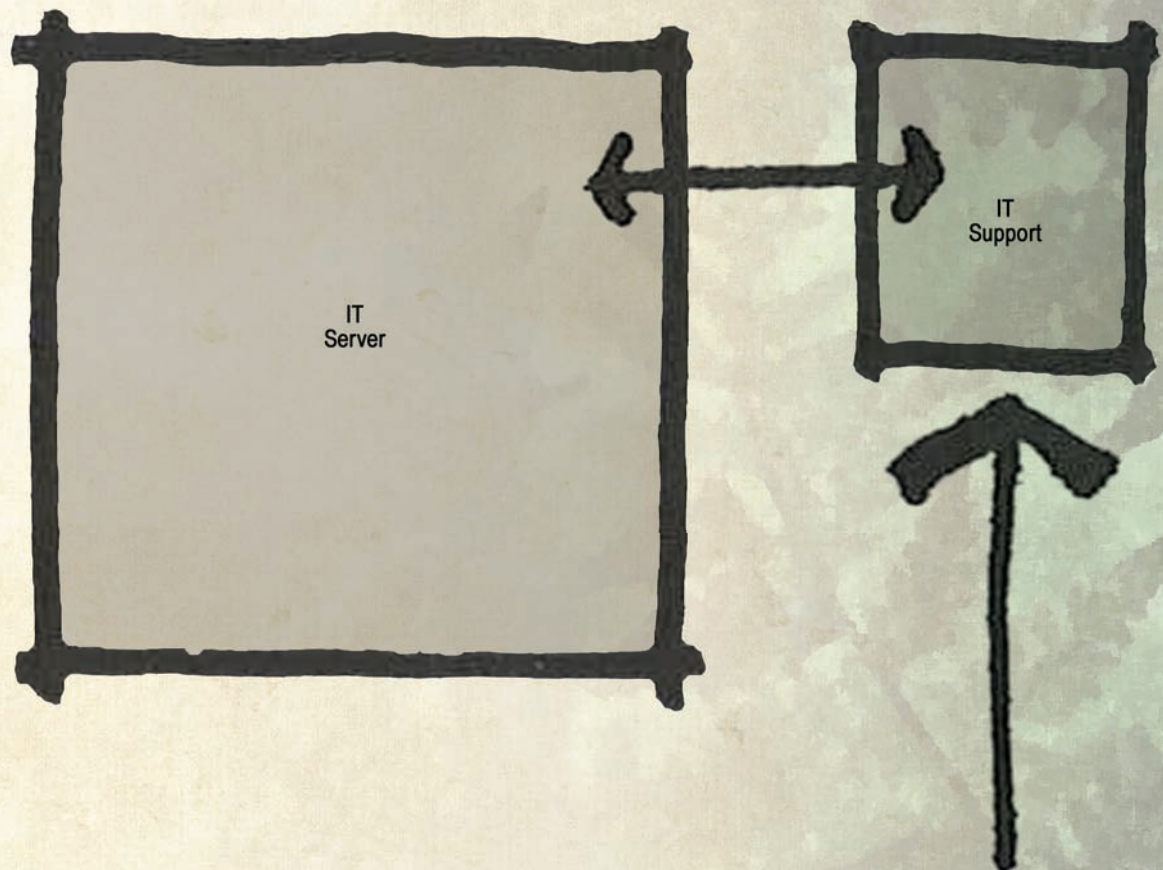
ADMINISTRATION/CENTER OPERATIONS

ACADEMIC SPACES



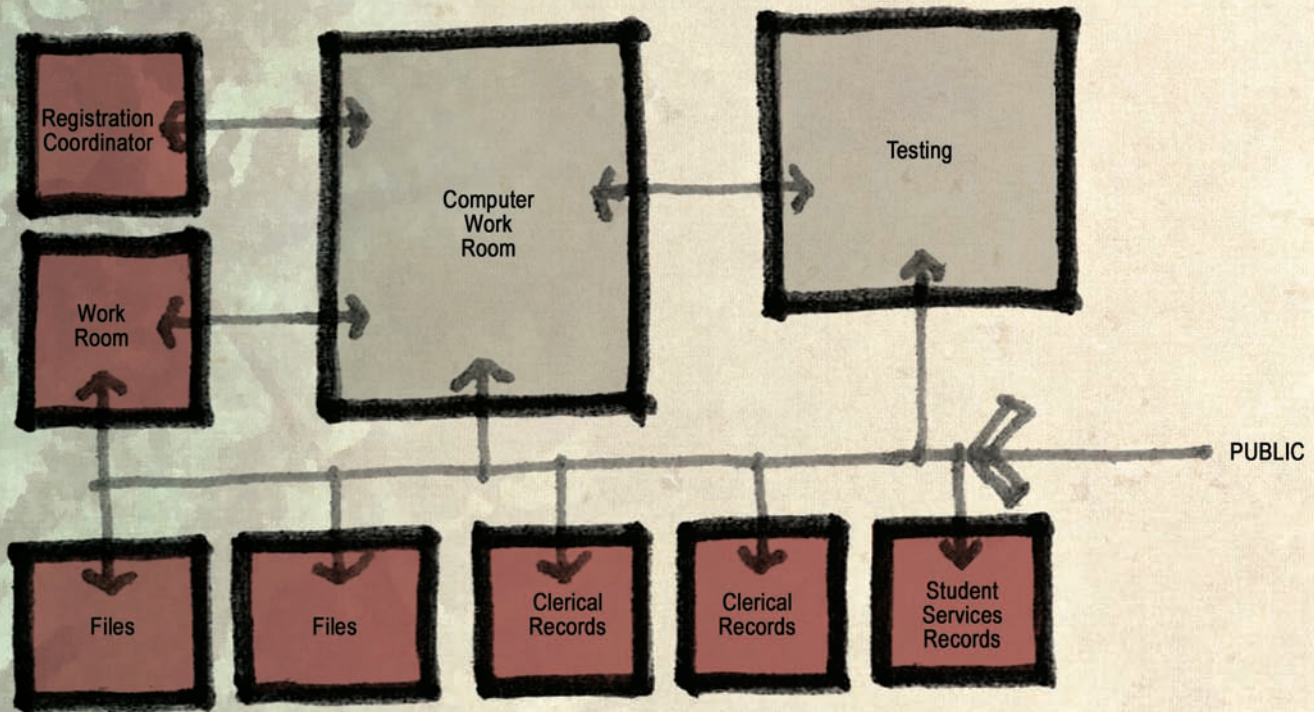
ADMINISTRATION/CENTER OPERATIONS

I.T. SUPPORT

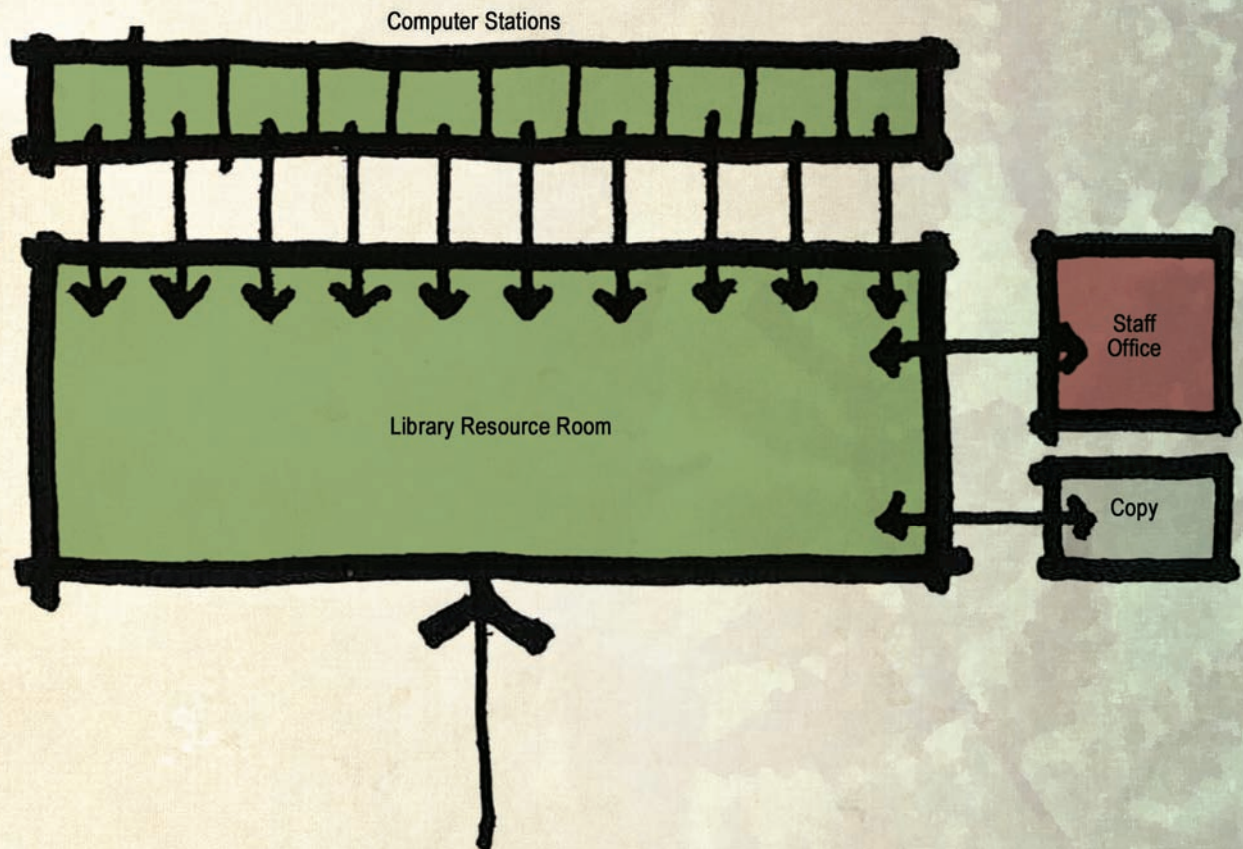


ADMINISTRATION/CENTER OPERATIONS

STUDENT SERVICES

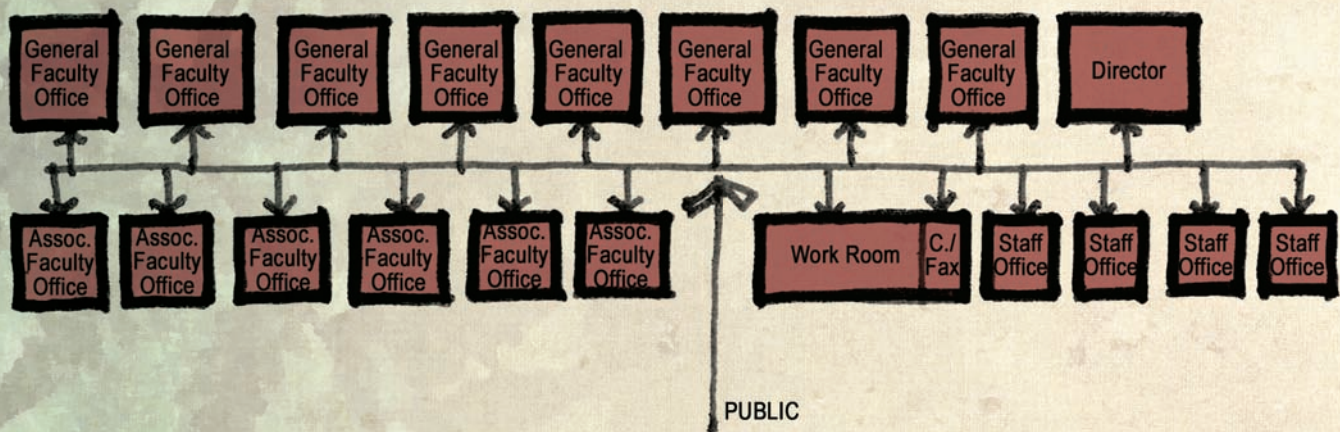


ADMINISTRATION/CENTER OPERATIONS LIBRARY



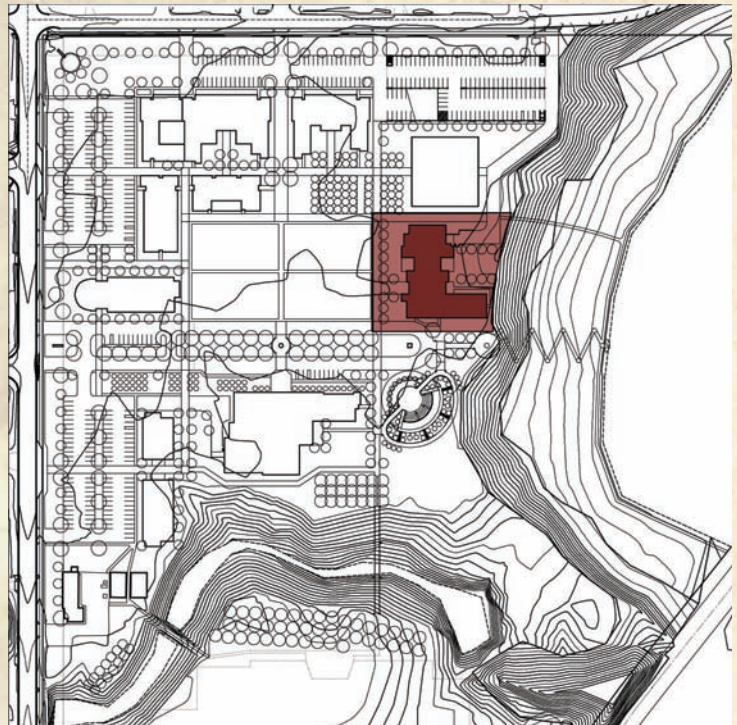
ADMINISTRATION/CENTER OPERATIONS

ADMINISTRATION/FACULTY



STUDENT UNION SITE

Another key anchor for the campus, this site is unique as it faces the newly formed Central Green and abuts the existing natural greenbelt to the east. This site affords an appropriate presence to the campus with a close proximity to the student square, campanile and amphitheater.

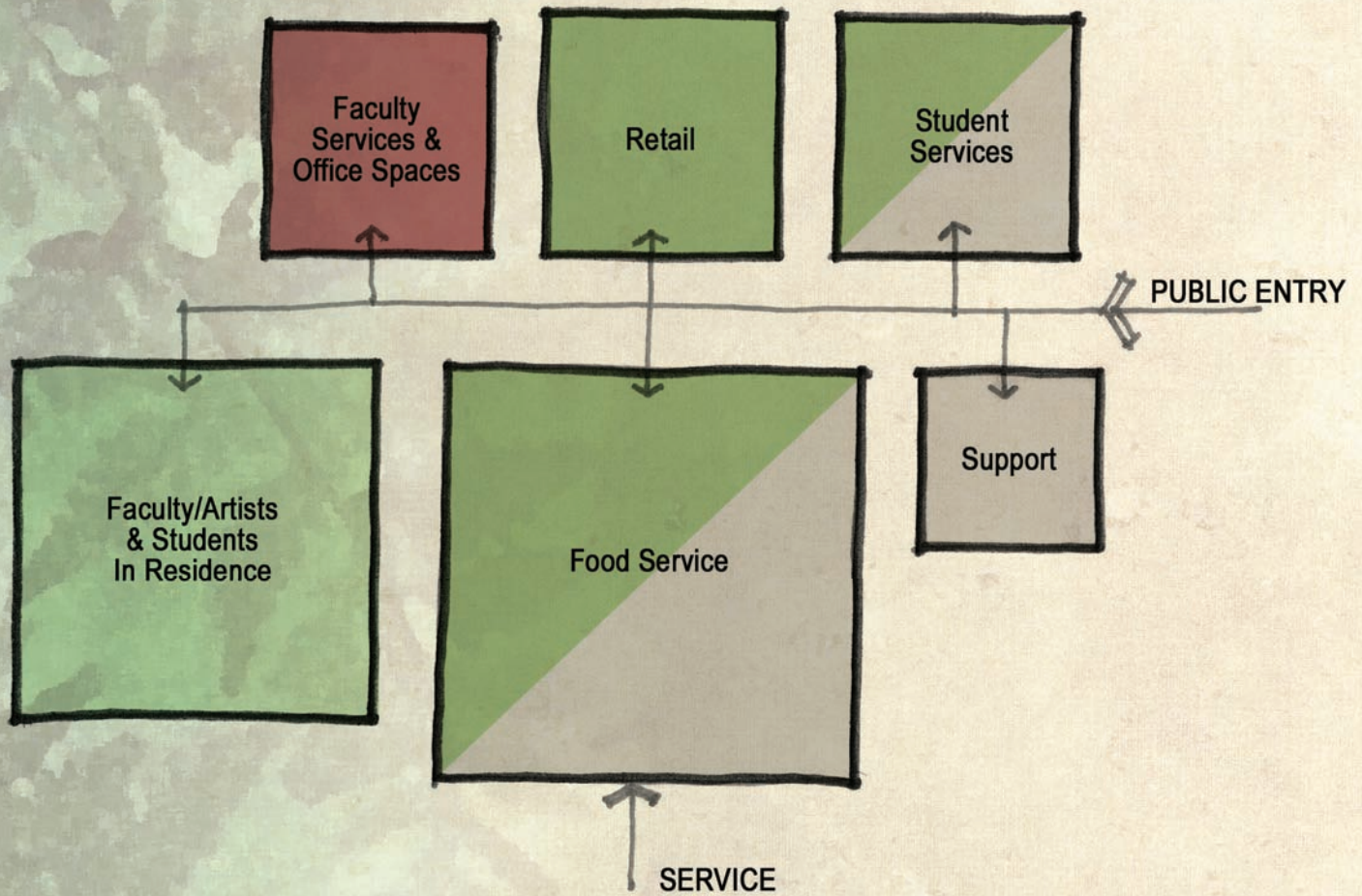


STUDENT UNION PROGRAM

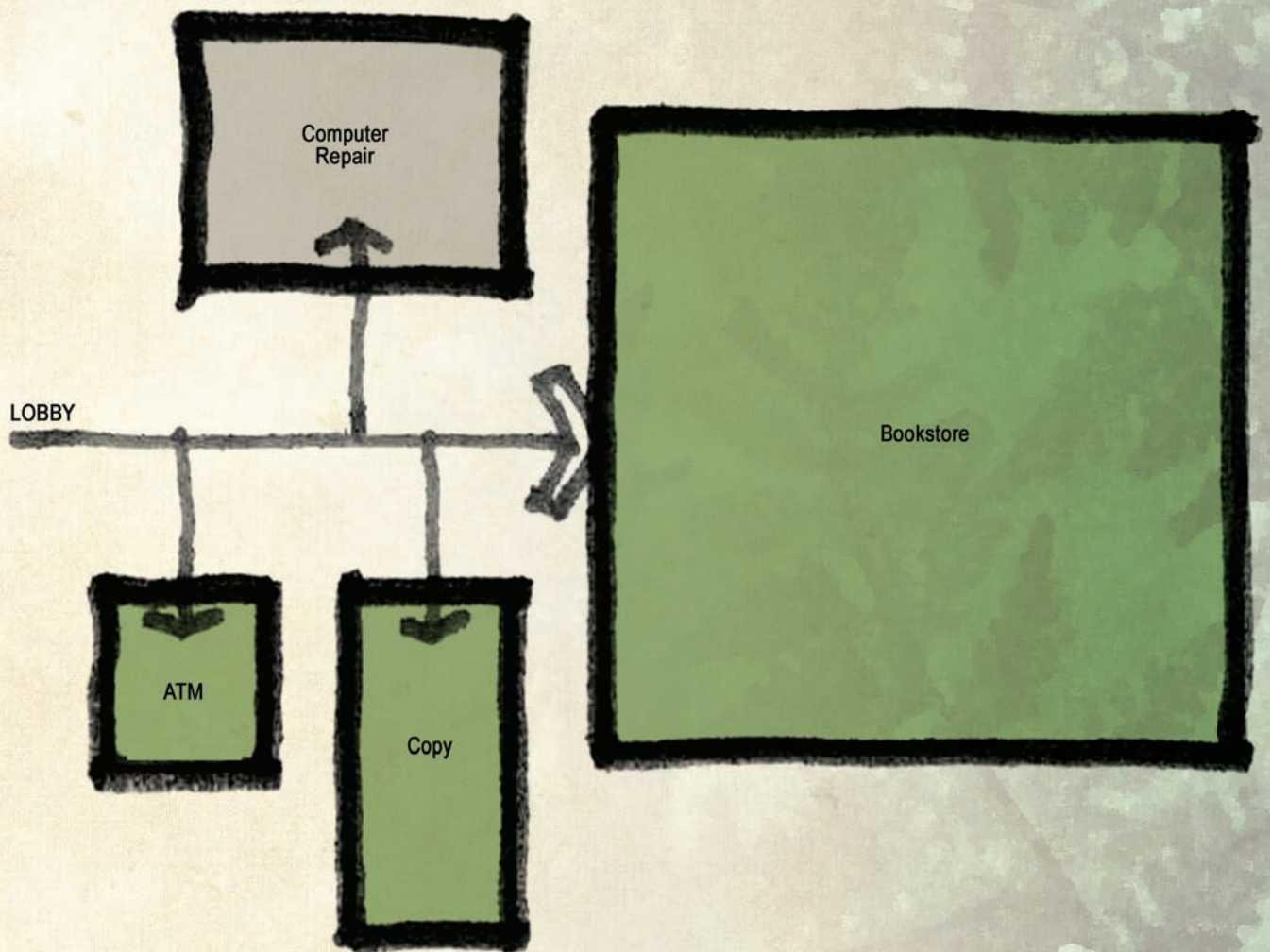
<u>Program Element</u>	<u>Quantity</u>	<u>Program Area Each</u>	<u>Program Area Sub-Total</u>
1.00 Retail			
1.01 Bookstore	1	1,200 sf	1,200 sf
1.02 Copy/Printing	1	200 sf	200 sf
1.03 Computer Repairs	1	200 sf	200 sf
1.03 Bank/ATM	1	100 sf	100 sf
2.00 Food Service			
2.01 Food Court	1	2,400 sf	2,400 sf
2.02 Servery/Cashier	1	400 sf	400 sf
2.03 Dining/Seating	1	2,400 sf	2,400 sf
2.04 Coffee House	1	150 sf	150 sf
2.05 Refuse/Storage	1	400 sf	400 sf
2.06 Food Service Office	1	180 sf	180 sf
3.00 Student Services			
3.01 Career Center	1	500 sf	500 sf
3.02 Student Lounge	1	600 sf	600 sf
3.03 Conference/Meeting Rooms	6	150 sf	900 sf
4.00 Faculty Services & Office Spaces			
4.01 EMBA Offices	1	420 sf	420 sf
4.02 Education Offices	1	780 sf	780 sf
4.03 Faculty Lounge	1	300 sf	300 sf
4.03 Copy/Fax/Workroom	1	200 sf	200 sf
4.10 Culinary Arts & Science Program			
4.11 Experimental Kitchen	1	1,000 sf	1,000 sf
4.12 Food Storage	1	0 sf	0 sf
4.13 Offices	2	0 sf	0 sf
5.00 Faculty/Artists & Students in Residence			
5.01 Dorm Rooms	5	360 sf	1,800 sf
5.02 Private Rooms	4	650 sf	2,600 sf
5.03 Communal Space	1	250 sf	250 sf
6.00 Support			
6.01 Loading Dock/Recycling	1	400 sf	400 sf
6.02 Storage	1	600 sf	600 sf
6.03 IT Room	1	200 sf	200 sf
6.04 Janitorial	1	400 sf	400 sf
Total Assigned Area			18,580 sf
Unassigned Space (40% of Gross) ¹			7,400 sf
Gross Building Area			25,980 sf

Note 1: Includes circulation, toilet rooms and building service area.

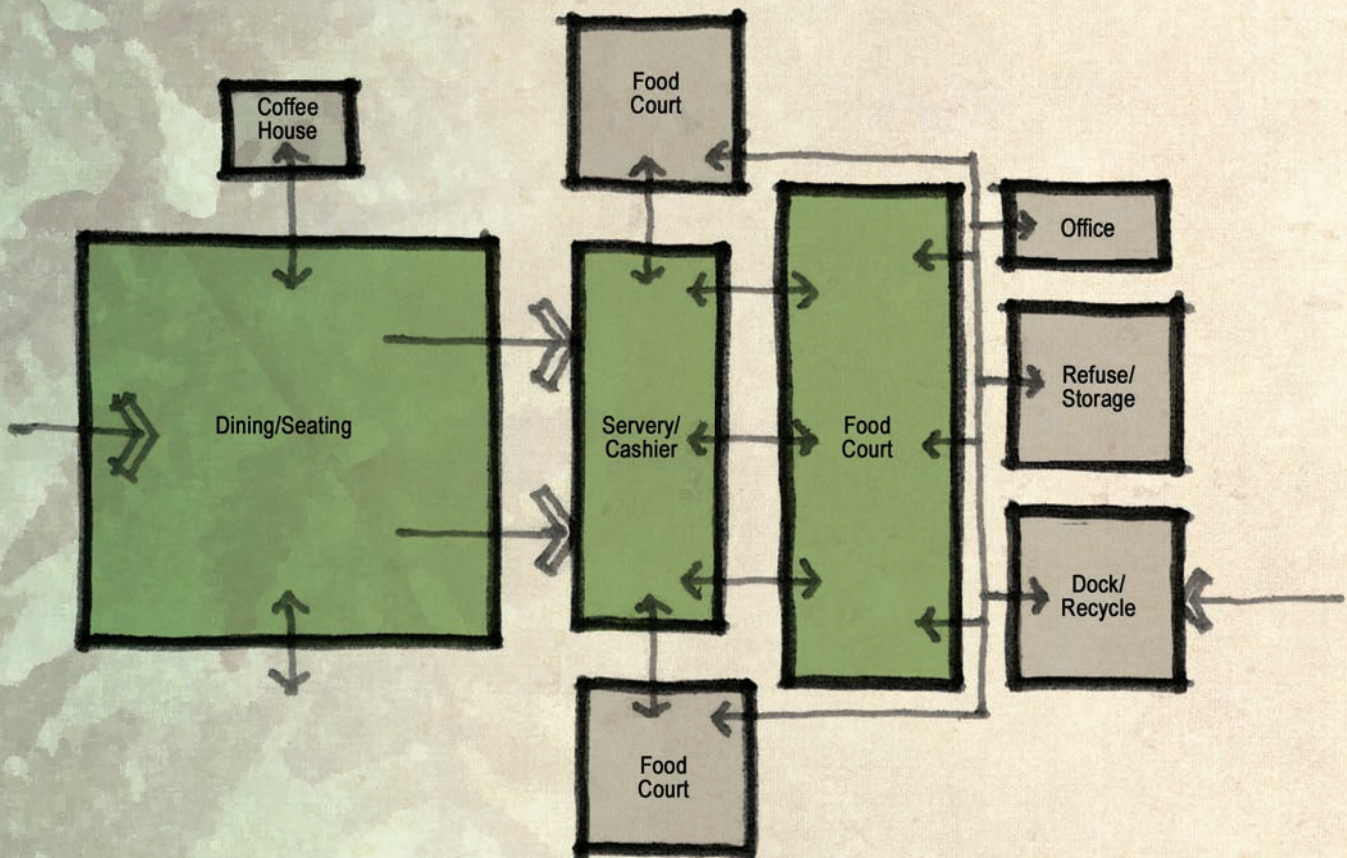
STUDENT UNION OVERALL PLAN



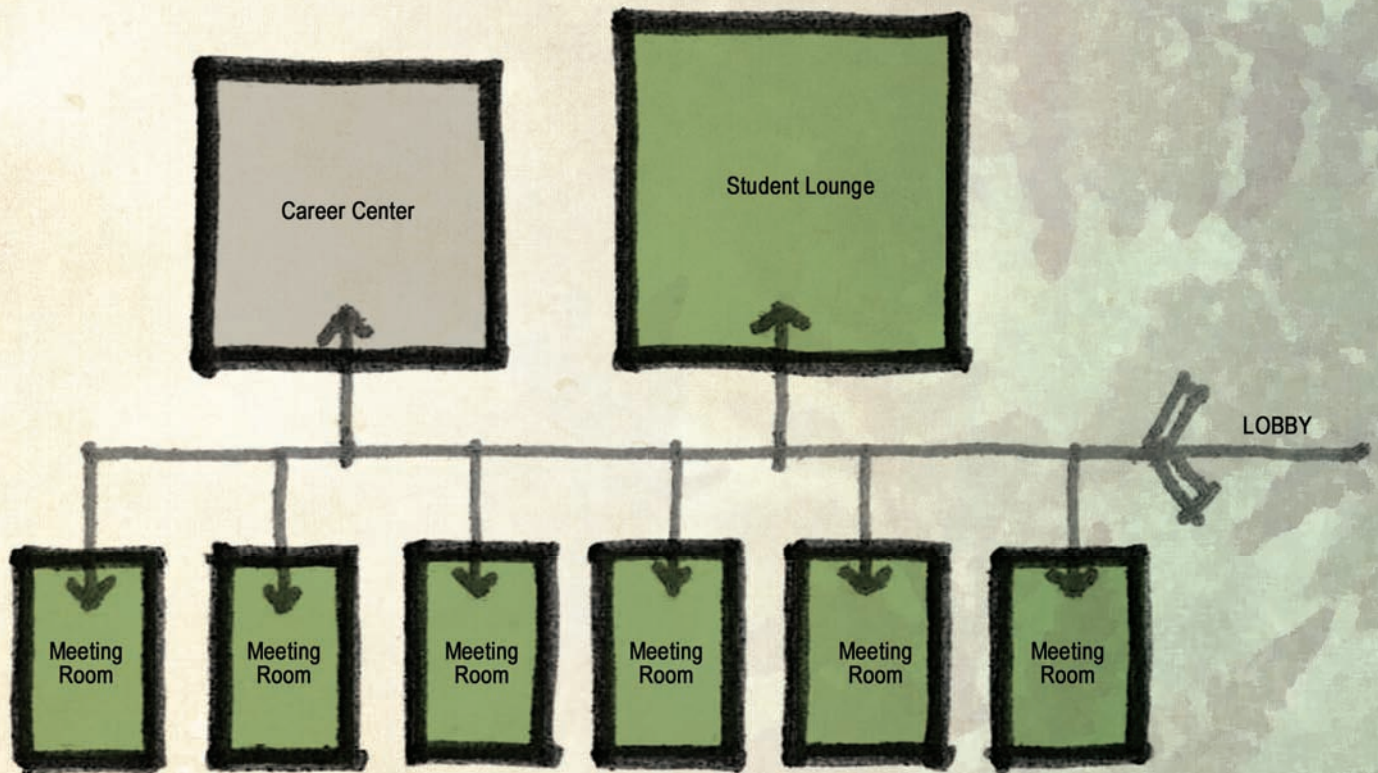
STUDENT UNION RETAIL



STUDENT UNION FOOD SERVICE

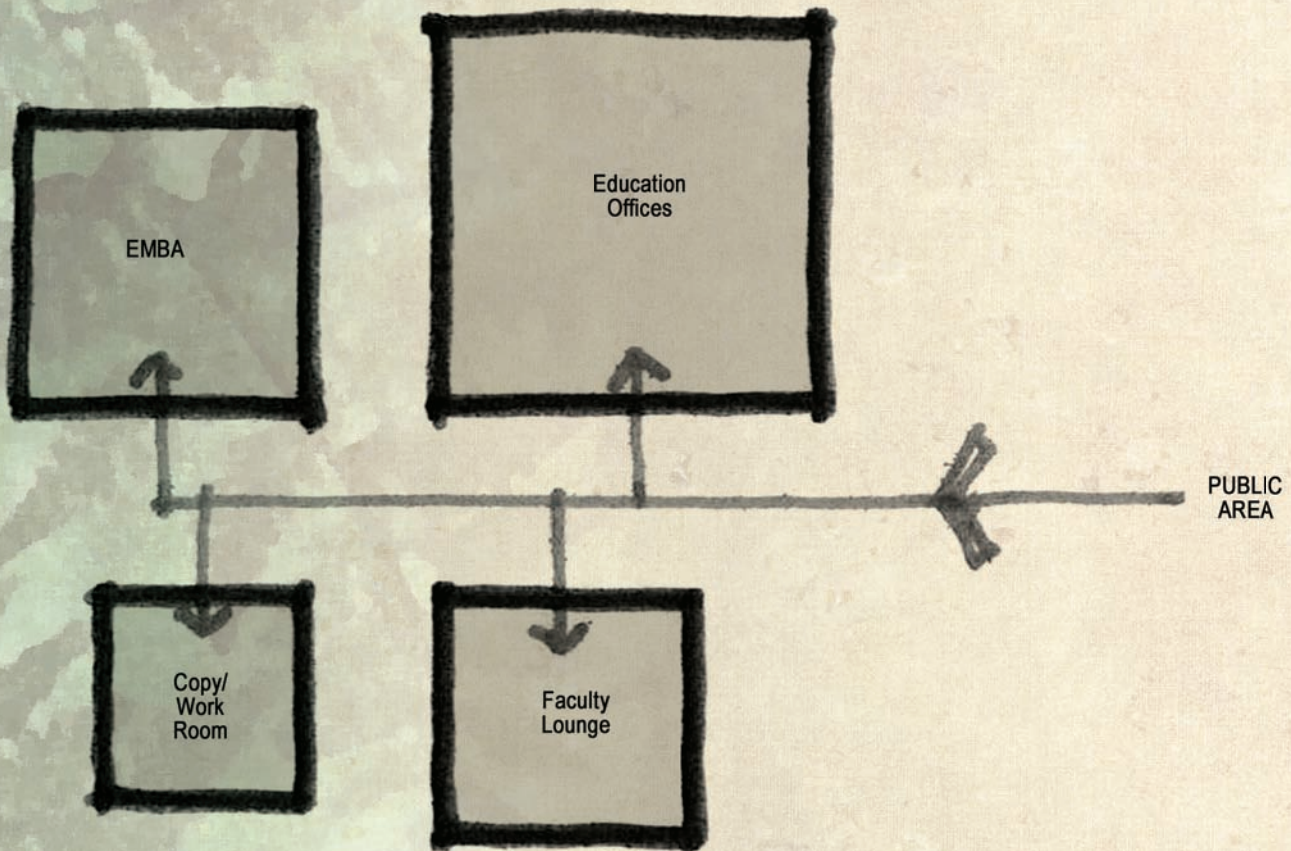


STUDENT UNION STUDENT SERVICES



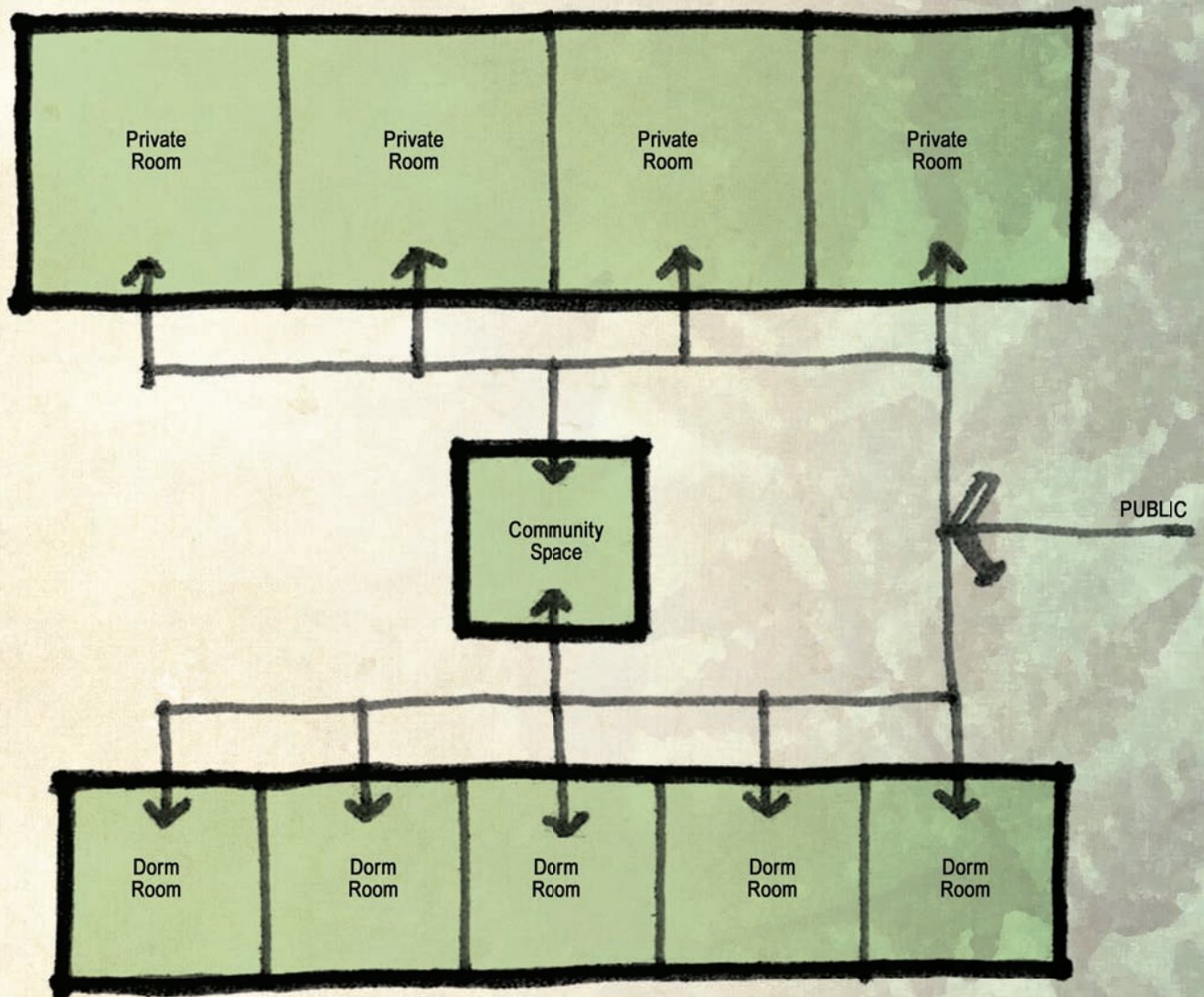
STUDENT UNION

FACULTY SERVICES & OFFICE SPACES

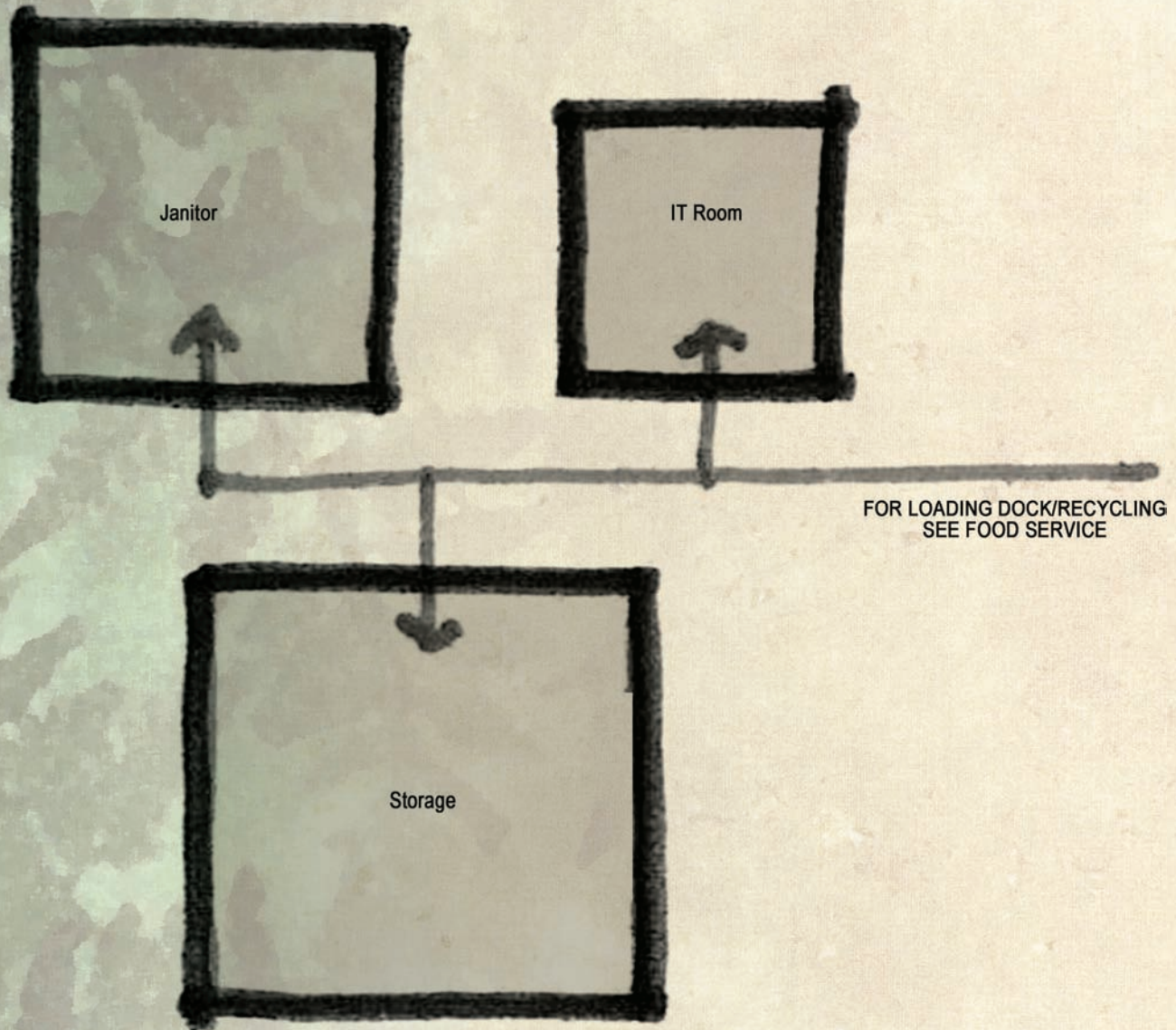


STUDENT UNION

FACULTY/ARTISTS & STUDENTS IN RESIDENCE



STUDENT UNION SUPPORT



FUTURE BUILDING SITES

Future building sites indicated in the Master Plan allow for expansion of existing buildings and/or the creation of new buildings that expand on or support the campus curriculum. These identified sites will complete the Master Plan and help frame and define the heart of the campus - the Central Green.

ATTACHMENT 1

(By Reference Only)

University of Idaho Design & Construction Project
Document Standards, Revised February 2007

ATTACHMENT 2

(By Reference Only)

- Section 1700, Telecommunications & Data Systems
- Telecommunications/Data Room Guidelines

PROGRAMMING PARTICIPANTS AND ACKNOWLEDGMENTS

University of Idaho
Moscow, Idaho

Wildrose Foundation
Sandpoint, Idaho

ALSC Architects
Spokane, Washington

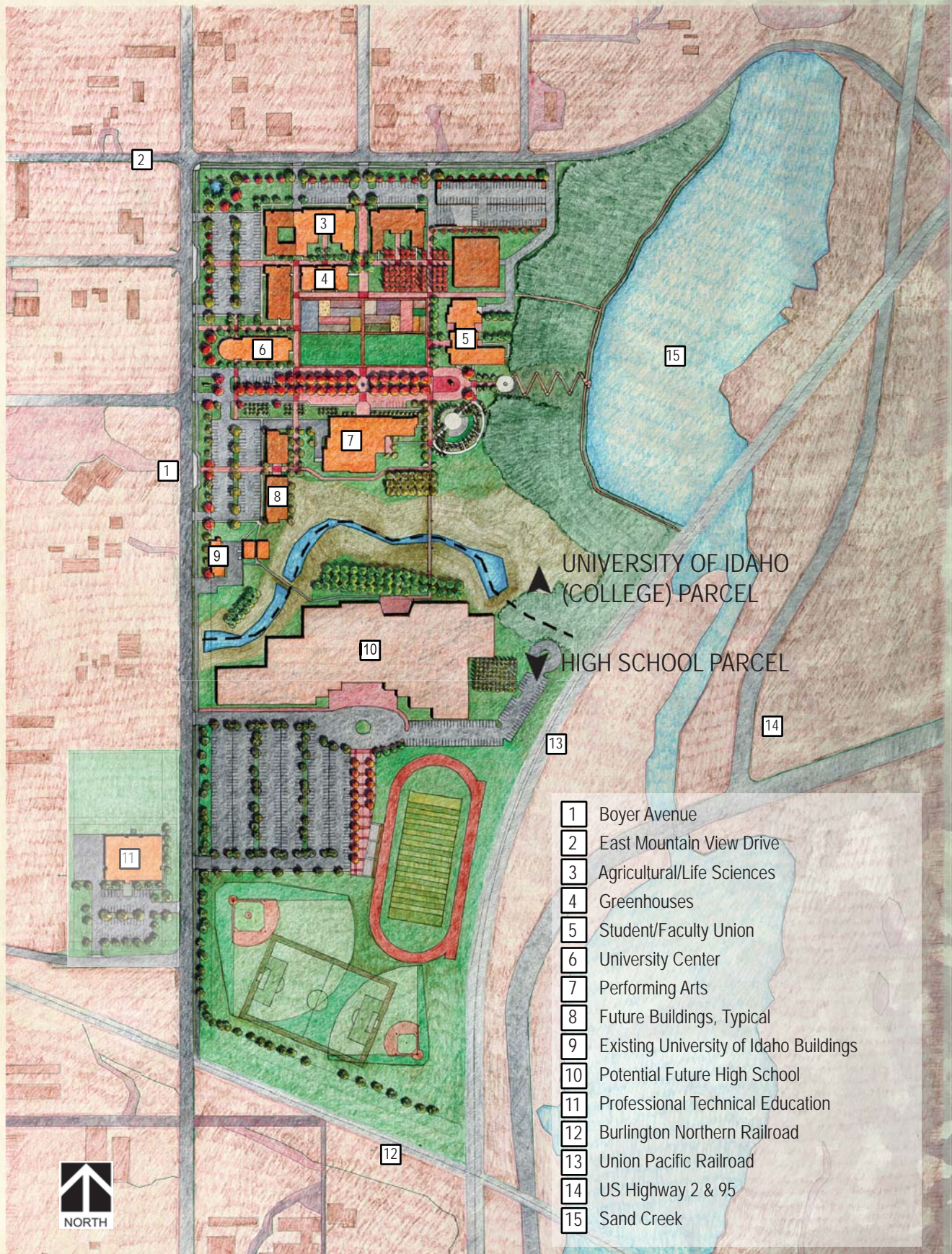
Ford Elsaesser
Elsaesser Jarzabek Anderson Marks Elliott & McHugh
Sandpoint, Idaho

3D Renderings
Anita Lehmann
Seattle, Washington

Cover
Gilbert Oxford 130# Duplex Cover
30% Post Consumer Waste – 60% Total Recycled Fiber

Text
Knightkote 80# Matte Text
30% Post Consumer Waste – 50% Total Recycled Fiber

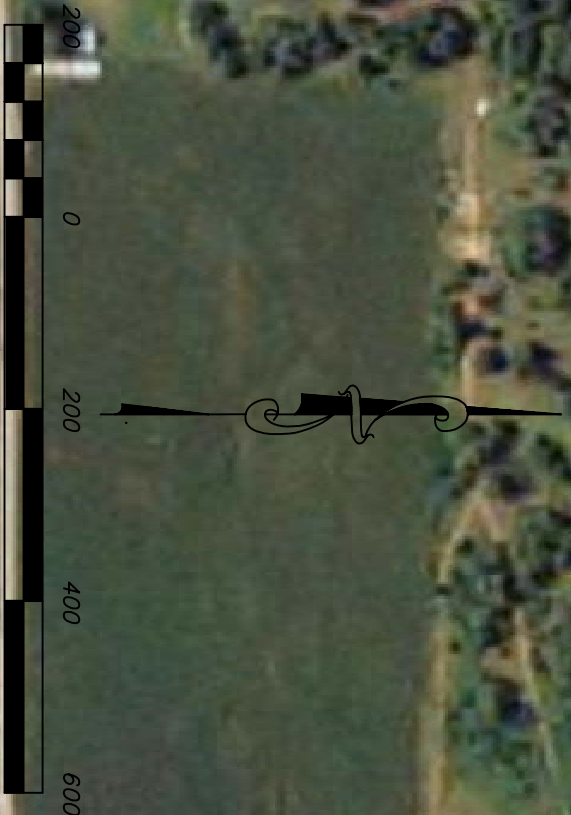
DIVISION OF CAMPUS PARCEL



RECORD OF SURVEY
for
DENNIS PENCE
IN S.3, T.57 N., R.2W., B.M.,
BONNER COUNTY, IDAHO

LEGEND

- Set, $\frac{3}{8}$ " dia. x 30" long Rebar with Yellow Plastic Cap marked "GLAHE PLS 5713".
- Found Rebar. (as noted)
- Set Lath on Line
- Calculated Position
- ☒ Power Pole (BPA)
- Fence line
- Water Line



Scale 1" = 200'

BASIS OF BEARINGS

Bearing Datum is from the
Plat of Meadow Wood Subdivision,
Book 5 Page 85, Inst. no. 474888

SURVEYOR'S CERTIFICATE

I, Lawrence A. Glahn, P.L.S. 5713, State of Idaho, do hereby certify that this Record of Survey has been prepared by me or under my direction in conformance with Chapter 19, Title 55 of the Idaho Code and that the Map shown herein is a true representation of a survey made by me during May, 2007.

NOTE

This Survey makes no representation of ownership, nor attempts to show all easements of record or in view, nor physical features and improvements of the property.

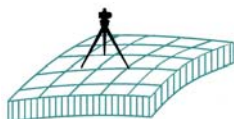
RECORDER'S CERTIFICATE

Filed this _____ day of _____, 2001,
at _____ o'clock _____ m, at the request of
Glache & Associates, Inc.,
as Instrument No. _____

County Recorder

Deputy

<h2 style="margin: 0;">RECORD OF SURVEY</h2> <h3 style="margin: 0;">FOR</h3> <h2 style="margin: 0;">DENNIS PENCE</h2>											
DAHE & ASSOCIATES PROFESSIONAL LAND SURVEYORS 303 Church Street Sandpoint, Idaho 83864 208-265-4474		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center; padding: 5px;"> $\frac{1}{4}$ </td> <td style="width: 25%; text-align: center; padding: 5px;"> Section </td> <td style="width: 25%; text-align: center; padding: 5px;"> Township </td> <td style="width: 25%; text-align: center; padding: 5px;"> Range </td> </tr> <tr> <td style="text-align: center; padding: 5px;">  </td> <td style="text-align: center; padding: 5px;"> 3 </td> <td style="text-align: center; padding: 5px;"> 57 N </td> <td style="text-align: center; padding: 5px;"> 2 W </td> </tr> </table>		$\frac{1}{4}$	Section	Township	Range		3	57 N	2 W
$\frac{1}{4}$	Section	Township	Range								
	3	57 N	2 W								
Scale: 1 in. = 200 ft. Checked By: LA6 Date: May, 2007 Sheet: 1 of 1		Drawing Name: 07-064 Pence ROS Plot Date: 7/09/07									



GLAHE & ASSOCIATES, Professional Land Surveyors

P.O. Box 1863
303 Church St., Ste. A
Sandpoint, ID 83864

Phone: (208) 265-4474
Fax: (208) 265-0675
Website: glaheinc.com

**Legal Description
For Dennis Pence**

That portion of Section 3, Township 57 North, Range 2 West , BM, Bonner County, Idaho described as follows;
Beginning at the Center Quarter Corner of said Section 3;
Thence North 00°12'23" East, along the North – South centerline of said Section 3, a distance of 882.12 feet;
Thence leaving said North – South centerline, South 88°03'43" East, 735.46 feet;
Thence South 01°05'00" East, 15.83 feet;
Thence South 88°03'43" East, 199.21 feet;
Thence South 00°12'23" West, 834.06 feet to a point of intersection with the East - West centerline of said Section 3;
Thence South 89°57'42" West, along said East - West centerline, a distance of 934.61 feet to the Point of Beginning.
Except the West 25 feet thereof for County Road.

Said tract contains 806,210 Sq. ft. or 18.51 Acres (Including road)

DPE-7/09/07 -07064

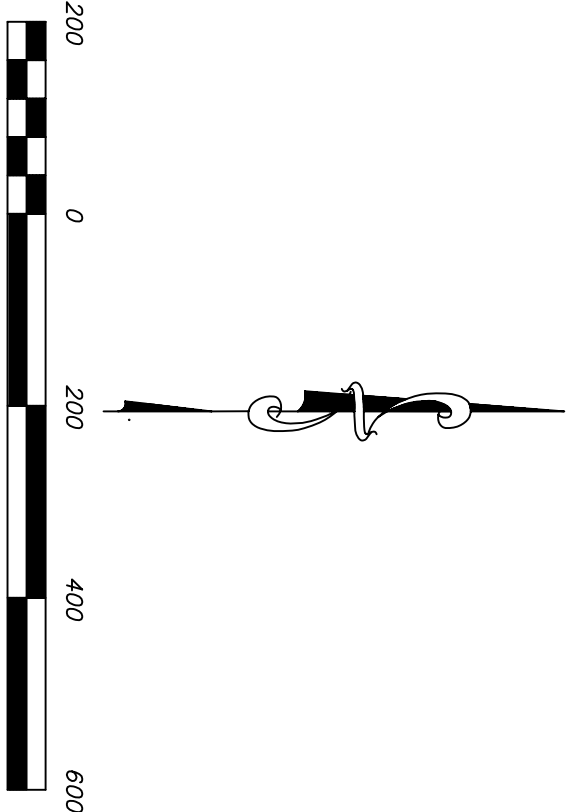
RECORD OF SURVEY

for DENNIS PENCE

IN S.3, T.57 N., R.2W., B.M.,

BONNER COUNTY, IDAHO

- LEGEND
- Set, 5/8" dia. x 30" long Rebar with Yellow Plastic Cap marked "GLAHE PLS 5713".
 - Found Rebar, (as noted)
 - Set Lath on Line
 - Calculated Position
 - Power Pole (BPA)
 - Fence line
 - Water Line



Scale 1" = 200'

BASIS OF BEARINGS

Bearing Datum is from the Plat of Meadow Wood Subdivision, Book 5 Page 85, Inst. no. 474888

SURVEYOR'S CERTIFICATE

I, Lawrence A. Glahé, P.L.S. 5713, State of Idaho, do hereby certify that this Record of Survey has been prepared by me or under my direction in conformance with Chapter 19, Title 55 of the Idaho Code and that the Map shown hereon is a true representation of a survey made by me during May, 2007.

NOTE

This Survey makes no representation of ownership, nor attempts to show all easements of record or in view, nor physical features and improvements of the property.

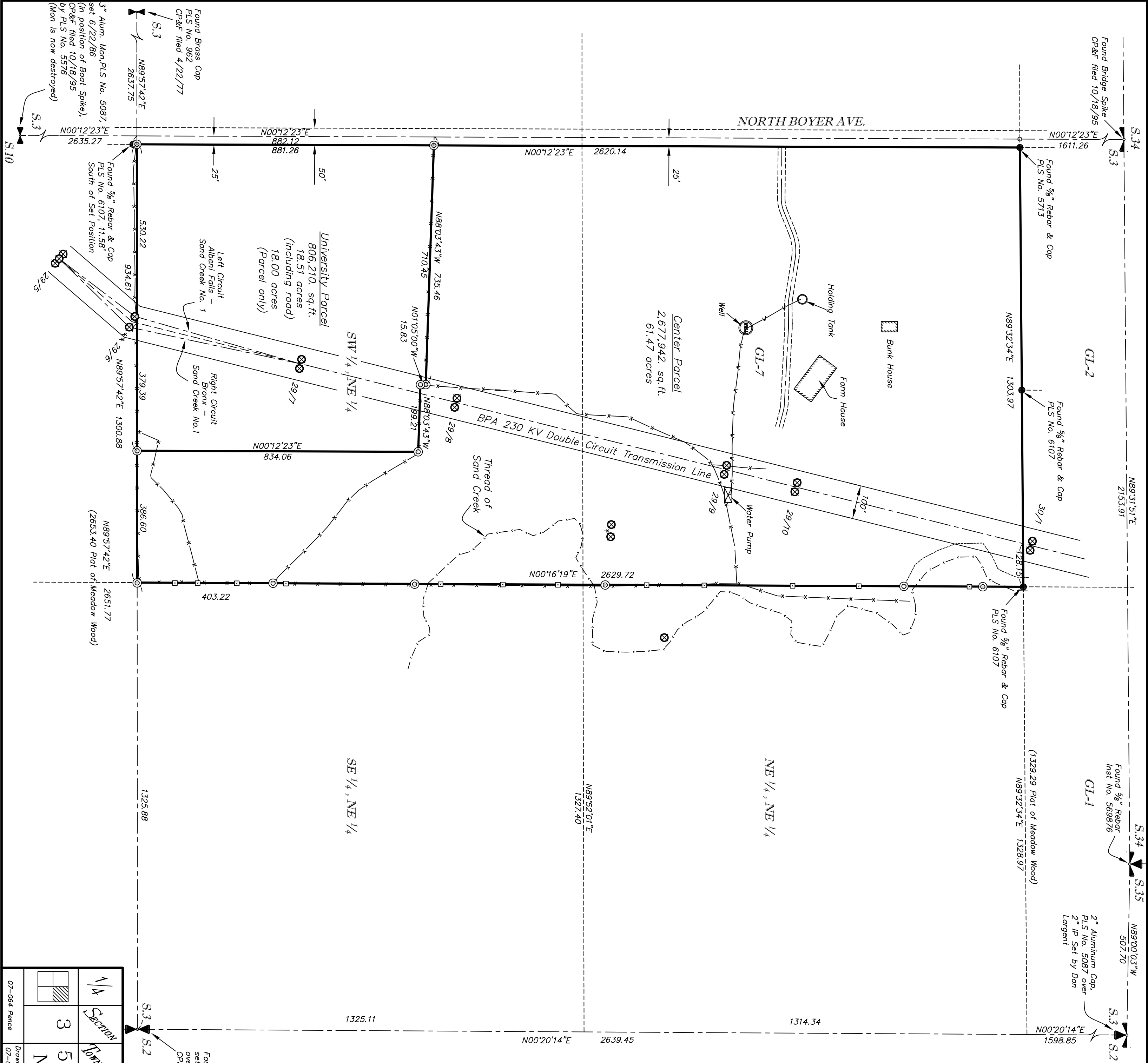
RECORDER'S CERTIFICATE

Filed this _____ day of _____, 2007, at _____ o'clock _____ m., at the request of Glahé & Associates, Inc., as Instrument No. _____

County Recorder Deputy

RECORD OF SURVEY FOR DENNIS PENCE

<div>RECORD OF SURVEY FOR DENNIS PENCE</div>										Scale: 1 in. = 200 f.t.			
GLAHE & ASSOCIATES PROFESSIONAL LAND SURVEYORS 303 Church Street Sandpoint, Idaho 83864 208-265-4474													
Checked By: LAG		Drawn By: J.F. Evans		Date: May, 2007									
Sheet: 1 of 1													
07-064 Pence		07-064 Pence ROS		Pilot Date: 7/09/07		<div><div>ALASKA</div><div>ARIZONA</div><div>IDAHO</div><div>MONTANA</div><div>WASHINGTON</div></div>							
Section 3		Township 57 N		Range 2 W		<div><div>1/4</div><div><div><div></div><div></div><div></div><div></div></div></div></div>							



Sources and Uses of Funds (Appendix 3 Schedule A-1)
Attachment 1

Sources of Revenue:	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Current Funding at Center ¹ (See Schedule E for detail.)			443,967	457,286	471,005	485,135	499,689	514,679	530,120	546,023
Research Grants ² (See Schedule E for detail.)										
Program support			200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Overhead			36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000
Sale Proceeds from Land sale to Wild Rose ³										
Endowment from sale proceeds		258,750	263,925	269,204	274,588	280,079	285,681	291,395	297,222	303,167
Sale proceeds reserve	500,000									
Educational Fees ⁴ (See Schedule D for detail.)										
Outreach-Center Operations			234,310	345,901	462,247	580,983	600,792	621,388	642,807	665,092
College Core Residential Faculty			406,406	743,342	1,137,372	1,497,629	1,542,011	1,587,725	1,634,810	1,683,307
College Contractual Faculty			729,204	786,078	837,785	929,445	965,508	1,003,365	1,043,128	1,084,915
Facilities/computing/activity			134,143	198,028	264,636	332,613	343,954	355,744	368,007	380,765
Nonresident tuition			50,400	100,800	100,800	151,200	151,200	151,200	151,200	151,200
Special fees including fees for conferences and courses offered on-site			41,263	40,251	39,209	38,135	37,029	35,890	34,717	33,508
Wild Rose/Community Core faculty support			800,000	800,000	800,000	800,000	800,000	0	0	0
Ongoing University funding (EWA, new or reallocated positions) ⁵			250,000	250,000	250,000	250,000	250,000	750,000	772,500	795,675
One-time University Funding ⁶		150,000	150,000	150,000						
Occupancy Costs ⁷			723,700	723,700	723,700	723,700	723,700	723,700	723,700	723,700
Phone rental			16,560	17,057	17,569	18,096	18,638	19,198	19,774	20,367
Rental of SUB units/performing arts ⁸			86,312	172,624	172,624	172,624	172,624	172,624	172,624	172,624
Reserve		500,000	558,750	316,210	483,489	625,718	1,179,665	1,697,870	1,879,506	2,046,242
Total	500,000	908,750	5,124,940	5,606,479	6,271,023	7,121,356	7,806,492	8,160,778	8,506,114	8,842,585
Uses:										
Administration (See Schedule E for detail.)			392,000	403,760	415,873	428,349	441,199	454,435	468,069	482,111
Added administrative Support ⁹					200,000	206,000	212,180	218,545	225,102	231,855
Academic Programs										
Current Staff			443,967	457,286	471,005	485,135	499,689	514,679	530,120	546,023
Grant Supported Faculty and Staff			200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Contractual Faculty and Staff			729,204	786,078	837,785	929,445	965,508	1,003,365	1,043,128	1,084,915
Core Residential Faculty, staff, and operating (See Schedule E for detail.)			1,629,000	1,677,870	1,728,206	1,780,052	1,833,454	1,888,457	1,945,111	2,003,465
One-time funding marketing/recruitment/moving funding ¹⁰			300,000							
New Core Residential faculty ¹¹					160,000	244,800	252,144	259,708	267,500	275,525
Infrastructure Costs										
Operations and Maintenance ¹²			900,000	927,000	954,810	983,454	1,012,958	1,043,347	1,074,647	1,106,886
Technology (Phone and data) ¹³										
Network including bandwidth and R&R-Cisco support			173,000	178,190	183,536	189,042	194,713	200,554	206,571	212,768
Classrooms (4)/Compressed video (2) support			25,000	25,750	26,523	27,318	28,138	28,982	29,851	30,747
Phone system			16,560	17,057	17,569	18,096	18,638	19,198	19,774	20,367
Capital Renewal ¹⁴			0	450,000	450,000	450,000	450,000	450,000	450,000	450,000
Building Furniture, Fixtures and Equipment ¹⁵										
Initial Infrastructure Costs at new R & E Center ¹⁶		350,000								
Total	0	350,000	4,808,731	5,122,990	5,645,305	5,941,691	6,108,621	6,281,272	6,459,871	6,644,661
Net Revenue	500,000	558,750	316,210	483,489	625,718	1,179,665	1,697,870	1,879,506	2,046,242	2,197,925

¹Based on FY07 funding for faculty, staff and operating expenses at CALS R&E Center and Bonner County Extension. Estimated annual increase included at 3% per year in subsequent years.

²Based on 18% of overhead of \$200,000 annually in grants and contracts.

³\$6.25 million will be received for the sale of the current UI land. \$500,000 will be placed in a cash reserve and the remaining \$5.75 mill will be placed in an endowment with the UI Foundation.

Annual payout to the UI will be a minimum of 4.5% and any return above that will be reinvested in the endowment.

Estimated returns shown are based on an expected return on investment of 7.5%.

⁴Based on estimated enrollments for proposed programs and calculated revenue based on current off-campus fee rates increased by 3% per year (See Appendix 3 Schedule D).

To account for full-time reduced rates and other discounts, estimated revenue has been reduced by 10%.

⁵Ongoing funding for faculty/staff positions through reallocation from colleges and university or new funding received.

⁶One-time funding of \$150,000 in FY09 from CALS for building at new experiment station and \$150,000 from university in FY10 and FY11.

⁷Calculated occupancy costs based on UI gross sq. ft. of 81,627 and \$26.5mill value. 23,823 sq. ft. not included since potential use for non-academic space. Funding must be approved by SBOE and legislature. See Appendix 3 Schedule B.

⁸Rental for 12,280 sq. ft. in SUB at \$10.80 per year per sq ft. plus \$40,000 per year in usage fees for Performing Arts learning Center (6 mo. Only in FY10)

⁹Based on predicted growth of programs, additional funding would be provided for administrative support in each of the college programs and buildings.

¹⁰One-time funding will be needed to recruit both students and faculty and to provide startup and moving costs for new faculty recruited.

¹¹Based on predicted growth of programs, an additional 2 faculty positions would be added in FY12 and one additional in FY13 @ \$80,000 each.

¹²Based on estimated occupancy costs rate plus off campus costs estimates for 105,450 sq. ft. and \$34.2 mill value. Annual increase included at 3% per annum.

¹³Estimate of costs done by UI ITS in June, 2007. Includes annual operating and repair and replacement for data, video and classrooms. Annual increase included at 3% per annum.

¹⁴Calculated at 1.5% of estimated construction costs of \$30 million. Funds are for major system repair and replacement as well as minor capital replacement furnishings needed on an annual basis.

No funding included in FY10 since building will be under 1 year warranty.

¹⁵Turn-key facilities will be provided by Wild Rose including FF&E in all areas. (Units may be responsible for furniture in some areas.)

BAHR - SECTION II
TAB 6 Page 123

¹⁶New land for center will require the demolition and/or upgrade of facilities, addition of roads, water and sewage systems. \$150,000 for a storage/warehouse facility.

Attachment 1

Sources and Uses of Funds (Without Occupancy Cost Funding) (Appendix 3 Schedule A-2)
Attachment 1

Sources of Revenue:	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Current Funding at Center ¹ (See Schedule E for detail.)			443,967	457,286	471,005	485,135	499,689	514,679	530,120	546,023
Research Grants ² (See Schedule E for detail.)										
Program support			200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Overhead			36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000
Sale Proceeds from Land sale to Wild Rose ³										
Endowment from sale proceeds		258,750	263,925	269,204	274,588	280,079	285,681	291,395	297,222	303,167
Sale proceeds reserve	500,000									
Educational Fees ⁴ (See Schedule D for detail.)										
Outreach-Center Operations			234,310	345,901	462,247	580,983	600,792	621,388	642,807	665,092
College Core Residential Faculty			406,406	743,342	1,137,372	1,497,629	1,542,011	1,587,725	1,634,810	1,683,307
College Contractual Faculty			729,204	786,078	837,785	929,445	965,508	1,003,365	1,043,128	1,084,915
Facilities/computing/activity			134,143	198,028	264,636	332,613	343,954	355,744	368,007	380,765
Nonresident tuition			50,400	100,800	100,800	151,200	151,200	151,200	151,200	151,200
Special fees including fees for conferences and courses offered on-site			41,263	40,251	39,209	38,135	37,029	35,890	34,717	33,508
Wild Rose/Community Core faculty support			800,000	800,000	800,000	800,000	800,000	0	0	0
Ongoing University funding (EWA, new or reallocated positions) ⁵			250,000	250,000	250,000	250,000	250,000	850,000	875,500	901,765
One-time University Funding ⁶		150,000	500,000	500,000						
Occupancy Costs ⁷			0	0	0	0	0	0	0	0
Phone rental			16,560	17,057	17,569	18,096	18,638	19,198	19,774	20,367
Rental of SUB units/performing arts ⁸			86,312	172,624	172,624	172,624	172,624	172,624	172,624	172,624
Reserve		500,000	558,750	102,510	407,889	640,072	824,883	987,588	927,771	870,521
Total	500,000	908,750	4,751,240	5,019,079	5,471,723	6,412,010	6,728,009	6,826,796	6,933,678	7,049,254
Uses:										
Administration (See Schedule E for detail.)			332,000	341,960	352,219	362,785	373,669	384,879	396,425	408,318
Added administrative Support ⁹					60,000	61,800	63,654	65,564	67,531	69,556
Academic Programs										
Current Staff			443,967	457,286	471,005	485,135	499,689	514,679	530,120	546,023
Grant Supported Faculty and Staff			200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Contractual Faculty and Staff			729,204	786,078	837,785	929,445	965,508	1,003,365	1,043,128	1,084,915
Core Residential Faculty, staff, and operating (See Schedule E for detail.)			1,629,000	1,677,870	1,728,206	1,780,052	1,833,454	1,888,457	1,945,111	2,003,465
One-time funding marketing/recruitment/moving funding ¹⁰			200,000							
New Core Residential faculty ¹¹						100,000	100,000	100,000	100,000	100,000
Infrastructure Costs										
Operations and Maintenance ¹²			900,000	927,000	954,810	983,454	1,012,958	1,043,347	1,074,647	1,106,886
Technology (Phone and data) ¹³										
Network including bandwidth and /R&R-Cisco support			173,000	178,190	183,536	189,042	194,713	200,554	206,571	212,768
Classrooms (4)/Compressed video (2) support			25,000	25,750	26,523	27,318	28,138	28,982	29,851	30,747
Phone system			16,560	17,057	17,569	18,096	18,638	19,198	19,774	20,367
Capital Renewal ¹⁴			0	0	0	450,000	450,000	450,000	450,000	450,000
Building Furniture, Fixtures and Equipment ¹⁵										
Initial Infrastructure Costs at new R & E Center ¹⁶		350,000								
Total	0	350,000	4,648,731	4,611,190	4,831,651	5,587,127	5,740,421	5,899,025	6,063,158	6,233,045
Net Revenue	500,000	558,750	102,510	407,889	640,072	824,883	987,588	927,771	870,521	816,209

¹Based on FY07 funding for faculty, staff and operating expenses at CALS R&E Center and Bonner County Extension. Estimated annual increase included at 3% per year in subsequent years.

²Based on 18% of overhead of \$200,000 annually in grants and contracts.

³\$6.25 million will be received for the sale of the current UI land. \$500,000 will be placed in a cash reserve and the remaining \$5.75 mill will be placed in an endowment with the UI Foundation. Annual payout to the UI will be a minimum of 4.5% and any return above that will be reinvested in the endowment. Estimated returns shown are based on an expected return on investment of 7.5%.

⁴Based on estimated enrollments for proposed programs and calculated revenue based on current off-campus fee rates increased by 3% per year (See Appendix 3 Schedule D). To account for full-time reduced rates and other discounts, estimated revenue has been reduced by 10%.

⁵Ongoing funding for faculty/staff positions through reallocation from colleges and university or new funding received.

⁶One-time funding of \$150,000 in FY09 from CALS for building at new experiment station and \$500,000 from university in both FY10 and FY11.

⁷Assumes no funding is received to cover occupancy costs.

⁸Rental for 12,280 sq. ft. in SUB at \$10.80 per year per sq ft. plus \$40,000 per year in usage fees for Performing Arts learning Center (6 mo. Only in FY10)

⁹Support would be phased in for IT support. Funding for one \$60,000 IT support position would be delayed until FY12.

¹⁰One-time funding will be needed to recruit both students and faculty and to provide startup and moving costs for new faculty recruited.

¹¹Based on predicted growth of programs, additional support is added in FY13 to hire adjunct and affiliate faculty members to support new courses.

¹²Based on estimated occupancy costs rate plus off campus costs estimates for 105,450 sq. ft. and \$34.2 mill value. Annual increase included at 3% per annum.

¹³Estimate of costs done by UI ITS in June, 2007. Includes annual operating and repair and replacement for data, video and classrooms Annual increase included at 3% per annum.

¹⁴Calculated at 1.5% of estimated construction costs of \$30 million. Funds are for major system repair and replacement as well as minor capital replacement furnishings needed on an annual basis. Funding is initiated in FY13. Building under 1 year warranty and expenses expected to minimal in first 3 years of occupancy.

¹⁵Any faculty furniture provided by Wild Rose including FF&E in all areas. (Units may be responsible for furniture in some areas.)

¹⁶New land for center will require the demolition and/or upgrade of facilities, addition of roads, water and sewage systems. \$150,000 for a storage/warehouse facility.

Estimated Occupancy Costs for Sandpoint Campus in FY2010 (Appendix 3 Schedule B)							
Facility				Replacement	Beneficial	Percent	
all added facilities:		% Academic	GSF	Costs	Occupancy	Requested	FY2010
						in FY2010	Request
Performing Arts	32,080	80.0%	25,664	\$26,500,844	7/1/2010	100.0%	\$ 723,700
Ag/Bio Sciences	27,300	100.0%	27,300				
AD/Classroom	20,090	100.0%	20,090				
SUB	25,980	33.0%	8,573				
			81,627	\$ 26,500,844	Facility Increases		\$ 723,700
Occupancy Costs Calculation - Full-Year					Less: Facility Deductions		
Cost Component		Rate		Total			
Electricity		\$ 1.00	81,627	\$ 81,627	Net Request	=====>>>>	\$ 723,700
Heat		\$ 0.75	81,627	\$ 61,221			
Other (IT,Security,Safety)		\$ 0.77	81,627	\$ 62,853	Facility Increases - gsf		81,627
					Less: Facility Deductions - gsf		
Building Maintenance		1.50%		\$ 397,513			
Landscape		0.03%		\$ 7,950			
Insurance		0.05%		\$ 13,250	Net Increase in gsf		81,627
Custodial Operating Expense					Custodial Total @ 29,020/FTE		3.14
(\$.1X GSF)		\$ 0.1000	81,627	\$ 8,163			
Custodial Personnel Costs (PG C)				\$ 91,109			
(1.00 FTE/26,000 GSF)							
	FTE	3.14	\$ 20,000				
	Fr Ben	45.1%	9,020				
		Per FTE	\$ 29,020				
Total Occupancy Costs Request (annual amount)				\$ 723,700			

Summary of Assets (Appendix 3 Schedule C-1)

	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Initial Commitment Wild Rose for Campus Buildings ¹			31,735,000	31,735,000	31,735,000	31,735,000	31,735,000	31,735,000	31,735,000	31,735,000
Value of land for new R & E Center ²			1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Accumulated Capital Renewal Fund				450,000	900,000	1,350,000	1,800,000	2,250,000	2,700,000	3,150,000
Accumulated Net Revenue - Operating reserve	500,000	558,750	316,210	483,489	625,718	1,179,665	1,697,870	1,879,506	2,046,242	2,197,925
Summary of assets at year end	500,000	558,750	33,051,210	33,668,489	34,260,718	35,264,665	36,232,870	36,864,506	37,481,242	38,082,925

¹Value of initial capital improvements to be completed and transferred to the university. Does not include value of the new campus land to be transferred.

²Value of this land based on estimates from donor. Per the MOU, an appraisal will be completed on the land before transfer.

Summary of Assets (Without Occupancy Cost Funding) (Appendix 3 Schedule C-2)

	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Initial Commitment Wild Rose for Campus Buildings ¹			31,735,000	31,735,000	31,735,000	31,735,000	31,735,000	31,735,000	31,735,000	31,735,000
Value of land for new R & E Center ²			1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Accumulated Capital Renewal Fund						450,000	900,000	1,350,000	1,800,000	2,250,000
Accumulated Net Revenue - Operating reserve	500,000	558,750	102,510	407,889	640,072	824,883	987,588	927,771	870,521	816,209
Summary of assets at year end	500,000	558,750	32,837,510	33,142,889	33,375,072	34,009,883	34,622,588	35,012,771	35,405,521	35,801,209

¹Value of initial capital improvements to be completed and transferred to the university. Does not include value of the new campus land to be transferred.

²Value of this land based on estimates from donor. Per the MOU, an appraisal will be completed on the land before transfer.

Projected Enrollments and Program Revenue (Appendix 3 Schedule D)									
Degree	Estimated FY10 Fee Rate per Credit Hr	Fiscal Year Fee Revenue							
		FY10	FY11	FY12	FY 13	FY14	FY15	FY16	FY17
Bachelor's Degrees									
Student credit hours Total		3,085	5,535	7,860	10,200	10,200	10,200	10,200	10,200
Core Resident Total		2,205	4,335	6,660	8,760	8,760	8,760	8,760	8,760
Contractual Total		880	1,200	1,200	1,440	1,440	1,440	1,440	1,440
Educational Fees									
Outreach-Center Operations	42.44	130,915	241,930	353,860	472,984	487,173	501,789	516,842	532,347
College-Core Faculty	158.18	348,787	706,282	1,117,637	1,514,146	1,559,571	1,606,358	1,654,549	1,704,185
College-Contractual	158.18	139,199	195,511	201,376	248,901	256,368	264,059	271,981	280,140
Facilities/computing/activity	24.29	74,949	138,505	202,585	270,783	278,907	287,274	295,892	304,769
Nonresident tuition (per nonresident student)	10,080.00	50,400	100,800	100,800	151,200	151,200	151,200	151,200	151,200
Total		744,250	1,383,028	1,976,258	2,658,014	2,733,219	2,810,679	2,890,464	2,972,642
Masters Degrees									
Student credit hours		1,260	1,381	1,622	1,744	1,745	1,746	1,748	1,749
Core Resident Total		555	630	750	750	750	750	750	750
Contractual Total		705	751	872	994	995	996	998	999
Educational Fees									
Outreach-Center Operations	42.44	53,469	60,371	73,043	80,857	83,346	85,913	88,561	91,292
College-Core Faculty	185.18	102,775	119,653	146,110	149,886	153,775	157,781	161,907	166,156
College-Contractual Faculty	185.18	130,552	142,672	169,962	198,591	204,012	209,611	215,392	221,363
Facilities/computing/activity	24.29	30,611	34,562	41,817	46,291	47,715	49,185	50,701	52,265
Nonresident tuition	10,080.00	0	0	0	0	0	0	0	0
Total		317,408	357,259	430,932	475,625	488,848	502,489	516,560	531,076
EMBA (Contractual Only)									
Student credit hours		360	360	360	360	360	360	360	360
Educational Fees									
Outreach-Center Operations	42.44	15,277	15,735	16,207	16,694	17,194	17,710	18,241	18,789
College (Fee per student-Contractual)	19,559.92	269,376	277,457	285,781	294,354	303,185	312,280	321,649	331,298
Facilities/computing/activity	24.29	8,746	9,008	9,279	9,557	9,844	10,139	10,443	10,757
Nonresident tuition		0	0	0	0	0	0	0	0
Total		293,399	302,201	311,267	320,605	330,223	340,130	350,334	360,844
Certificates (Contractual Only)									
Student credit hours		380	422	424	426	428	430	432	434
Educational Fees									
Outreach-Center Operations	42.44	16,126	18,436	19,073	19,734	20,420	21,132	21,872	22,640
College	185.18	70,368	68,722	71,095	73,558	76,115	78,770	81,527	84,391
Facilities/computing/activity	24.29	9,232	10,555	10,919	11,298	11,690	12,098	12,522	12,961
Nonresident tuition	10,080.00	0	0	0	0	0	0	0	0
Total		95,726	97,713	101,087	104,589	108,225	112,000	115,920	119,992

Projected Enrollments and Program Revenue (Appendix 3 Schedule D)									
Degree	Estimated FY10 Fee Rate per Credit Hr	Fiscal Year Fee Revenue							
		FY10	FY11	FY12	FY 13	FY14	FY15	FY16	FY17
Professional Programs (Contractual Only)									
Student credit hours		150	150	150	150	150	150	150	150
Educational Fees									
College*	68.95	10,343	10,654	10,974	11,303	11,642	11,991	12,351	12,722
Total		10,343	10,654	10,974	11,303	11,642	11,991	12,351	12,722
Special Conferences (Contractual Only)									
Student credit hours		150	150	150	150	150	150	150	150
Educational Fees									
Outreach-Center Operations	42.44	6,365	6,556	6,753	6,956	7,164	7,379	7,601	7,829
College	158.18	23,727	24,439	25,172	25,927	26,705	27,506	28,331	29,181
Facilities/computing/activity	24.29	3,644	3,754	3,866	3,982	4,102	4,225	4,351	4,482
Nonresident tuition		0	0	0	0	0	0	0	0
Special Fees (Estimated \$500 minus other educational fees)	275.09	41,263	40,251	39,209	38,135	37,029	35,890	34,717	33,508
Total		75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Summer Programs (Contractual Only)									
Student credit hours		900	945	992	1,042	1,094	1,149	1,206	1,266
Educational Fees									
Outreach-Center Operations	42.44	38,192	41,305	44,671	48,312	52,250	56,508	61,113	66,094
College	185.18	166,662	153,965	166,513	180,084	194,760	210,633	227,800	246,366
Facilities/computing/activity	24.29	21,865	23,647	25,574	27,659	29,913	32,351	34,987	37,839
Nonresident tuition	10,080.00	0	0	0	0	0	0	0	0
Total		226,720	218,917	236,759	256,054	276,923	299,492	323,901	350,299
Totals									
Student credit hours		6,285	8,943	11,558	14,071	14,127	14,185	14,245	14,309
Core Resident Total		2,760	4,965	7,410	9,510	9,510	9,510	9,510	9,510
Contractual Total		3,525	3,978	4,148	4,561	4,617	4,675	4,735	4,799
Educational Fees									
Outreach-Center Operations		260,345	384,334	513,607	645,536	667,547	690,431	714,230	738,991
College-Core Faculty		451,562	825,936	1,263,747	1,664,032	1,713,346	1,764,139	1,816,455	1,870,341
College-Contractual Faculty		810,227	873,419	930,872	1,032,717	1,072,787	1,114,850	1,159,031	1,205,461
Facilities/computing/activity		149,047	220,031	294,040	369,570	382,171	395,271	408,897	423,072
Nonresident tuition		50,400	100,800	100,800	151,200	151,200	151,200	151,200	151,200
Special Fees		41,263	40,251	39,209	38,135	37,029	35,890	34,717	33,508
Total		1,762,845	2,444,771	3,142,276	3,901,190	4,024,080	4,151,781	4,284,529	4,422,574
Adjusted by 10% for full-time									
Totals									
Educational Fees									
Outreach-Center Operations		234,310	345,901	462,247	580,983	600,792	621,388	642,807	665,092
College-Core Faculty		406,406	743,342	1,137,372	1,497,629	1,542,011	1,587,725	1,634,810	1,683,307
College-Contractual Faculty		729,204	786,078	837,785	929,445	965,508	1,003,365	1,043,128	1,084,915
Facilities/computing/activity		134,143	198,028	264,636	332,613	343,954	355,744	368,007	380,765

*Current Professional Development Fee is \$65 per credit.

Fees Inflated 3% per year

	FY08	FY09	FY10	FY11	FY12	FY 13	FY14	FY15	FY16	FY17
Outreach-Center Operations	40.00	41.20	42.44	43.71	45.02	46.37	47.76	49.19	50.67	52.19
College	149.10	153.57	158.18	162.93	167.81	172.85	178.03	183.37	188.88	194.54
Facilities/computing/activity	22.90	23.59	24.29	25.02	25.77	26.55	27.34	28.16	29.01	29.88
Nonresident tuition (per nonresident student)	10,080.00	10,382.40	10,693.87	11,014.69	11,345.13	11,685.48	12,036.05	12,397.13	12,769.04	13,152.11
Outreach-Center Operations	40.00	41.20	42.44	43.71	45.02	46.37	47.76	49.19	50.67	52.19
College	149.10	153.57	158.18	162.93	167.81	172.85	178.03	183.37	188.88	194.54
Facilities/computing/activity	22.90	23.59	24.29	25.02	25.77	26.55	27.34	28.16	29.01	29.88
Nonresident tuition (per nonresident student)	10,080.00	10,382.40	10,693.87	11,014.69	11,345.13	11,685.48	12,036.05	12,397.13	12,769.04	13,152.11
Outreach-Center Operations	40.00	41.20	42.44	43.71	45.02	46.37	47.76	49.19	50.67	52.19
EMBA Special Fee	18,437.10	18,990.21	19,559.92	20,146.72	20,751.12	21,373.65	22,014.86	22,675.31	23,355.57	24,056.23
Facilities/computing/activity	22.90	23.59	24.29	25.02	25.77	26.55	27.34	28.16	29.01	29.88
Nonresident tuition (per nonresident student)	10,080.00	10,382.40	10,693.87	11,014.69	11,345.13	11,685.48	12,036.05	12,397.13	12,769.04	13,152.11
Outreach-Center Operations	40.00	41.20	42.44	43.71	45.02	46.37	47.76	49.19	50.67	52.19
College	149.10	153.57	158.18	162.93	167.81	172.85	178.03	183.37	188.88	194.54
Facilities/computing/activity	22.90	23.59	24.29	25.02	25.77	26.55	27.34	28.16	29.01	29.88
Nonresident tuition (per nonresident student)	10,080.00	10,382.40	10,693.87	11,014.69	11,345.13	11,685.48	12,036.05	12,397.13	12,769.04	13,152.11
Professional Fee	65.00	66.95	68.96	71.03	73.16	75.35	77.61	79.94	82.34	84.81
College	149.10	153.57	158.18	162.93	167.81	172.85	178.03	183.37	188.88	194.54
Nonresident tuition (per nonresident student)	10,080.00	10,382.40	10,693.87	11,014.69	11,345.13	11,685.48	12,036.05	12,397.13	12,769.04	13,152.11

Fees Inflated 3% per year

	FY08	FY09	FY10	FY11	FY12	FY 13	FY14	FY15	FY16	FY17
Outreach-Center Operations	40.00	41.20	42.44	43.71	45.02	46.37	47.76	49.19	50.67	52.19
College	149.10	153.57	158.18	162.93	167.81	172.85	178.03	183.37	188.88	194.54
Facilities/computing/activity	22.90	23.59	24.29	25.02	25.77	26.55	27.34	28.16	29.01	29.88
Nonresident tuition (per nonresident student)	10,080.00	10,382.40	10,693.87	11,014.69	11,345.13	11,685.48	12,036.05	12,397.13	12,769.04	13,152.11
Outreach-Center Operations	40.00	41.20	42.44	43.71	45.02	46.37	47.76	49.19	50.67	52.19
College	149.10	153.57	158.18	162.93	167.81	172.85	178.03	183.37	188.88	194.54
Facilities/computing/activity	22.90	23.59	24.29	25.02	25.77	26.55	27.34	28.16	29.01	29.88
Nonresident tuition (per nonresident student)	10,080.00	10,382.40	10,693.87	11,014.69	11,345.13	11,685.48	12,036.05	12,397.13	12,769.04	13,152.11

Annual projected costs and revenue sources for resident faculty and staff and programs (Appendix 3 Schedule E)						
Program	Projected FY10 Costs	Projected FY10 Revenue Sources				
		Current Funding	University/ Student Fees	Wild Rose	Grants	County
Administration						
Center administration (AVP& UI Northern Idaho administrative staff in CDA will provide major oversight for these programs)						
Support: Local site operations director	60,000		60,000			
Local facilities maintenance foreman	43,500		43,500			
Local registration coordinator	43,500		43,500			
Local IT Lead and support associate (2 FTE)	120,000		120,000			
Local library/information professional/ and other support services	50,000		50,000			
Operating: OE, CO	75,000		75,000			
Totals	392,000		392,000	0		0
College of Agricultural and Life Sciences						
Horticultural Research and Extension Program (Currently funded through ARES Funding)						
Faculty: 1 FTE horticulture professor (Director of R&E Center)	100,562	100,562				
Support: 1 FTE farm manager and 1 FTE administrative assistant	86,847	86,847				
Operating: OE, CO	43,000	43,000				
Bonner County Extension (Currently funded through ARES and Bonner County Funding)						
Faculty: 1 FTE community development extension educator	53,179	51,679				1,500
1 FTE horticulture/master gardener extension educator	42,814	42,814				
Support: 1 FTE 4-H program assistant; 1 FTE Admin. Asst.; 1 FTE Receptionist	82,565					82,565
Operating: OE, CO	35,000					35,000
Food Science, Integrated program, Nanotechnology program						
Faculty: 1 FTE food science professor (research and teaching)	90,000	0	45,000	45,000	0	
Operating and technical support: OE, CO, personnel	26,500		1,500		25,000	
Foods and Nutrition, Core and Integrated program						
Faculty: 1 FTE foods and nutrition professor (research and teaching)	90,000	0	45,000	45,000	0	
Operating and technical support: OE, CO, personnel	26,500		1,500		25,000	
Plant Science, Horticulture Center, and Integrated program						
Faculty: 1 FTE molecular genetics professor (research and teaching)	90,000	0	45,000	45,000	0	
Operating and technical support: OE, CO, personnel	26,500		1,500		50,000	
Soils/Water Quality/Environmental Sciences, Core, Integrated program						
Faculty: 1 FTE soils/water quality professor (research and teaching)	90,000	0	45,000	45,000	0	
Operating and technical support: OE, CO, personnel	26,500		1,500		25,000	
Totals	909,967	324,902	186,000	180,000	125,000	119,065
College of Education						
Curriculum & Instruction/Conservation Biology, Integrated program						
Faculty: 1 FTE curriculum and instruction professor	80,000		40,000	40,000		
Operating: OE, CO	1,500		1,500			
Interdisciplinary Studies Integrated Program, Education program, Core						
Faculty: 1 FTE outdoor recreation professor	80,000		40,000	40,000		
1 FTE special ed/ed psychology professor	80,000		40,000	40,000		
Operating: OE, CO	3,000		3,000			
Industrial Technology						
Faculty: 1 FTE industrial technology professor	80,000		40,000	40,000		
Operating: OE, CO	1,500		1,500			
Totals	326,000	0	166,000	160,000	0	0

Annual projected costs and revenue sources for resident faculty and staff and programs (Appendix 3 Schedule E)						
Program	Projected FY10 Costs	Projected FY10 Revenue Sources				
		Current Funding	University/ Student Fees	Wild Rose	Grants	County
College of Letters, Arts and Social Sciences						
Music Theatre, Core, Integrated program						
Faculty: 1 FTE music professor	80,000		40,000	40,000		
1 FTE theatre professor	80,000		40,000	40,000		
Operating: OE, CO	3,000		3,000			
Integrated program, Core						
Faculty: 1 FTE history/political science professor	80,000		40,000	40,000		
1 FTE English professor	80,000		40,000	40,000		
1 FTE communications professor	80,000		40,000	40,000		
Operating: OE, CO	4,500		4,500			
Totals	403,000	0	203,000	200,000	0	0
College of Natural Resources						
Conservation Biology-Science Certification, Integrated program, Core						
Faculty: 1 FTE natural resources professor	90,000		45,000	45,000	0	
Operating: OE, CO	1,500		1,500			
Center for Conservation Impacts and Solutions, Integrated program, Core						
Faculty: 1 FTE natural resources Faculty	90,000		45,000	45,000		
Operating: OE, CO	26,500		1,500		25,000	
Conservation Administration, Core, Integrated program						
Faculty: 1 FTE natural resources Faculty	90,000		45,000	45,000		
Operating: OE, CO	26,500		1,500		25,000	
Totals	324,500	0	139,500	135,000	50,000	0
College of Business and Economics						
Executive MBA*						
Faculty: 1 FTE Marketing Professor	134,045		134,045			
Totals	134,045	0	134,045	0	0	0
College of Art and Architecture						
Integrated program, Core, Art						
Faculty: 1 FTE art professor	80,000		40,000	40,000		
Operating: OE, CO	1,500		1,500			
Totals	81,500	0	41,500	40,000	0	0
College of Science						
Integrated program, Core, Biology, Math						
Faculty: 1 FTE biology professor	90,000		45,000	45,000		
1 FTE math/statistics professor	85,000		45,000	40,000		
Operating: OE, CO	28,000		3,000		25,000	
Totals	203,000	0	93,000	85,000	25,000	0
All Colleges						
Contractual Faculty for all programs except Integrated program						
Faculty and Staff salaries/operating**	595,159		595,159	0		
Totals	595,159	0	595,159	0	0	0
Overall Totals	3,369,171	324,902	1,950,204	800,000	200,000	119,065

*Marketing Professor salary is paid via the fees generated from the EMBA.

**Based on fees derived from the college portion of the fees generated by contractual faculty. Total value excludes marketing professor salary above.

University of Idaho Sandpoint Campus

Budget and Operational Feasibility

July, 2007

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Introduction

The University of Idaho has built a strong programming effort in the northern Idaho Panhandle (northern 5 counties of Idaho) through University of Idaho Coeur d'Alene, the University of Idaho Research Park, and University of Idaho extension programs. The northern Idaho Panhandle is one of the fastest growing areas of the state and educational programming is expected to play a major role in the development of the area in the next 10-20 years. With the successful development of programs in the region and a strong infrastructure of faculty, staff and facilities already in place, the University of Idaho is expected to play a lead role in the development of educational programming for the region.

The University of Idaho's action plan for the northern Panhandle calls for significant growth in academics, research, and outreach programs. To achieve these goals will require development of additional infrastructure and funding. The UI must maintain the quality of program offerings while at the same time develop the quantity of offerings needed in the region. Consistent with the Land Grant mission of the University of Idaho, we have chosen to respond to the educational programming needs of this region through the development of educational centers at distinct locations throughout the Northern Idaho Panhandle. This "dispersed" location approach assures access at the local level and allows the university to take advantage of unique local characteristics and support throughout the region. Through the organization of a common administrative structure for all programs and the use of these unique facilities and locations, fiscal, programmatic and administrative efficiencies can be achieved while at the same time providing local access. The University of Idaho will take advantage of existing extension and university facilities, infrastructure, and programs at three center sites (Post Falls, Sandpoint, and Coeur d'Alene) and 5 county extension office sites in the NI Panhandle to develop programming for the future.

Current Role of University of Idaho Sandpoint Center

The University of Idaho has delivered programming to the Sandpoint area since the early 1900's. The primary programming in Sandpoint has been through the research and extension programs provided through the College of Agricultural and Life Sciences and the college has maintained a Research & Extension Center in Sandpoint since 1912. The current station is located on 63 acres within the City of Sandpoint and includes a research laboratory, greenhouse, and field plots. Research at Sandpoint currently focuses on commercial and home horticulture, small-scale farming, specialty crops, and agroforestry. In addition to research, the center provides extension workshops and demonstrations and technical assistance to established and prospective commercial farmers.

In cooperation with Bonner County, UI Cooperative Extension has been in Bonner County since the 1920's and continues to provide active extension programs in youth and family programs, master gardening and community development. Two extension educators and three staff are located in the county office. A compressed video center opened in the county office in 2001 and is currently funded through state dollars, Bonner

County dollars, and user fees. The center offers academic credit courses through UI and NIC. It also is used by a variety of private/public entities.

In the fall of 2006, the College of Education established an M.S. program in educational leadership that is delivered in Sandpoint. Thirty seven students are enrolled in this “tailored-for-the-district” degree cohort. Two faculty members located at University of Idaho Coeur d’Alene provide on-site instruction, with one serving as overall coordinator. On-site program facilitation is provided by a College of Education selected affiliate who is an administrator in the District.

University of Idaho Sandpoint Campus Plan

The new Sandpoint Campus will build on the existing programs at University of Idaho Coeur d’Alene and the UI Research Park and the existing programs at the Sandpoint Research and Extension Center and Bonner County Extension to provide access to the growing population in the Bonner County area (> 50,000) for general higher education programs. The Campus will also provide unique programs that are based on the local business, community and natural resource assets and take advantage of the local research and extension programs already existing at the site. NIC already has a presence in the area and discussions are underway to locate the local high school adjacent to the new campus thus increasing the synergism and collaboration between secondary and higher education in the area. With this combination, the new campus is expected to be a unique model for higher education which combines the resources in higher education, extension, research and secondary education to create a campus responsive to local and statewide economic and educational needs.

Consistent with the vision and strategic action plan of the University of Idaho¹, the new campus will be built around the land grant concept with programs provided in teaching and learning, scholarly and creative activity, and outreach and engagement. The new Sandpoint Campus will be developed to create a 21st Century environment that fosters innovative, interdisciplinary, interactive, integrated, collaborative, and sustainable programs. Reflecting our Strategic Action Plan, the Sandpoint Campus will:

- ✓ emphasize quality and access, focusing efforts on sustaining strong programs and investing resources in strategic directions that advance the interests of Idaho in an increasingly interdependent and competitive world.
- ✓ through collaboration across strong academic disciplines, and through the creation of public, private, and community partnerships, undertake bold initiatives to promote science, technology, and their applications; to invigorate the liberal arts and sciences; to catalyze entrepreneurial innovation; to steward the natural environment; and to develop the design, lifestyles and civic infrastructures of sustainable communities.

The campus objectives are also congruent with the five inter- and multidisciplinary academic thematic areas that have been identified by the university for investments in the

¹ Strategic Action Plan 2006-2020. Vision, Values, and Directions

future.¹ The academic themes are responsive to the needs of the people of Idaho and are believed to provide challenges to, and opportunities for, Idaho's future. The five thematic areas are:

1. **Promoting Science and Technology – advancing Idaho's core competencies in science, technology, and engineering areas of imaging, power and energy, biosciences, and nanoscience and materials.**
2. **Advancing Liberal Arts and Sciences - strengthening the arts and sciences to improve scientific discovery, social and cultural enhancement, and progress in the applied professions.**
3. **Catalyzing Entrepreneurial Innovation - using ideas, creativity, innovation and engagement to inspire enterprise and technological change.**
4. **Stewarding the Environment - sustaining Idaho's natural resources that contribute to our quality of life and natural resources-based industries.**
5. **Understanding Sustainable Design and Life Style - the integration of architecture, creative arts, and law in urban, rural, and frontier environments.**

Mission, Goals and Objectives for the Sandpoint Campus

Complete details of the mission, goals and objectives of the project are found in the Program Planning Guide and Master Plan for the Sandpoint Campus. They are summarized here.

Mission. The mission of the project is to create a 21st Century environment that fosters innovative, interdisciplinary, interactive, integrated, collaborative, and sustainable programs that reflect the land grant concept with programs provided in teaching and learning, scholarly and creative activity, and outreach and engagement.

Physically the campus will reflect innovation and excellence in all programs and make use of the natural environment and the campus infrastructure to develop new programs and educational approaches.

Programmatically, the facility will support technology enhanced teaching and learning, scholarship and creativity, outreach and engagement, social interaction, interdisciplinary activities, sensitivity to environmental sustainability and recognize centers of excellence in selected areas of emphasis according to the University strategic themes. All programs and facilities should reflect the campus theme, "Developing healthier and more sustainable lives and communities through education".

Project Goals and Objectives. The University of Idaho has an opportunity to create a unique place with a unique architectural expression that speaks to the mission/vision of the University of Idaho and the Wildrose Foundation. The buildings are to be considered

¹ University of Idaho Strategic Directions, A Plan for Renewal of People, Programs, and Place, February, 2005.

as “background buildings” that shape the campus and create unique spaces between building edges. The goals and objectives are focused on three categories:

○ **Educational**

- Plan and design the facilities and campus to create both a unified location and identity for the University of Idaho yet foster closer link-ages with the community, all other educational institutions and other enterprises that enhance the campus community.
- Develop a campus that promotes collegiality among units and creates a sense of community for students and faculty.
- Develop a campus that is a recruitment tool for future faculty, staff, students and potential donors with quality offices, student spaces and state-of-the art instructional and research spaces.
- The campus should respect the environment and remain open and intimate.
- The campus shall be a laboratory to exhibit sustainable practices.

○ **Campus**

- Provide instructional spaces that support interdisciplinary, collaborative and interactive teaching and learning that are complemented by appropriate technology features. Team-teaching, student presentations, and small group interactions are integral to innovative curriculum delivery and require flexible and creative space layouts for teaching and learning. Flexibility will be essential in all environments and informal learning spaces should be included to complement formal spaces.
- Enhance the campus with technologies that support, maintain, and improve the learning and scholarly activity of the campus. Create an adaptable building whose infrastructure allows for future technologies and changes in uses.
- Expand the capacity for delivery of outreach programs and services. Buildings should provide state-of-the-art telecommunication capabilities for interactive program delivery.
- Create laboratory buildings that provide state-of-the-art equipment and provide for interactive research projects and flexibility in the use of the spaces.

○ **Architectural**

- The architecture shall be human scaled and memorable.
- The architecture shall be consistent yet authentic to the specific program.
- The architecture shall be uniquely Sandpoint and foster a collegiate feel.
- The architecture shall focus on creating place, space and an interactive environment.

Proposed Programs at the Sandpoint Campus

Complete details of the programs to be offered are in Appendix 1. In summary, the following programs are planned for the campus:

Scholarly and Creative Activity (Research)

As stated in the Strategic Action Plan of the University, the objectives of the Campus are to achieve excellence in scholarship and creative activity through an institutional culture that values and promotes strong academic areas and interdisciplinary collaboration and emphasizes scholarly and creative activities that support the University's strategic themes, the research-extensive and land-grant missions, and strategically important graduate and professional programs. Scholarly and creative activity will be a component of all faculty programs at the campus and three areas have been selected for developing excellence at the campus:

- Value Added Horticultural Research
- Conservation Impacts and Solutions
- Applied Nanotechnology

Outreach and Engagement (Extension)

The goal of the University of Idaho in outreach and engagement is to engage with the public, private and non-profit sectors through mutually beneficial partnerships that enhance teaching, learning, discovery, and creativity. A major emphasis at the campus will be to engage the public in all programs. Initial programming in outreach will include the following:

- **Horticulture and Master Gardening**
- **Community development**
- **Youth and family Development**
- **Forestry, natural resources, and water quality**
- **Service Learning**
- **Music and theatre**

Teaching and Learning (Academic Degree Programs)

A major goal of the UI Strategic Action Plan is to engage students in a transformational experience of discovery, understanding, and global citizenship. The objectives include building and sustaining innovative curricula and developing effective integrative learning activities. Access to programs is also a major objective in the Outreach and Engagement goal with an objective to promote access to program/course delivery statewide. The new campus will play a major role in implementing these plans for the university.

As indicated in the program plan, several needs assessments have been completed in the area and the assessment of the growth population in the area, indicates a significant increase in population in the next few years. Our plan for academic programs includes offering courses at both the undergraduate and graduate degree level in select areas in response to local needs as well the recognized assets of the area and the community. Programs are planned to be synergistic and complementary to the programs currently offered at University of Idaho Coeur d'Alene and Post Falls. Although emphasis will be on live delivery of select programs at the campus, we will also provide easy access to programs via web based and web assisted delivery, compressed video delivery, and DVD video delivery. Interdisciplinary and integrated approaches will be the hallmark of all programs with a unique combination of sciences, education, business and the fine arts being incorporated in all areas.

Academic programs will include:

- **Core Curriculum.** The core will be designed to meet the UI and SBOE core requirements thus allowing students to pursue degrees at any state institution after completion of the core as well as continue at the Sandpoint Campus.
- **Undergraduate degrees.** The following undergraduate degrees will be available at the Sandpoint campus.
 - **B.S. Elementary and Secondary Education**
 - **B.S. Environmental Sciences**
 - **B.S. Foods and Nutrition (culinology & nutrition)**
 - **B.G.S. General Studies**
 - **B.S. Industrial Technology (2 +2 +2)**
 - **B.A. and B.S. Interdisciplinary Studies**
 - **B.F.A. Music Theatre (one semester at Sandpoint)**
 - **B.S. Psychology**
 - **Minor in Business**

Most of the above degrees will be delivered to Sandpoint through a combination of compressed video and DVD delivery from other UI campuses, web courses, and local and visiting faculty. In all cases on-site faculty will be available to assist in the delivery and advising for all of these programs. Most will also focus on the last two years.

The Interdisciplinary Studies degrees will be the only programs totally delivered at Sandpoint and will emphasize live delivery and a student-centered, student directed approach with strong involvement of local faculty mentors/advisor and the use of a strongly integrated approach, the Integrated Interdisciplinary Studies Curriculum (IISC). The program will offer three emphasis areas: Arts and Community, Health and Wellness, and Natural Resources and Sustainability.

- **Graduate Degrees.** As with the undergraduate degrees, most of the above degrees will be delivered to Sandpoint through a combination of compressed video and DVD delivery from other UI campuses, web courses, and local affiliate and visiting faculty. In all cases on-site faculty will be assist in the delivery and advising for all of these programs. The following graduate degrees will be offered at the Sandpoint campus:
 - **M.F.A. Musical Theatre**
 - **M.S. Bioregional Planning**
 - **M.S. Curriculum and Instruction**
 - **Standard**
 - **Conservation Biology**
 - **M.S. Educational Leadership**
 - **M.S. Environmental Sciences**
 - **Executive M.B.A.**
 - **M.S. Food Science**

- **M.S. Foods and Nutrition**
- **M.S. Natural Resources Conservation Management**
- **M.S. Plant Science/Soil Science**
- **Certificates.** Certificates in Arts Management, Natural Resources, Geographical Information Systems (GIS), Graphic Arts, Organizational Dynamics, Diversity and Stratification, Natural Resources, and Food Science will be offered in association with programs at UI CDA.

Collaboration with other Institutions. North Idaho College, Lewis and Clark State College, and the Northern Idaho Center for Higher Education (NICHE) will have access to dedicated offices and classrooms at the campus and will provide programs related to their mission and goals in Northern Idaho.

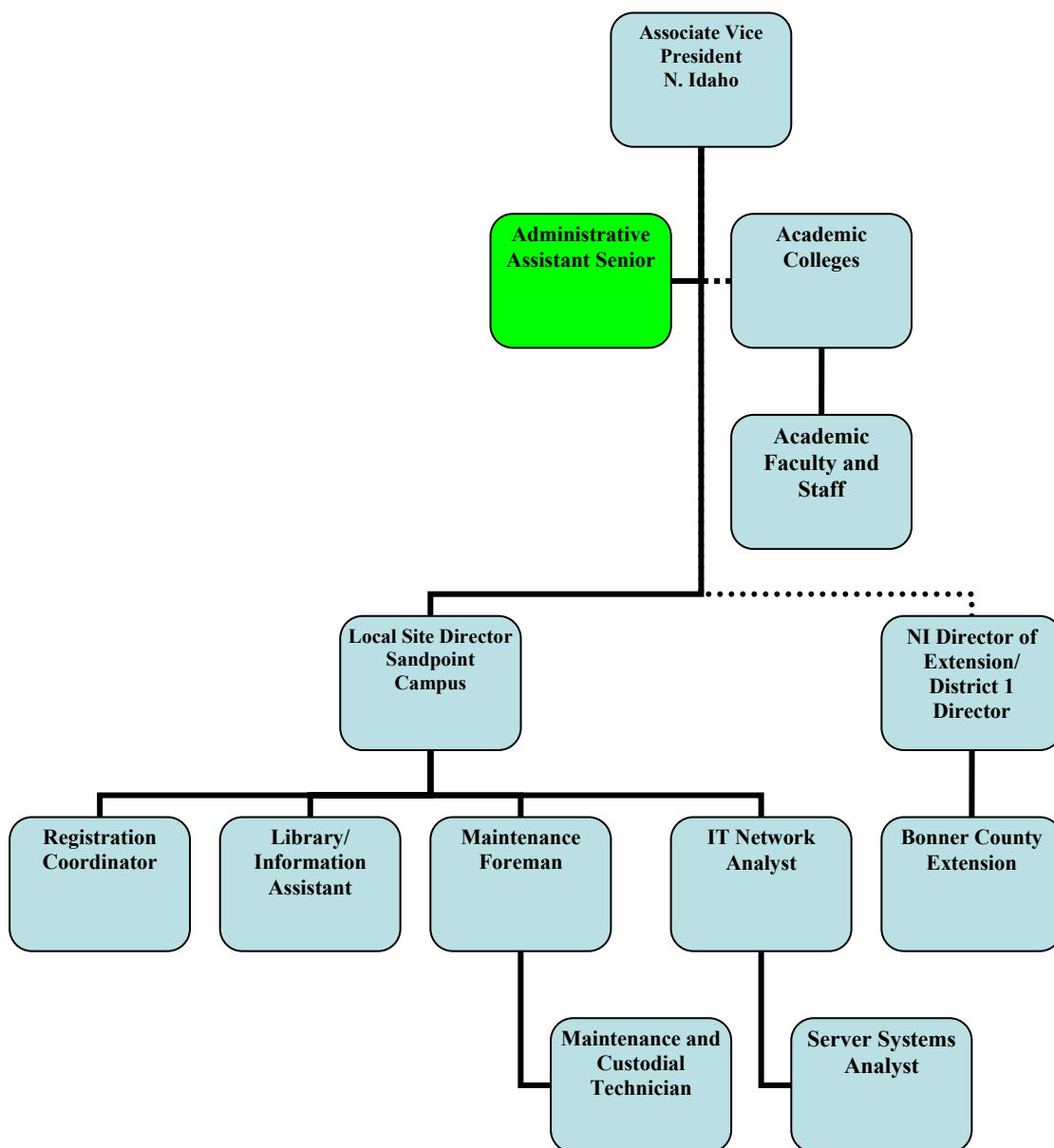
Projected Enrollments. The total headcount is expected to be approximately 350 at startup with student FTE of 180. Total student credit hours for the FY10 academic year are expected to be approximately 5,400 with an additional 900 credit hours generated in the summer. Regular growth of 3% is anticipated in enrollments with most of the startup programs; however the core and integrated program is expected to grow each year as new students are added to new incoming classes. The program could grow to a larger extent with the addition of new faculty to the Campus. Within 5 years the headcount at the campus is expected to approach 600-1000.

Management and Personnel at the Sandpoint Campus

Management. The overall management structure for the Sandpoint Campus is outlined in Figure 1. As indicated from the chart, the Associate Vice President for Northern Idaho and other administrative staff at UI Coeur d'Alene will provide the major oversight of all programs at the Sandpoint Campus. The new support positions added in FY10 are necessary for local management. Student services, library support, facilities and maintenance, and IT support are expected to be provided locally but will be closely coordinated with the services at the main campus in Moscow as well as those at the Coeur d'Alene Center.

Faculty and staff. To support the academic programs at the campus 23 faculty and 12 staff are planned for the initial opening of the campus in 2010. Faculty programs including the Bonner County Extension faculty and staff are administratively responsible to the academic departments and colleges. Some of the programming and faculty positions are dependant upon receiving funding from Wildrose and the Sandpoint Community as is outlined in the Financial plan below.

Figure 1. Management Structure at the University of Idaho Sandpoint Campus.



Sandpoint Campus Financial Overview

Attached in Appendix 2 (Financial Assumptions) are the assumptions for the financial projections found in Appendix 3. Appendix 3 contains the following: Sources and Uses of Funds (Schedule A-1), Sources and Uses of Funds without Occupancy Cost Funding (Schedule A-2), Estimated Occupancy Costs for the Sandpoint Campus in FY2010 (Schedule B), Summary of Assets (Schedule C-1), Summary of Assets without Occupancy Cost Funding (Schedule C-2), Enrollments and Program Revenue (Schedule D), and Annual projected costs and revenue sources for resident faculty and staff and programs (Schedule E).

It is assumed that the costs of all facilities are including the associated infrastructure and Furnishings, Fixtures & Equipment (FF&E) including significant telecommunications technology will be paid for by the donor per the development agreement. Thus the Sources and Uses of Funds information does not address costs of construction since all facilities will be donated to the university in a “turn-key” fashion. The information thus focuses on the operational costs for the campus since the University will be responsible for all operating, maintenance and repairs, and programs at the campus. Costs of college programs including laboratory equipment and some operating expenses are not included in the information since these are college responsibilities. The major challenge is to provide the time needed to grow enrollment on the campus thus allowing revenue to grow. Thus one-time funding is essential early in the development of the campus, which is phased out as the enrollment and fees increase providing a stabilized budget at the campus.

Because of the uncertainty of receiving funds from the legislature to cover Occupancy Costs for the building in FY10, two scenarios are included on the Sources and Uses of Funds Appendixes. Scenario 1 (with funding of occupancy) is illustrated in Appendix 3 Schedule A-1 while scenario 2 (without occupancy funding) is illustrated in Appendix 3, Schedule A-2. Overall we are able to show a balanced budget for the Campus under either scenario. Scenario 2, however, requires a higher level of start-up one-time funding and a reduction in the cost side. We are convinced that either scenario will allow us to build a viable campus; however, the occupancy funding would help us achieve quality much sooner in the process and provide greater access to students.

Assuming Receipt of Occupancy Funding from the Legislature. (Appendix 3 Schedule A-1)

The revenue streams are estimated using a conservative approach for both fee revenue and state funding. The total revenue exceeds expected expenses in all years and we have attempted to maintain a 5-10% reserve at all times. The revenue for the operations of the campus is based on the following:

- Continuation of the current funding for the programs currently operated by the College of Agricultural and Life Sciences at the Sandpoint Research and Extension Center and the Bonner County Extension Office. This funding and the associated faculty and staff will be transferred to the new campus.
- An endowment from sale of the Sandpoint Research and Extension Center land and the ongoing proceeds from the endowment.

- Grants related to the competitive research programs to be located at the campus primarily in the Colleges of Ag and Life Sciences, Natural Resources and Science. With the exception of the overhead, grant funding is used directly by the colleges.
- Student fees for the programs delivered at the campus. It is assumed that all student fees will be returned for use at the campus and distributed according to the current fee distribution for off-campus fees. It is expected that the college portion of the fees will be made available to the respective colleges for support of faculty and programs delivered by the colleges at the campus. In addition it is expected that the outreach fees as well as the facilities, computer, and activity fees will be used for the operations at the campus.
- One-time funding from the University and the College of Ag and Life Sciences.
- Ongoing University funds received from new funding from the legislature as well as from reallocation of funding and positions to the site.
- Occupancy costs for operation of the buildings which will be requested from the legislature in FY10 based on SBOE calculations.
- An additional \$500,000 for faculty support in FY 15 as the Wildrose/Community support is phased out.
- Rental of space in the student union and the performing arts learning center as well as internally for use of the phone system (pass through costs and revenue).

Major costs at the campus are as follows:

- Administrative costs for operation of the campus. After enrollment increases in FY13, additional funding is added to support administrative costs for colleges and departments located at the campus.
- Ongoing salary and operating support for faculty and staff, which are the key to operations and success for funding the operations of the campus.
- One-time costs in FY10 for recruitment, marketing, and start-up costs for faculty.
- Infrastructure costs for operation of the campus. Significant telecommunications are included at the campus due to the nature of the campus in offering courses and programs to and from other University of Idaho campus locations. An unusual feature of the costs is the development of a reserve to cover the capital renewal for the buildings that is initiated after the one year warranty for the buildings expires.
- It is assumed that the costs of the construction of all buildings and the costs for telecommunication infrastructure and FF &E for all buildings including telecommunications hardware and software will be provided by Wildrose.

Assuming No Occupancy Funding Received from the Legislature. (Appendix 3 Schedule A-2)

As with the above, the revenue streams are estimated using a conservative approach for both fee revenue and state funding. Similar assumptions are made as outlined above for the sources and uses of funds, however, to achieve the same level of reserve, increased revenue must be provided by the University and expenditures must be delayed or eliminated. The goal of a 5-10% reserve drops below this in FY11 but remains above this level at all other times. Although no changes are made in FY08 and FY09, the following major changes are made starting in FY10:

- One-time funding from the University is increased from \$150,000 in FY10 and FY11 to \$500,000 in each of those years.
- Administrative costs are reduced at startup by delaying the hiring of one IT support position. This position is phased in FY12.
- The additional \$200,000 in annual administrative costs for departments is omitted and **not** phased in as it was in Scenario 1.
- One-time funding for marketing and recruitment is reduced from a one-time allocation of \$300,000 to \$200,000.
- The ongoing funding for new core faculty is reduced from an ongoing \$160,000 in FY12 and an increase to \$240,000 in FY 13 to an annual \$100,000 to hire adjunct and affiliate faculty to do the teaching of the added courses.
- The start-up of the accumulation of a reserve for capital renewal is delayed until FY13.

Overall, the financial plan indicates that the University of Idaho has the feasibility of financially meeting all obligations for the operation of the campus as long as the above assumptions can be met. Based on the estimates of the costs for providing the programs and for covering costs for operating, maintenance and repairs, the campus can operate on a balanced budget and should be able to maintain a reserve to meet unexpected changes in the financial environment throughout the next 10 years as well as to fund potentially needed capital renewal. The major challenge is to provide the time needed to grow enrollment and other programs on the campus thus allowing revenue to grow. The University is committed to reallocating sufficient one-time funding in the first few years of operation and development of the campus to allow time for the programs to develop. The University has a unique opportunity to leverage the use of a significant amount of private funding for both faculty and buildings to build the ongoing support needed to operate a world class campus for Idaho.

Appendix 1. Program Plans for the Sandpoint Campus

Program Plan for Proposed Sandpoint Campus

Vision and Goals

Consistent with the vision and strategic action plan of the University of Idaho¹, the new Campus will be built around the land grant concept with programs provided in teaching and learning, scholarly and creative activity, and outreach and engagement. The new Sandpoint Campus will be developed to create a 21st Century environment that fosters innovative, interdisciplinary, interactive, integrated, collaborative, and sustainable programs. Reflecting our Strategic Action Plan, the Sandpoint Campus will:

- ✓ emphasize quality and access, focusing efforts on sustaining strong programs and investing resources in strategic directions that advance the interests of Idaho in an increasingly interdependent and competitive world.
- ✓ through collaboration across strong academic disciplines, and through the creation of public, private, and community partnerships, undertake bold initiatives to promote science, technology, and their applications; to invigorate the liberal arts and sciences; to catalyze entrepreneurial innovation; to steward the natural environment; and to develop the design, lifestyles and civic infrastructures of sustainable communities.

The campus objectives are also congruent with the five inter- and multidisciplinary academic thematic areas that have been identified by the university for investments in the future.² The academic themes are responsive to the needs of the people of Idaho and are believed to provide challenges to, and opportunities for, Idaho's future. The five thematic areas are:

1. **Promoting Science and Technology – advancing Idaho's core competencies in science, technology, and engineering areas of imaging, power and energy, biosciences, and nanoscience and materials.**
2. **Advancing Liberal Arts and Sciences - strengthening the arts and sciences to improve scientific discovery, social and cultural enhancement, and progress in the applied professions.**
3. **Catalyzing Entrepreneurial Innovation - using ideas, creativity, innovation and engagement to inspire enterprise and technological change.**
4. **Stewarding the Environment - sustaining Idaho's natural resources that contribute to our quality of life and natural resources-based industries.**
5. **Understanding Sustainable Design and Life Style - the integration of architecture, creative arts, and law in urban, rural, and frontier environments.**

Emphasis will be placed on a campus that reflects innovation and excellence in all programs and makes use of the natural environment and the campus infrastructure to develop innovative new programs and educational approaches. A major theme of the

¹ Strategic Action Plan 2006-2020. Vision, Values, and Directions

² University of Idaho Strategic Directions, A Plan for Renewal of People, Programs, and Place, February, 2005.

campus will be, “Developing healthier and more sustainable lives and communities through education”. Programs in all areas will be built around the themes of art and community; natural resources and sustainability; and health, nutrition and wellness. Community and economic development as well learning and leadership will be overarching themes across these areas.

Proposed Programs at the Sandpoint Campus

Scholarly and Creative Activity (Research)

As stated in the Strategic Action Plan of the University, the objectives of the Campus are to achieve excellence in scholarship and creative activity through an institutional culture that values and promotes strong academic areas and interdisciplinary collaboration and emphasizes scholarly and creative activities that support the University’s strategic themes, the research-extensive and land-grant missions, and strategically important graduate and professional programs. Scholarly and creative activity will be a component of all faculty programs at the campus and three areas have been selected for developing excellence at the campus:

- **Value Added Horticultural Research.** This emphasis area builds on the University of Idaho Strategic Theme to **promote science and technology by advancing Idaho’s core competencies in biosciences.** Over the last century, the UI has built a unique program in horticultural research at the Sandpoint Campus. Through addition of new laboratories, greenhouses, and faculty, the program will be built into a nationally recognized center for value added horticultural research in the biosciences. The university will add faculty in horticultural molecular biology, soil science and food science to create a unique interdisciplinary team, facility and program. In partnership with other institutions and businesses, the campus will provide basic and applied research to serve the local and statewide nursery and horticultural industries. The campus laboratory will provide interactive spaces for experimenting with and demonstrating new horticultural crops and practices that will be important to 21st century sustainable landscaping and farming practices.
- **Conservation Impacts and Solutions.** This emphasis area will focus on research, outreach and professional development on the causes, implications and opportunities in a region being shaped by climate change, rapid development and conservation stewardship. Programs will focus on climate change in northern and central Idaho and surrounding region with research at the Priest River Experimental Forest, Mica Creek Paired Watershed, etc. Outreach and professional development offerings will be made available on the challenges and opportunities of achieving sustainable resource allocation and constructive conservation planning in the dynamic environment of climate change and rapid population growth with an emphasis on the science-policy interface. Target audience is practicing professionals and decision makers in natural resources, landscape architecture, land development, government and policy, resource industries, etc. Other audiences include K-12 teachers and students and the general public. This research area will not only meet the strategic themes in science and technology but will be a major contributor to the themes in **Stewarding the Environment and Understanding Sustainable Design and**

Life Style. The program will be developed in association with the horticultural program providing additional synergism.

- **Applied Nanotechnology.** This emphasis area will focus on the applications of nanotechnology to the agricultural food, health and environmental sciences. The program has been initiated at the UI Research Park in Post Falls and is an active participant in BANTech, one of the funded strategic initiatives of the University. The area is consistent with all 5 themes of the university with significant applications to the Strategic Theme to **promote science and technology by advancing Idaho's core competencies in biosciences and nanosciences** and the theme **Catalyzing Entrepreneurial Innovation**. The Bonner Economic Development Center, adjacent to the new Sandpoint Campus, provides an opportunity for strong technology spin-offs in Sandpoint from the nanotechnology laboratories.

Outreach and Engagement (Extension)

The goal of the University of Idaho in outreach and engagement is to engage with the public, private and non-profit sectors through mutually beneficial partnerships that enhance teaching, learning, discovery, and creativity. A major emphasis at the campus will be to engage the public in all programs. The Sandpoint Center has a long history of engaging the public in the programs offered in horticulture and enhancement of these programs will also enhance engagement and extension programs. The University of Idaho **Bonner County extension faculty** will be co-located with other programs at the site thus increasing both the efficiency and synergism in program delivery and administrative support. The new location provides a significant upgrade in facilities for extension and will allow extension to better meet its mission to provide assistance to individuals, families and communities. It will also allow the university to broaden outreach and engagement to other areas of the university to better link all academic areas of the University with the needs of constituents and stakeholders throughout Idaho.

Programming in outreach will include the following:

- **Horticulture and Master Gardening.** The co-location of the existing extension programs in horticulture and Master Gardening, with its extensive group of volunteers and service to the green industries of the area, will be a great asset to the proposed center in horticulture. The unique central campus garden will provide a unique educational laboratory for use in these extension programs. The programs will play a major role in assisting the nursery industry in northern Idaho.
- **Community development.** Extension has built a significant community and economic development effort in northern Idaho including Bonner County. Programs in community development will include leadership development, customer relations classes for employers and employees, conflict management, team building, and other employment enhancing opportunities for businesses and employees. The new facilities will allow these programs to be more readily available to the community and also provide opportunities to involve students at the campus in these important community programs. The bioregional planning initiative is also expected to play a major outreach function on the campus.

- **Youth and family Development.** Programming includes nutrition, family and youth programs with 4-H programs playing a major role in youth development in Bonner County. 4-H programs will create significant synergism on the campus and bringing a greater outreach to youth in the area. Co-location on the university campus will provide significant new programming opportunities related to the themes of the campus including significant involvement in science education. The 4-H programs will also be provided access to needed facilities and the adjacent location of the local high school will allow additional opportunities for in-school 4-H programs.
- **Forestry and natural resources.** Programs are currently offered on forest ecology, silviculture and other forestry topics to private forest owners, loggers and foresters by extension. The proposed center for conservation impacts and solutions will provide additional outreach in natural resources.
- **Service Learning.** As a part of the academic programs offered at Sandpoint, service learning will be incorporated as a requirement. Extension will play a major role in coordinating these opportunities for students. In return, extension will benefit by these increased resources to deliver programs.
- **Music and theatre.** Music and theatre programs will be provided to the public through the music theatre faculty and programs located at the campus. Plans are to move the Summer Repertory Theater to Sandpoint as well.

Teaching and Learning (Academic Degree Programs)

A major goal of the UI Strategic Action Plan is to engage students in a transformational experience of discovery, understanding, and global citizenship. The objectives include building and sustaining innovative curricula and developing effective integrative learning activities. Access to programs is also a major objective in the Outreach and Engagement goal with an objective to promote access to program/course delivery statewide. The new campus will play a major role in implementing these plans for the university.

Market Assessment for Programs. Several needs assessments have been carried out over the last few years to help identify educational needs in Northern Idaho. In 2005, a phone survey of the general public showed high interest in continuing education throughout the region.¹ Forty percent of those surveyed showed an interest in continuing their education with a high interest shown in business, general studies, organizational leadership, food and nutrition, medicine, recreation and education. To further assess the interest in increased higher education academic offerings of programs in the Bonner County area, in November of 2006, the UI contracted with MGT Associates to do a higher education needs assessment for Bonner and Boundary Counties.² Local business leaders, teachers and high school and local North Idaho students were surveyed. Surveys indicated that lack of access to a comprehensive higher education opportunity in the two northern counties of Idaho was a concern to all of those surveyed and that many business leaders saw the lack of higher educational opportunities as a mega factor in limiting the

¹ Evaluation: Interest for Master's Degree in Organizational Leadership Survey, Social Survey Research Unit, Fall, 2005.

² Evaluation of the higher education needs in Bonner and Boundary Counties of Idaho. MGT of America, Inc., November, 2006.

economic diversity and long-term economic stability of Sandpoint and the surrounding region. MGT recommended that the **University of Idaho establish a greater physical academic presence in the Sandpoint area** through development of additional programs that are responsive to the greatest community educational needs.

Our plan for academic programs includes offering courses at both the undergraduate and graduate degree level in select areas in response to local needs as well building on the recognized assets of the area and the community. Programs are planned to be synergistic and complementary to the programs currently offered at UI Coeur d'Alene and Post Falls and consistent with our role and mission statewide as well as in Northern Idaho. Our plan includes several undergraduate completion degrees as well as a new four-year integrated undergraduate degree program. Although emphasis will be on live delivery of select programs at the campus, we will also provide easy access to programs via web based and web assisted delivery, compressed video delivery, and DVD video delivery. Interdisciplinary and integrated approaches will be the hallmark of all programs with a unique combination of sciences, education, business and the fine arts being incorporated in all areas.

Core Curriculum. The core discovery courses are a key component of the UI core curriculum and are the basis of the core that will be delivered at Sandpoint. These year-long courses are designed for first-year students and taught in small sections. Consistent with the overall goals and focus of the Sandpoint campus, we will develop and offer core discovery courses to meet the international and the humanities/social sciences requirements of the core around the following three theme areas: Arts and Community; Natural Resources and Sustainability; and Health, Nutrition, and Wellness. An overriding theme area of learning and leadership will also be included. These courses will be directly linked each semester to English and communications courses to provide the writing and communication skills expected. Courses will be team taught by a cross-disciplinary faculty team including the involvement of local businesses and agencies and focus on problem solving and application to real world problems. Each student will have a faculty advisor who will assist in developing the overall program unique to the student. **Science and math** will also be delivered via a year long integrated science/math course that will incorporate biological, math, physics, and chemistry principles. The core will be designed to meet the UI and SBOE core requirements thus allowing students to pursue degrees at any state institution after completion of the core, including transfer to other University of Idaho campuses.

Undergraduate degrees. The following undergraduate degrees will be available at the Sandpoint campus.

- **B.S. Elementary and Secondary Education**
- **B.S. Environmental Sciences**
- **B.S. Foods and Nutrition (culinology & nutrition)**
- **B.G.S. General Studies**
- **B.S. Industrial Technology (2 +2 +2 program with PTE)**
- **B.A. and B.S. Interdisciplinary Studies**

- **B.F.A. Music Theatre (one semester at Sandpoint)**
- **B.S. Psychology**
- **Minor in Business**

Most of the above degrees will be delivered to Sandpoint through a combination of compressed video and DVD delivery from other UI campuses, web courses, and local and visiting faculty. In all cases on-site faculty will be available to assist in the delivery and advising for all of these programs.

The Interdisciplinary Studies degrees will be the only programs totally delivered at Sandpoint and will emphasize live delivery and a student-centered, student directed approach with strong involvement of local faculty mentors/advisors. The Interdisciplinary degrees at Sandpoint will be based on using a strongly integrated approach, the Integrated Interdisciplinary Studies Curriculum (IISC). The integrated interdisciplinary studies program will be the marquee undergraduate program offered at Sandpoint. The program is intended as a 4 year program and consistent with the Sandpoint Campus, the program will offer three emphasis areas: Arts and Community, Health and Wellness, and Natural Resources and Sustainability. A fourth area in Learning and Leadership will overlay these areas providing the opportunity for students to receive certification as a teacher in any of the three areas.

Due to the strong local community support and activity in music and theatre, a Bachelor's completion degree in Fine Arts will be provided in music theatre. Fine arts students from UI in Moscow and other schools will spend at least one semester of their senior year in Sandpoint to complete this program.

A B.S. in Technology will also be offered which will provide the ability of graduates of professional-technical programs to complete a bachelor's degree. The program is being planned as a 2 plus 2 plus 2 year program in association with the local high school and North Idaho College. Initiation of this program will depend on the availability of graduates from the Professional Technical programs.

Graduate Degrees. The following graduate degrees will be offered at the Sandpoint campus:

- **M.F.A. in Music Theatre**
- **M.S. Bioregional Planning**
- **M.S. Curriculum and Instruction**
 - Standard
 - Conservation Biology
- **M.S. Educational Leadership**
- **M.S. Environmental Sciences**
- **Executive M.B.A.**
- **M.S. Food Science**
- **M.S. Foods and Nutrition**
- **M.S. Natural Resources Conservation Management**

- **M.S. Plant Science/Soil Science**

As with the undergraduate degrees, most of the above degrees will be delivered to Sandpoint through a combination of compressed video and DVD delivery from other UI campuses, web courses, and local affiliate and visiting faculty. In all cases on-site faculty will assist in the delivery and advising for all of these programs.

As with the B.F.A., an M.F.A. in music theatre will also be provided. The existing Panida theatre in Sandpoint and the

Performing Arts Learning Center proposed for the campus provide a unique venue for these degrees. The M.F.A. students will spend at least one year on the Sandpoint campus and work in association with the local community in gaining skills in theatre. As noted below, we will also be providing a certificate in arts management. Students will be able to work with local performing and visual art groups and the EMBA to develop skills in management of both theatres and art galleries.

The Executive MBA will be delivered on-site in Sandpoint and will be introduced in Sandpoint in the fall of 2007. The next cohort will be initiated at the in the fall of 2009 at the Sandpoint Campus. The M.S. in Education with Conservation Biology will also be delivered on site by the colleges of Education and Natural Resources and is designed to provide certification for science teaching. This would be a unique program that combines the assets of the local natural resources of water and forests with the adjacency to the local Sandpoint High School.

The Master of Natural Resources degree in Conservation Administration will be a non-thesis degree with administrative internship/project in northern Idaho. Target audience is practicing professionals tooling up for leadership and administration positions in natural resource agencies, government, non-profits and industry. The program would draw on courses in the EMBA and could be pursued as a joint degree with the new EMBA.

Certificates. Certificates in Arts Management, Natural Resources, Geographical Information Systems (GIS), Graphic Arts, Organizational Dynamics, Diversity and Stratification, Natural Resources and Food Science will be offered in association with programs at UI CDA and at the Sandpoint and Moscow campuses.

Collaboration with other Institutions. North Idaho College, Lewis and Clark State College, and the Northern Idaho Center for Higher Education (NICHE) will have access to dedicated offices and classrooms at the campus and will provide programs related to their mission and goals in Northern Idaho.

Projected Enrollments. Table 1 provides the projected academic year enrollments of all academic programs at the time of implementation in FY10 and the projected growth in subsequent years. The estimated enrollments and credit loads are consistent with the credit load expected for the listed faculty positions and the knowledge of the local and regional market. Relatively low estimates of the enrollment are included at the start-up and it is anticipated that these are the minimum numbers expected for most areas. Many

of the programs are already in existence in Northern Idaho and will be extended to Sandpoint over the next two years. Based on these estimates, the total headcount is expected to be approximately 350 at startup with student FTE of 180. Total student credit hours for the academic year are expected to be approximately 5,400 with an additional 900 credit hours generated in the summer. Regular growth of 3% is anticipated in enrollments with most of the startup programs; however the core and integrated program is expected to grow each year as new students are added to new incoming classes. The program could grow to a larger extent with the addition of new faculty to the Campus. The greatest growth is predicted for the integrated programs and we expect rapid growth in the first three years after the campus opens reaching the highest level at FY13. With the addition of additional faculty to respond to this growth as well as expected growth in new programs within 5 years the headcount at the campus is expected to approach 600-1000.

Teaching Faculty. Marketing of the programs will be essential to assure the growth expected. However, the greatest impact will be the availability of faculty and staff to deliver the programs. The number of faculty will drive the overall programs and provide the service to the students that is essential in recruitment and retention of students. The preliminary list of teaching faculty to be located at the campus is given in Table 2. All of these positions are dependant upon generating significant fee revenue at the campus. Portions of some positions will be funded via reallocation or new funding from within the university. The ability to start these positions in FY10 has been made possible by the agreement of the community and Wildrose to provide \$800,000 a year in matching funds for the first 5 years after the campus opens. The faculty positions listed in Table 2 will contribute to all aspects of the campus including the research and outreach programs as well as the teaching programs. Initial disciplines selected are based on the campus and university themes and based on support from the colleges to deliver programs.

Table 1. Preliminary Projected Head Count and Credit Hour Production at Sandpoint Campus										
Program	FY10			Projected Growth in SCH						
	Student #	Credits	SCH	FY11	FY12	FY 13	FY14	FY15	FY16	FY17
Bachelors programs										
Core program	35	30	1,050	2,250	3,000	4,500	4,500	4,500	4,500	4,500
B.F.A. Music Theatre	15	15	225	225	300	300	300	300	300	300
B.A. /B.S. Interdisciplinary Studies	25	30	750	1,500	3,000	3,600	3,600	3,600	3,600	3,600
B.S. Elementary Education	10	10	100	120	120	180	180	180	180	180
B.S. Environmental Sciences	10	10	100	120	120	180	180	180	180	180
B.S. Foods and Nutrition (Nutrition option)	20	6	120	240	240	240	240	240	240	240
B.S. Foods and Nutrition (Culinology options)	20	6	120	240	240	240	240	240	240	240
Bachelor of General Studies (B.G.S.)	10	15	150	150	150	150	150	150	150	150
B.S. Industrial Technology	10	12	120	240	240	360	360	360	360	360
B.S. Psychology	20	10	200	300	300	300	300	300	300	300
B.S. in Secondary Education	10	6	60	60	60	60	60	60	60	60
Minor in Business (on-line)	15	6	90	90	90	90	90	90	90	90
Totals	200	156	3,085	5,535	7,860	10,200	10,200	10,200	10,200	10,200
Graduate Programs										
M.F.A. Music Theatre	10	24	240	240	360	480	480	480	480	480
M.S. Bioregional Planning	4	10	40	41	42	44	45	46	48	49
M.S. Curriculum and Instruction (Standard)	15	8	120	120	120	120	120	120	120	120
Conservation Biology-Science Certification	15	24	360	360	480	480	480	480	480	480
M.S. Educational Leadership	15	10	150	150	150	150	150	150	150	150
M.S. Environmental Sciences	2	10	20	20	20	20	20	20	20	20
M.S. Foods and Nutrition	2	10	20	30	30	30	30	30	30	30
M.S. Food Science	2	10	20	30	30	30	30	30	30	30
M.S. Nat. Res. Conservation Administration	15	18	270	360	360	360	360	360	360	360
M.S. Plant Science	2	10	20	30	30	30	30	30	30	30
Totals	82	134	1,260	1,381	1,622	1,744	1,745	1,746	1,748	1,749

Table 1. Preliminary Projected Head Count and Credit Hour Production at Sandpoint Campus (Continued)										
Program	FY10			Projected Growth in SCH						
				FY11	FY12	FY 13	FY14	FY15	FY16	FY17
Executive MBA	15	24	360	360	360	360	360	360	360	360
Totals	15	24	360	360	360	360	360	360	360	360
Certificates										
Arts Management	10	6	60	60	60	60	60	60	60	60
Diversity and Stratification	5	6	30	30	30	30	30	30	30	30
Food Science	5	6	30	30	30	30	30	30	30	30
Geographic Information Systems (GIS)	10	6	60	62	64	66	68	70	72	74
Natural Resources	10	10	100	120	120	120	120	120	120	120
Organizational Dynamics	10	10	100	120	120	120	120	120	120	120
Totals	50	44	380	422	424	426	428	430	432	434
Summer School	150	6	900	945	992	1,042	1,094	1,149	1,206	1,266
Totals	150	6	900	945	992	1,042	1,094	1,149	1,206	1,266
Professional Development and Continuing Education										
Ongoing professional development	50	3	150	150	150	150	150	150	150	150
Special Conferences	50	3	150	150	150	150	150	150	150	150
Totals	100	6	300	300	300	300	300	300	300	300
Overall Totals	597	370	6,285	8,943	11,558	14,071	14,127	14,185	14,245	14,309

Table 2. Proposed Core Resident Teaching Faculty Positions at the Sandpoint Campus

College and Positions	Department	Emphasis
Ag and Life Sciences		
Professor of Food Science	Food Science and Toxicology	Health, Nutrition, and Wellness/CORS
Professor of Foods and Nutrition	Family and Consumer Sciences	Health, Nutrition, and Wellness/CORS
Professor of Soil Sciences	Plant, Soil & Entomological Sci.	Natural Resources and Sustainability/CORS
Professor of Plant Science (Molecular Biol.)	Plant, Soil & Entomological Sci.	Natural Resources and Sustainability/CORS
Business		
Professor of Marketing	Business	EMBA
Education		
Professor of Curriculum & Instruction	Curriculum & Instruction	Natural Resources and Sustainability
Prof. of Health/Outdoor Recreation	HPERD	Health, Nutrition, and Wellness/CORS
Professor of Industrial Technology	ACTE	Natural Resources and Sustainability
Professor of Special Education	CASPEL	Health, Nutrition, and Wellness/CORS
Letters, Arts and Social Sciences		
Professor of Music	Music	Arts and Community
Professor of Theatre	Theatre	Arts and Community
Professor of History/Political Science	History/Political Science	Arts and Community
Professor of English	English	Core
Professor of Communications	Communications	Core
Natural Resources		
Professor of Conservation	Conservation Social Sciences	Natural Resources and Sustainability
Professor of Natural Resources	Forest Resources	Natural Resources and Sustainability
Professor of Natural Resources	Fisheries and Wildlife	Natural Resources and Sustainability
Art and Architecture		
Professor of Art	Art	Arts and Community
Science		
Professor of Biology	Biology	CORS/ Health, Nutrition, and Wellness
Professor of Statistics/Math	Math/Statistics	CORS/all emphasis Areas

**Appendix 2. Assumptions used for Financial Projections
for the Sandpoint Campus**

Assumptions to Final Projections

Sources and Uses of Funds (Appendix 3 Schedule A-1 and A-2):

The sources and uses of funds have been compiled from numerous meetings with faculty and staff at the University of Idaho. The sources and uses of funds will become more definitive as the design moves forward for the campus and buildings. It is assumed that the costs of all facilities including the associated infrastructure and FF&E including significant telecommunications technology will be paid for by the donor per the development agreement. Thus the Sources and Uses of Funds information does not address costs of construction since all facilities will be donated to the university in a “turn-key” fashion. The information thus focuses on the operational costs for the campus since the University will be responsible for all operating, maintenance and repairs, and programs at the campus. Costs of college programs including laboratory equipment and some operating expenses are not included in the information since these are college responsibilities.

One of the major assumptions is that the legislature will fund occupancy funds for the new buildings in FY10. Since this cannot be guaranteed, we have developed two scenarios looking at the Sources and Uses of Funds. Scenario 1 (with funding of occupancy) is illustrated in Appendix 3 Schedule A-1 while scenario 2 (without occupancy funding) is illustrated in Appendix 3 Schedule A-2.

Some important assumptions regarding revenue include the following:

- In both scenarios, **start-up funding** for the campus will come from the sale of the land for \$6.25 mill. \$500,000 of these funds will be used as an initial reserve for the operations and the remaining \$5.75 mill will be placed in an endowment with the UI Foundation to provide an ongoing source of funding. Annual payout of the endowment is based on a minimum and 4.5% and any returns beyond this and a 1% management fee are reinvested in the endowment. Estimated returns are based on an expected return on investment of 7.5%.
- In both scenarios, **fee revenue** will play an important role in the support of all programs and based on the currently approved off-campus fee rate, \$1,762,845 would be generated based on the estimated enrollments in FY10 (see Appendix 1 Table 2 and Appendix 3 Schedule D). Due to reduction in fees as a result of reduced fees for full-time rates and waivers, in subsequent charts, the total fee revenue (exclusive of nonresident tuition) has been reduced by 10% to a total of \$1,595,726. Enrollments and the fee rate are projected to grow over time; however, the projections of fee revenue are based on the expected increases in enrollments and a 3% increase annually in the student fees. The Integrated Interdisciplinary 4 year degrees are expected to grow the greatest with an increase in both full-time and nonresident students reaching a high level in FY 13 of 270 students. Significant income is expected from professional conferences that will be at the campus and this income is indicated in the revenue as special fees. The funds received from the resident faculty are the key to the funding for faculty but

all credit generation at the campus generates support funds for the infrastructure of the campus. The Appendix shows the fees generated for the colleges both from contractual as well as resident faculty. The college directly receives the college portion of the fees and thus an identical line is recorded in the uses side for those fees. **Both scenarios include the fees at the same level, however, due to fewer faculty added in FY13 in Scenario 2, this may impair enrollment.**

- The community and Wildrose have committed \$800,000 annually for 5 years to be used to match university funding for core faculty located at the Sandpoint Campus. Development of the academic degree programs at Sandpoint are dependant on this funding. **This is the same in both scenarios.**
- Occupancy funding will be sought in FY10 to provide support for the ongoing operations of the campus. The level of \$723,700 is based on the FY07 state calculation rates for occupancy costs. (See Appendix 3 Schedule B) Areas that are intended for some private use have been excluded in this calculation thus of the total square footage projected to be 105,450, only 81,627 were included in the calculation. The reduction is a result of the potential use of ~23% (23,823 square feet) of the space in the Student Union Building (67%) and the Performing Arts Learning Center (20%) for potential non-academic uses. The total value of the buildings used in the formula was also reduced 23% from the expected total estimated costs of \$34.1 million. Final calculations of occupancy costs will depend on the final construction square footage and value determined at the time of construction as well as usage for academic purposes. **This area is zeroed out in Scenario 2 assuming no occupancy funding is received from the legislature.**
- Rental income is expected for the food service, residential and bookstore and other retail areas of the student union building. This has been included at \$10.80 per square foot per year for the usable square footage of 12,280 (does not include the 40% unassigned space). It is anticipated that the performing arts learning center could be used up to a maximum of 20% time for non-academic uses. \$40,000 in annual revenue has been estimated from these uses. Only 6 month of rent is included in the table for FY10. **The rental income is the same in both scenarios.**
- Revenue generated from research grants will increase the support for many of the positions shown and potentially add several additional support positions. The \$36,000 shown in the plan reflects only the portion of the overhead that would be returned to the campus based on \$200,000 in grants annually received at the campus. **This is the same in both scenarios.**
- University funding is projected based on new state funding beyond the occupancy funding plus reallocated funds for operating and positions. One-time funds of \$150,000 shown in FY09 are from the College of Ag and Life Sciences and are set aside for a new building on the new experiment station property. An additional \$150,000 in one-time money is set aside in both FY10 and FY11 by the university are to address the expected lower enrollments in the first 3 years. **In Scenario 2, this one-time funding must be increased by \$350,000 each year to bring the total to \$500,000 in each year.**
- An annual ongoing commitment of \$250,000 in new state funding or reallocated funding will be needed starting in FY10. A portion of this has already been

committed by the College of Agricultural and Life Sciences and the College of Natural Resources. **This is the same in both scenarios.**

- **The annual commitment of state funds is increased by an additional \$500,000 to \$750,000 in Scenario 1 and by an additional \$600,000 to \$850,000 in FY15 in Scenario 2.** The additional annual support reflects the loss of the community support which runs out at the end of 5 years. The state funding will be requested in the form of new positions as well as Enrollment Workload Adjustment. Based on the estimated enrollments and EWA value, the addition of the Sandpoint Campus adds an equivalent value of \$700,000 annually to the EWA of the UI.
- Addition of new programs beyond those shown could increase the total revenue significantly. **This is the same in both scenarios, although the lack of additional faculty in Scenario 2 could hamper our ability to add programs.**
- Our goal is to maintain the reserve at 5-15% at all times to maintain a hedge against the loss of and/or lack of increased enrollment as well as other revenue shortfalls. **Our goal is achieved in both scenarios in all years except the start-up year of FY10. The reserve is increased thereafter in both scenarios but at a much higher rate in scenario 1.**

Some important assumptions on the cost side include:

- A core resident faculty of 23 and a staff of 12 staff at the Sandpoint Campus are included within the administrative and academic program expenses in the Business Plan in FY 10 and as outlined in Appendix 3 Schedule D. The combination of new funding from fees, grants, and gifts and existing state and county funding will allow us to develop this core group. The \$800,000 in matching funds from the community allows us to develop a significant core teaching faculty. An annual allocation of \$1,500 is included for operating funds for each faculty member. **The core group is the same in both scenarios.**
- Contractual faculty play an important role in the delivery of all programs and we expect 20-30 faculty from other sites to be providing course to Sandpoint. This is especially important the delivery of the EMBA. These faculty will come from all UI campuses and may also include faculty from our partner colleges and universities. As indicated above, these funds are pass through to the colleges and serve as an incentive to bring programs to Sandpoint. **Both scenarios make the same assumptions in regard to the contractual faculty.**
- The core resident faculty are the key to the total campus development with a total of 20 teaching faculty located on the campus. These faculty may also be involved in teaching at other UI campuses until the programs are established. The number of core faculty will need to be increased, if the enrollments increase in FY 12 as projected. An additional \$160,000 is included for addition of three faculty starting in FY12 and one faculty member in FY13. **This is not done in Scenario 2, however. Due to lack of funding instead of adding new core faculty the additional load will be covered using adjunct or affiliate faculty which allows us to do this at a much lower cost of \$100,000 starting in FY13.**
- Costs for administration assume that a significant amount of support will be provided from both UI Moscow and UI Coeur d'Alene per the administration plan described above. The IT support included within the plan is based on inclusion of

- a high level telecommunications system and including both data and video use. In Scenario 1 two positions are included to support the IT system at the onset. **In Scenario 2, one position is delayed until FY12.** Janitorial positions are not listed but would be included within the operations and maintenance budget.
- **In Scenario 1, additional administrative staff and operating are added in FY 12 to assist in the higher student load on the campus especially with individual departments and colleges. In Scenario 2, these costs are not included thus sacrificing this support.**
 - One time costs of \$350,000 are expected in FY09 to cover infrastructure costs at the new experiment station. New land for the center will require the demolition and or upgrade of existing facilities and addition of roads, water and sewage systems and other infrastructure needs. This might be reduced significantly through grants, gifts, and other sources of income to cover these costs.
 - One-time funding is included at \$300,000 in Scenario 1 to provide marketing of programs and recruitment and start-up for the 19 new faculty positions that will be hired in FY10. **In Scenario 2 this is reduced to \$200,000.**
 - The estimated construction costs are \$34.2 million for Phase 1, including >\$30 million for the buildings. We have based the estimated operations and maintenance budget on the estimated \$31 million value and a total of 105,450 square feet. The \$900,000 per year is slightly above the estimated \$800,000 in occupancy costs due to the off-campus site for this development and the need to maintain significant grounds. It is expected that some support for the grounds will be provided by the current funding for the CALS experiment station especially for maintenance of the areas dedicated to horticultural experiments. It is also expected that much of the grounds will utilize drought tolerant and low maintenance plantings in most areas. Cost savings for utilities are also expected in the buildings due to the numerous energy saving features used in design of the buildings. **This is the same in both scenarios.**
 - The telecommunications systems built into the costs are for a system that will support the building for several years and includes the costs for a DS3 data network and significant technology enhanced classrooms. The costs include replacement and renewal for all equipment and annual maintenance contracts, where needed. **This is the same in both scenarios.**
 - An unusual feature of the costs is the annual inclusion of \$450,000 in capital renewal funding (1.5% of the \$30 mill value) to assure that funds are available for future maintenance and repair of these buildings. This is accumulated as an asset until utilized. This fund is started in FY11 since the warranty is expected to cover all of the costs of repair in the first year. This also allows the additional \$450,000 in FY10 to be applied to cover the expected low enrollment in the first year. **In Scenario 2, the delay is extended until FY13.**
 - Turn-key facilities will be provided by Wild Rose including FF&E in all areas. The colleges, however, are responsible for providing all laboratory equipment and units may be required to provide furniture in some areas. **This is the same in both scenarios.**
 - New land for the new experiment station will require the demolition and or upgrade of existing facilities and addition of roads, water and sewage systems and

other infrastructure needs. The \$150,000 has been set aside by the College of Agricultural and Life Sciences to build a storage/warehouse facility. **This is the same in both scenarios.**

Estimated Occupancy Costs for Sandpoint Campus in FY10 (Appendix 3 Schedule B)

Estimated occupancy costs are based on the FY07 rates. The food service, residential, bookstore, and other retail areas have not been included in the calculation thus removing 67% of the space from the calculation. It is anticipated that the use of the performing arts learning center for non-academic uses will be about 20% so only 80% of that space has been included. Final calculated occupancy costs will be based on actual academic uses and may vary. It is anticipated that the buildings will be occupied by the beginning of FY10.

Summary of Assets (Appendix 3 Schedule C-1 and C-2)

The assets are based on the final construction costs with the expected donation of the facilities to the University in FY10 and based on the estimated costs of construction. Total assets are expected to exceed \$35 million on an annual basis. Assumptions are as follows:

- Currently the value of \$31.7 million is included to reflect the value of initial capital improvements to be completed and transferred to the university. This value does not include value of the new campus land to be transferred with the buildings and the value is not inflated over time.
- One million dollars of value is included for the new R & E Center land (~18 acres). Value of this land based on estimates from donor. Per the MOU, an appraisal will be completed on the land before transfer. As with the other estimates this value is not inflated over the time given.
- The capital renewal fund is shown with annual increase of \$450,000 and would reach \$3.1 million by FY17 if no expenses were incurred over that period of time. **The fund only reaches \$2.25 million in Scenario 2.**
- The reserve varies, but exceeds the 5-10% goal in both scenarios throughout the time period shown except in FY10. Although a low is reached in FY10, once the enrollment levels are reached, the reserve continues to increase and exceeds the \$1 million mark throughout the time period.
- The endowment of \$5.75 million is not shown as an asset of the University since it is held by the UI Foundation.

Projected Enrollments and Fee Revenue (Appendix 3 Schedule D)

Total fee revenue is based on the projected total credit hours produced based on the estimated enrollments given in Table 1 of the Program plan in Appendix 1. Assumptions are as follows:

- Fees are calculated based on the estimated FY10 fee for off-campus fees of \$225 per credit hour for undergraduate courses and \$252 per credit hour for graduate courses. This is based on an estimated increase of 3% per year from the current FY08 level of \$212 and \$239. The estimated fees are increased each year for the

- calculation shown in the table. Nonresident tuition is included at \$10,080 per year per student and is not increased throughout the time period.
- The EMBA includes a special fee of \$18,500 per year for each of the two years of the program and numbers shown are based on that fee for the EMBA.
 - Distribution of fees are as follows:
 - Outreach-Campus-\$42.44 per credit
 - College-\$158.18 for undergraduate and \$176.1 for graduate credits
 - Facilities/computing/activity- \$24.29 per credit
 - A significant increase in fulltime students in the 4 year program is predicted in the first three years and reaching a total of 270 in FY12.
 - Most programs have been kept at a low level and not increased throughout the time period.
 - Due to waivers and the lower cost for fulltime students who take more than 8 credits, total estimated revenue is reduced by 10%.
 - Information is provided on the level of fee revenue from both contractual and resident faculty to give a better understanding of the fee generation and its application to the center. The college portion of the contractual faculty is listed at the same level as both a source and a use and is thus a flow through. As such a significant increase or decrease does not affect staffing needs. However, the administrative fees associated with these credits do have an important impact on the infrastructure support at the campus.
 - Significant funding is achieved through the development of special conferences which are expected to charge at least \$500 per credit. Professional development programs are at the other extreme with a generation of only \$69 per credit, all going back to the college that presents it.
 - The EMBA is a totally self-supporting program based on the use of generated fees. A total of 30 students are used to support the program in 2 cohorts with one in Coeur d'Alene and one in Sandpoint. Only the Sandpoint cohort is included in the calculations for the Sandpoint campus and thus only half of the salary costs are reflected.

Annual projected costs and revenue sources for faculty, staff and programs (Appendix 3 Schedule E)

This schedule delineates the revenue sources for support of the resident faculty located at the campus. These projected costs also reflect the costs for delivering the academic, research and extension programs and represent the operating costs for all programs and personnel. The revenue is based on the expected current funding and university funding generated from the university in reallocation, new funding, and student fees as well as the Wildrose/community support pledged and the county support that is used to support county faculty and staff.

- Costs for fulltime faculty and staff reflect cost for salary plus projected fringe benefits costs. Salary levels for new faculty are based on the current market costs for these positions.
- Current funding is for the faculty currently located at the Sandpoint Center and Bonner County Extension.

- Only one business faculty member is listed and that salary is totally funded through the fees generated from the EMBA program. Salaries for her and for her colleagues in the program are included in the \$729,204 included for contractual faculty in Schedule A. The \$134,045 of that salary reduces the contractual faculty amount to \$595,159 in Schedule D.
- Current costs for county faculty include the Bonner county contribution.
- The revenue source reflects the matching that is done by university funding and the community funding for the 19 new positions added. Operating funds of \$1,500 are also included for each of these positions.

Appendix 3. Schedules of Sources and Uses of Funds, Occupancy Costs Calculations, Summary of Assets, Projected Enrollments and Program Revenue, and Annual Projected Costs and Revenue Sources for Resident Faculty and Staff and Programs.

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“MOU”) is by and between the Board of Regents of the University of Idaho, a state educational institution and body politic and corporate organized and existing pursuant to the Constitution and laws of the State of Idaho, (hereinafter “University”); and The Wild Rose Foundation, Inc., a not-for-profit charitable foundation (hereinafter “Wild Rose”), collectively “the Parties.”

This MOU sets out the Parties’ intentions with regard to the construction of a campus facility and other uses with regard to certain real property located in Sandpoint, Bonner County, Idaho. The Parties specifically acknowledge that this MOU is a statement of intent and is not binding on the Parties and that all actions of the University described herein that require approval by the University’s Board of Regents (“Board”), including but not limited to disposal of the University’s real property, entering into a Development Agreement and associated real property agreements, and certain programmatic decisions, will require subsequent presentation to and approval by the Board notwithstanding the Board’s acknowledgement of this MOU.

1. Subject to completion of the necessary transactional documents, including, but not limited to a Development Agreement and future real property agreements, covenants, and reversions, University shall transfer to Wild Rose that certain parcel of property located in Sandpoint, Bonner County, Idaho, comprised of approximately 77 acres, generally depicted in Exhibit “A” attached hereto, for a purchase price of the fair market appraised value of \$6.25 million. If this transaction occurs more than one year

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after the date of execution of this MOU, then the property shall be reappraised and the purchase price shall be the then current appraised value.

2. Contemporaneously or within 60 days of said transfer, Wild Rose shall cause to be transferred to University a parcel approximately 15 acres in size, located on a southerly portion of an 80-acre parcel owned by a related party to Wild Rose, on North Boyer Avenue, near Sandpoint, Bonner County, Idaho. The value of such parcel shall be established by a subsequent appraisal of fair market value to be conducted by Wild Rose. A map of the 80-acre parcel, with no delineations yet of the parcel to be transferred to University is attached hereto as Exhibit "B." This parcel shall be transferred to University as a gift without any consideration paid for such gift.

3. The parcel depicted in Exhibit A, hereinafter described as the "Campus Parcel," upon its transfer, shall be impressed with a covenant restricting the use of said Campus Parcel for public educational, research, and supporting purposes only, and such restriction shall remain in force through December, 31, 2056. The 15-acre parcel gifted to University by Wild Rose, described in Paragraph 2 above, hereinafter described as the "Research Parcel," shall likewise contain a covenant restricting the use of said parcel for public educational, research, and supporting purposes only, and said covenant shall remain in force through December 31, 2056. Such restrictions shall not limit the extent or operation of the Research Parcel for experimental agricultural or other research uses as approved by University, nor shall such restrictions obligate University to continue or maintain programs on the Research Parcel.

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4. The Campus Parcel as further depicted in Exhibit “C” is divided by a natural swale/slough that runs in an easterly-westerly direction. On the Campus Parcel north of said natural swale/slough division, hereinafter referred to as the “College Parcel,” Wild Rose agrees to provide all capital improvements in accordance with the general description provided below in Paragraph 5. As used herein, capital improvements shall include the campus facilities, including all interior roads, buildings, structures, and other related improvements and infrastructure. More precise specifications shall be detailed and described in the Development Agreement to be entered into by the Parties. The Development Agreement shall be executed prior to conveyance of real property. Wild Rose’s commitment for funding and constructing such capital improvements shall be no less than Twenty Million Dollars (\$20,000,000), which may include up to Two Million, Five Hundred Thousand Dollars (\$2,500,000) dedicated for improvements for programs coordinated with other institutions on adjacent and/or nearby property acquired by Wild Rose or related parties. With the exception of said \$2,500,000 commitment, these capital improvements shall be for the exclusive use of University so that University, and such other educational institutions, particularly including North Idaho College, as well as other institutions of higher learning, may provide curriculum and programs as established or coordinated by University. Under no circumstances shall this MOU be construed to obligate the University to provide any funding for capital improvements in the event the sum provided by Wild Rose is inadequate to complete all of the capital improvements specified and agreed to in the Development Agreement.

5. Wild Rose will design and build capital improvements to enhance educational offerings, as well as allow for future growth potential. Initial education programs to be accommodated at the site will be in general education, general studies, teacher education, business, horticulture and plant sciences, environmental sciences, psychology, natural resources and fine arts. Capital improvements also will be provided to accommodate Bonner County Extension programs in horticulture and community and youth development, as well as research and extension programs in horticulture, natural resources, food science and molecular biology, including greenhouses and plot space needed to accommodate these programs. With the completion of the capital improvements to the point where they have developed adequate campus facilities, University will expand on the current research, extension and teaching programs that it provides in Bonner County by adding new faculty and programs to the campus facility. University will collaborate with key representatives from Bonner and Boundary Counties, Lake Pend Oreille School District, North Idaho College, and other appropriate colleges and universities to develop a comprehensive educational master plan to identify specific educational programs and degrees that will be offered at the campus facilities for the next five years.

6. The College Parcel and facilities, including land, buildings, and all other related improvements, ("Educational Property"), subject to the provisions set out below, shall be owned and operated by Wild Rose until such time as they are transferred to University under appropriate covenants for the continued operation of said educational property, consistent with this MOU. It is specifically understood that such conveyances may be in phases as such capital improvements are completed and ready for use.

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7. The Parties will work together to create an advisory board for the overall program to be offered at the College Parcel. Such board shall have a membership representative of University, the community, and Wild Rose, including local public officials. Wild Rose, at its sole cost and discretion, may appoint an executive director responsible for identifying and advocating for the delivery of community higher education needs, and reporting such needs to said advisory board and through said board to University and community. The executive director and board will assist in identifying the higher educational needs and opportunities in the community, and facilitate communication and implementation strategies among the various parties to advance the programs on the College Parcel. Any tasks undertaken by an executive director or board would be subject to and would not supersede the responsibility and authority of the educational institutions or Wild Rose.

8. To the extent any portion of the Educational Property is completed and ready for occupancy by University under this MOU and related agreements, including a Development Agreement, Wild Rose shall gift and grant said property to University; provided, however, that for the period of no less than through December 31, 2028, or twenty (20) years from the date of such transfer of any portion of the Educational Property or any phase thereof, such property shall be subject to covenants that provide for the reasonable restriction of the use of such property by University and other institutions of higher learning for the educational purposes contemplated hereunder. Provided that University has continually delivered educational services at the Educational Property through December 31, 2028, or twenty (20) years from any subsequent transfers of other

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phases, then such property shall revert to the ownership of University, without restriction. Said covenants and restrictions for transfers under this paragraph shall provide, otherwise, that should University be unable or unwilling to deliver educational services at the Educational Property during the period of the covenants, then and in that event, said property shall revert to Wild Rose, but shall continue to be subject to the covenants set out in Paragraph 3, above.

9. Except for Five Hundred Thousand (\$500,000) of the sale proceeds, all funds paid to University for the purchase of the Campus Parcel pursuant to Paragraph 1 hereof, shall be invested by University in an endowment in the University of Idaho Foundation, with the return from said investment committed exclusively to the operations and staffing of University on the College Parcel. The \$500,000 withheld from the endowment shall be available for operations and staffing of University on the College Parcel during the first five years of operations.

10. With regard to the professional staff to be employed by University and located on the College Parcel, and in addition to any existing staffing now present for University operations located in Bonner County, the Parties agree as follows:

10.1 Core Faculty Staffing. The University commits to maintaining a core staffing level of University professors fully dedicated to the delivery of higher education programs and identified as being essential to the delivery of the comprehensive master educational plan identified in Paragraph 5 above. Wild Rose and/or members of the local business community shall contribute up to Five Hundred Thousand (\$500,000) per year to match the amount of funding allocated

MEMORANDUM OF UNDERSTANDING UNIVERSITY AND WILD ROSE

by University for program delivery. The matching funds shall be provided for a period of at least five (5) years. Wild Rose shall seek to have all or a substantial portion of its contribution come from the local business community. All funding from the business community shall be donated to the University of Idaho Foundation, for the purpose described herein. The Parties understand that to the extent University's obligations and liabilities are subject to annual funding from the appropriation of funds from the state of Idaho, such appropriation shall be in the state of Idaho's sole discretion, from revenues legally available to University for the ensuing fiscal year(s) for the purposes of this Project and that appropriated funds cannot be committed outside of the fiscal year for which they are appropriated.

10.2 Program Faculty Staffing. Additional staffing to support other programs not covered by the core faculty would be funded by University and any other educational institution present at their discretion, based on current or future needs assessment surveys, course enrollments, and their own resource availability. The three College of Agricultural and Life Sciences extension faculty positions currently located at the Sandpoint Research and Extension Center and the Bonner County Extension Office would be considered to be Program Faculty Staffing, not Core Faculty Staffing.

10.3 Support Staffing. Support staffing will be determined based on programs and needs. University acknowledges that the income from the endowment from the sale of the Campus Parcel will be available to cover a

portion of the anticipated operational and support costs for its deliverables, including staffing. Shared support staffing with other educational institutions would be cost expensed pro rata to such institutions for their share of the use of said support staffing.

11. With regard to the property south of the swale/slough on the Campus Parcel, said property, hereinafter referred to as the “High School Parcel,” shall be offered by Wild Rose to Lake Pend Oreille School District (hereinafter “School District”) for the purposes of construction of a high school campus. Said property shall be offered upon the condition that School District has satisfactorily obtained the financial backing to construct such a campus through an appropriate levy, bond election, or other appropriate means. Said transfer to School District shall further be contingent upon School District making agreements, as appropriate, with the owner of the land, University, and other entities as necessary, to maximize utilization of the entire Campus Parcel for public educational purposes.

(SPACE INTENTIONALLY BLANK)

12. In the event School District is unwilling or unable to construct a high school campus facility on the High School Parcel within twenty (20) years from the date of acquisition of the Campus Parcel by Wild Rose from University, then and in that event, ownership of the High School Parcel shall revert to University, subject to the covenant that the property shall not be utilized for purposes other than public educational, research, and supporting purposes. This covenant shall be terminated on December 31, 2056. In the event of reversion after twenty (20) years, University shall not be obligated to introduce any new uses on the former High School Parcel or continue or maintain programs, and University may maintain the property as vacant but subject to the use restrictions of this Section.

Dated March 1, 2007

University of Idaho

By Timothy P. White
Timothy P. White

Its President

Dated 3/1/07

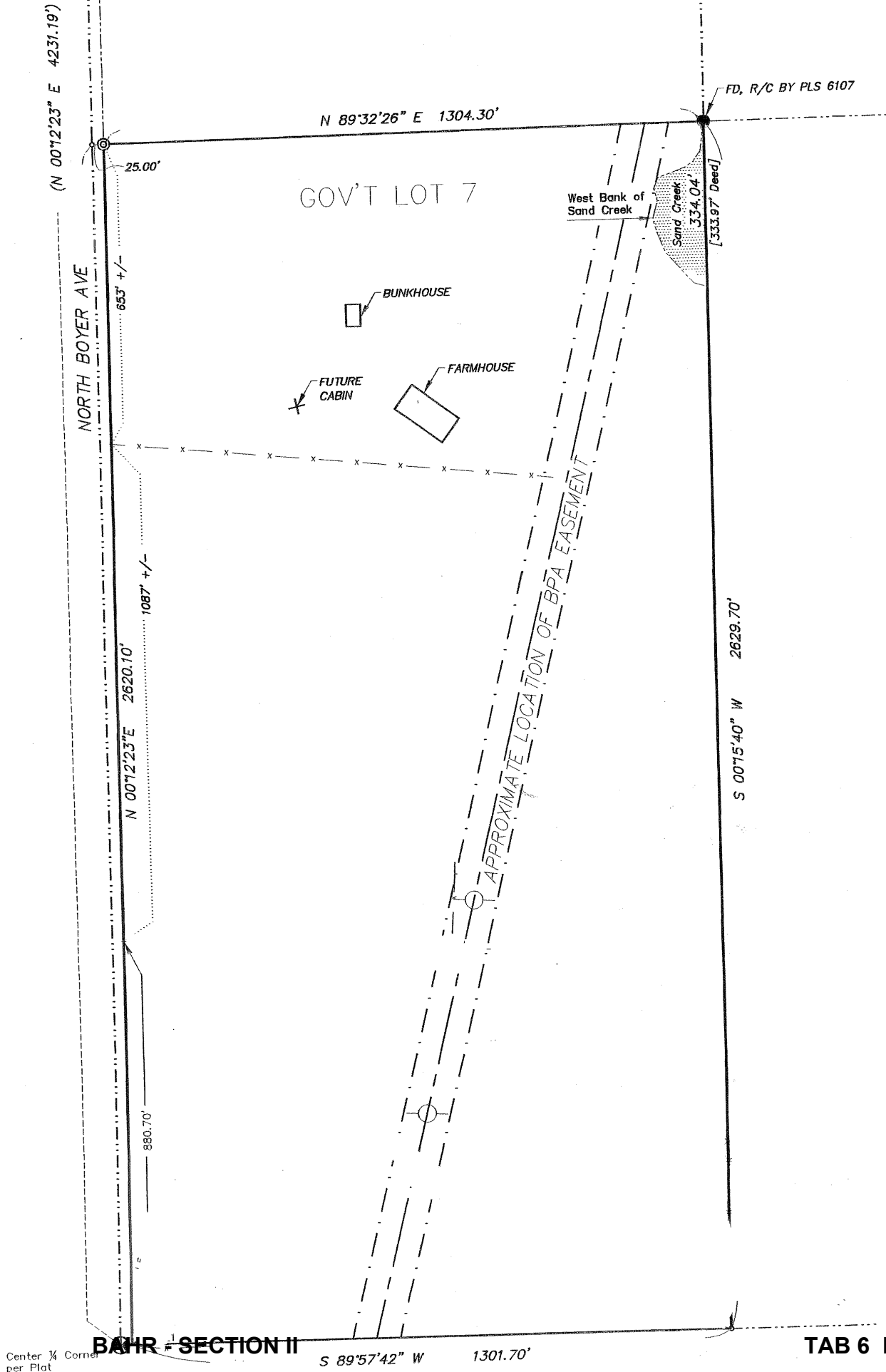
The Wild Rose Foundation, Inc.

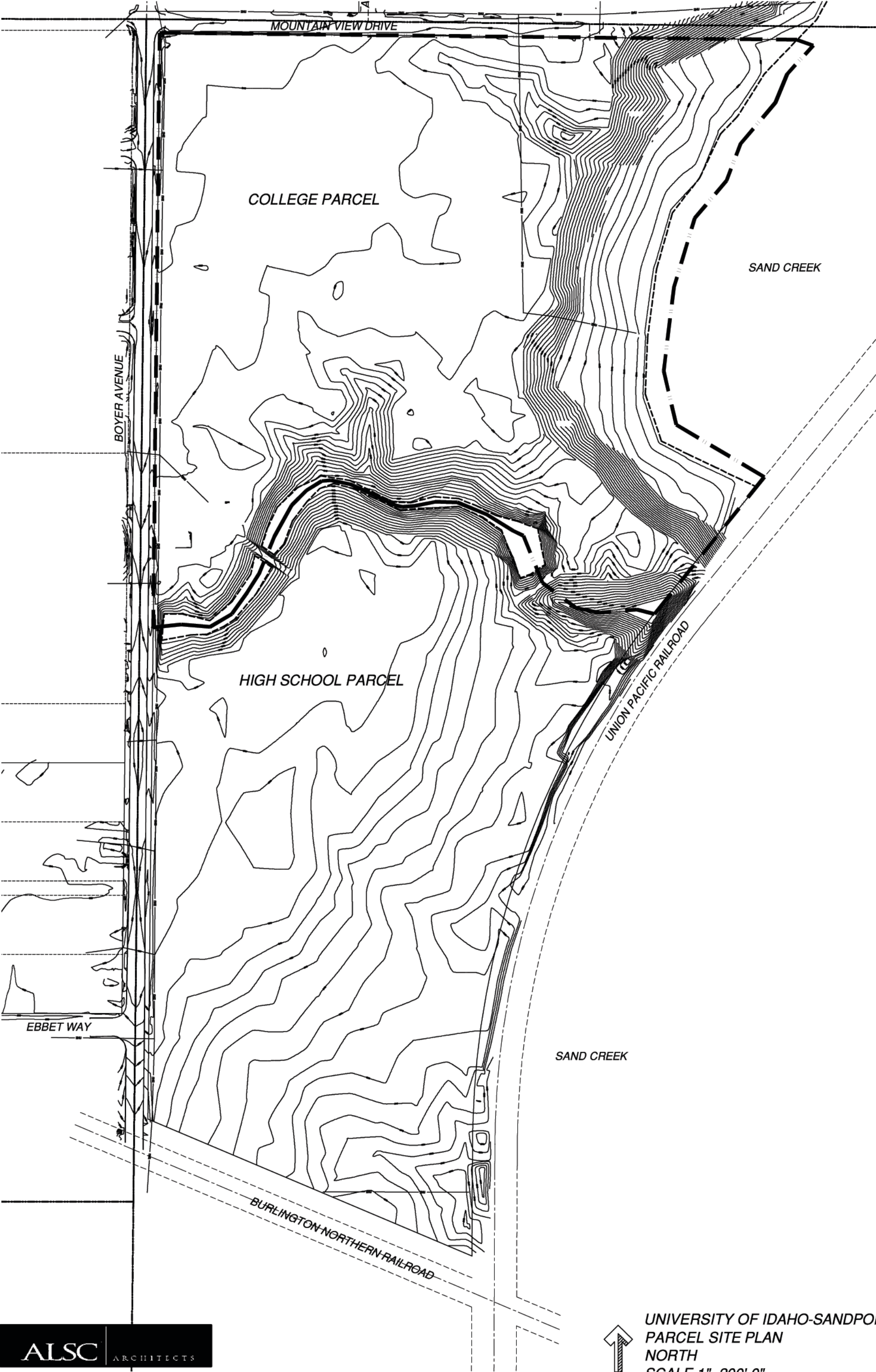
By Dennis Pence
Dennis Pence

Its President

MEMORANDUM OF UNDERSTANDING UNIVERSITY AND WILD ROSE

*This plat is made solely for the purpose of assisting in locating the land and the Company assumes no liability for variations, if any, with an actual survey."





UNIVERSITY OF IDAHO-SANDPOINT
PARCEL SITE PLAN
NORTH
SCALE 1"=200'-0"

QUITCLAIM DEED

THIS QUITCLAIM DEED made this ____ day of _____, 2007, between THE BOARD OF REGENTS OF THE UNIVERSITY OF IDAHO, a body corporate organized and existing under the laws and constitution of the State of Idaho, herein referred to as “**Grantor**,” and WILD ROSE FOUNDATION, INC. an Idaho corporation, herein referred to as “**Grantee**” witnesseth:

That Grantor, for good and valuable consideration, the receipt whereof is hereby acknowledged, does hereby REMISE, RELEASE, and QUITCLAIM, unto Grantee and its successors and assigns forever, real property situated in the County of Latah, State of Idaho and more particularly described in Exhibit ‘A’ attached hereto and by this reference incorporated herein.

Provided that Grantee shall only utilize property for public education, research and supporting purposes. If Grantee or its successors or assigns in ownership initiate use the property for purposes other than public education, research, and supporting purposes, Grantor may notify Grantee in writing of such violation of this condition of grant. If Grantee’s violation of the condition or restriction is for any reason other than (a) strikes, lockouts or other labor difficulties, (b) fire or other casualty, (c) condemnation, (d) war, riot, or insurrection, (e) acts of God, (f) the requirements of any local, state or federal law, rule or regulation, or (g) the preparation of the Property for subsequent educational or research purposes; and if Grantee fails to remedy the violation within 180 days of receipt of notice of the violation, Grantor shall have the right to exercise a right of reversion.

Together with all estate, right, title, interest, property, possession, claim and demand whatsoever, in law as well as in equity of the Grantor in or to the said property, and all and singular the tenements, hereditaments, and appurtenances thereunto belonging.

IN WITNESS WHEREOF, Grantor has hereunto set its hand on the day and year first above written.

GRANTOR:

Board of Regents of the University of Idaho

By: _____
Lloyd E. Mues, Vice President,
Finance & Administration

STATE OF IDAHO)
) ss.
County of Latah)

On this ____ day of _____, 2007, before me, the undersigned, a Notary Public in and for said State, personally appeared Lloyd E. Mues, known to me to be the Vice President for Finance &

Administration of the University of Idaho, the University that executed the instrument, and acknowledged to me that he executed the same for and on behalf of the Board of Regents of the University of Idaho.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Notary Public for Idaho

Residing at _____

My Commission Expires: _____

EXHIBIT A

Recording Requested By and
When Recorded Return to:

Board of Regents of the University of Idaho
Office of Finance and Administration
Administration Building Room 211
P.O. Box 443168
Moscow, ID 83844-3168

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

GIFT DEED

Wild Rose Foundation, Inc. ("**Grantor**") whose current address is _____, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby give, grant, convey, and confirm unto the BOARD OF REGENTS OF THE UNIVERSITY OF IDAHO ("**Grantee**"), whose current address is Office of Finance and Administration, Administration Building Room 211, PO Box 443168, Moscow, ID 83844-3168, that certain real estate situated in Bonner County, Idaho, more particularly described in Exhibit 'A' attached hereto and by this reference incorporated herein ("**Property**").

Except as otherwise expressly reserved herein, Grantor grants the Property to Grantee together with all and singular the tenements, hereditaments, and appurtenances thereunto belonging or in anywise appertaining, the reversion and reversions, remainder and remainders, rents, issues, water rights and profits thereof; and all estate, right, title, and interest in and to the Property, as well in law as in equity.

Provided that Grantee shall only utilize property for public education, research and supporting purposes. If Grantee or its successors or assigns in ownership initiate use the property for purposes other than public education, research, and supporting purposes, Grantor may notify Grantee in writing of such violation of this condition of grant. If Grantee's violation of the condition or restriction is for any reason other than (a) strikes, lockouts or other labor difficulties, (b) fire or other casualty, (c) condemnation, (d) war, riot, or insurrection, (e) acts of God, (f) the requirements of any local, state or federal law, rule or regulation, (g) the preparation of the Property for subsequent educational or research purposes, or (h) temporary closure or vacancy due to temporary program suspension, or the restoration, reconstruction, expansion, alteration or remodeling of improvements; and if Grantee fails to remedy the violation within 180 days of receipt of notice of the violation, Grantor shall have the right to exercise a right of reversion.

Grantee and its successors and assigns forever shall have and hold, all and singular the above-described Property together with the appurtenances unto.

Witness the hand of said Grantors this ____ day of _____, 2004.

GIFT DEED

Wild Rose, President

Wild Rose, Secretary

STATE OF IDAHO)
) ss
County of _____)

On this _____ day of _____, 2004, before me the undersigned, a Notary Public in and for said state, personally appeared _____, known to me to be the person whose name is subscribed to the above and foregoing instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have set my hand and notarial seal the date last above written.

NOTARY PUBLIC in and for the state of Idaho,
residing at _____
Commission expires _____

GIFT DEED

EXHIBIT 'A'

Legal Description of Property

ALSC

ARCHITECTS

University of Idaho Sandpoint**SUMMARY PROGRAM AREA - April 10, 2007**

Revised May 21, 2007

Revised May 31, 2007

			Construction Costs	Construction Costs per sq.ft.	Project Costs	Project Costs per sq.ft.
Performing Arts Learning Center Program	32,080 s.f.	\$	7,962,000	\$ 248	\$ 10,749,000	\$ 335
College of Agriculture & Life Sciences Program	27,300 s.f.	\$	6,234,000	\$ 228	\$ 8,416,000	\$ 308
Administration/Center Operations/Classrooms	20,090 s.f.	\$	4,040,000	\$ 201	\$ 5,455,000	\$ 272
Student Union Program	25,980 s.f.	\$	5,270,400	\$ 203	\$ 7,115,000	\$ 274
Total Program Area	105,450 s.f.	\$	23,506,400	\$ 223	\$ 31,735,000	\$ 301
Site development costs (31 acres x \$80,000/acre)					\$ 2,500,000	\$ 24
Total Project costs					\$34,235,000	\$325

35% Project Cost components

A/E Fees	7.5%
Furnishings, Fixtures & Equipment	10%
Cabeling	5%
Technology	2%
Impact fees	.5%
Contingency	10%

ALSC

ARCHITECTS

University of Idaho Sandpoint Performing Arts Learning Center Program**PROGRAM AREA - December, 2006**

Revised March 26, 2007

Re-Revised May 9, 2007

Program Element	Qty	Program Area Ea.	Program Area Sub-Total			
1.00 Performance Spaces						
1.01 Theater House	1	2,500 s.f.	2,500 s.f.			
1.02 Main Stage	1	2,500 s.f.	2,500 s.f.			
1.03 Lighting and Sound Control Booth	1	250 s.f.	250 s.f.			
1.04 Catwalk System	1	500 s.f.	500 s.f.			
1.05 Orchestra Pit	1	400 s.f.	400 s.f.			
1.06 Black Box Theater	1	2,200 s.f.	2,200 s.f.			
1.07 Small Light/Sound Booth	1	100 s.f.	100 s.f.			
1.08 Dance Studio	1	1,800 s.f.	1,800 s.f.			
1.09 Viewing Room	1	150 s.f.	150 s.f.			
2.00 Public Areas						
2.01 Lobby/Foyer/Gallery	1	2,700 s.f.	2,700 s.f.			
2.02 Box Office	1	120 s.f.	120 s.f.			
2.03 Concessions	1	400 s.f.	400 s.f.			
2.04 Lobby and Event Storage	1	400 s.f.	400 s.f.			
3.00 Backstage Spaces						
3.01 Green Room	1	500 s.f.	500 s.f.			
3.02 Dressing Room	1	900 s.f.	900 s.f.			
3.03 Makeup room	1	400 s.f.	400 s.f.			
3.04 Laundry Room/Dyeing	1	250 s.f.	250 s.f.			
3.05 Costume Studio	1	650 s.f.	650 s.f.			
3.06 Costume Storage	1	1,000 s.f.	1,000 s.f.			
3.07 Scene Shop/ Paint and Welding (possibly in exiting U of I shop)	1	1,000 s.f.	1,000 s.f.			
3.09 Prop and Furniture Storage	1	500 s.f.	500 s.f.			
3.10 Portable Stage & Seating Storage	1	500 s.f.	500 s.f.			
3.11 Receiving Dock	1	200 s.f.	200 s.f.			
4.00 Academic Spaces						
4.01 Set and Lighting Design Lab	1	500 s.f.	500 s.f.			
4.02 FA Open Office & Waiting Area	1	200 s.f.	200 s.f.			
4.03 FA Administration Office	1	130 s.f.	130 s.f.			
4.04 Faculty Offices	5	130 s.f.	650 s.f.			
4.05 Faculty Lounge	1	250 s.f.	250 s.f.			
4.06 Student Lounge (combined with Faculty Lounge)	1	0 s.f.	0 s.f.			
4.07 Practice Rooms	6	80 s.f.	480 s.f.			
4.07 Multi-Purpose Classroom	1	750 s.f.	750 s.f.			
5.0 Artists/Students in Residence (move to Student Union Building)						
Total Assigned Area			22,880 s.f.			
Unassigned Space (40% of Gross) ¹			9,200 s.f.			
Gross Building Area			32,080 s.f.	\$ 7,162,000	\$	223
Outdoor space Amphitheater (seating for 200 w/ 200 in variety of informal seating arrangements)				\$ 800,000	\$	25
Project cost Allocation			35%	\$ 2,787,000		
Total Project costs				\$ 10,749,000	\$	335

Notes:

¹ Includes circulation, toilet rooms and building service area.

ALSC

ARCHITECTS

University of Idaho Sandpoint Agriculture & Life Sciences Program**PROGRAM AREA - April 10, 2007**

Revised May 21, 2007

Program Element	Qty	Program Area Ea.	Program Area Sub-Total				
1.00 Laboratory Space							
1.01 Microbiology/Chemistry Instrument	3	1,200 s.f.	3,600 s.f.				
1.02 Laboratory Service Area (includes ultra cold freezer, clean room, dark room, radioactivity room, plant environ. chamber, etc.)	1	1,000 s.f.	1,000 s.f.				
1.03 Coolers	3	70 s.f.	210 s.f.				
1.04 Technician Cubicles plus 2 Graduate Carrols	2	140 s.f.	280 s.f.				
1.05 Interaction Space	1	200 s.f.	200 s.f.				
1.06 General Biology Lab	1	1,000 s.f.	1,000 s.f.				
1.07 General Chemistry Lab	1	1,000 s.f.	1,000 s.f.				
2.00 Classroom Spaces							
2.01 Small Conference Distance Learning	1	250 s.f.	250 s.f.				
2.02 Small Conference Standard	1	250 s.f.	250 s.f.				
2.03 24 Seat Medium Classroom	1	720 s.f.	720 s.f.				
2.05 24 Seat Medium Distance Learning	1	720 s.f.	720 s.f.				
2.07 40 Seat Large Classroom	1	1,000 s.f.	1,000 s.f.				
3.00 Greenhouse Spaces							
3.01 Head House	1	1,000 s.f.	1,000 s.f.				
3.02 Classrooms	1	800 s.f.	800 s.f.				
3.03 Greenhouse Pods	6	600 s.f.	3,600 s.f.				
3.04 Storage	1	400 s.f.	400 s.f.				
3.05 Cooler	1	200 s.f.	200 s.f.				
3.06 Laundry/Shower/Lockers	1	200 s.f.	200 s.f.				
4.00 Office Spaces							
4.01 Faculty Offices (Hort., FST, MMBB, ES)	8	140 s.f.	1,120 s.f.				
4.02 Staff Offices (Admin Asst, Farm Manager)	2	100 s.f.	200 s.f.				
4.03 Administration Office	1	130 s.f.	130 s.f.				
4.04 Lounge	1	260 s.f.	260 s.f.				
4.05 Work Room	1	200 s.f.	200 s.f.				
4.06 Building Reception Area	1	100 s.f.	100 s.f.				
4.07 Master Gardener Clinic	1	200 s.f.	200 s.f.				
5.00 Bonner County AG Extension							
5.01 Faculty	2	140 s.f.	280 s.f.				
5.02 Staff Offices (4-H, Admin Asst., Master Gardener)	3	140 s.f.	420 s.f.				
5.03 Clerical (workstations)	2	80 s.f.	160 s.f.				
5.04 Multi-Purpose Classroom Ag Extension	1	720 s.f.	720 s.f.				
5.05 Work Room	1	200 s.f.	200 s.f.				
5.06 File Room	1	200 s.f.	200 s.f.				
5.07 Remote Storage	1	1,000 s.f.	1,000 s.f.				
Total Assigned Area			19,500 s.f.				
Unassigned Space (40% of Gross) ¹			7,800 s.f.				
Gross Building Area			27,300 s.f.	\$	6,234,000	\$	228
Project Cost Allocations			35%	\$	2,182,000		
Total Project Costs				\$	8,416,000	\$	308

Notes:

¹ Includes circulation, toilet rooms and building service area.

ALSC

ARCHITECTS

University of Idaho Sandpoint Administration/Center Operations/Classrooms**PROGRAM AREA - April 10, 2007**

Revised May 9, 2007

Revised May 21, 2007

Program Element	Qty	Program Area Ea.	Program Area Sub-Total		
1.00 Center Operations/Administration					
1.01 U of I Director	1	250 s.f.	250 s.f.		
1.02 Facility manager	1	140 s.f.	140 s.f.		
1.03 Clerical open workstations	2	100 s.f.	200 s.f.		
1.04 Visitor Work Center open workstation	1	150 s.f.	150 s.f.		
1.05 Visiting Offices	2	140 s.f.	280 s.f.		
1.06 Reception open workstations	3	100 s.f.	300 s.f.		
106a Waiting Area	1	120 s.f.	120 s.f.		
1.07 Conference Rooms	1	360 s.f.	360 s.f.		
1.08 Files	1	180 s.f.	180 s.f.		
1.09 Storage	1	200 s.f.	200 s.f.		
1.10 Mail/Copier/Work Room	1	200 s.f.	200 s.f.		
2.00 Academic Spaces					
2.03 Small Conference Room standard	1	250 s.f.	250 s.f.		
2.04 24 seat medium Classroom	2	720 s.f.	1,440 s.f.		
2.05 24 seat Medium Computer Lab	1	720 s.f.	720 s.f.		
2.06 40 seat Large Classroom Distance Learning	1	1,000 s.f.	1,000 s.f.		
2.07 40 seat Large Classroom	1	1,000 s.f.	1,000 s.f.		
3.00 IT Support					
3.01 IT Support Associates	1	140 s.f.	140 s.f.		
3.01 IT Server Room	1	500 s.f.	500 s.f.		
4.00 Student Services					
4.01 Registration Coordinator	1	140 s.f.	140 s.f.		
4.02 Computer Work Room	1	700 s.f.	700 s.f.		
4.03 Testing Area	1	500 s.f.	500 s.f.		
4.04 Workroom	1	180 s.f.	180 s.f.		
4.05 U of I Files	1	180 s.f.	180 s.f.		
4.06 Files	1	180 s.f.	180 s.f.		
4.07 Clerical Records	2	140 s.f.	280 s.f.		
4.08 Student Services Records	1	160 s.f.	160 s.f.		
5.00 Library					
5.01 Library Resource Room	1	1,200 s.f.	1,200 s.f.		
5.02 Staff Offices	1	140 s.f.	140 s.f.		
5.03 Copy/fax	1	60 s.f.	60 s.f.		
5.04 Computer Stations	10	30 s.f.	300 s.f.		
6.00 Administration/Faculty					
6.01 Director	1	180 s.f.	180 s.f.		
6.02 General Faculty Office	8	140 s.f.	1,120 s.f.		
6.03 Associate Faculty Offices	6	100 s.f.	600 s.f.		
6.04 Faculty Offices	2	140 s.f.	280 s.f.		
6.05 Faculty Office	1	140 s.f.	140 s.f.		
6.06 Staff Offices	4	80 s.f.	320 s.f.		
6.07 Workroom/File room	1	200 s.f.	200 s.f.		
6.08 Copy/fax	1	60 s.f.	60 s.f.		
Total Assigned Area			14,350 s.f.		
Unassigned Space (40% of Gross) ¹			5,740 s.f.		
Gross Building Area			20,090 s.f.	\$ 4,040,000	\$ 201
Project Cost allocation			35%	\$ 1,415,000	
Total project Costs				\$ 5,455,000	\$ 272

Notes:

¹ Includes circulation, toilet rooms and building service area.

ALSC

ARCHITECTS

University of Idaho Sandpoint Student Union Program**PROGRAM AREA - April 10, 2007**

Revised May 9, 2007

Revised May 21, 2007

Program Element	Qty	Program Area Ea.	Program Area Sub-Total			
1.00 Retail						
1.01 Bookstore	1	1,200 s.f.	1,200 s.f.			
1.02 Copy/Printing	1	200 s.f.	200 s.f.			
1.03 Computer Repairs	1	200 s.f.	200 s.f.			
1.03 Bank/ATM	1	100 s.f.	100 s.f.			
2.00 Food Service						
2.01 Food Court	1	2,400 s.f.	2,400 s.f.			
2.02 Servery/Cashier	1	400 s.f.	400 s.f.			
2.03 Dining/Seating	1	2,400 s.f.	2,400 s.f.			
2.04 Coffee House	1	150 s.f.	150 s.f.			
2.05 Refuse/Storage	1	400 s.f.	400 s.f.			
2.06 Food Service Office	1	180 s.f.	180 s.f.			
3.00 Student Services						
3.01 Career Center	1	500 s.f.	500 s.f.			
3.02 Student Lounge	1	600 s.f.	600 s.f.			
3.03 Conference/Meeting Rooms	6	150 s.f.	900 s.f.			
4.00 Faculty Services & Office Spaces						
4.01 EMBA Offices	1	420 s.f.	420 s.f.			
4.02 Education Offices	1	780 s.f.	780 s.f.			
4.03 Faculty Lounge	1	300 s.f.	300 s.f.			
4.03 Copy/Fax/Workroom	1	200 s.f.	200 s.f.			
4.10 Culinary Arts & Science Program						
4.11 Experimental Kitchen	1	1,000 s.f.	1,000 s.f.			
4.12 Food Storage	0	300 s.f.	0 s.f.			
4.13 Offices	0	140 s.f.	0 s.f.			
5.00 Faculty/Artists & Students in Residence						
5.01 Dorm Rooms	5	360 s.f.	1,800 s.f.			
5.02 Private Rooms	4	650 s.f.	2,600 s.f.			
5.03 Communal Space	1	250 s.f.	250 s.f.			
6.00 Support						
6.01 Loading Dock/Recycling	1	400 s.f.	400 s.f.			
6.02 Storage	1	600 s.f.	600 s.f.			
6.03 IT Room	1	200 s.f.	200 s.f.			
6.04 Janitorial	1	400 s.f.	400 s.f.			
Total Assigned Area			18,580 s.f.			
Unassigned Space (40% of Gross) ¹			7,400 s.f.			
Gross Building Area			25,980 s.f.	\$ 5,270,400	\$ 203	
Project Cost Allocations			35%	\$ 1,844,600		
Total Project Costs				\$ 7,115,000	\$ 274	

Notes:

¹ Includes circulation, toilet rooms and building service area.

University of Idaho Schedule milestones

Milestone	Date
Project Program Finalized	August 10,2007
Master site plan confirmed	August 10, 2007
Site Design and Construction Documents	August 10, 2007 to October 10, 2007
Site Utility Infrastructure Construction	October 30,2007 to November 30,2007
Schematic Design	August 10, 2007 to October 1, 2007
Design Development	October 8, 2007 to December 3, 2008
Construction Documents	December 10, 2007 to April 10, 2008
Bid/Negotiation	April 14, 2008 to May 14, 2008
Construction	May 15, 2008 to August 2009
Occupancy	End of August 2009

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BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

INSTITUTION/AGENCY AGENDA
UNIVERSITY OF IDAHO

SUBJECT

Grant an easement for an existing irrigation canal across the University of Idaho
Aberdeen Research and Extension Center

REFERENCE

N/A

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures; Section
V.I.5.b.2.

BACKGROUND

A currently unutilized irrigation canal crossing the University of Idaho Aberdeen Research and Extension Center has served one adjoining private farm since the beginning of the UI's presence at the Aberdeen Center in about 1910. Although the canal has existed for many years there is no recorded easement establishing the right to utilize Regents property for an irrigation canal and the adjoining property owner actually uses other sources to provide agricultural irrigation for his farm. The unused canal does inconvenience operation at the UI Aberdeen Center and University managers would like to remove at least portions of the unused canal to eliminate the long-standing inconvenience. The adjoining property owner is agreeable to removing portions so long as he is provided an assurance that a right to utilize the canal in the future for the benefit of his property is preserved, and the University is willing to restore any removed sections of the canal so water delivery can be re-established in the event the adjoining property owner's current (more junior) water rights are terminated and the farm must rely upon the more senior rights associated with the old canal connected to an established local canal company system.

DISCUSSION

To serve the interest of the Aberdeen center, and accommodate the request of the adjoining land owner, the University of Idaho would like to grant an easement to the land owner. The easement will define the extent and limit of rights established by the canal, which currently are not documented, and provide a mechanism for the University to utilize the land, with the land owner's permission, when the canal is not practically needed in the future.

IMPACT

Restoration of the canal could be accomplished with equipment and staff available at the UI Aberdeen Research and Extension Center and work could be completed within approximately three hours of initiation. The benefit gained by being able to fill in the canal for temporary periods and have easier access

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

INSTITUTION/AGENCY AGENDA
UNIVERSITY OF IDAHO - continued

across it, far outweighs the minimal cost of the time and labor to restore the canal.

ATTACHMENTS

Attachment 1 – Proposed Easement
Attachment 2 – Photo Diagram

Page 5
Page 15

STAFF COMMENTS AND RECOMMENDATIONS

Staff has reviewed the request and believes the proposal is in the best interests of the State Board of Education and University of Idaho.

Staff recommends approval.

BOARD ACTION

A motion to authorize the Vice President for Finance and Administration at the University of Idaho to execute a non-exclusive easement in substantial consistency with the draft submitted as part of this request.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

REFERENCE – APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: V. FINANCIAL AFFAIRS

Subsection: I. Real and Personal Property and Services

April 2002

5. Disposal of Real Property

a. Temporary Permits

Permits to make a temporary and limited use of real property under the control of an institution, school or agency may be issued by the institution, school or agency without prior Board approval.

b. Board approval of other transfers

(1) Leases to use real property under the control of an institution, school or agency require prior Board approval - if the term of the lease exceeds five (5) years or if the lease revenue exceeds two hundred fifty thousand dollars (\$250,000).

(2) Easements to make a permanent use of real property under the control of an institution, school or agency require prior Board approval - unless easements are to public entities for utilities.

(3) The transfer by an institution, school or agency of any other interest in real property requires prior Board approval.

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Recording Requested By and
When Recorded Return to:

UNIVERSITY OF IDAHO
Real Estate Office
Attn: Gerard Billington
Moscow, Idaho 83844-3162

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

NON-EXCLUSIVE EASEMENT AGREEMENT

This NON-EXCLUSIVE GRANT OF EASEMENT (this "Grant") is made this ____ day of _____, 2007, by and between THE BOARD OF REGENTS OF THE UNIVERSITY OF IDAHO, a state educational institution and a body politic and corporate organized and existing under the Constitution and laws of the State of Idaho, whose address is Vice President for Finance and Administration, University of Idaho, Moscow, Idaho 83844-3168 ("Grantor"), and JACKMAN GUY POULSON, whose address is 2720 W Hwy 39, Aberdeen ID 83210 ("Grantee").

RECITALS

A. Grantor has agreed to grant to Grantee a non-exclusive access easement through Grantor's property, which property is shown in Exhibit A ("Easement Parcel"), and which shall be no wider than 30 feet in total, in the location depicted in Exhibit A.

B. The Easement Parcel consists of real property to be utilized for the construction, operation, use, maintenance, repair, replacement, and removal of infrastructure needed for delivery of up to 3.2 cubic feet per second of irrigation water by pipe or open canal to Grantee's adjacent property as described on Exhibit B attached hereto and incorporated by reference herein ("Grantee's Property").

NOW, THEREFORE, in consideration of the recitals above which are incorporated below and made binding terms herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged:

1. GRANT: Grantor hereby grants and conveys to Grantee, its successors, agents, and assigns, subject to all the terms, conditions and warranties contained herein, a perpetual (subject to the terms of this Grant), non-exclusive easement through the Easement Parcel, for the purpose of construction, operation, use, maintenance, repair, replacement and removal of infrastructure needed for delivery of up to 3.2 cubic feet per second of irrigation water by pipe or

open canal to Grantee's Property ("Easement"). All construction, maintenance, operation, use, repair, replacement, and removal of the Easement shall be strictly limited to the Easement Parcel.

2. NOTICE: Any notice under this Grant shall be in writing and be delivered in person or by public or private courier service (including U.S. Postal Service Express Mail) or certified mail with return receipt requested or by facsimile. All notices shall be addressed to the parties at the following addresses or at such other addresses as the parties may from time-to-time direct in writing:

If to Grantor:

Vice President for Finance and Administration
University of Idaho
PO Box 443168
Moscow, Idaho 83844-3168

If to Grantee:

Jackman Guy Poulson
2720 W Hwy 39
Aberdeen ID 83210

Any notice shall be deemed to have been given on the earlier of: (a) actual delivery or refusal to accept delivery, (b) the date of mailing by certified mail, or (c) the day facsimile delivery is verified. Actual notice, however and from whoever received, shall always be effective.

3. BINDING EFFECT: All provisions of this Grant, including the benefits and burdens, are binding upon and inure to the benefit, obligation, and use of the successors, agents, and assigns of the parties hereto. This Grant shall be a burden upon the Easement Parcel, for the benefit of and appurtenant to each and every part of Grantee's Property and shall run with the land.

4. NON-EXCLUSIVE RIGHT: Anything in this instrument to the contrary notwithstanding, Grantee agrees to the following conditions:

a. The Easement herein granted is subject to all easements and encumbrances of record and is non-exclusive, provided that later-granted easements shall be subject to Grantee's rights and uses;

b. All materials, equipment, and their related components and supports placed within the Easement Parcel by Grantee, or Grantee's agents or contractors pursuant to this instrument ("Grantee's Improvements") shall remain the property of the Grantee;

c. Grantor and its successors and assigns shall retain the right to full use of the surface and subsurface of the Easement Parcel, provided, however, that Grantor will not erect

any permanent structure within the Easement Parcel without the written permission of the Grantee, which permission shall not be unreasonably withheld.

5. **INDEMNITY:** Grantee shall indemnify, defend and save Grantor, its successors, assigns, and agents harmless from any and all claims, liabilities, losses, costs, charges, or expenses (including, without limitation, reasonable attorneys' fees) which Grantor may incur as a result of any act or omission of the Grantee, and Grantee's agents, contractors, tenants, licensees and invitees, in their use of the Easement Parcel under this Grant. If any action, claim or demand is made against Grantor for any act or omission of the Grantee or Grantee's agents, contractors, tenants, licensees and invitees, Grantee agrees to assume the expense and shall pay all costs, charges, attorneys' fees, settlements, judgments or other expenses incurred by or obtained against Grantor, and also, including all attorneys' fees and costs associated with any appeal proceeding.

6. **REMEDIES:** In the event of a breach hereunder by any party, the non-breaching party shall have all remedies available at law or in equity, including injunctive or other equitable relief. In any suit, action or appeal therefrom to enforce or interpret this Grant, the prevailing party shall be entitled to recover its costs incurred therein, including reasonable attorneys' fees and costs, and also including reasonable attorney's fees and costs associated with any appeal proceedings. The failure of Grantor to insist upon strict performance of any of the terms or conditions of this Grant shall not be deemed a waiver of any rights or remedies that Grantor may have, and shall not be deemed a waiver of any subsequent breach or default in the terms or conditions of the Grant by the same or any other person.

7. **MODIFICATION:** This Grant shall not be modified unless expressly agreed to by both parties in writing.

8. **RELOCATION AND TEMPORARY REMOVAL:** Grantee agrees that Grantor reserves the right to relocate Easement and Easement Parcel at the Grantor's sole option and expense. Furthermore, upon written permission from Grantee, Grantor may temporarily remove the water delivery infrastructure from the Easement for an indefinite period and until such time that Grantee notifies Grantor (in writing) of its order to restore the water delivery infrastructure to the Easement. Upon such written order from Grantee delivered to the Superintendent, University of Idaho Aberdeen Research & Extension Center, PO Box 870, Aberdeen ID 83210, the water delivery infrastructure shall be restored at Grantor's sole expense, to the condition it was in at the time of removal, and to the extent necessary to deliver not more than 3.2 cubic feet per second of irrigation water, within the Easement Parcel to Grantee's Parcel. Such written order shall provide Grantor seven days to restore infrastructure for water delivery across Easement Parcel to Grantee's Parcel. Upon restoration of the water delivery infrastructure, Grantee shall resume Grantee's rights and obligations as defined by this Agreement. It is understood by Grantee, that Grantor can not ensure the delivery of any quantity of water as it is not in possession of the water rights or other entitlements to ensure actual delivery of any quantity of water for use on Grantee's Parcel. Except for restoring the infrastructure to deliver water, Grantee is solely responsible for establishing, maintaining and preserving any entitlements to a volume of water that could be delivered across Easement Parcel.

9. **EASEMENT IMPROVEMENTS:** Except for replacement after temporary removal, as provided by Section 8 of this Agreement, Grantee shall, at its sole cost and expense, construct, operate, use, maintain, repair, replace, and remove the fixtures and improvements in and on the Easement as contemplated herein; provided however, prior to any such construction, maintenance, repair, replacement or removal, Grantee will make reasonable attempts to notify and coordinate with Grantor the construction, maintenance, repair, replacement, or removal.

10. **RIGHT OF WAY CLEARING AND MAINTENANCE:** Grantee shall have the right to cut, trim, and remove any and all brush, branches, and trees located within the Easement Parcel. Grantee shall also have the right to control, on a continuing basis and by any prudent and reasonable means, the establishment and growth of trees, brush, and other vegetation located within the Easement Parcel which could, in the opinion of the Grantee, interfere with the reliable operation of Grantee's fixtures and improvements or the exercise of Grantee's rights herein or create a hazard to Grantee's facilities. Grantee shall be responsible for all maintenance and repair of Easement.

11. **CONDITION OF PARCEL:** Following the construction, maintenance, repair, replacement, or removal of the Easement undertaken by Grantee, Grantee's agents contractors, licensees, assigns, or invitees, Grantee shall repair and return the Easement Parcel, to the extent reasonably practical, to the same condition as the Easement Parcel was in prior to Grantee's construction, maintenance, repair, replacement, or removal activities. In the event that Grantee fails to repair and return the Easement Parcels to said same condition, then the Grantor, at its sole discretion, may restore the Easement Parcel, or any portion thereof, and Grantee shall reimburse Grantor for all costs associated therewith within thirty (30) days from receipt of an invoice therefor.

12. **TITLE INSURANCE AND ESCROW:** Should Grantee so desire, at its sole expense, Grantee may apply forthwith for a title insurance policy insuring the easement hereby granted and Grantor will make available for inspection by the title company any evidence of title in its possession.

13. **REPRESENTATIONS AND WARRANTIES:** Grantor and Grantee represent and warrant as of the date herein that they and the person(s) executing on their behalf have the power and authority to execute this Grant and to perform Grantor's and Grantee's obligations herein and if Grantor or Grantee are a corporation, all necessary corporate action to authorize this transaction has been taken.

14. **COMPLIANCE WITH ALL LAWS AND INDUSTRY STANDARDS:** Grantee hereby agrees to comply in all respects with any and all, applicable federal, state and local statutes, laws, ordinances, codes, regulations, and rules in connection with the use of the Easement and Easement Parcel. In addition, with respect to the construction, operation, use, maintenance, repair replacement, and removal of the Easement, Grantee agrees to comply with all applicable industry standards pertaining thereto.

15. RECORDING: After recording this instrument, Grantor shall provide Grantee with a certified copy of the recorded instrument showing the date, instrument number, book, and page of recording.

16. TERMINATION: Grantee may terminate this Grant upon express written consent by Grantor and by recording a release with the Bingham County Recorder's Office in recordable form with directions for delivery of the same to Grantor, whereupon all rights, duties, and liabilities hereby created shall terminate. If there is a termination or abandonment of the Easement, Grantee shall remove Grantee's Improvements and return the Easement Parcel to its pre-easement condition.

IN WITNESS WHEREOF, the undersigned have caused this Grant to be executed.

GRANTOR: The Board of Regents of the University of Idaho

By: _____
Lloyd E. Mues
Vice President for Finance & Administration
University of Idaho

STATE OF IDAHO)
) ss.
County of Latah)

On this _____ day of _____, 2007 before me, the undersigned, a Notary Public in and for said State of Idaho, personally appeared _____, known or identified to me to be authorized to sign on behalf of the Board of Regents of the University of Idaho.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

NOTARY PUBLIC for Idaho
Residing at _____
My commission expires _____

GRANTEE: Jackman Guy Poulson

By: _____
Jackman Guy Poulson

Date: _____

STATE OF IDAHO)
) ss.
County of Bingham)

On this _____ day of _____, 2005, before me, the undersigned, a Notary Public in and for said State, personally appeared Jackman Guy Poulson who executed the instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

NOTARY PUBLIC for Idaho
Residing at _____
My commission expires:_____

EXHIBIT A

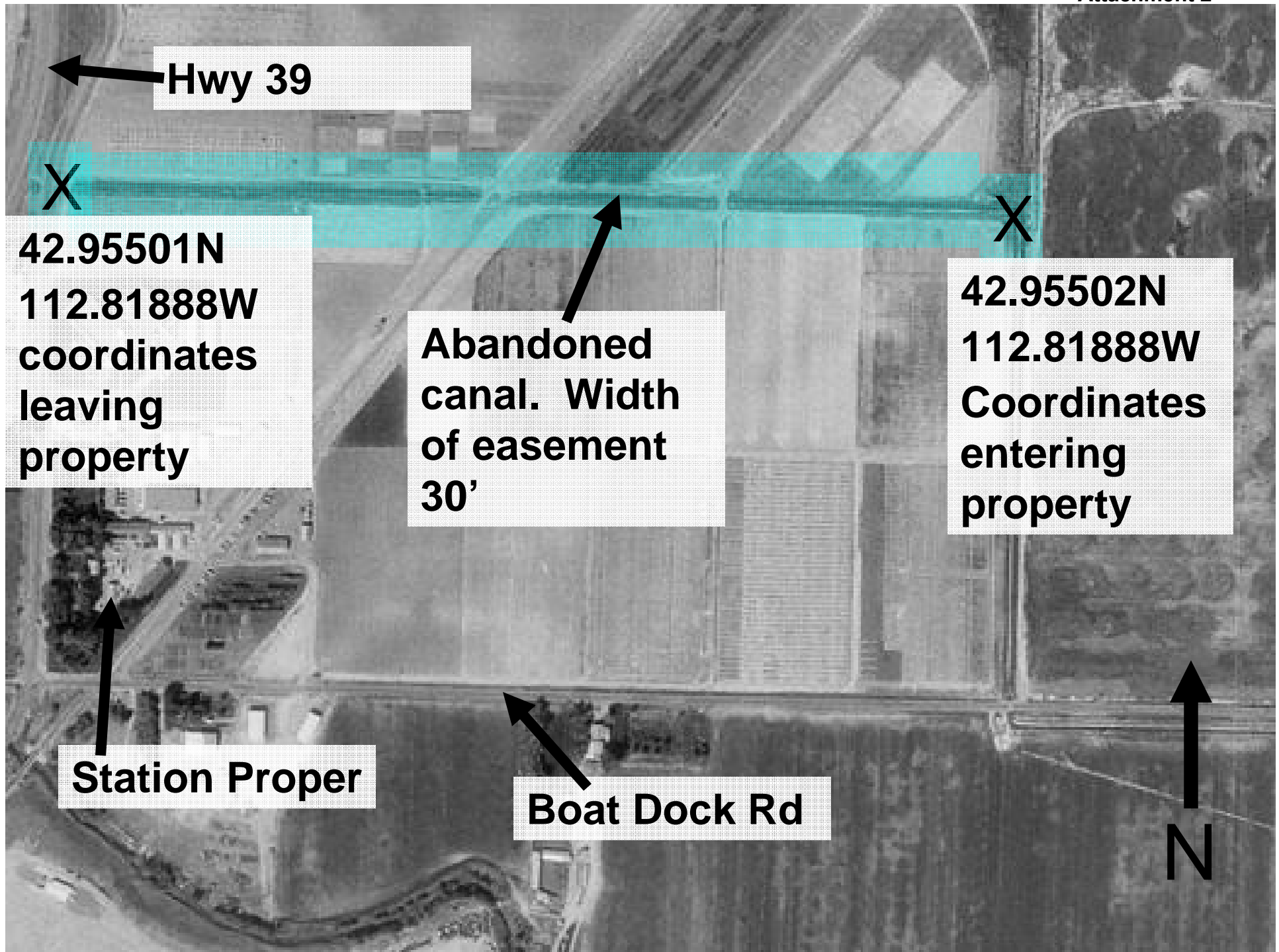
Easement Parcel Depiction

EXHIBIT B

Benefitted Parcel

All of that parcel more particularly described as the Southeast Quarter of Section 28, Township 5 South, Range 31 East, Boise Meridian, said parcel being located in Bingham County, Idaho.

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BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

INSTITUTION/AGENCY AGENDA
UNIVERSITY OF IDAHO

SUBJECT

One Year Extension of Service Agreement with RuffaloCODY

REFERENCE

July 15, 2005

Executive Director Approval of two-year agreement
for Fiscal Years 2006 & 2007

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Sections
V.C.1.d. & V.I.3.a.

BACKGROUND

The original two-year agreement was approved by Gary Stivers, SBOE Executive Director, for \$420,000.00. Services for fiscal year 2008 will be an additional \$239,200.00 for a total of \$659,200.00. The additional year of services (FY08) will increase the dollar amount to the level requiring SBOE board approval.

DISCUSSION

RuffaloCODY provides an on-site, fundraising call center for the Office of Development and Annual Giving. The University desires to extend this contract for an additional year while transitioning into the restructured development office as approved by the Board in February 2007.

IMPACT

Service Agreement for FY08: \$239,200

ATTACHMENTS

Attachment 1 – Existing contract to be extended for balance
of FY08 (without Original proposal from
RuffaloCODY)

Page 5

Attachment 2 – Previous contract approval from SBOE

Page 15

STAFF COMMENTS AND RECOMMENDATIONS

Staff has reviewed the request and believes it is in the best interests of the University of Idaho.

Staff recommends approval.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007**

**INSTITUTION/AGENCY AGENDA
UNIVERSITY OF IDAHO – continued**

BOARD ACTION

A motion to approve the request by the University of Idaho for a one year extension of the RuffaloCODY service agreement at a cost of \$239,200, for FY 2008. Funding for the existing and proposed agreement is local funds.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

**BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007**

REFERENCE – APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: V. FINANCIAL AFFAIRS
Subsection: C. Spending Authority

April 2002

1. Monies Subject to Appropriation

d. Board Authorization Always Required

Irrespective of any other spending authority, the institutions, school and agencies under the governance of the Board must not expend, encumber, or otherwise use monies under their direct control without the specific or general approval by the State Board of Education or the Board of Regents of the University of Idaho and only in such amounts and for such purposes as are so authorized.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007**

REFERENCE – APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: V. FINANCIAL AFFAIRS

Subsection: I. Real and Personal Property and Services

April 2002

3. Acquisition of Personal Property and Services

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

TELEMARKETING SERVICES AGREEMENT

This Telemarketing Services Agreement between *RuffaloCODY*, LLC an Iowa corporation (hereafter referred to as *RuffaloCODY*) and the University of Idaho (hereafter referred to as Client), as identified in 1A, B, and C, sets forth the terms and conditions for *RuffaloCODY* to provide Client with telemarketing services as set forth herein. The parties agree as follows:

1. Variable References

- A. Client name: University of Idaho
- B. State of Client's Incorporation: Idaho
- C. Client's Address: Office of Development
619 Nez Perce Drive
Moscow, ID 83843-3201
- Attention: Caroline Nilsson Troy
Executive Director, University of Idaho Foundation
- D. Length of Term: July 1, 2005 through June 30, 2007
- E. Purpose of Telemarketing Program: Management of an on-campus phonathon center
- F. Terms of Payment: First fiscal year (July 1, 2005 to June 30, 2006)—1/12th of \$190,000 billed each month (\$15,833) beginning in July 2005 due by the 15th of the following month. Second fiscal year (July 1, 2006 to June 30, 2007)—1/12th of \$230,000 billed each month (\$19,167) due by the 15th of the following month. The last payment will, thus, be due by July 15, 2007. Items not included in the contract which Client asks *RuffaloCODY* to include at a later date (e.g., printing letters for a direct mail drop, postage for mailings, adding more than 40,000 completed calls, etc.) will be billed separately during the month incurred with payment due within 30 days.

2. Telemarketing Commitment

Client agrees to purchase telemarketing services over the term of this Agreement as specified in paragraphs 1D and 1E, plus any additional expenses outlined in Exhibit A. The telemarketing program is intended by Client to address the purpose set forth in paragraph 1E.

3. Term

After execution of this Agreement by Client, this Agreement shall be effective upon written acceptance of this Agreement by *RuffaloCODY* in Cedar Rapids, and shall continue for the length of term.

Either party reserves the right to cancel this Agreement at any time and for any reason upon sixty (60) days written notice to the other party.

Upon cancellation, Client shall compensate *RuffaloCODY* for all costs for services provided plus all applicable taxes according to the terms of this Agreement up to the point of cancellation.

4. **Designation of Contacts, Development of Marketing Plan**

Client shall consult with *RuffaloCODY* to develop a telemarketing plan, which plan shall specify the identity and telephone numbers of all contacts to be called and any order of priority for the telemarketing program. Client shall assist *RuffaloCODY* personnel in writing all materials and telemarketing scripts, including the wording the telemarketing personnel are to use. Client shall be solely responsible for the accuracy of the information contained in all such materials and telemarketing scripts. Client shall defend, indemnify, and hold *RuffaloCODY*, its shareholders, officers and directors harmless from any and all loss, damage, deficiency, claim, or liability arising out of or resulting from the information presented in Client's materials, telemarketing scripts and any other information provided by Client, and any and all actions, suits, proceedings, demands, assessments, judgments, costs and expenses, including reasonable attorney fees, incident to the foregoing.

5. **RuffaloCODY Commitment**

RuffaloCODY shall provide the specified telemarketing services and related services as outlined and as provided in this Agreement. *RuffaloCODY* makes no warranties or guaranties, express or implied, of any results from the telemarketing services provided pursuant to this Agreement. In no event shall *RuffaloCODY* be liable for any special, consequential, exemplary, incidental or any other damages, whatsoever, arising out of or in connection with this Agreement. *RuffaloCODY's* liability for any breach of this Agreement or associated claims shall be limited to the amount of fees paid by Client hereunder. In no event shall *RuffaloCODY* collect or receive funds on Client's behalf or assume or be responsible for any funds sent to Client. *RuffaloCODY* is the sole employer of student-fundraisers for purposes of this agreement and is responsible for all personnel and legal issues related to that employment.

6. **Related Service and Incidental Costs**

In addition to the fee as set forth in paragraph 2 of this Agreement, Client shall compensate *RuffaloCODY* for related service and incidental costs as set forth in the attached Exhibit "A" which is incorporated herein by reference. By way of illustration, such costs shall include, but not be limited to, postage, printing and mailing, and third party services. Applicable taxes on related services and incidental costs shall be paid by Client.

7. **Compensation**

Payments are due thirty (30) days after billing, with late charges the lower of 1.5% per month or the highest rate allowable by law charged after said due date.

8. **Remittances**

Invoices to Client shall be to Client's address as specified in paragraph 1C of this Agreement. Down payments and payments on invoices to *RuffaloCODY* shall be addressed to:

RuffaloCODY
65 Kirkwood North Rd. SW
P.O. Box 3018
Cedar Rapids, IA 52406-3018

Attention: Larry Thole, Controller
Telephone: (319) 362-7483

9. **Confidentiality**

Both parties acknowledge that in the negotiation and performances of this Agreement, confidential and proprietary information of each has been and will be made available to the other. The parties agree to use reasonable efforts to maintain the confidentiality of such material, but in no event lesser than was used with like material of the receiving party, and not to make any internal use of such material not required under this Agreement. Both parties shall maintain in secret all information received under this Agreement, shall not disclose the information to any third party without prior written authorization from the disclosing party, and shall not use the information except for the purpose for which it is disclosed under this Agreement. Each party shall limit dissemination of the information received by it, except to those of its employees, agents and consultants whose duties justify the need for access to the information provided that such individuals are subject to obligations of secrecy and limited use commensurate in scope with this Agreement. No other right or license to use the information is granted under this Agreement. The foregoing obligations shall apply to verbal information as well as specific portions of the information that are disclosed in writing or other tangible form and marked to indicate the confidential nature thereof.

The foregoing obligations shall not apply to any of the information which:

- A. Was known to the receiving party prior to receipt under this Agreement, as demonstrated by the receiving party's records; or
- B. Was publicly known or available prior to receipt under this Agreement, or later becomes publicly known or available through no fault of the receiving party; or
- C. Is disclosed to the receiving party without restrictions on disclosure by a third party having the legal right to disclose the same; or
- D. It is disclosed to a third party by the disclosing party with an obligation of confidentiality; or
- E. Is independently developed by an employee, consultant, or agent of the receiving party without access to the information as received under this Agreement; or
- F. The receiving party is obligated to produce as a result of a court order, provided that the disclosing party has been given notice thereof and an opportunity to waive its rights or to seek a protective order or other appropriate remedy.

Upon written request of a disclosing party, the receiving party shall return all information disclosed in written or tangible form, and the receiving party shall destroy all their copies, excerpts or notes made by it which contain any portions of the information unless otherwise provided for by the parties. Client is required by certain laws to protect a student's directory information from disclosure if a student has restricted access to that information via the Client's Registrar and both parties will protect such information if so restricted.

10. **Indemnity**

RuffaloCODY agrees that any personal injury to RuffaloCODY or any third parties, and/or any property damage incurred as the result of RuffaloCODY's performance of this Agreement, or any claims, complaints, or causes of action brought by RuffaloCODY employees, including University of Idaho students employed by RuffaloCODY, as the result of RuffaloCODY's performance of this Agreement shall be the responsibility of RuffaloCODY.

RuffaloCODY shall indemnify, defend and hold the state of Idaho, and Client and its governing board, employees, agents, and assigns harmless from and against any and all claims, losses, damages, injuries, liabilities and all costs, including attorneys fees, court costs and expenses and liabilities incurred in or from any such claim, arising from any breach or default in the performance of any obligation on RuffaloCODY's part to be performed under the terms of this Agreement, or arising from any act, negligence or the failure to act of RuffaloCODY, or any of its agents, RuffaloCODY's, employees, invitees or guests.

11. Insurance

A. General Requirements.

RuffaloCODY is required to carry the types and limits of insurance shown in this insurance clause, and to provide Client with a Certificate of Insurance ("certificate"). Certificates shall be provided within seven (7) days of the signing of the contract by the RuffaloCODY. Certificates shall be executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements set forth below. All certificates shall provide for thirty (30) days' written notice to Client prior to cancellation or material decrease in any insurance referred to therein

Additionally and at its option, Client may request certified copies of required policies and endorsements and such copies shall be provided within (20) twenty days of the Client's request, at its expense.

All insurers shall have a Best's rating of AV or better and be licensed and admitted in Idaho. All policies required shall be written as primary policies and not contributing to nor in excess of any coverage Client may choose to maintain. Failure to maintain the required insurance may result in termination of this Agreement at Client's option.

All policies shall name Client as Additional Insured. On the certificate, the Client may be stated as: State of Idaho and the Regents of the University of Idaho. Certificates shall be mailed to: University of Idaho, Risk Management, P.O. Box 443162, Moscow, ID 83844-3162.

Failure of Client to demand such certificate or other evidence of full compliance with these insurance requirements or failure of Client to identify a deficiency from evidence that is provided shall not be construed as a waiver of RuffaloCODY's obligation to maintain such insurance.

By requiring insurance herein, Client does not represent that coverage and limits will necessarily be adequate to protect RuffaloCODY, and such coverage and limits shall not be deemed as a limitation on RuffaloCODY's liability under the indemnities granted to Client in this Lease.

B. Required Insurance Coverage.

RuffaloCODY shall at its own expense obtain and maintain:

1. Commercial General Liability ("CGL") written on an occurrence basis and with a limit of not less than \$1,000,000 each occurrence and in the aggregate. If such CGL insurance contains a general aggregate limit, it shall apply separately by location and shall not be less than \$1,000,000. CGL insurance shall be written on standard ISO occurrence form (or a substitute form providing

equivalent coverage) and shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury, and liability assumed under a contract including the tort liability of another assumed in a business contract. Waiver of subrogation language shall be included. If necessary to provide the required limits, the Commercial General Liability policy's limits may be layered with a Commercial Umbrella or Excess Liability policy.

2. Commercial Auto Insurance. If applicable, RuffaloCODY shall maintain a Commercial Auto policy with a Combined Single Limit of not less than \$1,000,000; Underinsured and Uninsured Motorists limit of not less than \$1,000,000; Comprehensive; Collision; and a Medical Payments limit of not less than \$10,000. Coverage shall include Non-Owned and Hired Car coverage. Waiver of subrogation language shall be included.

3. RuffaloCODY shall purchase insurance to cover RuffaloCODY's personal property. In no event shall Client be liable for any damage to or loss of personal property sustained by RuffaloCODY, even if such loss is caused by the negligence of Client, its employees, officers or agents. Waiver of subrogation language shall be included.

4. Workers' Compensation. RuffaloCODY shall maintain all coverage statutorily required of the RuffaloCODY, and coverage shall be in accordance with the laws of Idaho. RuffaloCODY shall maintain Employment Practices Liability coverage with limits of not less than \$1,000,000 aggregate/ \$100,000 Defense Cost.

10. Notices

All notices given pursuant to or in connection with this Agreement shall be in writing, and sent to the receiving party at its address following its signature line below, by U.S. Postal Service, certified mail, return receipt requested, or its then equivalent, or hand delivered. Notices shall be deemed received and effective as of the date of hand delivery, or three (3) days subsequent to deposit in a U.S. Postal Service mail depository.

11. Governing Law

This Agreement is made in and shall be governed in all respects by the laws of the State of Idaho.

12. Entire Agreement

This Agreement constitutes the entire agreement between the parties hereto and replaces all other agreements between the parties relating to the same subject matter, whether written or oral. The supplemental terms of the Exhibit "A", as attached are incorporated herein. No amendment to this Agreement shall be effective unless set forth in writing, designated as such, and executed by both parties. No non-conforming terms of Client's purchase order or other documentation shall control over the terms and conditions of this Agreement.

13. Severability

It is agreed and understood that should any of the provisions of this Agreement be determined by any court of competent jurisdiction to be invalid or void for any reason, then the parties consent that this Agreement shall be amended retroactive to the date of its execution to include all terms and conditions other than those found by the court to be invalid or void.

CLIENT: Regents for the University of Idaho

By: David M. Chichester
David Chichester

Title: Vice President for Finance and Administration

Date: 11/9/05

Accepted by RuffaloCODY this 8th day of November, 2005.

RuffaloCODY

By: Brian P. Donnelly
Brian P. Donnelly, Vice President, Non-Profit Operations

By: Larry J. Thole
Larry J. Thole, Controller

PLEASE RETURN ONE SIGNED ORIGINAL TO:

Kate Maxwell
RuffaloCODY
65 Kirkwood North Road SW
P.O. Box 3018
Cedar Rapids, IA 52406-3018

Exhibit "A": ESTIMATED PROGRAM SERVICES AND COSTS

EXHIBIT "A"

ESTIMATED PROGRAM SERVICES AND COSTS

The following information and details are used to formulate the scope of services and costs for a *MASTERS PROGRAM for On-Campus Phonathon Excellence* for University of Idaho:

RuffaloCODY responsibilities:

- *RuffaloCODY* will partner with Idaho to manage a nine-months-a-year, on-campus telephone fundraising program beginning in July/August of 2005.
- The program is designed to complete 40,000 calls on an annual basis (using 50,000 as the prospect base and 80% completion). A completed call is defined as a specified pledge, unspecified pledge, no pledge, already pledged, do not call, remove from the list, disconnected telephone number, reassigned telephone number, whereabouts unknown, out of country, no English, a solicitation left on an answering machine during the last pass of the file, or deceased response code. A completed call is a terminating response.
- *RuffaloCODY* will be responsible for all payroll. This includes an accomplished and well-trained on-site program manager, student supervisors, clerical staff for mailing next-day pledge acknowledgments, training and calling hours for the student-fundraisers. *RuffaloCody* is the sole employer of the student-fundraisers for purposes of this agreement and is responsible for all personnel and legal issues related to that employment.
- *RuffaloCODY* will assign a writer, project manager and an information services representative at our Cedar Rapids headquarters to assist with your project. In addition, a senior operations manager will be assigned to supervise your on-campus program manager.
- *RuffaloCODY* is responsible for office supplies (pens, pencils, paper, etc.), recruiting expenses, staff relocation, and travel expenses.
- *RuffaloCODY* will provide its *DataPump* software (if needed) as an interface between the CAMPUSCALL system and your alumni/development database, provided at no charge for the duration of the *MASTERS* contract, if your alumni/development system is one of several prevalent systems in the marketplace today. This software includes 40 hours of *RuffaloCODY* I.S. staff time to assist in implementing the *DataPump* product at Idaho. After assisting your I.T. staff in the implementation of *DataPump*, *RuffaloCODY*'s I.S. staff will reassess each July any suggested changes or enhancements to the *DataPump* process.
- *RuffaloCODY* will waive the annual support and licensing fees for the CAMPUSCALL automated system as long as *RuffaloCODY* is managing Idaho's phonathon program.
- *RuffaloCODY* will provide three annual fund consulting days per year to the University of Idaho staff and will pay for the travel costs associated with those visits. In addition, six visits from other members of our management staff will occur each year at no additional cost. These visits will be coordinated with the Idaho Annual Giving staff so that advice can be provided concerning direct mail campaigns, senior class gifts, parents programs, faculty/staff solicitations, reunion campaigns, young alumni campaigns, challenge gifts, and matching gift programs, for example.
- *RuffaloCODY* will provide its Rel@y Email Delivery System and E-newsletter System and will prepare and send Emails and newsletters to prospects and donors on behalf of the University as described in Component Seven.

- *RuffaloCODY* can provide, as a part of this contract, management of the University of Idaho's direct mail program, including writing, printing and mailing services. All direct mail costs will be billed separately and are not a part of the cost estimate provided for this account.
- *RuffaloCODY* will install HEP's GiftPlus Matching Gift database (if needed) on Idaho's CAMPUSCALL automated system and will update it quarterly. This database will be provided during the term of the contract.
- *RuffaloCODY* will provide 1,000 pledge-collection calls at no charge to the University of Idaho.
- *RuffaloCODY* will provide daily, weekly, monthly and annual reports which summarize data in significant ways.

University of Idaho responsibilities

- University of Idaho is responsible for the costs associated with phonathon mailings (pre-call and post-call)—printing, supplies and postage—including original pledge acknowledgments and reminders. *RuffaloCODY* will manage the production of these pre-call and post-call mailings, if Idaho so desires.
- University of Idaho is responsible for providing a calling facility, telephone bills, monitoring capabilities, copier service and supplies at the phone center, fax service and supplies at the phone center, a conference room for training classes, PC and internet access, and an office for the manager.
- University of Idaho is responsible for maintaining proper operation of the automated system's hardware.
- University of Idaho is responsible for wiring requirements for operation of the automated system (electrical and networking).
- University of Idaho is responsible for security services, janitorial services, electricity, heating and air conditioning, water and sewer service.
- University of Idaho is responsible for providing a prospect list of at least 45,000 to 55,000 individuals with addresses and, in most cases, phone numbers (alumni and parents). *RuffaloCODY* will provide address and phone research as needed to generate 50,000 records with addresses and phones that can be loaded for calling. Most *MASTERS PROGRAMS* include Parent Program solicitations. We encourage Idaho to include parents in its program because, in most cases, they perform better than non-donor alumni segments.
- University of Idaho is responsible for providing a PC for the manager and a printer (and supplies) for the phonathon center.

Cost Estimate

The *MASTERS PROGRAM for On-Campus Phonathon Excellence* is priced based on 50,000 prospects (alumni, parents, and friends) with phones who will be loaded for calling, and a penetration rate of 80% of that list, for a total of 40,000 completed calls.

The cost for 40,000 completed calls for FY05-06 is \$190,000 (which is \$4.75 per completed call).

The rate of \$4.75 per completed call drops to \$3.95 for fundraising completed calls in FY05-06 over 40,000 completed calls. Thus, should additional prospects become available due to the research process or via other campaigns, the University of Idaho benefits. The CAMPUSCALL automated system includes an Alumni Survey module and Admissions Telequalification module. We can coordinate calls for these purposes as a part of your *MASTERS PROGRAM*, adding another dimension and added benefit to the Idaho community. Because survey calls and admissions calls are different from fundraising calls, we will establish a formula that calculates the equivalent price for those calls.

The cost for 40,000 completed calls for FY06-07 is \$230,000 (which is \$5.75 per completed call). The rate of \$5.75 per completed call drops to \$3.95 for fundraising completed calls in FY06-07 over 40,000 completed calls.

RuffaloCODY's contract for a *MASTERS PROGRAM* includes a 60-day cancellation clause. This provides you with the confidence you deserve to move forward with a strong and productive partnership. The 60-day cancellation clause may be invoked at any time during the contract. Any equipment, hardware, and software provided by *RuffaloCODY* will be returned to *RuffaloCODY* at the end of the 60-day cancellation period.

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RECEIVED

Attachment 2

JUN 22 2005

Administrative Affairs



Purchasing Services
415 West Sixth Street
P.O. Box 444350
Moscow, Idaho 83844-4350
208-885-3601
208-885-3607 FAX

DATE: June 22, 2005

TO: Laura Hubbard
Assistant Vice President for Finance

FROM: Linda Hart
Purchasing Manager

SUBJECT: Request for Approval from Executive Director of Board of Regents

Please find attached a request to solicit approval from the Executive Director of the Board of Regents for the purchase of an On-Site Fundraising Call Center Management. This equipment has been requested by Chris Bingley, Director of Annual Giving.

Purchasing Services will hold this request until approval is given.

If you have any questions, please call me at 885-3601.

Thank you for your assistance.

Request for Executive Director of Board of Regents Approval
for Purchases between \$250,000 and \$500,000

Date:	June 22, 2005
Requisition No.:	R0011239
Department:	University Advancement, Office of Development (Annual Giving)

ACTION:

This is a request to purchase an On-Site Fundraising Call Center Management on behalf of University Advancement, Office of Development -- Annual Giving.

BUDGET IMPACT:

The total cost of this purchase is: (see Service Agreement, Section F. Terms of Payment. It will be charged to Budget Number(s) ZDY042.

PROCUREMENT METHOD:

This is a sole source purchase. Please see attached sole source documentation sheet.

SUMMARY:

This purchase request has been processed in accordance with Regents' policies (Administrative Rules of the Idaho State Board of Education, IDAPA 08.01.03), as well as University policies and procedures as specified in the University of Idaho Administrative Procedures Manual.

The University of Idaho

Approved By: _____

Date: _____

The Regents of the University of Idaho

Approved By: _____

Date: _____

Attachment 2

University of Idaho

Administrative Affairs
P.O. Box 443162
Moscow, Idaho 83844-3162

July 8, 2005

Mr. Gary Stivers
Executive Director
State Board of Education
PO Box 83720
Boise, Idaho 83720-0037

Dear Gary:

The University of Idaho requests your approval to execute a contract with RuffaloCODY, LLC for a Telemarketing Services Agreement. The contracted services are to occur over the period of July 2005 – June 2007, and the contract totals \$420,000 over the two-year period. Pursuant to Idaho State Board of Education Governing Policies and Procedures, Section V.I.3.a, the University requests Executive Director approval for the purchase of these services.

Background / Description of Services: Three years ago, the University purchased RuffaloCODY Campus Call proprietary software. The current Campus Call software is used to raise funds on behalf of the University with a five-year average pledge amount of \$693,582. In combination with the current software package, RuffaloCODY will manage the day-to-day operations of the call center and oversee fundraising success. Their involvement as a partner in this endeavor provides much needed consistency, expertise, and efficiency for the annual giving process. With their involvement, the University anticipates improved results, efficient operation of a complex system, and learning opportunities.

Prior to implementation of the automated call center, the University completed a competitive bid process to identify the best product. RuffaloCODY emerged from that process as the clear leader in the industry and subsequently won the bid. Having made the initial investment into the software and the processes and procedures to integrate the software with existing University administrative systems, the University will gain the most efficiency out of its use by also partnering with RuffaloCODY to manage the call center process. As an industry leader in call center software, RuffaloCODY, too, is a leader in the on-campus management of call center programs. In conjunction with the on-site management, the University receives the benefit of a full technical team, writers, data analysts, and training materials all connected to the Campus Call software purchased three years ago.

With this Telemarketing Services Agreement, RuffaloCODY will manage a nine-months-a-year, on-campus telephone fundraising program beginning in July/August 2005. The program is designed to complete 40,000 calls on an annual basis. RuffaloCODY

Attachment 2

Stivers / Page 2

provides the staffing, supervision, supplies, recruiting expenses, and travel expenses to support the program as well as consulting services. The University is responsible for providing the facilities and network access for the call center program, for providing a list of prospects, and for all direct mailing costs in association with the annual giving campaign process.

The contract price for the first year of services is \$190,000, and the price for the second year is \$230,000, for a total contract price of \$420,000. The contracted services will be paid from local funds budgeted to the University Advancement/Office of Development units.

If you have any additional questions regarding this request, please contact me. I appreciate your approval of this request by your signature below.


Sincerely,



Laura E. Hubbard

Assistant Vice President for Administration

APPROVED:



Gary Stivers
Executive Director, SBOE

7/15/2005
Date

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

INSTITUTION/AGENCY AGENDA
LEWIS-CLARK STATE COLLEGE

SUBJECT

Board approval to purchase property adjacent to campus

REFERENCE

N/A

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures; Section V.I.2.

BACKGROUND

LCSC has an opportunity to purchase property at 906 and 908 7th Street, Lewiston, Idaho. There is one 4-plex of rental units (each with 4 rooms) and one 3-room accessory unit on the property at the two addresses. The property is strategically located immediately outside the fence of one of the College's main parking lots, directly across from Harris Field (the baseball complex).

DISCUSSION

The property in question lies in the heart of the College's planned growth/impact area. The rental units are in good condition and have been well-maintained. No major repairs or construction needs are foreseen prior to adding the property to LCSC's existing inventory of off-campus rental units.

IMPACT

An offer to purchase the property for \$235,000 (slightly below the recent appraised price—see Attachment 1) has been made, contingent upon State Board of Education approval of the purchase. The source for up-front funding will be institutional reserves, and estimated rental revenues for the five units on the property should offset the College's expenses until such time that the land can be incorporated into additional parking or other future building projects.

ATTACHMENTS

Attachment 1 – Property Appraisal Report	Page 5
Attachment 2 – Initial Earnest Money Agreement	Page 25
Attachment 3 – Aerial Photograph of Property	Page 35
Attachment 4 – Contract Amortization Schedule	Page 37

STAFF COMMENTS AND RECOMMENDATIONS

The appraised value is \$248,000 as of June 21, 2007. The proposed purchase price is slightly less than the appraised value, which would appear to be in the best interest of the College.

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

At time of agenda publication, the initial Earnest Money Agreement was counter-offered at a higher purchase price. LCSC will provide an updated purchase agreement and amortization schedule at the August Board meeting if agreement is reached.

INSTITUTION/AGENCY AGENDA
LEWIS-CLARK STATE COLLEGE – continued

BOARD ACTION

A motion to approve the request by Lewis-Clark State College to purchase the above-described property for approximately \$_____, and to authorize the Vice President for Administrative Services to execute all documents relating to this transaction.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

REFERENCE – APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES

SECTION: V. FINANCIAL AFFAIRS

Subsection: I. Real and Personal Property and Services

April 2002

2. Acquisition of Real Property

- a. Any interest in real property acquired for the University of Idaho must be taken in the name of the Board of Regents of the University of Idaho.
- b. Any interest in real property acquired for any other institution, school or agency under the governance of the Board must be taken in the name of the state of Idaho by and through the State Board of Education.
- c. This does not preclude a foundation or other legal entity separate and apart from an institution, school or agency under Board governance from taking title to real property in the name of the foundation or other organization for the present or future benefit of the institution, school or agency. (See Section V.E.)
- d. Acquisition of an option, lease, or any other present or future interest in real property by or on behalf of an institution, school or agency requires prior Board approval if the term of the lease exceeds five (5) years or if the cost exceeds two hundred fifty thousand dollars (\$250,000) annually.
- e. Appraisal.

An independent appraiser must be hired to give an opinion of fair market value before an institution, school or agency acquires fee simple title to real property.

- f. Method of sale - exchange of property.

The Board will provide for the manner of selling real property under its control, giving due consideration to Section 33-601(4), applied to the Board through Section 33- 2211(5), and to Chapter 3, Title 58, Idaho Code. The Board may exchange real property under the terms, conditions, and procedures deemed appropriate by the Board.

- g. Execution.

All easements, deeds, and leases excluding easements, deeds, and leases delegated authority granted to the institutions, school and agencies must be executed and acknowledged by the president of the Board or another officer

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

designated by the Board and attested to and sealed by the secretary of the Board as being consistent with Board action.

INVOICE**FROM:**

Wayne T. Agee
Western Appraisal
1014 Main St.
Lewiston, ID 83501

Telephone Number: (208) 746-9891

Fax Number: (208) 746-9895

INVOICE NUMBER

RL5521

DATE

Fielded 06/21/2007

REFERENCE

Internal Order #: RL5521

Lender Case #:

Client File #:

Main File # on form: RL5521

Other File # on form: RL5521

Federal Tax ID:

Employer ID:

TO:

Scott Brown
Lewis-Clark State College
500 8th Ave.
Lewiston, ID 83501

Telephone Number: 208-792-2240

Fax Number: 208-792-2077

Alternate Number:

E-Mail:

DESCRIPTION

Lender: Lewis-Clark State College

Client: Lewis-Clark State College

Purchaser/Borrower: N/A

Property Address: 906 & 908 7th St.

City: Lewiston

County: Nez Perce

State: ID

Zip: 83501

Legal Description: Lewiston: Park Addition, S70' of Lot 1, Block 24 & S70' Lot 2, Block 24

FEES**AMOUNT**

Form 1075, Small Residential Income Property

800.00

SUBTOTAL

800.00

PAYMENTS**AMOUNT**

Check #: Date: Description:

Check #: Date: Description:

Check #: Date: Description:

SUBTOTAL

TOTAL DUE

\$

800.00

Small Residential Income Property Appraisal Report

SUBJECT

CONTRACT

NEIGHBORHOOD

SITE

IMPROVEMENTS

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address	906 & 908 7th St.	City	Lewiston	State	ID	Zip Code	83501
Borrower	N/A	Owner of Public Record	McRoberts % Roger Peterson	County	Nez Perce		
Legal Description	Lewiston: Park Addition, S70' of Lot 1, Block 24 & S70' Lot 2, Block 24						
Assessor's Parcel #	RPL1120024002CA	Tax Year	2006	R.E. Taxes \$	2,949.28		
Neighborhood Name	Lewiston	Map Reference	35-A	Census Tract	480223-9904.00		
Occupant	<input type="checkbox"/> Owner <input checked="" type="checkbox"/> Tenant <input type="checkbox"/> Vacant	Special Assessments \$	N/A	<input type="checkbox"/> PUD	HOA \$	N/A	<input type="checkbox"/> per year <input type="checkbox"/> per month
Property Rights Appraised	<input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)						
Assignment Type	<input type="checkbox"/> Purchase Transaction <input type="checkbox"/> Refinance Transaction <input checked="" type="checkbox"/> Other (describe) Private Appraisal for possible purchase by Client.						
Lender/Client	Lewis-Clark State College	Address	500 8th Ave., Lewiston, ID 83501				
Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No							
Report data source(s) used, offering price(s), and date(s). MLS, Discussion with Owner and Client to determine market value for possible purchase. The subject property has not been listed with any local Real Estate Agency or in any local periodical.							

I ☐ did ☒ did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed. N/A

Contract Price \$	N/A	Date of Contract	N/A	Is the property seller the owner of public record?	<input type="checkbox"/> Yes <input type="checkbox"/> No	Data Source(s)	
Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? <input type="checkbox"/> Yes <input type="checkbox"/> No							
If Yes, report the total dollar amount and describe the items to be paid.							

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood Characteristics		2-4 Unit Housing Trends			2-4 Unit Housing		Present Land Use %	
Location	<input checked="" type="checkbox"/> Urban <input type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values	<input checked="" type="checkbox"/> Increasing <input type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE	AGE	One-Unit	75 %	
Built-Up	<input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply	<input checked="" type="checkbox"/> Shortage <input type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$ (000)	(yrs)	2-4 Unit	7 %	
Growth	<input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time	<input type="checkbox"/> Under 3 mths <input checked="" type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	60	Low 1	Multi-Family	5 %	
Neighborhood Boundaries The subject neighborhood is bounded by the Clearwater River to the North,		400	High 120	Commercial	10 %			
Snake River to the West, 30th St. to the East and 21st Ave. to the South.		140	Pred. 40	Other	3 %			
Neighborhood Description The subject is located in a primarily single family residential neighborhood with commercial properties located on the arterial streets. Employment, schools and retail shopping are a short commute from the subject property. Single family residential properties in the neighborhood vary in size, style, age and value. Sites vary in size from 3,500 sq. ft. to 12,000 sq. ft.								

Market Conditions (including support for the above conclusions) Sales have slowed slightly over the past few months after two years of appreciation in the market. Current market times average less than 95 days and sale prices are currently about 100% of list. Few concessions are necessary for sales, however, some sellers are offering to assist with closing costs. New construction continues at a decreased rate.

Dimensions	100' x 70'	Area	7,000 Sq.Ft.	Shape	Rectangular	View	Average
Specific Zoning Classification	R-3	Zoning Description	Medium Density Residential (7,500 sq. ft. minimum)				
Zoning Compliance	<input type="checkbox"/> Legal <input checked="" type="checkbox"/> Legal Nonconforming (Grandfathered Use) <input type="checkbox"/> No Zoning <input type="checkbox"/> Illegal (describe)						
Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe							

Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements - Type	Public	Private
Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Water	<input checked="" type="checkbox"/>	Street Asphalt	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Sanitary Sewer	<input checked="" type="checkbox"/>	Alley Gravel	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FEMA Special Flood Hazard Area	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	FEMA Flood Zone	C	FEMA Map #	1601040003B	FEMA Map Date	1/20/1982
Are the utilities and/or off-site improvements typical for the market area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe							
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe							

General Description		Foundation		Exterior Description		materials/condition	Interior	materials/condition
Units	<input type="checkbox"/> Two <input type="checkbox"/> Three <input checked="" type="checkbox"/> Four	<input type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space	Foundation Walls	Concrete/Av	Floors	Crpt,Vnyl/Av		
<input checked="" type="checkbox"/> Accessory Unit (describe below)	<input checked="" type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls	Brick&Stucco/Av	Walls	Dywl,AcTile/Av			
# of Stories 1 # of bldgs. 2	Basement Area 1,568 sq.ft.	Roof Surface	Comp.Shingle/Av+	Trim/Finish	Wd,Pnt/Av			
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Finish 90 %	Gutters & Downspouts	Metal/Av+	Bath Floor	Vinyl/Av			
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	<input checked="" type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type	Wood/Av	Bath Wainscot	Vinyl/Av			
Design (Style) 1 Story/Bsmt	Evidence of <input type="checkbox"/> Infestation	Storm Sash/Insulated	Mix/Av	Car Storage				
Year Built 1952 & 1944	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement	Screens	Partial/Av	<input type="checkbox"/> None	Driveway	# of Cars		
Effective Age (Yrs) 12-15	Heating/Cooling		Amenities					
Attic <input type="checkbox"/> None	<input checked="" type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	Fireplace(s) #	<input type="checkbox"/> Woodstove(s) #	Driveway Surface				
<input type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs	<input checked="" type="checkbox"/> Other Floor Fuel Water/Gas	Patio/Deck	<input checked="" type="checkbox"/> Fence	<input type="checkbox"/> Garage	# of Cars			
<input type="checkbox"/> Floor <input checked="" type="checkbox"/> Scuttle	Cooling <input type="checkbox"/> Central Air Conditioning	Pool	<input checked="" type="checkbox"/> Porch	<input checked="" type="checkbox"/> Carport	# of Cars 4			
<input type="checkbox"/> Finished <input type="checkbox"/> Heated	<input checked="" type="checkbox"/> Individual Wall <input checked="" type="checkbox"/> Other Wndw	Other		<input type="checkbox"/> Att. <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Built-in				
# of Appliances	Refrigerator 4	Range/Oven 4	Dishwasher	Disposal	Microwave	Washer/Dryer 4	Other (describe)	
Unit # 1 contains:	4 Rooms	2 Bedrooms	1 Bath(s)	784	Square Feet of Gross Living Area			
Unit # 2 contains:	4 Rooms	1 Bedrooms	1 Bath(s)	784	Square Feet of Gross Living Area			
Unit # 3 contains:	4 Rooms	2 Bedrooms	1 Bath(s)	784	Square Feet of Gross Living Area			
Unit # 4 contains:	4 Rooms	1 Bedrooms	1 Bath(s)	784	Square Feet of Gross Living Area			
Additional features (special energy efficient items, etc.). Accessory unit # 5 contains: 3 Rooms 1 Bedroom 1 Bathroom with 528 Square Feet of Gross Living Area. Energy efficiency is typical of mult-family units of this style, age and condition in the market area.								
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). Upon observation the appraiser found the subject units to be of average quality construction and in average overall condition for their effective age. The subject roof and furnaces were recently updated 3 years ago. No repairs, alterations or inspections are required as conditions to this appraisal report.								

File No. RL5521 | Page #2

Attachment 1
RL5521
File # RL5521

Small Residential Income Property Appraisal Report

IMPROVEMENTS	Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe.																					
	Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe.																					
Is the property subject to rent control? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe																						
COMPARABLE RENTAL DATA	The following properties represent the most current, similar, and proximate comparable rental properties to the subject property. This analysis is intended to support the opinion of the market rent for the subject property.																					
	FEATURE			SUBJECT			COMPARABLE RENTAL # 1			COMPARABLE RENTAL # 2			COMPARABLE RENTAL # 3									
	Address 906 & 908 7th St. Lewiston, ID 83501			108 5th St. Lewiston, ID 83501			1022 Ripon Ave. Lewiston, ID 83501			3512 15th St. Lewiston, ID 83501												
	Proximity to Subject			0.65 miles NW			3.79 miles SE			4.06 miles SE												
	Current Monthly Rent			\$ 1,945			\$ 1,850			\$ 1,980												
	Rent/Gross Bldg. Area			\$ 0.62 sq.ft.			\$ 0.52 sq.ft.			\$ 0.61 sq.ft.												
	Rent Control			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No												
	Data Source(s)			CntyRecs,Owner			County Records, MLS			County Records, Property Mngt.			County Records, Property Mngt.									
	Date of Lease(s)			Year to Year			Year to Year			Year to Year												
	Location			Lewiston			Lewiston			Lewiston			Lewiston									
	Actual Age			A 55 & 63, E12-15			A 99, E 15-20			A 39, E 12-15			A 9, E 2-3									
	Condition			Average			Average			Average			Average+									
	Gross Building Area			3,136			3,556			3,240			4,428									
	Unit Breakdown			Rm Count		Size Sq. Ft.	Rm Count		Size Sq. Ft.	Monthly Rent	Rm Count		Size Sq. Ft.	Monthly Rent	Rm Count		Size Sq. Ft.	Monthly Rent				
				Tot	Br	Ba	3,136	Tot	Br	Ba	3,556	1,850	Tot	Br	Ba	3,240	1,980	Tot	Br	Ba	4,428	2,700
	Unit # 1			4	2	1	784	3	1	1	660	\$ 375	4	2	1	810	\$ 495	4	3	1	1,107	\$ 675
	Unit # 2			4	1	1	784	3	1	1	660	\$ 375	4	2	1	810	\$ 495	4	3	1	1,107	\$ 675
	Unit # 3			4	2	1	784	6	4	2	1,320	\$ 750	4	2	1	810	\$ 495	4	3	1	1,107	\$ 675
	Unit # 4			4	1	1	784	3	1	1	916	\$ 350	4	2	1	810	\$ 495	4	3	1	1,107	\$ 675
	Utilities Included			Water,Sewer,Trash			Water,Sewer,Trash			Water,Sewer,Trash			Water,Sewer,Trash									
	Unit # 5			3,2,1 528 sq. ft.			None			None			None									
	Other Amenities			Shed,Carport			Shed			Carports			Sheds, Shop/Garage									
	Analysis of rental data and support for estimated market rents for the individual subject units reported below (including the adequacy of the comparables, rental concessions, etc.) Upon gathering information from several different property management companies in the market area the appraiser was unable to locate any other comparable rentals that would be more similar to the subject property. The current rents for the subject units are below the market information gathered from the comparable rentals for 2 bedroom 1 bath units and 1 bedroom 1 bathroom units. Therefore, the opinion of market rent is higher than the actual rents for the subject units.																					
	SUBJECT RENT SCHEDULE	Rent Schedule: The appraiser must reconcile the applicable indicated monthly market rents to provide an opinion of the market rent for each unit in the subject property.																				
		Leases					Actual Rents					Opinion of Market Rent										
Unit #		Lease Date				Per Unit				Total Rents	Per Unit				Total Rents							
		Begin Date	End Date	Unfurnished	Furnished	Unfurnished	Furnished															
1		Year	Year	\$ 425	\$	\$ 425	\$ 485	\$	\$ 485													
2		Year	Year	335		335	385		385													
3		Year	Year	475		475	485		485													
4		Year	Year	350		350	385		385													
Comment on lease data Unit 5 is a Year to					Total Actual Monthly Rent					\$ 1,585												
Year Lease Rented for \$360 Unfurnished					Other Monthly Income (itemize)					\$ 360												
					Total Actual Monthly Income					\$ 1,945												
Utilities included in estimated rents <input type="checkbox"/> Electric <input checked="" type="checkbox"/> Water <input checked="" type="checkbox"/> Sewer <input type="checkbox"/> Gas <input type="checkbox"/> Oil <input checked="" type="checkbox"/> Trash collection <input type="checkbox"/> Cable <input type="checkbox"/> Other																						
Comments on actual or estimated rents and other monthly income (including personal property) Upon analysis of the comparable rentals the appraiser has determined that the current rents for the subject units are below the opinion of market rent. The actual rents for the five units should be approximately \$485, \$385 and \$375 based upon the size of the subject units and their bedroom and bathroom counts. The accessory unit would have an opinion of market rent at \$375. No personal property was included in the opinion of market rents.																						
PRIOR SALE HISTORY		I <input checked="" type="checkbox"/> did <input type="checkbox"/> did not research the sale or transfer history of the subject property and comparable sales. If not, explain																				
	My research <input type="checkbox"/> did <input checked="" type="checkbox"/> did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.																					
	Data Source(s) County Records, MLS, Owner																					
	My research <input type="checkbox"/> did <input checked="" type="checkbox"/> did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.																					
	Data Source(s) County Records, MLS, Owners																					
	Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).																					
	ITEM		SUBJECT			COMPARABLE SALE # 1			COMPARABLE SALE # 2			COMPARABLE SALE # 3										
	Date of Prior Sale/Transfer		None Found			None Found			None Found			None Found										
Price of Prior Sale/Transfer		N/A			N/A			N/A			N/A											
Data Source(s)		County Records, MLS			County Records, MLS			County Records, MLS			County Records, MLS											
Effective Date of Data Source(s)		06/21/2007			06/25/2007			06/25/2007			06/25/2007											
Analysis of prior sale or transfer history of the subject property and comparable sales The subject property has not transferred in the past 3 years. None of the comparable sales have transferred in 1 year prior to the sales dates given. None of the comparable sales are currently subject to a sale or listing agreement.																						

Freddie Mac Form 72 March 2005

Fannie Mae Form 1025 March 2005

BAHR - SECTION II

Form 1025 — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE

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Small Residential Income Property Appraisal Report

SALES COMPARISON APPROACH

RECONCILIATION

INCOME

There are 1 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 150,000 to \$ 400,000 .																
There are 6 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 150,000 to \$ 400,000 .																
FEATURE				SUBJECT			COMPARABLE SALE # 1			COMPARABLE SALE # 2			COMPARABLE SALE # 3			
Address 906 & 908 7th St. Lewiston, ID 83501				1621 21st Ave. Lewiston, ID 83501			924 & 926 Preston Ave. Lewiston, ID 83501			309 6th Ave. Lewiston, ID 83501						
Proximity to Subject				1.08 miles SE			2.5 miles SE			0.39 miles NW						
Sale Price				\$ N/A			\$ 215,000			\$ 281,500			\$ 157,000			
Sale Price/Gross Bldg. Area				\$ sq.ft. \$ 60.12 sq.ft.			\$ 89.99 sq.ft.			\$ 64.72 sq.ft.						
Gross Monthly Rent				\$ 2,115 \$ 1,850			\$ 2,255			\$ 1,400						
Gross Rent Multiplier				116.22			124.83			112.14						
Price per Unit				\$ 53,750			\$ 56,300			\$ 39,250						
Price per Room				\$ 13,438			\$ 17,594			\$ 12,077						
Price per Bedroom				\$ 26,875			\$ 35,188			\$ 31,400						
Rent Control				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Data Source(s)				County Records, MLS			County Records, MLS			County Records, MLS						
Verification Source(s)				County Records, MLS			County Records, MLS			County Records, MLS						
VALUE ADJUSTMENTS				DESCRIPTION			DESCRIPTION + (-) Adjustment			DESCRIPTION + (-) Adjustment			DESCRIPTION + (-) Adjustment			
Sale or Financing Concessions				Conventional No Concession			FHA No Concession			Conventional No Concession						
Date of Sale/Time				08/29/06 - 118			02/22/07 - 161			09/29/06 - 63						
Location				Lewiston			Lewiston			Lewiston						
Leasehold/Fee Simple				Fee Simple			Fee Simple			Fee Simple						
Site				7,000 Sq.Ft.			10,650 sq. ft. -5,000			6,780 sq. ft.			7,100 sq. ft.			
View				Average			Average			Average			Average			
Design (Style)				1 Story/Bsmt			1 Story/Bsmt			1 Story/Bsmt			1 Story			
Quality of Construction				Average			Average			Average			Average			
Actual Age				A 55 & 63, E12-15			A 32, E 10-12			A 67 & 74, E12-15			A 60, E 12-15			
Condition				Average			Average			Average			Average			
Gross Building Area				3,136			3,576 -7,050			3,128			2,426 +11,350			
Unit Breakdown				Total	Bdrms	Baths	Total	Bdrms	Baths	Total	Bdrms	Baths	Total	Bdrms	Baths	
Unit # 1				4	2	1	4	2	1	4	2	1	3	1	1	
Unit # 2				4	1	1	4	2	1 -1,000	4	2	1 -1,000	3	1	1	
Unit # 3				4	2	1	4	2	1	4	2	1	4	2	1	
Unit # 4				4	1	1	4	2	1 -1,000	4	2	1 -1,000	3	1	1	
Basement Description				1,568 Sq.Ft.			1,975 sq. ft.			1,500 sq. ft.			Crawl Space			
Basement Finished Rooms				90% Finished			Finished			Finished			None			
Functional Utility				Average			Average			Average			Average			
Heating/Cooling				GFA,WtrRad/WI			GFA/CAC			EBB/CAC			GFA/Wall			
Energy Efficient Items				Average			Average			Average			Average			
Parking On/Off Site				4-Crprt. Det.			O.S.P. +7,000			1-G Att. +4,500			O.S.P. +7,000			
Porch/Patio/Deck				Porch,Patio			Prch,Pats,Dck			Porch,Patio			Porch,Patio			
Aux Heat				None			None			None			None			
Other Amenities				Shed,Fence			Shed,Fence			Shed,Fence			Fence +1,000			
ACCESSORY UNIT				3,2,1 528 sq. ft.			None +35,000			4,2,1 814 sq. ft. -40,000			None +35,000			
Net Adjustment (Total)							<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 27,950			<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -37,500			<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 56,350			
Adjusted Sale Price of Comparables							Net Adj. 13.0 % Gross Adj. 26.1 % \$ 242,950			Net Adj. 13.3 % Gross Adj. 16.5 % \$ 244,000			Net Adj. 35.9 % Gross Adj. 35.9 % \$ 213,350			
Adjusted Price Per Unit (Adj. SP Comp / # of Comp Units)				\$ 60,738			\$ 48,800			\$ 53,338						
Adjusted Price Per Room (Adj. SP Comp / # of Comp Rooms)				\$ 15,184			\$ 15,250			\$ 16,412						
Adjusted Price Per Bedrm(Adj. SP Comp / # of Comp Bedrooms)				\$ 30,369			\$ 30,500			\$ 42,670						
Value per Unit \$ 49,000 X 5 Units = \$ 245,000				Value per GBA \$ 81 X 3,136 GBA = \$ 254,016												
Value per Rm. \$ 14,500 X 19 Rooms = \$ 275,500				Value per Bdrms.\$ 34,500 X 7 Bdrms. = \$ 241,500												
Summary of Sales Comparison Approach including reconciliation of the above indicators of value. There are very few sales of four plex rental units during any given time period within the Lewiston Market Area. There are even fewer four plex sales with accessory units. Comparable sale # 2 is the most recent sale of a four plex with an accessory unit in the market area with some similarity to the subject in size, age, condition, utility and function. Therefore, comparable # 2 was given the most consideration in the indicated value by the Sales Comparison Approach. FOR FURTHER COMMENTS ON THE ADJUSTMENTS MADE IN THE SALES COMPARISON APPROACH SEE THE COMMENTS SECTION ON PAGE # 4.																
Indicated Value by Sales Comparison Approach \$ 243,500																
Total gross monthly rent \$ 2,115 X gross rent multiplier (GRM) 120 = \$ 253,800 Indicated value by the Income Approach																
Comments on income approach including reconciliation of the GRM The Gross Rent Multiplier was taken from the sales of comparable's #1 and #2 with adjustment for the market data collected.																
Indicated Value by: Sales Comparison Approach \$ 243,500 Income Approach \$ 253,800 Cost Approach (if developed) \$ N/A																
The Sales Comparison Approach is typically the most reliable indicator of value as it is a depiction of what buyers are currently paying in the market area. However, the Income Approach is also a good indicator of value when appraising multiple family dwellings as they are income producing properties. Therefore, the Sales Comparison Approach and Income Approach were given equal weighting in the final opinion of value given below. The Cost Approach was not given any weighting in the final opinion of value as described on page # 4.																
This appraisal is made <input checked="" type="checkbox"/> "as is", <input type="checkbox"/> subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or <input type="checkbox"/> subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair:																
Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 248,000 ,as of June 21, 2007 , which is the date of inspection and the effective date of this appraisal.																

File No. RL5521 | Page #4

Attachment 1
RL5521
File # RL5521

Small Residential Income Property Appraisal Report

ADDITIONAL COMMENTS	HIGHEST AND BEST USE: The current residential use of the subject property is legal, physically possible, financially feasible and appropriately supported. It is the appraiser's opinion that the "highest and best use" of the subject property is residential.				
	MARKET DATA: The comparable sales used in the Sales Comparison Approach for the subject property were the most recent in the subject market area with some similarity to the subject property. Following is a general discussion of the adjustments made in the Sales Comparison Approach. Adjustments are based on the appraiser's analysis of recent residential sales in the subject market area.				
	COMPARABLE 1: The comparable's larger site was adjusted based upon recent residential site sales in the market area. Gross building area was adjusted at \$16 per sq. ft. and rounded to the nearest \$50. Units 2 and 4 have more marketable bedroom counts. No adjustment is necessary for basement areas as the basement areas are included in the gross building area adjustment. The comparable property does not have any additional covered storage and work space provided by a carport. The comparable property is a four plex with NO accessory unit. Based upon recent sales of residential properties with accessory units, the appraiser determined that the subject's accessory unit would have a market value contribution of approximately \$35,000.				
	COMPARABLE 2: Units 2 and 4 of the comparable four plex have more marketable bedroom counts. The comparable's 1 car garage is smaller and less functional than the subject's 4 car carport. The comparable's accessory unit is a small single family residence that is larger, is located on an individual lot and parcel, in better condition and more functional than the subject accessory unit. Therefore, based upon a market analysis of the accessory unit of the subject and comparable property the appraiser determined that the comparable's accessory unit would have a market value of approximately \$75,000 and an adjustment was necessary.				
	COMPARABLE 3: Gross building area was adjusted as before. Units 1 and 4 have less marketable bedroom counts. Garage/Carport was adjusted as before. The comparable property does not have any additional exterior storage provided by a shed. Accessory unit was adjusted as before.				
	COMPARABLE 4: The comparable property is older and shows more wear and tear associated with age. Gross building area was adjusted as before. Bedroom counts were adjusted as before. Garage/Carport was adjusted as before. Accessory unit was adjusted as before.				
	COST APPROACH	COST APPROACH TO VALUE (not required by Fannie Mae)			
		Provide adequate information for the lender/client to replicate the below cost figures and calculations.			
Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value) The Cost Approach is most applicable for new or fairly new construction. Because of the accessory unit to the rear of the property and the age of the subject improvements it is difficult to ascertain an appropriate level of depreciation. Therefore, the Cost Approach is considered unreliable and was not given any further consideration. Recent comparable site sales indicate that the subject site would have an estimated market value of approximately \$30,000.					
ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input type="checkbox"/> REPLACEMENT COST NEW		OPINION OF SITE VALUE =\$			
Source of cost data N/A		DWELLING Sq.Ft. @ \$ =\$			
Quality rating from cost service N/A Effective date of cost data N/A		Sq.Ft. @ \$ =\$			
Comments on Cost Approach (gross living area calculations, depreciation, etc.)	 =\$			
N/A		Garage/Carport Sq.Ft. @ \$ =\$			
		Total Estimate of Cost-New =\$			
		Less Physical Functional External			
Depreciation	 =\$()			
Depreciated Cost of Improvements	 =\$			
"As-is" Value of Site Improvements	 =\$			
Estimated Remaining Economic Life (HUD and VA only) N/A Years		INDICATED VALUE BY COST APPROACH =\$			
PUD INFORMATION	PROJECT INFORMATION FOR PUDs (if applicable)				
	Is the developer/builder in control of the Homeowners' Association (HOA)? <input type="checkbox"/> Yes <input type="checkbox"/> No Unit type(s) <input type="checkbox"/> Detached <input type="checkbox"/> Attached				
	Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.				
	Legal Name of Project				
	Total number of phases		Total number of units		
	Total number of units rented		Total number of units for sale		
			Data source(s)		
	Was the project created by the conversion of existing building(s) into a PUD? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, date of conversion.				
	Does the project contain any multi-dwelling units? <input type="checkbox"/> Yes <input type="checkbox"/> No Data Source				
	Are the units, common elements, and recreation facilities complete? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe the status of completion.				
	Are the common elements leased to or by the Homeowners' Association? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe the rental terms and options.				
Describe common elements and recreational facilities.					

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BAHR - SECTION II

Form 1025 — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE

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Small Residential Income Property Appraisal Report

This report form is designed to report an appraisal of a two- to four-unit property, including a two- to four-unit property in a planned unit development (PUD). A two- to four-unit property located in either a condominium or cooperative project requires the appraiser to inspect the project and complete the project information section of the Individual Condominium Unit Appraisal Report or the Individual Cooperative Interest Appraisal Report and attach it as an addendum to this report.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

INTENDED USE: The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this appraisal report is the lender/client.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements, including each of the units. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

Small Residential Income Property Appraisal Report

APPRAISER’S CERTIFICATION: The Appraiser certifies and agrees that:

- 1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
- 2. I performed a complete visual inspection of the interior and exterior areas of the subject property, including all units. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
- 3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
- 4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison and income approaches to value. I have adequate market data to develop reliable sales comparison and income approaches to value for this appraisal assignment. I further certify that I considered the cost approach to value but did not develop it, unless otherwise indicated in this report.
- 5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
- 6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
- 7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
- 8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
- 9. I have reported adjustments to the comparable sales that reflect the market’s reaction to the differences between the subject property and the comparable sales.
- 10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
- 11. I have knowledge and experience in appraising this type of property in this market area.
- 12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
- 13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
- 14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
- 15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
- 16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
- 17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
- 18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
- 19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
- 20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

Small Residential Income Property Appraisal Report

21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.

24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER’S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

- 1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser’s analysis, opinions, statements, conclusions, and the appraiser’s certification.
- 2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser’s analysis, opinions, statements, conclusions, and the appraiser’s certification.
- 3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
- 4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
- 5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER

Signature Wayne T. Agee
Name Wayne T. Agee
Company Name Western Appraisals
Company Address 1014 Main St., Lewiston, ID 83501

Telephone Number (208) 746-9891
Email Address wayne@westernapp.com
Date of Signature and Report June 25, 2007
Effective Date of Appraisal June 21, 2007
State Certification # _____
or State License # LRA-1868
or Other (describe) _____ State # _____
State ID
Expiration Date of Certification or License 12/30/2007

ADDRESS OF PROPERTY APPRAISED
906 & 908 7th St.
Lewiston, ID 83501

APPRAISED VALUE OF SUBJECT PROPERTY \$ 248,000

LENDER/CLIENT

Name Scott Brown
Company Name Lewis-Clark State College
Company Address 500 8th Ave., Lewiston, ID 83501

Email Address _____

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____
Name _____
Company Name _____
Company Address _____

Telephone Number _____
Email Address _____
Date of Signature _____
State Certification # _____
or State License # _____
State _____
Expiration Date of Certification or License _____

SUBJECT PROPERTY

- ☐ Did not inspect subject property
- ☐ Did inspect exterior of subject property from street
Date of Inspection _____
- ☐ Did inspect interior and exterior of subject property
Date of Inspection _____

COMPARABLE SALES

- ☐ Did not inspect exterior of comparable sales from street
- ☐ Did inspect exterior of comparable sales from street
Date of Inspection _____

Operating Income Statement

One- to Four-Family Investment Property and Two- to Four-Family Owner-Occupied Property

Property Address		906 & 908 7th St. Street		Lewiston City	ID State	83501 Zip Code	
General Instructions: This form is to be prepared jointly by the loan applicant, the appraiser, and the lender's underwriter. The applicant must complete the following schedule indicating each unit's rental status, lease expiration date, current rent, market rent, and the responsibility for utility expenses. Rental figures must be based on the rent for an "unfurnished" unit.							
	Currently Rented	Expiration Date	Current Rent Per Month	Market Rent Per Month	Utility Expense	Paid By Owner	Paid By Tenant
Unit No. 1	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Year	\$ 425	\$ 485	Electricity.....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Unit No. 2	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Year	\$ 335	\$ 385	Gas	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Unit No. 3	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Year	\$ 475	\$ 485	Fuel Oil	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Unit No. 4	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Year	\$ 350	\$ 385	Fuel (Other)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Total			\$ 1,585	\$ 1,740	Water/Sewer	<input checked="" type="checkbox"/>	<input type="checkbox"/>
					Trash Removal	<input checked="" type="checkbox"/>	<input type="checkbox"/>

The applicant should complete all of the income and expense projections and for existing properties provide actual year-end operating statements for the past two years (*for new properties the applicant's projected income and expenses must be provided*). This Operating Income Statement and any previous operating statements the applicant provides must then be sent to the appraiser for review, comment, and/or adjustments next to the applicant's figures (*e.g. Applicant/Appraiser 288/300*). If the appraiser is retained to complete the form instead of the applicant, the lender must provide to the appraiser the aforementioned operating statements, mortgage insurance premium, HOA dues, leasehold payments, subordinate financing, and/or any other relevant information as to the income and expenses of the subject property received from the applicant to substantiate the projections. The underwriter should carefully review the applicant's/appraiser's projections and the appraiser's comments concerning those projections. The underwriter should make any final adjustments that are necessary to more accurately reflect any income or expense items that appear unreasonable for the market. (*Real estate taxes and insurance on these types of properties are included in PITI and not calculated as an annual expense item*) Income should be based on the current rents, but should not exceed market rents. When there are no current rents because the property is proposed, new, or currently vacant, market rents should be used.

Annual Income and Expense Projection for Next 12 months

Income (<i>Do not include income for owner-occupied units</i>)	By Applicant/Appraiser	Adjustments by Lender's Underwriter
Gross Annual Rental (<i>from unit(s) to be rented</i>) (Current)	\$ 19,020	\$
Other Income (<i>include sources</i>) Accessory Unit # 5. Expiration = Year	+ 360	+
Total	\$ 19,380	\$
Less Vacancy/Rent Loss	- 388 (2 %)	- (%)
Effective Gross Income	\$ 18,992	\$
Expenses (<i>Do not include expenses for owner-occupied units</i>)		
Electricity		
Gas		
Fuel Oil		
Fuel (Type -)		
Water/Sewer estimate per month	165	
Trash Removal estimate per month	48	
Pest Control		
Other Taxes or Licenses		
Casual Labor		
This includes the costs for public area cleaning, snow removal, etc., even though the applicant may not elect to contract for such services.		
Interior Paint/Decorating		
This includes the costs of contract labor and materials that are required to maintain the interiors of the living unit.		
General Repairs/Maintenance		
This includes the costs of contract labor and materials that are required to maintain the public corridors, stairways, roofs, mechanical systems, grounds, etc.		
Management Expenses		
These are the customer expenses that a professional management company would charge to manage the property.		
Supplies		
This includes the costs of items like light bulbs, janitorial supplies, etc.		
Total Replacement Reserves - See Schedule on Pg. 2	2,519	
Miscellaneous		
.....		
.....		
.....		
.....		
.....		
.....		
.....		
.....		
Total Operating Expenses	\$ 2,732	\$

Replacement Reserve Schedule

Attachment 1

Adequate replacement reserves must be calculated regardless of whether actual reserves are provided for on the owner’s operating statements or are customary in the local market. This represents the total average yearly reserves. Generally, all equipment and components that have a remaining life of more than one year - such as refrigerators, stoves, clothes washers/dryers, trash compactors, furnaces, roofs, and carpeting, etc. - should be expensed on a replacement cost basis.

Equipment		Replacement Cost		Remaining Life			By Applicant/ Appraiser	Lender Adjustments
Stoves/Ranges	@	\$ 565	ea. ÷	10	Yrs. x	5	Units = \$ 283	\$
Refrigerators	@	\$ 425	ea. ÷	10	Yrs. x	5	Units = \$ 213	\$
Dishwashers	@	\$	ea. ÷		Yrs. x		Units = \$	\$
A/C Units	@	\$ 250	ea. ÷	15	Yrs. x	5	Units = \$ 83	\$
C. Washer/Dryers	@	\$ 875	ea. ÷	10	Yrs. x	5	Units = \$ 438	\$
HW Heaters	@	\$ 300	ea. ÷	20	Yrs. x	5	Units = \$ 75	\$
Furnace(s)	@	\$ 5,362	ea. ÷	25	Yrs. x	5	Units = \$ 1,072	\$
(Other)	@	\$	ea. ÷		Yrs. x		Units = \$	\$
Roof	@	\$ 9,350	÷	27	Yrs. x One Bldg. =		\$ 346	\$
Carpeting (Wall to Wall)								
						Remaining Life		
(Units) 406	Total Sq. Yds. @	\$.35	Per Sq. Yd. ÷	15	Yrs. =		\$ 9	\$
(Public Areas)	Total Sq. Yds. @	\$	Per Sq. Yd. ÷		Yrs. =		\$	\$
Total Replacement Reserves. (Enter on Pg. 1)							\$ 2,519	\$

Operating Income Reconciliation

\$ 18,992	-	\$ 2,732	=	\$ 16,260	÷ 12 =	\$ 1,355
Effective Gross Income		Total Operating Expenses		Operating Income		Monthly Operating Income
\$ \$ 1,355	-	\$	=	\$		
Monthly Operating Income		Monthly Housing Expense		Net Cash Flow		

(Note: Monthly Housing Expense includes principal and interest on the mortgage, hazard insurance premiums, real estate taxes, mortgage insurance premiums, HOA dues, leasehold payments, and subordinate financing payments.)

Underwriter’s instructions for 2-4 Family Owner-Occupied Properties


- If Monthly Operating Income is a positive number, enter as "Net Rental Income" in the "Gross Monthly Income" section of Freddie Mac Form 65/Fannie Mae Form 1003. If Monthly Operating Income is a negative number, it must be included as a liability for qualification purposes.
- The borrower’s monthly housing expense-to-income ratio must be calculated by comparing the total Monthly Housing Expense for the **subject property** to the borrower’s stable monthly income.

Underwriter’s instructions for 1-4 Family Investment Properties

- If Net Cash Flow is a positive number, enter as "Net Rental Income" in the "Gross Monthly Income" section of Freddie Mac Form 65/Fannie Mae Form 1003. If Net Cash Flow is a negative number, it must be included as a liability for qualification purposes.
- The borrower’s monthly housing expense-to-income ratio must be calculated by comparing the total monthly housing expense for the borrower’s **primary residence** to the borrower’s stable monthly income.

Appraiser’s Comments *(Including sources for data and rationale for the projections)*

Cost data was taken from Marshall and Swift Valuation Services with adjustment for local data collected by the appraiser. The Effective Gross Income is based upon the market rent analysis given in the appraisal report. It is the total income expected from all five units over a 1 year period with no consideration for delinquency or missed payments. The total Operating Expenses are what a property owner can typically expect to have to spend, based on the natural wear and tear of appliances, roofing and floor coverings, per year to maintain a minimum level of repair and maintenance on the subject property. The total Operating Expenses are then subtracted from the Effective Gross Income to derive the actual Operating Income for the subject property for a 1 year period and on a month to month basis.

Wayne T. Agee		June 25, 2007
Appraiser Name	Appraiser Signature	Date

Underwriter’s Comments and Rationale for Adjustments

Underwriter Name	Underwriter Signature	Date
Freddie Mac Form 998 Aug 88		Fannie Mae Form 216 Aug 88

Subject Photo Page

Attachment 1

Borrower/Client	N/A				
Property Address	906 & 908 7th St.				
City	Lewiston	County	Nez Perce	State	ID Zip Code 83501
Lender	Lewis-Clark State College				



Subject Front

906 & 908 7th St.
Sales Price N/A
Gross Building Area 3,136
Age A 55 & 63, E12-15



Subject Accessory Unit # 5



Subject Rear of 906 & 908

Subject Photo Page

Attachment 1

Borrower/Client	N/A				
Property Address	906 & 908 7th St.				
City	Lewiston	County	Nez Perce	State	ID Zip Code 83501
Lender	Lewis-Clark State College				



Subject Street

906 & 908 7th St.
Sales Price N/A
Gross Building Area 3,136
Age A 55 & 63, E12-15



Subject Alley

Subject Street

Comparable Photo Page

Attachment 1

Borrower/Client	N/A				
Property Address	906 & 908 7th St.				
City	Lewiston	County	Nez Perce	State	ID Zip Code 83501
Lender	Lewis-Clark State College				



Comparable 1

1621 21st Ave.
Sales Price 215,000
Gross Building Area 3,576
Age A 32, E 10-12



Comparable 2

924 & 926 Preston Ave.
Sales Price 281,500
Gross Building Area 3,128
Age A 67 & 74, E12-15



Comparable 3

309 6th Ave.
Sales Price 157,000
Gross Building Area 2,426
Age A 60, E 12-15

Comparable Photo Page

Attachment 1

Borrower/Client	N/A				
Property Address	906 & 908 7th St.				
City	Lewiston	County	Nez Perce	State	ID Zip Code 83501
Lender	Lewis-Clark State College				



Comparable 4

326 6th Ave.
Sales Price 171,000
Gross Building Area 3,814
Age A 107, E 20-25

Comparable 5

Sales Price
Gross Building Area
Age

Comparable 6

Sales Price
Gross Building Area
Age

Rental Photo Page

Attachment 1

Borrower/Client	N/A				
Property Address	906 & 908 7th St.				
City	Lewiston	County	Nez Perce	State	ID Zip Code 83501
Lender	Lewis-Clark State College				



Rental 1

108 5th St.
Proximity to Subject 0.65 miles NW
Gross Building Area 3,556
Age A 99, E 15-20



Rental 2

1022 Ripon Ave.
Proximity to Subject 3.79 miles SE
Gross Building Area 3,240
Age A 39, E 12-15



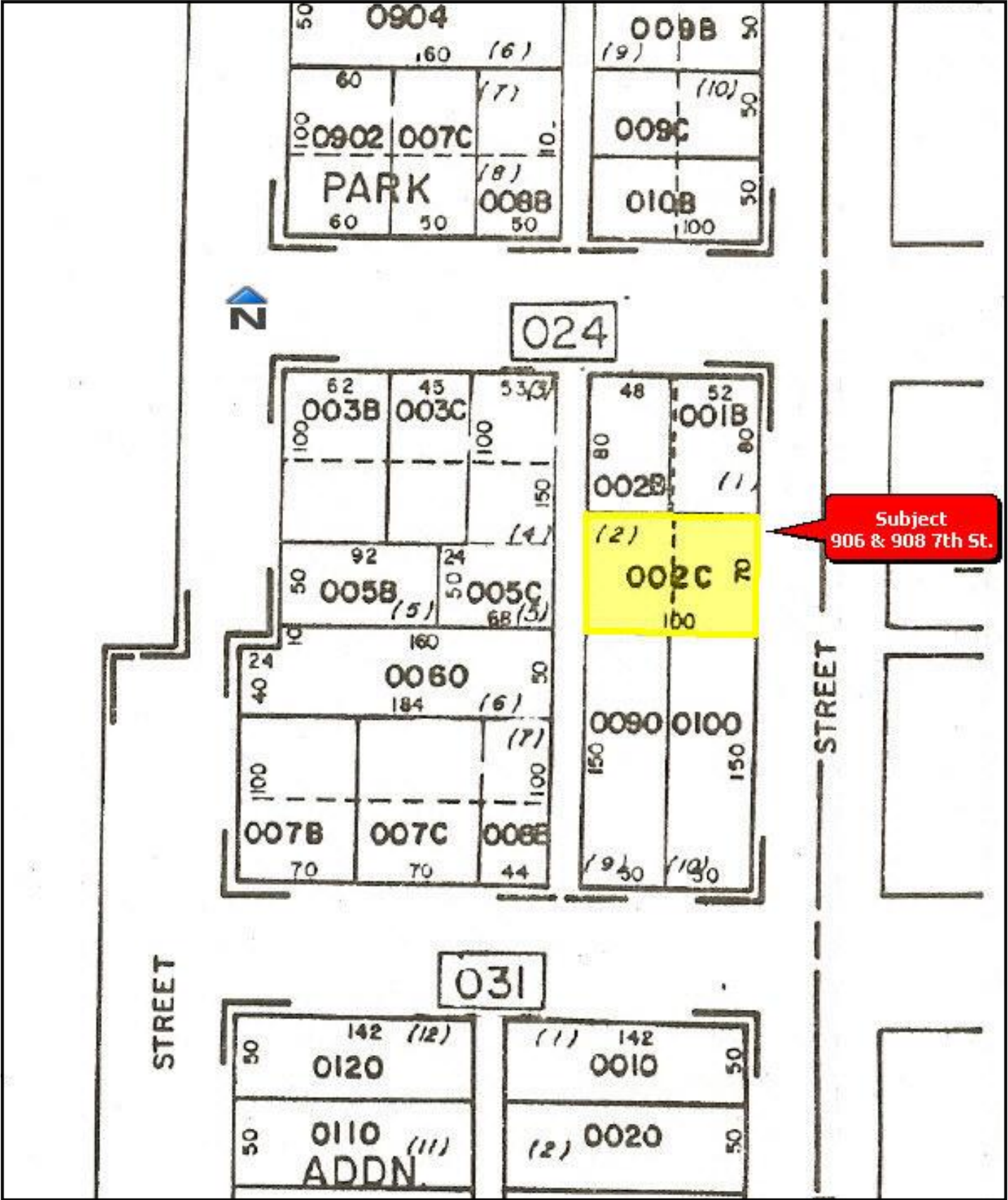
Rental 3

3512 15th St.
Proximity to Subject 4.06 miles SE
Gross Building Area 4,428
Age A 9, E 2-3

Site Map

Attachment 1

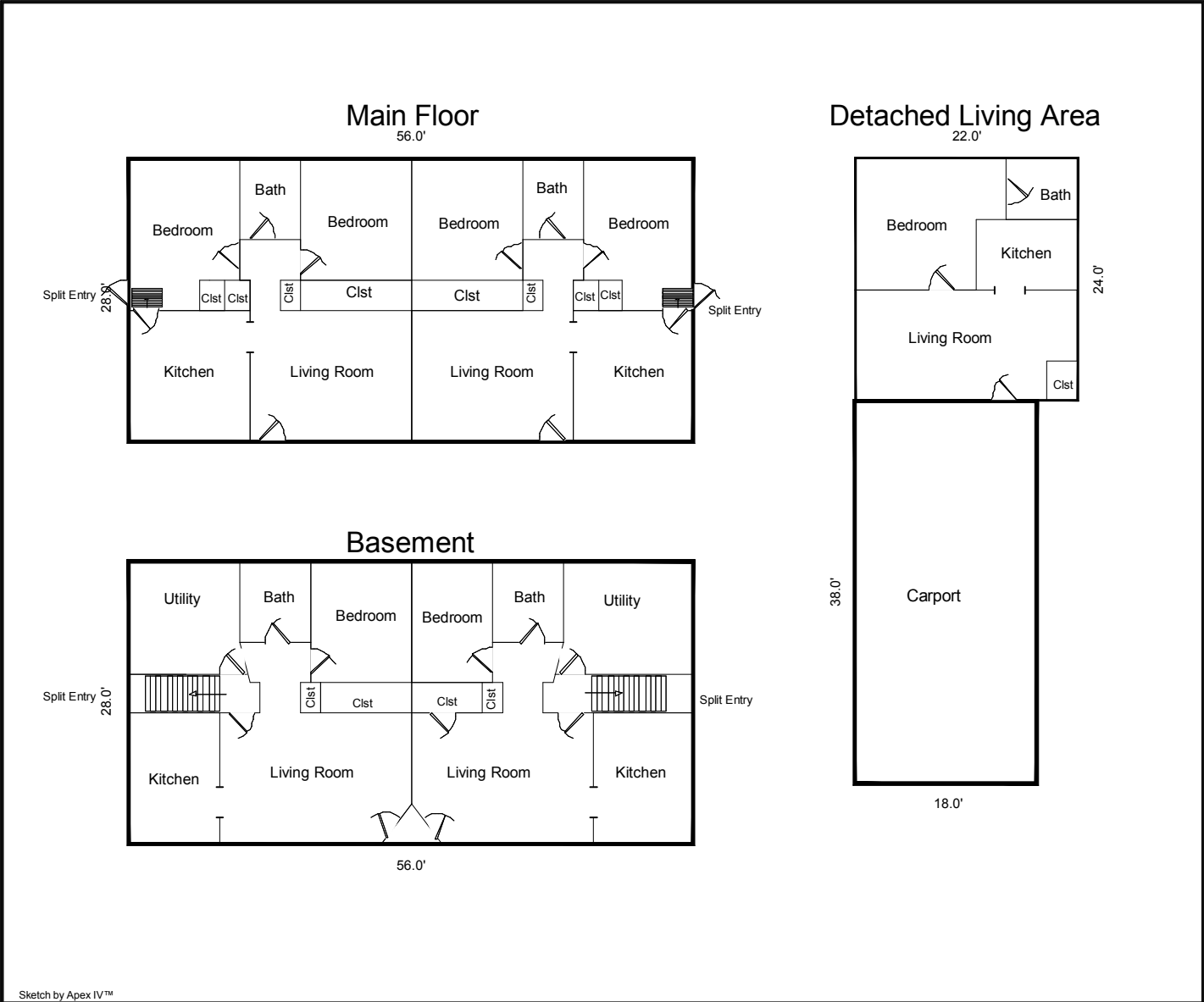
Borrower/Client	N/A			
Property Address	906 & 908 7th St.			
City	Lewiston	County	Nez Perce	State ID Zip Code 83501
Lender	Lewis-Clark State College			



Building Sketch

Attachment 1

Borrower/Client	N/A			
Property Address	906 & 908 7th St.			
City	Lewiston	County	Nez Perce	State ID Zip Code 83501
Lender	Lewis-Clark State College			



Sketch by Apex IV™

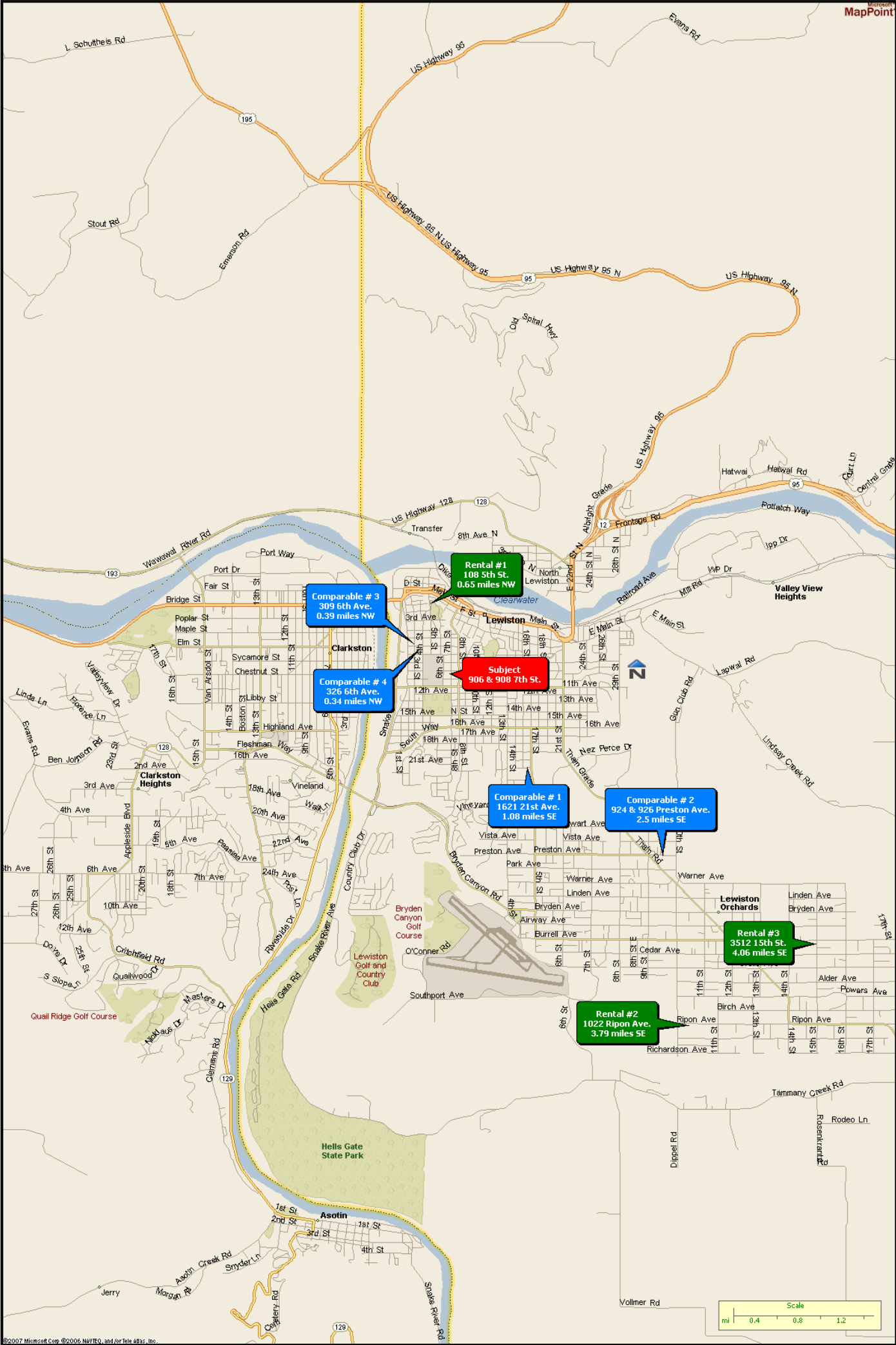
Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Size	Net Totals
GLA1	First Floor	1568.00	1568.00
BSMT	Basement	1568.00	1568.00
GAR	Carport	684.00	684.00
OTH	Accessary Unit	528.00	528.00
TOTAL LIVABLE (rounded)			1568

LIVING AREA BREAKDOWN	
Breakdown	Subtotals
First Floor	
28.0 x 56.0	1568.00
1 Calculation Total (rounded)	1568

Location Map

Borrower/Client	N/A			
Property Address	906 & 908 7th St.			
City	Lewiston	County	Nez Perce	State ID Zip Code 83501
Lender	Lewis-Clark State College			



EARNEST MONEY AGREEMENT

THIS AGREEMENT, made and entered into this ____ day of _____ 2007, by and between ROGER PETERSON, hereinafter referred to as “SELLER”; and STATE OF IDAHO, BY AND THROUGH THE STATE BOARD OF EDUCATION AS BOARD OF TRUSTEES FOR LEWIS-CLARK STATE COLLEGE, hereinafter referred to as “BUYER,”

WITNESSETH:

Subject to the conditions hereinafter set forth, Buyer hereby agrees to purchase and Seller hereby agree to sell 906 & 908 7th Street; certain real property, situated in Nez Perce County, Idaho, and more particularly described as follow, to wit:

Lewiston: Park Addition; S70’ of Lot 1, Block 24 & S70’ Lot 2, Block 24.

Subject to the conditions hereinafter set forth, Buyer hereby agrees to pay unto Seller, as purchase price for said property the sum of Two Hundred Thirty-Five Thousand Dollars (\$235,000), which shall be paid as follows:

(a) The sum of One Thousand Dollars (\$1,000) heretofore deposited with Seller as earnest money, the receipt of which is hereby acknowledged.

(b) The sum of Fifty-Nine Thousand Dollars (\$59,000), in cash, at closing.

(c) The remaining unpaid balance of the purchase price in the amount of One Hundred Seventy Five Thousand Dollars (\$175,000), together with interest on the declining balance of the purchase price at the rate of 7% annum, which principal amount, together with accrued interest, shall be paid as follows:

(1) The sum of Twenty-Two Thousand Thirty-Five Dollars (\$22,035) paid on July 15, annually, until the balance is paid in full.
The first payment is due on or before July 15, 2008.

(2) The entire remaining unpaid balance, together with accrued interest, shall be paid on July 15, 2019.

(3) Buyer shall be entitled to terminate the contract at any time, with 30 days' notice to Seller, upon payment of the remaining principal and all interest accrued to the date of termination

(4) The unpaid balance of the purchase price shall be evidenced by a Promissory Note executed by Buyer in favor of Seller and secured by a first deed of trust upon the above-described real property. The obligations of the Buyer under said Promissory Note and Deed of Trust shall become nonrecourse obligation upon occurrence of the events described in Paragraph IX of this Earnest Money Agreement, which nonrecourse feature will be set out in the Promissory Note and Deed of Trust.

The parties further covenant and agree as follows:

I.

Within ten (10) days of the date hereof, Seller will furnish to Buyers a commitment for title insurance issued by Land title of Nez Perce County, Inc. at Buyer's expense. Buyer shall have a period of ten (10) days after receipt of a copy of the commitment for title insurance or to and including the time of closing, whichever is shorter, to object to the state of Seller's title and to any special exception contained therein. If buyer objects to Seller's title or to an exception contained in the commitment for title insurance, Seller shall have a period of ten (10) days in which to cause the exception to be removed and Seller agree to use their best efforts to remove any such exception. If Seller fail to remove any exceptions objected to by Buyer within said ten (10) day period or such longer period as may be mutually agreeable to the parties, then, and in such event, if Buyer continues to object to the exception, either party may terminate this Agreement by giving written notice of termination to the other and to the closing agent. If Buyer fails to timely object to any exception contained in the title commitment as provided above, Buyer will be deemed to have waived any objection and to have accepted the state of title to the property as evidenced by the commitment.

II.

On or before the date of closing, Seller shall execute and deliver to closing agent a Warranty Deed conveying title to the premises, subject only to those special exceptions contained in the title commitment which are accepted by Buyer as provided in Paragraph I. On or before the date of closing, Buyer shall deposit the payment due upon closing and Buyer's share of the closing costs with closing agent. Following closing, Seller shall cause Land Title of Nez Perce County, Inc., to issue an owner's title insurance policy at Buyer's expense, insuring fee simple title in Buyer in accordance with the commitment as accepted by Buyer; subject, however, to the Deed of Trust to be executed by Buyer upon closing.

III.

The date of closing shall be on or before the 9th day of July, 2007. Closing shall occur at Land Title of Nez Perce County, Inc., which company shall act as closing agent. The closing fee of the closing agent and the cost of preparing this Agreement and the Warranty Deed shall be split equally between Buyer and Seller. Rent, taxes, utilities and other like charges shall be prorated as of the date of closing. The Promissory Note, Deed of Trust and a Request for Reconveyance executed by Seller shall be held for collection by closing agent as long-term escrow holder. The parties agree to execute long-term escrow instructions at closing. The long-term escrow setup and annual fees shall be paid one-half by Buyer and one-half by Seller.

IV.

This agreement and the obligation of Buyer to purchase hereunder are subject to the satisfaction or waiver of all of the following conditions on or before July 9, 2007:

V.

Attachment 2

This agreement and the obligation of Buyer to purchase hereunder is subject to the satisfaction or waiver of all of the following conditions on or before August 1, 2007:

(a) That Buyer's purchase of the property upon the terms herein set forth is approved by the Idaho State Board of Education and Buyer is authorized to proceed with the purchase, and

(b) Buyer has inspected the property, the leases or rental agreements and other information to be provided by Sellers under this Agreement and has determined the same to be satisfactory, in Buyer's discretion, and

(c) Buyer has determined, in Buyer's discretion, that its intended uses of the property are permitted under existing zoning and building laws, codes and ordinances or has obtained such conditional uses, zone changes, variances or waivers as will permit the property to be lawfully used for Buyer's intended uses.

Unless Buyer gives written notice to Seller that the foregoing conditions have been satisfied or waived on or before August 1, 2007, then until the buyer gives written notice to Seller of such satisfaction or waiver either party may terminate this Agreement by giving written notice of termination to the other party at any time after said date. In the event this Agreement is terminated under this Paragraph IV, Buyer's down payment of One Thousand Dollars (\$1000) shall be promptly returned to Buyer and neither party shall have any further obligation or liability to the other under this Agreement.

V.

Because the property is a five (5) unit rental property, the parties make the following additional agreements, which agreements shall survive the closing of this transaction:

(a) Seller agrees that he will promptly provide Buyer with a written schedule showing, by rental unit: (i) the name and, if available, the telephone number of the tenant, (ii) the

term of the tenancy, (iii) the rent to be paid for such unit and any other agreements or terms which are not reflected in written lease or rental agreement delivered to Buyer as provided below, (iv) the amount of any delinquent rent, (v) the amount of any security or damage deposit held by Seller, and (vi) whether the tenant has executed a written lease or rental agreement.

Tenant agrees to update the schedule, from time to time, to reflect any material change and agrees to provide an accurate, updated schedule at the time of closing. Seller shall also promptly provide Buyer with true and correct copies of all leases or rental agreements and shall deliver the originals of all leases and rental agreements to Buyer at closing.

(b) Until the date of closing, Seller shall not enter into any new leases or rental agreements or modify any existing lease or rental agreement without first obtaining the written consent of Buyer.

(c) At closing, Seller shall account to and pay over to Buyer for all tenant security or damage deposits collected by or on behalf of Seller from those persons who are tenants at the time of closing. Except as provided below, upon receipt of those deposits, Buyer shall indemnify and hold harmless from any claim against Seller by any tenant making such deposit which arises from Buyer's failure to comply with the provision of Idaho Code §6-321.

(d) Seller shall indemnify and hold Buyer harmless from any claim, liability or loss suffered by Buyer arising from Seller's failure to provide the information required in subparagraph (a), above, any material inaccuracy of the information provided, the failure of Seller to accurately account for and pay over damage or security deposits collected by Seller, his agents, or employees and any failure to Seller to comply with the provisions of Subparagraph (b), above.

(e) Buyer shall have no obligation to collect delinquent rent owing to Seller and no obligation to apply payments received from tenants to delinquent rent owing to Seller before applying them to rent owing to Buyer.

VI.

Buyer shall have possession of the property on August 1, 2007, subject to any rights of tenants of Seller.

VII.

If, after satisfaction or waiver of any contingencies noted herein, Buyers shall fail to close this transaction through no fault of Seller, and then Seller may, at his option, upon five (5) days' written notice to Buyer, elect to exercise either of the following:

- (a) Terminate this Agreement, retain possession of the property and to retain all sums paid by Buyer as due and liquidated damages and not as a penalty, or
- (b) To enforce this Agreement in any manner provided by law or in equity or to sue for damages for any breach thereof.

If, after satisfaction or waiver of all contingencies, Seller shall fail to close this transaction through no fault of Buyer, then Buyer may, at its option, on five (5) days' written notice to Seller, elect to exercise either of the following:

- (a) Terminate this Agreement in which event Seller shall repay to Buyer the earnest money paid by Buyer and shall reimburse Buyer for the appraisal fees and all other direct costs and expenses incurred by Buyer as a result of the transaction, or
- (b) To enforce this Agreement in any manner known at law or in equity, or to sue for damages for any breach thereof.

VIII.

In the event the improvements located on the property are materially damaged or destroyed prior to closing, Buyer shall have the right, at their option, to terminate this Agreement

and Seller shall repay unto buyer the earnest money paid by buyer pursuant to the provisions of this Agreement.

IX.

Seller understands that Buyer is a governmental entity and this Agreement and the Promissory Notes to be executed pursuant thereto shall not be construed so as to bind or obligate Buyer or the State of Idaho beyond the term of any particularly appropriation of funds by the Idaho State Legislature. If Buyer determines, in its sole discretion, that the Legislature of the State of Idaho has failed, neglected or refused to appropriate sufficient funds to permit Buyer's continued operation and/or the payment of the payments due on the Promissory Note evidencing the remaining balance of the purchase price or if appropriations previously made are rendered inadequate by a "hold-back", repayment or other curtailment of funds, Buyer may terminate the contractual obligations of Buyer under said Promissory Note and the Deed of Trust securing the Promissory Note by giving written notice of such termination to the holder of said Promissory Note. If notice of termination is given, the obligations of Buyer under the Promissory Note and Deed of Trust shall become nonrecourse obligations of Buyer and neither Buyer nor the State of Idaho, nor any official, officer, employee or agent of Buyer or State of Idaho, shall thereafter have any obligation or liability to pay said Promissory Note. However, the giving of such notice of termination shall constitute an event of default under the Promissory Note and Deed of Trust and Sellers shall be entitled to foreclose the Deed of Trust securing the Promissory Note in any manner provided by law, it being understood, however, that neither Buyer nor the State of Idaho nor any official, officer, employee or agent of Buyer or the State of Idaho shall be liable for any deficiency resulting from such foreclosure.

X.

Attachment 2

It is further understood and agreed by and between the parties hereto that should any suit be instituted by either of the parties to enforce any term, covenant or condition of this agreement on the part of the other to be performed or to recover damage for the breach thereof, the prevailing party in such suit shall be entitled to receive from the losing party a reasonable amount of attorneys' fees to be fixed by the court having jurisdiction thereof and taxed as costs in such suit.

XI.

This agreement is binding upon the heirs, executors, administrators, successors and assigns of the respective parties hereto.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first above written.

Roger Peterson

Attachment 2

SELLER

STATE OF IDAHO, BY AND THROUGH THE
SATE BOARD OF EDUCATION AS BOARD OF
TRUSTEES FOR LEWIS-CLARK STATE
COLLEGE

BY: _____

BUYER

STATE OF IDAHO)
) ss.
County of Nez Perce)

On this ____ day of _____ 2007, before me the undersigned, a notary public in and for the State of Idaho, personally appeared Roger Peterson, known to me to be the person whose name is subscribed to the within and foregoing instrument and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Notary public in and for the State of Idaho
Residing at _____
My commission Expires: _____

STATE OF IDAHO)
) ss.
County of Nez Perce)

On this ____ day of _____ 2007, before me the undersigned, a notary public in and for the State of Idaho, personally appeared Chet Herbst, known to me to be the Vice President for Finance and Administration of Lewis-Clark State College, the entity that executed the within and foregoing instrument and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Notary public in and for the State of Idaho
Residing at _____
My commission Expires: _____

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1 inch equals 100 feet



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Contract Amortization Schedule

Acquisition of real property located on 906 & 908 7th Street, Lewiston ID.
Buyer proposes to offer the Seller the following:

- Total purchase price \$235,000
- \$1000 earnest money deposit
- \$59,000 down payment at closing
- Balance of \$175,000 to be amortized in an owner-carry contract over 12 year period commencing on July ____, 2007 with the final payment due on July ____, 2019
- Interest rate of 7% fixed for the term of the contract
- Annual payments in the amount of \$22,035 will be tendered on July ____, 2008 with the final payment tendered on July ____, 2019

Loan Amount:	\$175,000.00
Interest Rate:	7.00%
12 Annual	12
Payment Amount	\$22,035.00

	Payment	Interest	Principal	Balance
				\$175,000.00
1	\$22,035.00	\$12,250.00	\$9,785.00	\$165,215.00
2	\$22,035.00	\$11,565.05	\$10,469.95	\$154,745.05
3	\$22,035.00	\$10,832.15	\$11,202.85	\$143,542.20
4	\$22,035.00	\$10,047.95	\$11,987.05	\$131,555.16
5	\$22,035.00	\$9,208.86	\$12,826.14	\$118,729.02
6	\$22,035.00	\$8,311.03	\$13,723.97	\$105,005.05
7	\$22,035.00	\$7,350.35	\$14,684.65	\$90,320.40
8	\$22,035.00	\$6,322.43	\$15,712.57	\$74,607.83
9	\$22,035.00	\$5,222.55	\$16,812.45	\$57,795.38
10	\$22,035.00	\$4,045.68	\$17,989.32	\$39,806.06
11	\$22,035.00	\$2,786.42	\$19,248.58	\$20,557.48
12	\$22,035.00	\$1,439.02	\$20,595.98	(\$38.50)

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BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

INSTITUTION/AGENCY AGENDA
AGENCIES AND INSTITUTIONS OF THE STATE BOARD

SUBJECT

FY 2009 Budget Requests

REFERENCE

June 14-15, 2007 Instructions to agencies and institutions regarding
submission of budget requests

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.B.1.
Title 67, Chapter 35, Idaho Code

BACKGROUND

As discussed at the June 2007 Board meeting, budget requests are developed in three parts as directed by the Division of Financial Management (DFM) and Legislative Services Office (LSO), in the Budget Development Manual:

- Maintenance of Current Operations (MCO)
- Line Items
- Major Capital Facilities Projects

MCO requests are calculated using standard budget guidelines provided by the DFM and LSO, and Board policy, and may include increases for health insurance, Change in Employee Compensation (CEC), inflationary increases for operating expenses, statewide cost allocations (Treasurer, Controller and Risk Management), enrollment workload, and Replacement Capital Outlay items.

Line item requests may be defined by the Board, representing the unique needs of the institutions and agencies and statewide needs. The Line Items are prioritized by the Board for each agency and institution, following review.

Major capital projects approved by the State Board of Education are forwarded to the Permanent Building Fund Advisory Council, which reviews and prioritizes all capital facilities projects statewide.

In addition, some agencies or institutions may have Supplemental Requests, which is a request for additional funding in the current (FY 2008) fiscal year.

At the June meeting, the Board directed the Business Affairs and Human Resources Committee and staff of the Board to discuss potential line item budget priority areas and that the Committee will bring its recommendation for line item budget priority areas to the August 2007 Board meeting for final determination.

BUSINESS AFFAIRS AND HUMAN RESOURCES
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INSTITUTION / AGENCY AGENDA

AGENCIES AND INSTITUTIONS OF THE STATE BOARD – continued

DISCUSSION

The motions for all of the budget requests are organized as follows:

College and Universities.....	Tab A
Community Colleges	Tab B
Agricultural Research and Extension	Tab C
Special Programs	Tab D
Health Programs	Tab E
Agencies	Tab F
Office of State Board of Education	
Idaho School for Deaf and Blind	
Professional-Technical Education	
Idaho Div. of Vocational Rehabilitation	
Idaho Public Television	
Idaho State Historical Society	
Idaho Commission on Libraries	
Capital Budget Requests	Tab G

Each motion will designate which Line Items are to be included in the official budget request for that agency, institution or program. Each summary page includes a page reference where the detailed narrative information for each line item can be found. This narrative is located behind the individual motion pages.

IMPACT

Approval of Supplemental requests provides funding needed for programs in the current (FY 2008) fiscal year.

Prioritization of the Line Items helps the agencies and institutions determine which additional services or programs the Board has approved in order for the agency or institution to fulfill and/or expand its mission.

ATTACHMENTS

N/A

STAFF COMMENTS AND RECOMMENDATIONS

See staff comments and recommendations under each Clear Tab.

BOARD ACTION

See individual Board motions under each Clear Tab.

BUSINESS AFFAIRS AND HUMAN RESOURCES
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Line Items: College and Universities

Line Items for the College and Universities are summarized as follows:

Grouped by Subject	Page 2
Grouped by Institution	Page 3

The summaries list the page number where the detail, supporting documentation can be found for each Line Item.

MOTION

A motion to approve for final development the following specific budget Line Items for the College and Universities (list items below):

- 1.
- 2.
- 3.
- 4.
- 5.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

BUSINESS AFFAIRS AND HUMAN RESOURCES
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College and Universities
FY 2009 Line Items
Grouped by Subject

					FTP	General
1	FY 2008 Operating Budget				3,867.86	\$ 226,190,817
2	Priority	Institution	Detail Page	Amount		
3						
4	Salary Enhancement					11,540,600
5	1	BSU	5	1,601,500		
6	1	ISU	11	3,500,000		
7	1	UI	31	4,443,000		
8	1	LCSC	45	1,996,100		
9	New/Expanded Programs				45.05	8,346,900
10	2	BSU	7	554,000		
11	4	ISU	24	1,556,300		
12	5	ISU	27	1,948,600		
13	2	UI	36	1,000,000		
14	5	UI	41	1,300,000		
15	6	UI	42	497,000		
16	2	LCSC	46	620,600		
17	3	LCSC	47	605,800		
18	4	LCSC	48	264,600		
18	Infrastructure (including Occupancy)				1.39	7,664,900
19	3	BSU	8	1,200,000		
20	4	BSU	9	118,200		
21	2	ISU	21	493,400		
22	3	ISU	22	849,800		
23	3	UI	39	4,000,000		
24	4	UI	39	1,003,500		
25	Total Line Items				46.44	\$ 27,552,400
26	Percentage of FY 2008 Operating Budget				1.20%	12.18%

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

College and Universities
Fiscal Year 2009 Line Items
Grouped by Institution in Priority Order

			FTP	General
1	FY 2008 Operating Budget		3,867.86	\$ 226,190,817
2	Institution/Priority/Line Item	Detail Page		
3	Boise State University			
4	1 Salary Enhancement	5		1,601,500
5	2 New/Expanded Programs: Master of Community and Regional Plan	7		554,000
6	3 Maintenance/Infrastructure: IT Maintenance	8		1,200,000
7	4 Maintenance/Infrastructure: Occupancy	9	1.39	118,200
8	Idaho State University			
9	1 Salary Competitiveness	11		3,500,000
10	2 Maintenance/Infrastructure: Occupancy	21		493,400
11	3 Maintenance/Infrastructure: Operating Support	22		849,800
12	4 New Programs: Center for Advanced Energy Studies / ISU Biomedical Research Institute	24	7.00	1,556,300
13	5 New Programs: Health Education Initiative	27	19.00	1,948,600
14	University of Idaho			
15	1 Salary Enhancement	31		4,443,000
16	2 New/Expanded Programs: Center for Advanced Energy Studies (CAES)	36		1,000,000
17	3 Maintenance/Infrastructure: Maintenance	39		4,000,000
18	4 Maintenance/Infrastructure: Occupancy	39		1,003,500
19	5 New/Expanded Programs: Graduate Assistants	41		1,300,000
20	6 New/Expanded Programs: Northern Idaho Faculty Positions	42	6.50	497,000
21	Lewis-Clark State College			
22	1 Salary Enhancement	45		1,996,100
23	2 New/Expanded Programs: Nursing and Health Science	46	8.55	620,600
24	3 New/Expanded Programs: Nursing Equipment	47		605,800
25	4 New/Expanded Programs: Indian Center	48	4.00	264,600
26	Total Line Items		46.44	\$ 27,552,400
27	Percentage of FY 2008 Operating Budget		1.20%	12.18%

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BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

FY 2009 BUDGET REQUEST

Institution / Agency: Boise State University

Agency #: 512

Decision Unit / Line Item: 12.01

Rank: 1 of 4

Category: Salary Enhancement

Title: Faculty Salary Competitiveness

FTP: -0-

Gen	\$1,601,500	Fed	\$	Ded/Other	\$	Total	\$1,601,500
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How connected to institution/agency strategic plan:

Recruiting and retaining high quality faculty is one of the goals in Boise State University's strategic plan. Doing so is critical for delivering the academic mission and fostering the level of academic excellence, public engagement, vibrant culture, and exceptional research that will define our university (*Charting the Course, A Strategic Vision for Boise State University*, 2006).

Description:

This FY2009 budget request is for funding of \$1,319,000 in faculty salaries and \$282,500 in benefits for a total of \$1,601,500. The request does not come close to the total need we have identified to properly address faculty salaries (this would require over \$6M), but the amount requested would help raise faculty salaries such that the most critical needs areas could be addressed.

Annually, for the past 3 years, Boise State University has conducted a thorough and comprehensive analysis of the challenges of competitive market equity, salary compression and merit-based performance of its faculty salaries. These studies have examined the salary of each faculty member by discipline and rank to determine market competitiveness compared with our peer institutions (which include University of Nevada-Las Vegas, Portland State University, Northern Arizona State, and Fresno State University).

Based on the most recent salary equity study (2007) of the 478 occupied faculty positions, 445 are deserving of some market level adjustment to bring them to the average salary of their peers. The data shows that on average our faculty salaries are 17% below the peer group average, with some faculty salaries as great as 35-40% below the average of our peers!

The generous recent state funded Change in Employee Compensation (CEC) has helped improve salaries, however national average increases often equal or exceed the state increases, putting our faculty salaries further and further behind. This is an important consideration given that we must recruit nationally for every faculty position.

BUSINESS AFFAIRS AND HUMAN RESOURCES
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The university has documented our cases of faculty attrition and failed recruitment searches. Each year we lose out on making successful hires due to noncompetitive salaries. Consistently these candidates accept offers at other universities because of higher salaries. Last year we surveyed all of our departments to collect information on faculty hiring. The answer cited as most often contributing to not making a successful hire was the lack of competitive salaries. Quotes from department chairs include:

- “First choice candidates withdraw their candidacy upon learning the salary range we can offer.”
- “For our last position, our number one candidate took an offer from another school at \$10,000 more than we could offer (even after we increased our offer).”
- “Our top choice declined our offer; he had two other offers at \$13,000 more than we could pay. We’re not even in the same ballpark.”
- “We have lost candidates to \$20,000 differences in starting salaries.”
- “Because we primarily recruit from industry, the candidates are very well paid in industry and take significant salary cuts to become faculty members.”
- “Regardless of whom we are trying to recruit, the issue is always salaries. We lost three candidates to which offers were made because of salaries. All accepted positions at other institutions with higher salaries.”

In order to offer the best education we can to our citizens in the state we need to be able to attract and retain high quality faculty. This is difficult to do if we continue to lag so far behind our peers in what has become a very competitive national market.

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

FY 2009 BUDGET REQUEST

Institution / Agency: Boise State University

Agency #: 512

Decision Unit / Line Item: 12.02

Rank: 2 of 4

Category: New Programs

Title: Master of Community and Regional Planning

FTP:

Gen	\$554,000	Fed	\$	Ded/Other	\$	Total	\$554,000
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How connected to institution/agency strategic plan:

The strategic plan for Boise State University calls for maturation of the institution as a metropolitan research university of distinction with four defining characteristics: academic excellence, public engagement, vibrant culture, and exceptional research (*Charting the Course, A Strategic Vision for Boise State University*, 2006). The new professional master's program in community and regional planning most directly supports two of the four defining institutional characteristics: Academic Excellence and Public Engagement.

The new program is aligned with the primary areas of emphasis defined for Boise State University by the State Board of Education Institutional Role and Mission statement (social sciences, public affairs), and the statewide mission programs assigned to Boise State University by State Board of Education policy III.Z (public policy, urban regional planning). The new program is listed by Boise State University in the State Board of Education 8-Year Plan for Educational Development (two-year update approved 10 August 2006).

Description:

This FY2009 budget request is for funding to launch a new graduate program in the College of Social Sciences and Public Affairs that leads to the Master of Community and Regional Planning degree (MCRP). The need for individuals with expertise in community and regional planning is felt statewide and the demand for this program will be high. The request includes funding for three new faculty lines, six graduate assistants, administrative support staff, participation by external experts as adjunct faculty, enhanced library acquisitions, one-time computer hardware and software purchases, and operating expense. The MCRP program leads to an applied terminal degree and prepares students to become practitioners in the community, serving as regional planning professionals with expertise in environmental and natural resources, land use, transportation, and economic development. This new program will complement the existing Master of Public Administration program, and the proposed Master of Arts in Political Science and Doctor of Philosophy in Public Policy and Administration programs (documented in a separate FY2009 budget request). All four programs take full advantage of the location of Boise State University in the state center of government, commerce, and industry, and in the most populous city and county of Idaho.

BUSINESS AFFAIRS AND HUMAN RESOURCES
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FY 2009 BUDGET REQUEST

Institution / Agency: Boise State University

Agency #: 512

Decision Unit / Line Item: 12. 03

Rank: 3 of 4

Category: Maintenance/Infrastructure

Title: Information Technology Maintenance

FTP: 0

Gen	\$1,200,000	Fed	\$	Ded/Other	\$	Total	\$1,200,000
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How connected to institution/agency strategic plan:

To adequately maintain Boise State University's volume of student records and financial transactions, a robust technology system and infrastructure is required. This line item request is to provide funding to cover increased costs in annual software maintenance, licensing and upgrade fees.

Description:

The one-time funds currently being used to cover the annual costs of software maintenance, software licensing fees and upgrade fees will be depleted by the end of FY 2008.

This request is for funding to assist with the increased costs in Boise State's Information Technology Department due to compliance requirements with upgrade schedules, increased licensing fees as a result of increased student enrollments, and contractual agreements for annual maintenance costs.

BUSINESS AFFAIRS AND HUMAN RESOURCES
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FY 2009 BUDGET REQUEST

Institution / Agency: Boise State University

Agency #: 512

Decision Unit / Line Item: 12. 03

Rank: 4 of 4

-- second item within category of Maintenance/Infrastructure

Category: Maintenance/Infrastructure

Title: Occupancy Funding

FTP: 1.39

Gen	\$118,200	Fed	\$	Ded/Other	\$	Total	\$118,200
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How connected to institution/agency strategic plan:

Boise State University's strategic plan includes multiple goals: One of those goals is to build and maintain facilities that support programs and create an attractive accessible environment. This line item request is necessary to secure funding needed to maintain and operate new facilities planned to be on-line in FY 2009.

Description:

At this time, Boise State is planning to increase space for the following general education purposes in FY 2009:

1. Art Department – intent is to convert 15,000 sq. ft. of space currently occupied and used as a warehouse by the Bookstore into academic space for art students. Annual custodial costs, utility costs and maintenance costs total \$65,800.
2. Nursing Department – this is academic space for nursing students and is part of the approved design for the Student Health Wellness and Counseling Center. The targeted date for occupying this space is late in FY 2009 and thus only one-quarter of the annual request is included. Total occupancy cost for FY 2009 is \$50,400.
3. Student Conduct Office – New general education office space within the parking deck. Planned occupancy date is October 2007. Annual occupancy costs total \$2,000.
4. Lease space for Extended Studies – Need to locate approximately 6,000 square feet of space for Extended Studies.

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BUSINESS AFFAIRS AND HUMAN RESOURCES
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FY 2009 BUDGET REQUEST

Institution / Agency: Idaho State University

Agency #: 513

Decision Unit / Line Item: 12.01

Rank: 1 of 5

Category: Salary Enhancements

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Salary Competitiveness

FTP:

Gen	\$3,500,000	Fed	\$	Ded/Other	\$	Total	\$3,500,000
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How connected to institution/agency strategic plan:

Recruiting and retaining highly qualified faculty and staff will benefit all of Idaho's citizens by improving the instruction, research and public service functions of the university. A well-educated, well-informed workforce will help Idaho attract and retain business and industry.

Description:

Faculty and staff (professional and classified) salaries continue to be ISU's most important budget priority for FY09. Comparison of FY07 salaries for ISU faculty with other public, doctoral-research universities reveals that ISU faculty salaries continue to be significantly below peer institutions, especially at the higher academic ranks. Average salaries for Professors at ISU are nearly 20 percent below professors at peer institutions; ISU Associate Professors are 16 percent below peers, and ISU Assistant Professors are 11 percent below peers. ISU faculty are recruited nationally, and for ISU to remain competitive in attracting high quality faculty, salary must be competitive.

Similarly, ISU competes locally and regionally to recruit and retain classified staff and nationally for professional staff. Professional staff salaries lag behind those of ISU's peer institutions by margins similar to those listed above for faculty salary gaps, making it very difficult to consummate national searches for vacancies successfully. Though steps toward salary equity for classified staff have been made in recent years, the still-extant gaps often affect the institution's ability to recruit and retain them. In general, retention and recruitment success will yield greater employee productivity while reducing expenditures for recruitment, moving expenses, start-up and training. The university and subsequently the state are impacted as we are unable to attract and retain quality faculty and staff. Without appropriate and competitive compensation, the university and state will experience higher turnover rates, fewer recruitment successes, and the lag between current compensation levels and the marketplace will grow.

Given that several of ISU's strategic goals are affected by these salary gaps for faculty and professional/classified staff, this line item budget request is crucial to maintaining ISU's ability to meet current and future mission-driven needs.

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The specific strategic goals impacted by this request include the following:

Goal 5 — Faculty: Hire and retain a faculty that sustains a high quality learning environment through effective teaching, productive scholarship, and useful public service.

(SBOE Main Goals: Quality and Relevancy)

Goal 6 — Support: Manage University resources to provide appropriate staff and support while maintaining a high quality learning environment. (SBOE Main Goals: Quality, Access, Efficiency)

BUSINESS AFFAIRS AND HUMAN RESOURCES
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FY07 SALARY COMPARISON DATA FOR ISU

Explanation of the data: ISU is listed as a "Doctoral-Research" University (DRU) in the new Carnegie Classification of Higher Education Institutions. The data in the following table are from the Oklahoma State University Faculty Salary Study (for FY07) and from the CUPA-HR data (FY07). The data are presented for each discipline CIP Code and at the end of the table for all ISU CIP codes by rank. It's important to note that for both the Oklahoma and CUPA-HR studies, there are not average salary comparisons for all CIP Codes that relate to ISU programs. The Oklahoma Study has data for more of ISU's disciplines/programs than does the CUPA-HR, so we use the Oklahoma data in making salary comparisons. Note also, that we've included for comparison the Oklahoma data for the other two Carnegie classifications (Research-Very High Universities, and Research-High Universities). The U of Idaho is classified as a Research-High University. BSU is not classified as a doctoral institution. Oklahoma only has data from doctoral institutions.

Oklahoma Faculty Salary Survey, and CUPA-HR Salary Data, for FY07 by CIP Codes and Ranks: Oklahoma Weighted Averages for Research-VH, Research-H, Doctoral-Research (DRU; n=15), and CUPA-HR Weighted Averages for the 27 Public, DRUs

CIP Code	CIP Description	Comparison Groups	Professors	Associate Professors	Assistant Professors	New Asst. Professors	Instructors/Lecturers	All Ranks	No. of Faculty	No. of Institutions
9.0102	Mass Communication/Media Studies									
		Okla: Res-VH	\$86,830	\$66,587	\$53,752	\$52,506	\$42,138	\$62,395	44	2
		Okla: Res-H	\$72,575	\$63,749	\$51,187	\$49,000	\$36,218	\$56,982	53	6
	(no data)	Okla: Doc/Res								
	(9.01)	CUPA-DRU	\$71,265	\$56,889	\$47,587	\$46,927	\$35,553	\$65,346	165	
		ISU (Avg if N>1)	\$60,441		\$47,486				7	
11.0701	Computer Science									
		Okla: Res-VH	\$128,366	\$98,255	\$84,880	\$83,234	\$67,375	\$105,337	428	16
		Okla: Res-H	\$109,247	\$90,638	\$78,291	\$72,694	\$51,693	\$87,793	153	12
		Okla: Doc/Res	\$84,071	\$74,792	\$71,937			\$78,718	4	1
	(no data)	CUPA-DRU								
		ISU (Avg if N>1)								
13.0401	Educational Leadership and Administration, General									
		Okla: Res-VH	\$102,524	\$70,692	\$56,929	\$52,692	\$48,670	\$78,173	343	24
		Okla: Res-H	\$90,459	\$66,038	\$53,359	\$53,339	\$41,622	\$67,491	313	29
		Okla: Doc/Res	\$77,398	\$59,619	\$48,440	\$50,000		\$61,284	25	2
	(13.04)	CUPA-DRU	\$78,955	\$61,266	\$52,338	\$49,535		\$64,770	203	
		ISU (Avg if N>1)	\$64,813	\$46,519	\$45,250				8	
13.1001	Special Education and Teaching, General									
		Okla: Res-VH	\$96,645	\$69,659	\$54,490	\$51,844	\$45,011	\$74,160	192	13
		Okla: Res-H	\$88,327	\$64,239	\$53,846	\$53,209	\$42,756	\$67,291	159	14
	(no data)	Okla: Doc/Res								
	(13.10)	CUPA-DRU	\$74,476	\$59,031	\$51,344	\$51,300	\$39,622		180	
		ISU (Avg if N>1)								
13.1200	Teacher Education and Professional Development, Specific									
		Okla: Res-VH	\$85,825	\$67,694	\$53,712	\$52,508	\$46,360	\$64,181	273	12
		Okla: Res-H	\$81,255	\$61,670	\$51,824	\$51,660	\$42,978	\$60,017	316	16
		Okla: Doc/Res	\$78,243	\$62,510	\$49,885	\$48,209	\$40,283	\$57,143	226	8
		CUPA-DRU	\$75,082	\$60,629	\$50,819	\$50,024	\$42,561		384	
		ISU (Avg if N>1)	\$66,412	\$48,737	\$42,269		\$38,917		28	

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13.1314	Physical Education Teaching and Coaching								
	Okla: Res-VH	\$98,902	\$69,492	\$58,521	\$58,727	\$47,458	\$71,892	176	7
	Okla: Res-H	\$78,420	\$60,672	\$51,193	\$53,481	\$37,849	\$58,266	150	13
	Okla: Doc/Res		\$54,698	\$46,677		\$36,791	\$47,908	5	1
(13.13)	CUPA-DRU	\$76,642	\$61,997	\$51,590	\$47,791	\$40,533	\$59,932	208	
	ISU (Avg if N>1)	\$59,756	\$47,507	\$42,162		\$36,662		8	
14.0800	Civil Engineering, General								
	Okla: Res-VH	\$119,173	\$86,163	\$73,673	\$70,030	\$51,870	\$97,936	1,116	44
	Okla: Res-H	\$105,840	\$78,164	\$68,653	\$65,426	\$61,420	\$85,482	353	28
	Okla: Doc/Res	\$96,734	\$77,559	\$72,040	\$65,877		\$80,935	42	4
	CUPA-DRU	\$98,578	\$78,629	\$68,238				105	
	ISU (Avg if N>1)	\$73,708	\$71,594	\$62,005		\$87,901		7	
14.0900	Computer Engineering, General								
	Okla: Res-VH	\$124,156	\$95,172	\$80,555	\$75,424	\$61,416	\$100,023	194	7
	Okla: Res-H	\$113,192	\$92,065	\$81,452	\$80,463	\$43,028	\$92,838	81	8
(no data)	Okla: Doc/Res								
(no data)	CUPA-DRU								
	ISU (Avg if N>1)	\$76,710	\$67,018	\$59,322				4	
14.1000	Electrical, Electronics and Communications Engineering								
	Okla: Res-VH	\$128,021	\$92,049	\$81,493	\$80,027	\$56,304	\$106,819	1,657	45
	Okla: Res-H	\$112,317	\$83,721	\$76,355	\$75,808	\$46,930	\$94,092	556	31
	Okla: Doc/Res	\$103,995	\$84,450	\$78,915	\$77,674	\$56,115	\$89,773	83	6
	CUPA-Pub.	\$102,333	\$81,179	\$73,111	\$69,167			147	
	ISU (Avg if N>1)	\$82,249	\$69,420					4	
14.1900	Mechanical Engineering								
	Okla: Res-VH	\$122,574	\$87,784	\$75,989	\$73,689	\$52,027	\$102,707	1,196	44
	Okla: Res-H	\$105,524	\$80,991	\$71,095	\$70,450	\$51,134	\$89,391	461	31
	Okla: Doc/Res	\$108,579	\$84,792	\$77,609	\$78,428	\$56,338	\$89,301	129	7
(no data)	CUPA-DRU								
	ISU (Avg if N>1)		\$69,035	\$59,488		\$51,875		6	
16.0101	Foreign Languages, Literatures, and Linguistics								
	Okla: Res-VH	\$97,927	\$64,583	\$52,148	\$47,797	\$35,861	\$67,682	1,060	31
	Okla: Res-H	\$74,820	\$55,061	\$47,074	\$45,600	\$32,600	\$53,926	499	24
	Okla: Doc/Res	\$96,186	\$66,639	\$56,403	\$60,892	\$29,562	\$65,506	45	3
(16.01)	CUPA-DRU	\$76,244	\$57,112	\$48,332	\$44,855	\$32,794	\$61,162	294	
	ISU (Avg if N>1)	\$62,126	\$48,922	\$43,368		\$36,525		10	
23.0100	English Language and Literature, General								
	Okla: Res-VH	\$101,415	\$67,213	\$55,736	\$54,473	\$34,323	\$75,008	3,101	55
	Okla: Res-H	\$81,196	\$58,715	\$48,708	\$47,734	\$33,513	\$59,506	1,164	36
	Okla: Doc/Res	\$80,102	\$59,638	\$46,276	\$42,991	\$31,468	\$55,987	492	15
	CUPA-DRU	\$79,023	\$59,203	\$47,374	\$45,724	\$33,428	\$60,545	833	
	ISU (Avg if N>1)	\$60,924	\$48,873	\$41,651				28	
23.1000	Speech and Rhetorical Studies								
	Okla: Res-VH	\$99,868	\$66,570	\$55,251	\$53,251	\$32,459	\$65,116	263	16
	Okla: Res-H	\$71,423	\$59,892	\$47,683	\$50,501	\$35,019	\$54,684	63	8
	Okla: Doc/Res	\$74,025	\$54,076	\$43,856	\$38,000	\$35,344	\$50,707	41	4
	CUPA-DRU			\$45,967		\$32,195		44	
	ISU (Avg if N>1)	\$59,839	\$47,050					5	

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26.0100 Biology/Biological Sciences, General

Okla: Res-VH	\$111,398	\$73,967	\$64,918	\$63,244	\$41,074	\$89,631	1,833	45
Okla: Res-H	\$88,457	\$66,332	\$56,664	\$56,008	\$37,510	\$69,066	688	30
Okla: Doc/Res	\$78,821	\$61,008	\$51,759	\$50,640	\$38,834	\$62,471	280	13
CUPA-DRU	\$82,808	\$62,049	\$53,884	\$52,397	\$38,760	\$66,378	500	
ISU (Avg if N>1)	\$65,805	\$51,802	\$46,765				38	

27.0100 Mathematics and Statistics

Okla: Res-VH	\$106,886	\$72,482	\$61,338	\$57,101	\$43,792	\$88,017	2,595	55
Okla: Res-H	\$87,462	\$64,558	\$56,108	\$56,569	\$37,648	\$68,816	1,006	36
Okla: Doc/Res	\$87,895	\$68,269	\$54,074	\$52,965	\$37,726	\$68,878	363	14
CUPA-DRU	\$82,058	\$64,828	\$53,662	\$53,416	\$37,559	\$70,273	571	
ISU (Avg if N>1)	\$66,015	\$52,869	\$50,783		\$29,286		21	

30.1901 Nutrition Sciences

Okla: Res-VH	\$116,501	\$77,622	\$66,019	\$63,091	\$48,029	\$88,552	78	8
Okla: Res-H	\$98,638	\$73,449	\$56,881	\$56,616	\$44,285	\$76,102	31	4
(no data) Okla: Doc/Res								
(no data) CUPA-DRU								
ISU (Avg if N>1)	\$52,687	\$51,431	\$41,652		\$35,568		14	

31.0500 Health and Physical Education, General

Okla: Res-VH	\$98,456	\$70,136	\$58,770	\$59,149	\$42,061	\$70,749	483	28
Okla: Res-H	\$79,395	\$62,401	\$51,716	\$50,736	\$39,262	\$60,615	209	17
Okla: Doc/Res	\$78,161	\$62,193	\$48,448	\$51,157	\$43,027	\$58,350	80	8
CUPA-DRU	\$77,310	\$62,405	\$50,779	\$50,662	\$42,719		169	
ISU (Avg if N>1)								

38.0100 Philosophy

Okla: Res-VH	\$101,382	\$65,387	\$52,919	\$51,987	\$37,679	\$80,009	697	47
Okla: Res-H	\$84,400	\$60,126	\$47,864	\$47,566	\$31,760	\$62,572	303	35
Okla: Doc/Res	\$79,919	\$62,479	\$48,884	\$48,833	\$34,749	\$60,545	97	13
CUPA-DRU	\$80,317	\$60,713	\$48,457	\$47,941	\$35,102	\$80,317	160	
ISU (Avg if N>1)								

40.0500 Chemistry, General

Okla: Res-VH	\$117,042	\$77,375	\$64,103	\$64,206	\$46,046	\$94,698	1,556	49
Okla: Res-H	\$95,882	\$65,948	\$56,670	\$57,175	\$45,408	\$75,212	653	36
Okla: Doc/Res	\$83,009	\$66,820	\$55,170	\$49,750	\$40,093	\$68,318	223	15
CUPA-DRU	\$87,978	\$62,179	\$53,316	\$51,872	\$40,915	\$74,542	327	
ISU (Avg if N>1)	\$64,718	\$51,799	\$47,258		\$37,825		13	

40.0600 Geology/Earth Science, General

Okla: Res-VH	\$100,044	\$72,919	\$62,363	\$61,473	\$47,690	\$85,244	1,078	46
Okla: Res-H	\$91,331	\$65,664	\$55,416	\$53,637	\$40,374	\$72,977	464	31
Okla: Doc/Res	\$79,137	\$66,959	\$52,923	\$46,627	\$40,666	\$62,622	99	12
CUPA-DRU	\$85,493	\$65,663	\$55,590	\$49,302	\$39,417	\$80,509	181	
ISU (Avg if N>1)	\$62,997	\$61,818	\$47,681		\$56,075		10	

40.0800 Physics, General

Okla: Res-VH	\$108,969	\$76,382	\$67,296	\$66,918	\$42,847	\$93,288	1,682	48
Okla: Res-H	\$92,507	\$68,428	\$56,654	\$53,359	\$39,329	\$76,387	598	35
Okla: Doc/Res	\$88,343	\$70,859	\$56,637	\$55,070	\$38,412	\$73,869	162	15
CUPA-DRU	\$91,164	\$65,917	\$56,819	\$56,544	\$38,402	\$67,652	265	
ISU (Avg if N>1)	\$79,163	\$53,310	\$56,566		\$38,719		13	

BUSINESS AFFAIRS AND HUMAN RESOURCES
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42.0100	Psychology, General	Okla: Res-VH	\$112,356	\$71,806	\$60,763	\$59,162	\$42,678	\$88,804	1,844	56
		Okla: Res-H	\$91,508	\$64,142	\$55,152	\$55,865	\$40,142	\$71,874	685	36
		Okla: Doc/Res	\$82,070	\$60,890	\$50,327	\$49,671	\$38,284	\$65,263	266	14
		CUPA-DRU	\$81,949	\$61,246	\$51,740	\$51,807	\$37,455	\$59,509	433	
		ISU (Avg if N>1)	\$58,618	\$50,028	\$46,093				12	
44.0700	Social Work	Okla: Res-VH	\$107,728	\$73,153	\$59,740	\$56,032	\$49,603	\$75,390	583	29
		Okla: Res-H	\$87,135	\$66,729	\$53,279	\$55,745	\$46,173	\$65,353	302	26
		Okla: Doc/Res	\$79,509	\$58,739	\$51,676	\$49,002	\$41,650	\$57,651	87	9
		CUPA-DRU	\$84,544	\$63,636	\$52,351	\$49,159	\$41,851	\$57,994	191	
		ISU (Avg if N>1)								
45.0200	Anthropology	Okla: Res-VH	\$96,475	\$67,297	\$55,694	\$55,410	\$38,356	\$76,750	699	42
		Okla: Res-H	\$83,903	\$60,456	\$49,604	\$49,592	\$32,456	\$63,432	226	23
		Okla: Doc/Res	\$77,133	\$56,197	\$51,015	\$47,006	\$31,144	\$61,348	62	10
		CUPA-DRU	\$78,124	\$58,631	\$52,026			\$63,423	86	
		ISU (Avg if N>1)	\$61,949	\$48,547	\$42,855		\$31,907		9	
45.0600	Economics, General	Okla: Res-VH	\$133,583	\$92,835	\$83,882	\$85,489	\$63,065	\$110,725	876	42
		Okla: Res-H	\$107,202	\$81,907	\$73,786	\$72,458	\$49,766	\$87,127	387	26
		Okla: Doc/Res	\$88,399	\$71,784	\$63,936	\$64,883	\$40,600	\$75,943	110	12
		CUPA-DRU	\$89,559	\$73,334	\$66,060	\$60,773		\$84,151	151	
		ISU (Avg if N>1)	\$71,972	\$58,677					6	
45.1000	Political Science and Government, General	Okla: Res-VH	\$111,032	\$74,388	\$60,393	\$59,121	\$40,729	\$84,897	1,053	46
		Okla: Res-H	\$86,488	\$64,270	\$52,312	\$52,226	\$39,149	\$67,506	514	36
		Okla: Doc/Res	\$81,697	\$63,952	\$51,218	\$50,329	\$42,954	\$67,166	168	15
		CUPA-DRU	\$79,149	\$62,647	\$52,214	\$50,923	\$42,437	\$72,944	246	
		ISU (Avg if N>1)	\$64,243	\$48,422	\$44,158				9	
45.1100	Sociology	Okla: Res-VH	\$108,204	\$70,795	\$59,167	\$57,452	\$42,377	\$81,816	961	46
		Okla: Res-H	\$82,520	\$61,506	\$51,129	\$50,695	\$38,301	\$63,990	468	35
		Okla: Doc/Res	\$78,063	\$59,126	\$49,946	\$48,065	\$36,060	\$61,200	156	13
		CUPA-DRU	\$77,231	\$59,842	\$51,108	\$47,900	\$35,673	\$67,283	263	
		ISU (Avg if N>1)	\$59,694	\$52,291	\$42,760				10	
50.0500	Drama and Dramatics/Theatre Arts, General	Okla: Res-VH	\$87,694	\$63,549	\$51,373	\$50,954	\$42,722	\$66,703	565	38
		Okla: Res-H	\$76,050	\$57,092	\$47,207	\$44,956	\$32,688	\$57,136	276	31
		Okla: Doc/Res	\$71,539	\$55,873	\$44,050	\$40,481	\$39,468	\$53,297	118	11
		CUPA-DRU	\$69,195	\$55,760	\$45,490	\$45,000	\$43,720	\$54,972	178	
		ISU (Avg if N>1)	\$55,171		\$41,449		\$29,890		7	
50.0700	Fine/Studio Arts, General	Okla: Res-VH	\$92,480	\$66,024	\$53,495	\$49,799	\$38,789	\$73,576	1,700	50
		Okla: Res-H	\$76,956	\$56,913	\$47,710	\$47,985	\$33,187	\$58,315	604	36
		Okla: Doc/Res	\$68,904	\$57,431	\$45,946	\$42,867	\$38,684	\$54,468	212	14
		CUPA-DRU	\$69,475	\$57,352	\$46,777	\$44,557	\$39,283	\$64,501	381	
		ISU (Avg if N>1)	\$59,140	\$47,216	\$41,517				7	

BUSINESS AFFAIRS AND HUMAN RESOURCES
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50.0900	Music, General								
	Okla: Res-VH	\$85,934	\$63,613	\$51,498	\$49,875	\$46,862	\$69,361	1,568	41
	Okla: Res-H	\$75,550	\$56,222	\$47,133	\$44,817	\$37,421	\$58,483	896	35
	Okla: Doc/Res	\$70,998	\$55,361	\$47,183	\$45,832	\$34,247	\$57,331	299	13
	CUPA-DRU	\$73,630	\$56,380	\$47,315	\$44,705	\$37,599	\$61,025	538	
	ISU (Avg if N>1)	\$55,546	\$44,398	\$39,333				10	
51.0200	Communication Disorders, General								
	Okla: Res-VH	\$100,882	\$67,927	\$59,139	\$59,783	\$46,902	\$73,136	368	28
	Okla: Res-H	\$88,070	\$66,198	\$53,337	\$49,007	\$45,015	\$64,128	180	23
	Okla: Doc/Res	\$75,242	\$60,208	\$47,660	\$47,769	\$37,491	\$54,297	90	8
	CUPA-DRU	\$75,052	\$58,746	\$48,756	\$47,618	\$37,812	\$56,577	174	
	ISU (Avg if N>1)	\$65,752	\$47,874	\$44,621		\$36,310		26	
51.0602	Dental Hygiene/Hygienist								
	Okla: Res-VH	\$68,171	\$57,988	\$50,369		\$47,865	\$54,448	15	4
	Okla: Res-H		\$53,021	\$47,605		\$30,710	\$44,229	17	2
	Okla: Doc/Res	\$65,199	\$56,247	\$42,698		\$45,125	\$54,999	18	2
	(no data) CUPA-DRU								
	ISU (Avg if N>1)	\$57,053	\$51,764	\$38,443		\$39,582		16	
51.0700	Health/Health Care Administration/Management								
	Okla: Res-VH	\$117,655	\$83,666	\$72,475	\$67,870	\$64,443	\$88,619	86	9
	Okla: Res-H	\$90,055	\$78,738	\$51,927	\$51,001	\$52,097	\$68,329	28	5
	Okla: Doc/Res	\$75,426	\$57,554	\$60,086	\$61,000	\$34,626	\$60,959	42	5
	CUPA-DRU	\$74,453	\$60,546	\$57,754			\$51,510	64	
	ISU (Avg if N>1)	\$70,629		\$52,510				4	
51.0911	Radiographic Science								
	No data available								
51.0912	Physician Assistant								
	Okla: Res-VH		\$99,796	\$66,482			\$72,034	6	2
	Okla: Res-H	\$94,730	\$46,920	\$62,704		\$54,231	\$62,616	8	2
	Okla: Doc/Res			\$47,688		\$44,957	\$46,778	3	1
	(no data) CUPA-DRU								
	ISU (Avg if N>1)	\$57,283	\$63,136	\$54,097		\$53,182		10	
51.1005	Clinical Laboratory Science/Medical Technology/Technology								
	Okla: Res-VH	\$67,204	\$77,197	\$58,207		\$49,294	\$65,721	14	2
	Okla: Res-H	\$79,567	\$66,971	\$59,919		\$49,500	\$64,368	10	2
	(no data) Okla: Doc/Res								
	(no data) CUPA-DRU								
	ISU (Avg if N>1)	\$57,583		\$48,541				3	
51.1500	Mental and Social Health Services and Allied Profession						\$59,802	13	2
	Okla: Res-VH	\$90,818	\$60,664	\$53,770	\$54,245		\$80,229	10	3
	Okla: Res-H	\$97,295	\$69,523	\$66,560		\$68,459	\$54,546	6	2
	Okla: Doc/Res	\$86,431	\$49,397	\$48,645		\$44,759			
	(no data) CUPA-DRU								
	ISU (Avg if N>1)	\$65,939	\$51,095	\$43,841				9	
51.1600	Nursing - Registered Nurse Training (RN, ASN, BSN, MSN)								
	Okla: Res-VH	\$99,471	\$75,084	\$60,426	\$62,949	\$49,680	\$68,543	924	26
	Okla: Res-H	\$88,982	\$66,696	\$58,176	\$53,865	\$49,310	\$64,678	420	20
	Okla: Doc/Res	\$85,688	\$57,921	\$49,521	\$48,082	\$45,604	\$51,624	48	2
	CUPA-DRU	\$80,389	\$66,271	\$54,419	\$58,051	\$45,470	\$55,762	524	
	ISU (Avg if N>1)	\$64,251	\$52,151	\$45,392				23	

BUSINESS AFFAIRS AND HUMAN RESOURCES
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51.2000	Pharmacy, Pharmaceutical Sciences, and Administration								
	Okla: Res-VH	\$119,669	\$81,892	\$68,686	\$68,893	\$44,583	\$89,167	885	23
	Okla: Res-H	\$90,313	\$70,490	\$63,675	\$62,545	\$53,349	\$74,614	209	7
	Okla: Doc/Res	\$85,010	\$63,149	\$64,747	\$68,550		\$69,413	4	1
	(no data) CUPA-DRU								
	ISU (Avg if N>1)	\$81,305	\$67,837	\$60,944				11	
51.2001	Pharmacy (PharmD USA PharmD, BS/Bpharm Canada)								
	Okla: Res-VH	\$120,523	\$81,878	\$68,314	\$68,370	\$44,583	\$88,305	715	22
	Okla: Res-H	\$90,401	\$70,490	\$63,675	\$62,545	\$53,349	\$74,568	208	7
	(no data) Okla: Doc/Res								
	(no data) CUPA-DRU								
	ISU (Avg if N>1)	\$70,151	\$66,411	\$64,619		\$54,067		28	
51.2200	Public Health, General								
	Okla: Res-VH	\$116,744	\$79,522	\$66,629	\$63,994	\$59,647	\$90,919	387	17
	Okla: Res-H	\$99,325	\$76,352	\$60,102	\$64,500	\$45,241	\$73,971	45	5
	Okla: Doc/Res	\$75,180	\$62,525	\$51,783	\$48,750	\$36,054	\$60,836	35	6
	CUPA-DRU	\$91,131	\$62,839	\$55,585	\$54,848	\$36,076	\$55,585	108	
	ISU (Avg if N>1)								
51.2306	Occupational Therapy/Therapist								
	Okla: Res-VH	\$99,754	\$65,490	\$60,162	\$60,000	\$60,773	\$68,340	24	5
	Okla: Res-H	\$84,481	\$72,777	\$56,365	\$60,194		\$64,028	26	3
	Okla: Doc/Res		\$58,299	\$49,785		\$51,000	\$55,182	16	1
	(51.23) CUPA-DRU	\$79,812	\$62,883	\$55,601	\$53,005	\$49,465	\$59,242	197	
	ISU (Avg if N>1)		\$56,056	\$47,745				5	
51.2308	Physical Therapy/Therapist								
	Okla: Res-VH	\$106,548	\$78,735	\$67,187		\$59,837	\$80,741	69	9
	Okla: Res-H	\$84,661	\$70,187	\$58,561	\$55,591	\$57,001	\$66,355	48	6
	Okla: Doc/Res	\$65,026	\$58,363	\$44,060	\$45,324		\$52,274	13	1
	(51.23) CUPA-DRU	\$79,812	\$62,883	\$55,601	\$53,005	\$49,465	\$59,242	197	
	ISU (Avg if N>1)	\$70,434	\$58,926	\$47,530				8	
52.0200	Business Administration and management, General								
	Okla: Res-VH	\$155,283	\$116,545	\$110,831	\$112,745	\$60,154	\$125,701	1,253	41
	Okla: Res-H	\$122,010	\$98,852	\$94,029	\$98,828	\$52,642	\$100,029	548	31
	Okla: Doc/Res	\$96,602	\$88,323	\$79,800	\$95,251	\$47,180	\$84,705	173	12
	CUPA-DRU	\$96,320	\$84,830	\$82,101	\$85,529	\$46,664	\$82,396	231	
	ISU (Avg if N>1)								
52.0300	Accounting								
	Okla: Res-VH	\$155,962	\$123,276	\$126,517	\$130,638	\$61,837	\$126,525	590	37
	Okla: Res-H	\$128,718	\$103,268	\$106,453	\$111,302	\$49,152	\$109,201	364	31
	Okla: Doc/Res	\$107,726	\$92,898	\$89,697	\$100,000	\$51,688	\$93,297	116	13
	CUPA-DRU	\$106,942	\$92,960	\$94,758	\$109,278	\$46,774	\$102,681	233	
	ISU (Avg if N>1)	\$95,068	\$79,414	\$51,315				9	
52.0800	Finance, General								
	Okla: Res-VH	\$165,946	\$131,917	\$138,726	\$136,209	\$72,453	\$142,771	472	35
	Okla: Res-H	\$135,819	\$107,661	\$110,708	\$115,420	\$58,752	\$117,494	239	24
	Okla: Doc/Res	\$105,125	\$95,589	\$91,811	\$97,100	\$42,715	\$98,046	98	12
	CUPA-DRU	\$110,738	\$96,111	\$93,698	\$92,279	\$45,985	\$104,405	168	
	ISU (Avg if N>1)	\$89,876	\$85,966	\$80,350				5	

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

52.1200	Management Information Systems, General								
	Okla: Res-VH	\$148,761	\$109,749	\$96,193	\$84,521	\$69,645	\$113,283	196	13
	Okla: Res-H	\$123,711	\$96,242	\$93,707	\$88,320	\$48,175	\$102,350	167	16
	Okla: Doc/Res	\$99,531	\$86,377	\$85,964	\$93,989	\$43,809	\$87,842	101	10
	CUPA-DRU	\$101,198	\$92,192	\$89,845		\$44,866		160	
	ISU (Avg if N>1)	\$83,891	\$85,183	\$81,607		\$43,822		9	
52.1300	Management Science, General								
	Okla: Res-VH	\$148,616	\$111,007	\$112,121	\$110,039	\$65,751	\$123,515	239	15
	Okla: Res-H	\$116,640	\$97,797	\$101,208	\$100,999	\$37,975	\$104,317	46	6
	Okla: Doc/Res	\$98,455	\$82,507	\$79,084		\$57,500	\$89,487	16	4
	(no data) CUPA-DRU								
	ISU (Avg if N>1)	\$85,608	\$84,448	\$75,982		\$46,592		12	
52.1400	Marketing/Marketing Management, General								
	Okla: Res-VH	\$150,425	\$115,039	\$110,393	\$110,405	\$62,829	\$123,431	397	33
	Okla: Res-H	\$121,392	\$95,934	\$97,022	\$104,258	\$51,769	\$101,367	281	24
	Okla: Doc/Res	\$104,416	\$90,613	\$86,328	\$95,072	\$43,381	\$88,861	101	10
	CUPA-DRU	\$102,729	\$92,651	\$86,826	\$91,696	\$42,393	\$70,881	175	
	ISU (Avg if N>1)	\$85,965	\$86,445			\$68,260		5	
54.0100	History, General								
	Okla: Res-VH	\$101,366	\$66,949	\$54,903	\$54,364	\$38,964	\$77,485	1,548	48
	Okla: Res-H	\$83,972	\$60,641	\$48,157	\$46,638	\$37,247	\$64,625	679	36
	Okla: Doc/Res	\$82,159	\$57,666	\$50,162	\$47,723	\$38,607	\$61,074	246	15
	CUPA-DRU	\$79,521	\$57,514	\$48,105	\$46,146	\$37,883	\$67,401	375	
	ISU (Avg if N>1)	\$69,429	\$47,653	\$41,142				8	
60.0218	Family Medicine								
	Okla: Res-VH	\$147,990	\$132,080	\$110,383	\$109,073	\$87,561	\$116,197	123	4
	(no data) Okla: Res-H								
	(no data) Okla: Doc/Res								
	(no data) CUPA-DRU								
	ISU (Avg if N>1)	\$146,046	\$100,506	\$95,105				9	

Comparison Groups	Professors	Associate Professors	Assistant Professors	New Asst. Professors	Instructors/Lecturers	All Ranks	No. of Faculty	No. of Institutions
All Disciplines - Average Without Medical (MD, DO, DDS) Disciplines								
Okla: Res-VH	\$112,554	\$76,893	\$66,945	\$64,747	\$45,235	\$89,007	65,596	57
Okla: Res-H	\$94,003	\$68,608	\$59,037	\$58,530	\$40,370	\$72,614	23,923	36
Okla: Doc/Res	\$84,810	\$66,271	\$54,879	\$54,050	\$39,749	\$65,724	7,153	15
CUPA-DRU	\$83,533	\$65,193	\$54,908	\$52,471	\$41,822	\$66,676	7,643	
ISU (Avg if N>1)	\$68,370	\$55,711	\$48,669		\$39,083		492	
ISU as % OK Doc/Res:	80.62%	84.07%	88.68%	0.00%	98.32%	0.00%		
ISU as % OK Res-H:	72.73%	81.20%	82.44%	0.00%	96.81%	0.00%		

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BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

FY 2009 BUDGET REQUEST

Institution / Agency: Idaho State University

Agency #: 513

Decision Unit / Line Item:

Rank: 2 of 5

Category: Infrastructure-Occupancy Costs

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Occupancy Costs for the Rendezvous and Meridian Building

FTP:

Gen	\$493,400	Fed	\$	Ded/Other	\$	Total	\$493,400
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How connected to institution/agency strategic plan:

- Goal 1 — Access: Continue to provide access to opportunities that maximize student success and learning by offering relevant programs and services to meet student needs (SBOE Main Goals: Access and Relevancy)
- Goal 2 — Learning: Provide an effective and efficient learning environment that serves students of varied ages, abilities, needs, and backgrounds. (SBOE Main Goals: Quality and Relevancy)

Description:

This request for occupancy consists of two facilities.

\$423,500 is the amount need to fully fund the occupancy costs for the Rendezvous Center (\$623,500 cost less the \$200,000 funded for FY08)

Item 2 is for the Meridian Facility that will be purchased and refurbished during FY08. This request of \$69,900 is for 8% of the total occupancy cost of approximately \$873,700 (Estimated occupancy June 09). Legislative approval per State Statute 33-3805A was obtained by the 2007 Legislative Session HCR 030.

BUSINESS AFFAIRS AND HUMAN RESOURCES
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FY 2009 BUDGET REQUEST

Institution / Agency: Idaho State University

Agency #: 513

Decision Unit / Line Item: 12.02

Rank: 3 of 5

Category: Operating Support

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Concurrent Enrollment Offset/School District Affiliate Faculty

FTP:

Gen	\$849,800	Fed	\$	Ded/Other	\$	Total	\$849,800
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How connected to institution/agency strategic plan:

Nationwide, interest in concurrent enrollment (the opportunity for secondary students to obtain post-secondary credit while still in secondary institutions) is strong and growing. Concurrent enrollment tuition is typically much lower than regular tuition rates. If there is not sufficient demand to fully sustain the high school side of a potential concurrent enrollment class, the additional college side tuition is unlikely to make the course viable overall. Shortages of qualified instructors, particularly in Science, Technology, Engineering, and Mathematics (STEM) disciplines and in small school districts pose another set of problems for expanding concurrent enrollment. Over time, offsetting concurrent enrollment fees and supporting faculty affiliations will result in closer partnering between ISU and secondary institutions throughout the state, allowing a much greater pool of qualified secondary teachers to be developed as concurrent enrollment instructors. This request is one of ISU's highest line item budget request priorities because it impacts every one of the strategic goals articulated in ISU's current strategic plan, as follows:

Goal 1 — Access: Continue to provide access to opportunities that maximize student success and learning by offering relevant programs and services to meet student needs (SBOE Main Goals: Access and Relevancy)

Goal 2 — Learning: Provide an effective and efficient learning environment that serves students of varied ages, abilities, needs, and backgrounds. (SBOE Main Goals: Quality and Relevancy)

Goal 3 — Research: Conduct research consistent with the state, regional, and national public service missions and the University's undergraduate and graduate programs. (SBOE Main Goals: Quality and Relevancy)

Goal 4 — Service: Provide quality educational services to support economic development, continuing education, and access to University-sponsored training clinics, facilities, and events. (SBOE Main Goals: Quality, Access, and Relevancy)

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Goal 5 — Faculty: Hire and retain a faculty that sustains a high quality learning environment through effective teaching, productive scholarship, and useful public service.

(SBOE Main Goals: Quality and Relevancy)

Goal 6 — Support: Manage University resources to provide appropriate staff and support while maintaining a high quality learning environment. (SBOE Main Goals: Quality, Access, Efficiency)

Description:

This request consists of two primary sections: actual offset funding for existing concurrent enrollment courses, and expansion funding to allow closer faculty affiliations between school district concurrent enrollment faculty and the ISU academic departments which house and support them. The funding request for offsetting the expenses of existing concurrent enrollment courses will allow ISU to further develop concurrent enrollment academic programming and offer it to a much broader range of high schools in school districts across Idaho, both in existing face-to-face formats and in newly developed and emerging online formats. The offset formula used to calculate the amount of \$699,800 is based on the actual count of 4,697 credit hours offered through concurrent enrollment in FY07, calculated at a rate of \$65 per credit hour, against a regular per credit hour fee of \$214. The funding request for support of school district concurrent enrollment faculty as affiliate faculty in their home departments at ISU is based on \$75,000 for additional concurrent faculty instructional stipends and training stipends, as well as a further \$75,000 for training and development (including travel within the state to and from their home sites).

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FY 2009 BUDGET REQUEST

Institution / Agency: Idaho State University

Agency #: 513

Decision Unit / Line Item: 12.03

Rank: 4 of 5

Category: New/Expanded Programs

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Center for Advanced Energy Studies / ISU Biomedical Research Institute

FTP: 7.0

Gen	\$1,556,300	Fed	\$	Ded/Other	\$	Total	\$1,556,300
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How connected to institution/agency strategic plan:

The Center for Advanced Energy Studies (CAES) collaborative between the Idaho National Laboratory (INL), Idaho State University, University of Idaho, and Boise State University represents a vital effort to integrate cutting-edge energy studies in the ISU College of Engineering with national interests being developed at the INL. Idaho State University has also created the interdisciplinary ISU Biomedical Research Institute (IBRI) embracing the latest advances in biomedical engineering, biotechnology, nanotechnology, neuroscience and bioinformatics and bio-signaling research & development in medicine, biology, and healthcare. We are developing the framework by exploiting the synergistic interactions among the existing scholarly resources within the ISU campus as well as drawing upon the State's biomedical and biotechnology industry and other segments of interdisciplinary biomedical research within the State of Idaho to further enhance and fulfill the mission and vision of this Institute. Thus, through the interdisciplinary activities of IBRI, we seek to strengthen ISU's position as the lead institution in Idaho for the health professions. The institute is comprised of researchers in three focus areas: Behavioral & Neuroscience, Bio-Signaling & Communications and Functional Genomics and Biotechnology. Based on several strategic planning sessions and discussions, we believe that it is timely and opportune to establish a group of interdisciplinary researchers on ISU campus to focus their joint efforts on the important themes of bioengineering, biomedical engineering, bioinformatics, bio-signaling, medical informatics, and drug discovery. Research and teaching efforts centered on CAES and IBRI further the following strategic goals, as articulated in ISU's current strategic plan:

- Goal 1 — Access: Continue to provide access to opportunities that maximize student success and learning by offering relevant programs and services to meet student needs (SBOE Main Goals: Access and Relevancy)
- Goal 2 — Learning: Provide an effective and efficient learning environment that serves students of varied ages, abilities, needs, and backgrounds. (SBOE Main Goals: Quality and Relevancy)
- Goal 3 — Research: Conduct research consistent with the state, regional, and national public service missions and the University's undergraduate and graduate programs.
- (SBOE Main Goals: Quality and Relevancy)

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- Goal 5 — Faculty: Hire and retain a faculty that sustains a high quality learning environment through effective teaching, productive scholarship, and useful public service.
- (SBOE Main Goals: Quality and Relevancy)

Description:

\$705,400 of this line item budget request will support Nuclear Engineering and Computer Science accreditation activities in support of INL/CAES missions in nuclear engineering and modeling & simulation research and graduate education. Personnel costs include 50% state support for current Nuclear Engineering faculty, including a Chair of Nuclear Engineering. Faculty are currently paid through non-state funds. (7 faculty @ 50% of FY08 salaries = 3.5 FTE; adjunct faculty to support delivery of NE program in Idaho Falls and Pocatello. Additional personnel costs include a faculty position for the Computer Science program, adjunct faculty to deliver CS programming in Pocatello and Idaho Falls, and a change in the College's Associate Dean position from a 10-month contract to a 12-month contract to support increased research activity in Idaho Falls.) This request also includes the following operating expenditures: travel to support professional development and program delivery; materials and supplies; startup funds for faculty.

\$810, 900 of this line item request will provide expanded financial resources, such that the already existing groups of interested scientists/engineers/health professionals can further expand their membership and develop their efforts and strategies to attain the short- and longer-term goals. Specifically, this request includes funding for 7.0 FTEs, as follows: 0.5 FTE for the IBRI Director; 4.0 research faculty, new positions (2 in neuroscience, 1 each in self-signaling and genomics); 1.0 Administrative Assistant 1; 0.5 Network Technician; 1.0 Microscopy Technician. The request also includes \$50,000 of funding for faculty research release time, and \$108, 000 for funding six Graduate Assistantships. The IBRI Director will continue to organize and manage the ISU INBRE program. The four research faculty positions are focused on achieving critical mass in the three research focus areas. These individuals will commit 100% effort to research and will develop competitive, independently funded research programs. The administrative assistant will have the primary responsibility of assisting the Director in coordinating all programs and activities of the IBRI. The Network Technician will serve as a systems administrator for the IBRI computer network and interfacing the Institute and the ISU Bioinformatics network. The duties will include maintaining the Institute server system, assessing and obtaining software, and assisting IBRI researchers in the network to enhance their hardware facilities and software. The Microscopy Technician will supervise and coordinate all activities of the ISU Biological Imaging Center. This individual will be trained in all aspects of the operation and maintenance of light and fluorescent microscopes available in this shared core Center available to all researchers at ISU. Collaborative projects are currently underway, and this individual will be responsible for facilitating additional collaborative projects. The faculty release funds will be used to support IBRI faculty release time from teaching to allow for more time to conduct research in pursuit of extramural funding. These funds will be used to support

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five IBRI researchers on a competitive basis. Six assistantships will be available for graduate student training in IBRI research laboratories. Awards will be competitive and ordinarily for a four year period, after which it is expected that students will be funded through IBRI investigator-initiated awards. In the event that the major professor has a lapse in funding, the IBRI will assure that assistantships will be provided to complete the student's Ph.D. degree program.

\$40,000 of this line item budget request will support the purchase of Web of Science journal services for ISU's Oboler Library to support the research efforts in these two research institutes. Web of Science is a major resource for research. ISU is the only library in the Intermountain region that lacks it.

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FY 2009 BUDGET REQUEST

Institution / Agency: Idaho State University

Agency #: 513

Decision Unit / Line Item: 12.04

Rank: 5 of 5

Category: New/Expanded Programs

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Health Education Initiative

FTP: 19.0

Gen	\$1,948,600	Fed	\$	Ded/Other	\$	Total	\$1,948,600
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How connected to institution/agency strategic plan:

As the SBOE-designated lead institution of higher education for the health professions in Idaho, the Health Education Initiative groups five educational programs into an integrated initiative aimed at furthering ISU's abilities to continue meeting the health education needs of the State of Idaho.

The need to address the nursing shortage and faculty shortage is well documented in Idaho and the country. ISU is poised to respond to the demand for professional nurses, nurse specialists, nurse educators and researchers with the addition of faculty and staff to support the above-mentioned program enhancements. Additional support requested is for senior, PhD prepared faculty to develop doctoral education in Idaho - a critical step to address faculty shortages. Increasing Fast Track options for second degree students to the BS option will increase the number of BS prepared nurses into the workforce in one year rather than the usual time of (3) years. Initiating doctoral education in Idaho will provide both accessible and cost-effective education to prepare nurse faculty. The ISU School of Nursing and the ADRN Program in the College of Technology are the only organizations with the experience and knowledge to lead in responding to meeting the future health care needs of Idaho citizens by increasing enrollment in the ADRN program, the Fast Track option and to begin doctoral education. If additional faculty, staff and resources are not funded, enrollment cannot be increased to meet current and future critical needs for a highly educated nursing workforce. ISU's expansion of the Nursing programs in the Kasiska College of Health Professions and the College of Technology is consistent with the institution's health-professions driven strategic planning.

The Department of Dental Hygiene offers unique programs in Idaho and nationwide which provide quality educational experiences for undergraduate and graduate dental hygiene students. The programs' goal is to provide residents of Idaho and the nation with access to outstanding dental hygiene education. ISU's expansion of these programs is consistent with the institution's health-professions driven strategic planning. Similarly, ISU's expansion of the Clinical Laboratory Sciences Program Boise is

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consistent with the institution's health-professions driven strategic planning, as is the expansion of the Counseling Program's PhD degree to Boise.

ISU's College of Pharmacy offers the Doctor of Pharmacy degree, a four-year professional doctorate, preceded by at least two years of pre-pharmacy academic studies. All students complete their first and second year on the Pocatello campus. Currently, about 40% of our students spend their third academic year studying at the ISU campus in Boise. Students may complete their fourth year at our clinical sites in Idaho (Boise, Pocatello, Coeur d'Alene) or at our site in Reno Nevada. ISU's expansion of the Doctor of Pharmacy degree in Meridian is consistent with the institution's health-professions driven strategic planning.

Research and teaching efforts centered on the Health Education Initiative also further the following Goals, as articulated in ISU's current strategic plan:

- Goal 1 — Access: Continue to provide access to opportunities that maximize student success and learning by offering relevant programs and services to meet student needs (SBOE Main Goals: Access and Relevancy)
- Goal 2 — Learning: Provide an effective and efficient learning environment that serves students of varied ages, abilities, needs, and backgrounds. (SBOE Main Goals: Quality and Relevancy)
- Goal 3 — Research: Conduct research consistent with the state, regional, and national public service missions and the University's undergraduate and graduate programs.
(SBOE Main Goals: Quality and Relevancy)
- Goal 4 — Service: Provide quality educational services to support economic development, continuing education, and access to University-sponsored training clinics, facilities, and events. (SBOE Main Goals: Quality, Access, and Relevancy)
- Goal 5 — Faculty: Hire and retain a faculty that sustains a high quality learning environment through effective teaching, productive scholarship, and useful public service.
(SBOE Main Goals: Quality and Relevancy)

Description:

\$680,000 of this budget request includes the faculty, staff and operational resources required to: 1) add a BS Fast Track option on the Pocatello campus, 2) add (2) FTE senior level graduate faculty to develop the PhD and DNP doctoral nursing education programs, and 3) add a WebMaster and technical support to assist students, faculty and staff with online, Moodle, IT and statistical needs as all programs are offered online and/or with a variety of instructional technologies. The request is for ongoing addition to the base. \$25,000 is also requested to support additional communications, travel and materials and supplies for additional faculty and staff. This request also includes funding for the ISU College of Technology to expand the ADRN program and to educate more nurses in an effort to help alleviate the nursing shortage. This portion of the request will fund two additional faculty members to meet the demands of ever-

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increasing enrollments in the program, especially for individuals who want to transition from a paramedic career to the ADRN program and for part-time students.

\$266,000 of this request is for funds to continue the Master of Science in Dental Hygiene degree program that was started with federal funding three years ago. There are 27 students in the program. Six of these students are new enrollees for the fall. There are other potential students for Fall and Spring enrollment. One FTE faculty member and .5 staff position along with one graduate assistantship are being requested. Currently Dean Hatzenbuehler is funding the 1 FTE director/faculty member at \$68,700. No funding is currently in the base. Only 11 other programs of this nature exist and this program is one of two online programs. It is the only MSDH program in the West. The program develops dental hygiene educators, public health hygienists, dental hygienists who work in community settings, researchers, and those who are eligible to work within the private dental/dental hygiene industry. Basically, graduates are prepared to work in all facets of dental hygiene and related fields other than practice in a private dental office. This request also includes funding to expand the dental hygiene BS program by 4 students who will be educated in the Idaho Falls dental hygiene portion of the clinic and laboratory on the EITC campus. The personnel needs are 1 FTE equivalent for clinic education and laboratory setting teaching to maintain faculty student ratios that compare to the ISU Main campus. The FTE equivalency includes dental hygienists and dentists to educate and supervise the clinic care. Also, a .5 staff is needed to work in the clinic as a receptionist and coordinator for scheduling of patients, accounting, etc. No funding is currently devoted to this endeavor. Four new students will be admitted to the dental hygiene class for the Bachelor of Science degree program. Number of applicants for the program is healthy and the students admitted would receive preference if located in the region adjacent to Idaho Falls. The program for these four students would match the on campus program in Pocatello. Dentists and dental hygienists are requesting a program in this area; therefore, the impact is to graduate more students who are qualified to enter the workforce, especially in the Idaho Falls area.

\$321,000 of this request is for a new faculty position for the Clinical Laboratory Sciences Program and additional program resources. This position will occupy space in the new ISU Health Sciences Center in Meridian, ID. These personnel resources, as well as additional operating and capital outlay resources, include necessary laboratory infrastructure and start up for research. The funding requested is for General Fund ongoing funding and is consistent with the current emphasis on increasing the availability of health education in the Boise area, and is necessary to meet increased enrollment in Clinical Laboratory Sciences in Meridian, Idaho and surrounding rural areas. If this request is not funded ISU will not be able to offer the Clinical Laboratory Sciences curriculum to students in the fastest growing area in the state.

\$290,000 of this request is to expand the Counseling Ph.D. program to Boise. The State Board approved this expansion Spring 2007. In order to offer this degree in the Treasure Valley, the Department of Counseling needs to expand its resident faculty. The money requested will pay for three additional faculty (one AOP/P and two AP), two

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graduate assistants, and one half-time secretary. To implement this request, all the positions are needed. However, if this funding were implemented over 2 or 3 years, the faculty positions would be needed in the first year.

\$390,000 of this request is to begin the implementation of offering the full four years of the professional program leading to the Doctor of Pharmacy degree in the Treasure Valley. Once the program is fully operational, 40 students per class will be admitted to each campus in Treasure Valley and Pocatello. This reflects a total program increase of 80 students over the 4 years or 25%. The funding for these positions will come from ISU tuition fees that are generated. The College of Pharmacy's current staffing level and funding to teach the professional program is adequate for the current enrollment of 60 students per year. Other salaries for additional faculty and staff and other expenses for this expansion will come from student professional fees. An associate dean and two faculty positions are requested. These are necessary to implement the full four years of the professional program leading to the Doctor of Pharmacy degree in the Treasure Valley. The expenses are for salaries of \$120,000 for the associate dean and \$90,000 for each of the faculty members. This is congruent with the salaries for similar positions with College of Pharmacy peers and for faculty members with the appropriate rank. The College has already secured funding for the facility to house this program through a donation by The ALSAM Foundation. The "Sam Skaggs Pharmacy Complex" will be housed within the future Idaho State University Health Sciences Building. Additional costs should be covered by increases in the amount of professional fees generated from the new students. Eighty new students will be served. Additionally, this plan will better utilize existing faculty resources and available clinical practice sites needed for introductory pharmacy practice experiences. More globally, the citizens of Idaho will be better served in that additional opportunities will be available to residents to obtain a pharmacy education and consequently there will be additional pharmacists. There is currently a nationwide shortage of pharmacists. The Idaho Department of Commerce and Industry conservatively estimates over the next 10 years there will be a demand for 80 pharmacists per year in Idaho. Other economists have placed this number closer to 120 when considering retirement demographics of current practicing pharmacists in Idaho.

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FY 2009 BUDGET REQUEST

Institution / Agency: University of Idaho

Agency #: 514

Decision Unit / Line Item: 12.01

Rank: 1 of 6

Category: Salary Enhancements

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title:

FTP:

Gen \$4,443,000 Fed \$ Ded/Other \$ Total \$4,443,000

How connected to institution/agency strategic plan:

This request specifically addresses the *Organization, Culture, and Climate Goal* of the University of Idaho's strategic plan by enabling it to attract and retain excellent faculty and staff to carry out the other three goals of the plan which are: *Teaching and Learning, Scholarly and Creative Activity, and Outreach and Engagement*.

Description:

The University of Idaho had the lowest percentage increase (3.96%) for total wages and fringe benefits from FY 2002 through FY 2005 of all its peer institutions per the National Center for Education Statistics. The mean four year increase was 12.77% and the high was 29.78%.

Faculty salary averages for FY 2006 comparing the University of Idaho with its seventeen peer institutions are:

Faculty Rank	University of Idaho	Peer Median	Peer High
Assistant Professor	\$54,340	\$59,555	\$ 65,426
Associate Professor	\$62,957	\$68,059	\$ 80,891
Professor	\$82,366	\$88,476	\$110,571

Salary enhancements of 5% would enable the University of Idaho to be more competitive when attracting faculty and staff thereby improving the instruction, research, and publish service functions of the institutions.

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National Center for Education Statistics

Trend Report

Faculty and staff

Average salary equated to 9-month contracts of full-time instructional faculty - professors

Unit Id	Institution Name	2004	2005	2006
188030	New Mexico State University-Main Campus	74,444	72,635	71,891
106458	Arkansas State University-Main Campus	68,188	70,673	72,463
180461	Montana State University-Bozeman	68,978	73,929	77,165
230728	Utah State University	74,928	76,611	81,753
142285	University of Idaho	71,427	75,385	82,366
209542	Oregon State University	79,510	80,069	84,823
155399	Kansas State University	80,538	83,777	87,262
240727	University of Wyoming	82,535	82,308	87,755
209551	University of Oregon	83,659	88,222	88,476
207388	Oklahoma State University-Main Campus	79,325	79,916	88,792
236939	Washington State University	83,158	88,801	92,516
106397	University of Arkansas Main Campus	84,514	88,768	94,007
126818	Colorado State University	88,977	93,345	95,963
229115	Texas Tech University	90,552	93,036	97,010
153603	Iowa State University	93,283	95,413	99,661
104179	University of Arizona	95,879	102,106	107,025
171100	Michigan State University	101,854	105,891	110,233
182290	University of Nevada-Reno	100,234	104,098	110,571

BUSINESS AFFAIRS AND HUMAN RESOURCES
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National Center for Education Statistics

Trend Report

Faculty and staff

Average salary equated to 9-month contracts of full-time instructional faculty - associate professors

Unit Id	Institution Name	2004	2005	2006
188030	New Mexico State University-Main Campus	60,719	61,703	58,665
106458	Arkansas State University-Main Campus	57,603	57,625	59,756
180461	Montana State University-Bozeman	55,211	59,589	60,581
209551	University of Oregon	58,977	63,219	62,110
230728	Utah State University	56,412	58,999	62,722
142285	University of Idaho	57,930	58,322	62,957
209542	Oregon State University	62,588	62,978	64,877
240727	University of Wyoming	62,383	64,307	66,952
207388	Oklahoma State University-Main Campus	61,864	63,217	68,059
155399	Kansas State University	63,098	66,103	68,063
229115	Texas Tech University	64,761	67,566	68,695
106397	University of Arkansas Main Campus	63,036	65,066	69,785
236939	Washington State University	62,472	66,572	69,943
126818	Colorado State University	66,222	70,138	72,061
153603	Iowa State University	70,570	72,138	73,385
104179	University of Arizona	67,232	71,001	74,317
171100	Michigan State University	73,724	76,449	79,158
182290	University of Nevada-Reno	73,538	75,929	80,891

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

National Center for Education Statistics

Trend Report

Faculty and staff

Average salary equated to 9-month contracts of full-time instructional faculty - assistant professors

Unit Id	Institution Name	2004	2005	2006
188030	New Mexico State University-Main Campus	51,871	51,851	49,963
106458	Arkansas State University-Main Campus	47,281	49,732	50,912
180461	Montana State University-Bozeman	48,470	51,876	52,667
142285	University of Idaho	48,600	50,923	54,340
155399	Kansas State University	54,526	55,994	56,516
230728	Utah State University	51,901	54,492	57,353
229115	Texas Tech University	54,870	57,007	57,651
106397	University of Arkansas Main Campus	54,563	53,449	58,541
126818	Colorado State University	55,015	57,813	59,555
209551	University of Oregon	54,354	57,078	59,825
240727	University of Wyoming	58,933	57,333	59,984
236939	Washington State University	57,587	60,602	60,601
209542	Oregon State University	54,901	58,947	61,763
171100	Michigan State University	59,699	60,206	61,834
207388	Oklahoma State University-Main Campus	53,968	55,139	61,883
182290	University of Nevada-Reno	55,834	57,318	63,081
153603	Iowa State University	59,639	61,889	64,528
104179	University of Arizona	59,755	61,829	65,426

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National Center for Education Statistics

Trend Report

Public institutions - GASB 34/35

Total operating expenses - Salaries wages

Unit Id	Institution Name	2002	2003	2004	2005	Difference	% Change
106458	Arkansas State University-Main Campus	60,056,834	59,892,891	62,682,956	59,336,517	(720,317)	-1.20%
142285	University of Idaho	137,967,102	135,134,632	134,723,758	138,794,381	827,279	0.60%
230728	Utah State University	169,916,180	173,141,870	178,760,308	174,625,141	4,708,961	2.77%
126818	Colorado State University	303,853,000	318,604,298	324,843,193	326,180,056	22,327,056	7.35%
207388	Oklahoma State University-Main Campus	200,756,092	202,868,668	210,573,141	215,736,682	14,980,590	7.46%
153603	Iowa State University	357,781,545	366,447,074	389,733,792	386,216,827	28,435,282	7.95%
188030	New Mexico State University-Main Campus	168,508,942	174,195,148	183,948,906	183,666,883	15,157,941	9.00%
209542	Oregon State University	226,184,339	235,090,231	236,240,777	246,710,988	20,526,649	9.08%
236939	Washington State University	289,299,469	295,712,769	307,216,025	319,922,176	30,622,707	10.59%
180461	Montana State University-Bozeman	112,461,996	122,242,262	125,602,920	125,998,186	13,536,190	12.04%
106397	University of Arkansas Main Campus	199,648,527	180,862,558	213,309,194	223,779,285	24,130,758	12.09%
104179	University of Arizona	530,843,000	550,979,000	571,320,000	599,204,000	68,361,000	12.88%
229115	Texas Tech University	183,174,012	190,864,026	196,820,366	211,730,688	28,556,676	15.59%
155399	Kansas State University	217,034,922	238,101,435	239,709,327	251,215,449	34,180,527	15.75%
209551	University of Oregon	165,054,181	181,383,775	190,279,688	194,683,828	29,629,647	17.95%
182290	University of Nevada-Reno	182,664,376	199,099,599	208,734,131	220,449,846	37,785,470	20.69%
171100	Michigan State University	497,948,860	509,527,655	631,648,500	612,146,487	114,197,627	22.93%
240727	University of Wyoming	126,251,043	141,912,365	146,165,113	155,670,246	29,419,203	23.30%

BUSINESS AFFAIRS AND HUMAN RESOURCES
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FY 2009 BUDGET REQUEST

Institution / Agency: University of Idaho

Agency #: 514

Decision Unit / Line Item: 12.02

Rank: 2 of 6

Category: New/Expanded Programs

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title:

FTP:

Gen	\$1,000,000	Fed	\$	Ded/Other	\$	Total	\$ 1,000,000
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How connected to institution/agency strategic plan:

This request addresses the *Outreach and Engagement Goal* of the University of Idaho Strategic Action Plan by engaging the three Idaho universities, the federal government and the Idaho National Laboratory in collaborative research, policy, and educational activities.

Description:

One million dollars in recurring funding is requested to build the research, policy, and educational capabilities of the Center for Advanced Energy Studies (CAES). Specifically eight (8) research active faculty members, two (2) senior technician positions, a full-time Associate Director, and Administrative Support will be recruited and hired over a period of four years with the balance of the requested recurring funding being used for research equipment, computer infrastructure, and furnishing for the CAES Building. The costs presented are based on FY2008 estimates and have not been escalated for future years. Specifically the faculty members will support the energy research mission of CAES and will include

- a) Three (3) nuclear scientists/engineers (hired by the College of Engineering in FY2008 and supported on a federal initiative),
- b) Energy Geoscientist (College of Science; recruited in FY2009 and hired in FY2010),
- c) Biofuels/Bioenergy Scientist or Engineer (College of Agriculture and Life Sciences; recruited in FY2009 and hired in FY2010),
- d) Natural Resource/Water-Energy Scientist or Policy Expert (College of Natural Resources; recruited in FY2009 and hired in FY2010)
- e) Energy Law Professor (College of Law; recruited in FY2010 and hired in FY2011), and

BUSINESS AFFAIRS AND HUMAN RESOURCES
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- f) Carbon Management Scientist (College of Science, College of Natural Resources, or College of Agriculture and Life Sciences; recruited in FY2010 and hired in FY2011)

These faculty members will be hired by their respective colleges on academic year appointments, support for six month per year on this request, and spend at least part of the year in the new 55,000 sq. ft. CAES research building located in Idaho Falls (expected completion summer of 2008). These hires will also be supported through CAES joint appointments with the Idaho National Laboratory (INL) for the remainder (three months) of their academic appoints and on grants and contracts for the summers. In addition to above the faculty members, two technicians (supported half time by this request and half time by grants and contracts), a full time administrative support person (hired in FY2010), and a full-time CAES associate director (hired in FY 2012 to replace the part-time director currently funded by the Idaho National Laboratory) will also be hired. Funds also requested support furnishing and equipping the CAES building, specifically

- a) Office furnishing for the 12 permanent Faculty and Staff and 24 graduate students (FY2009)
- b) Research equipment purchases (FY2009, FY2010, and 2011)
- c) Equipment maintenance agreements and equipment renewals (ongoing)
- d) Desk top computers and renewals (ongoing)

Budget request by year and category are provided in the attached spreadsheet.

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University of Idaho

Request for recurring State Funding for the Center for Advanced Energy Studies (Rounded to Thousands)

Base Salaries from 2006-07 Academic Year Market Salaries Survey for 100% Market Level, Associate Professor in appropriate disciplines. (Oklahoma State University Faculty Salary Study). Fringe calculated as 23% of Base Salary plus \$7.5K							Request (\$K)			
	Position	Appointment (9mo/12mo)	Base Salary	Fringe	Salary plus Fringe	Fraction of Salary	FY2009	FY2010	FY2011	FY2012 and beyond
1	Nuclear (Material Science)	9	\$ 86.37	\$27.37	\$113.74	0.67	\$ 76.20	\$ 76.20	\$ 76.20	\$ 76.20
2	Nuclear (Mechanical Engineering)	9	\$ 86.10	\$27.30	\$113.40	0.67	\$ 75.98	\$ 75.98	\$ 75.98	\$ 75.98
3	Nuclear (Chemical Engineering)	9	\$ 86.90	\$27.49	\$114.39	0.67	\$ 76.64	\$ 76.64	\$ 76.64	\$ 76.64
4	Energy Geoscientist	9	\$ 70.52	\$23.72	\$ 94.24	0.67		\$ 63.14	\$ 63.14	\$ 63.14
5	Energy - Natural Resources	9	\$ 63.60	\$22.13	\$ 85.73	0.67		\$ 57.44	\$ 57.44	\$ 57.44
6	BioEnergy	9	\$ 93.36	\$28.97	\$122.33	0.67		\$ 81.96	\$ 81.96	\$ 81.96
7	Energy Law	9	\$101.31	\$30.80	\$132.11	0.67			\$ 88.52	\$ 88.52
8	Carbon Management	9	\$ 75.89	\$24.96	\$100.85	0.67			\$ 67.57	\$ 67.57
9	CAES Assoc. Director	12	\$160.16	\$44.34	\$204.50	1				\$ 204.50
10	Technician (1)	12	\$ 41.60	\$17.07	\$ 58.67	0.5	\$ 29.33	\$ 29.33	\$ 29.33	\$ 29.33
11	Technician (2)	12	\$ 41.60	\$17.07	\$ 58.67	0.5			\$ 29.33	\$ 29.33
12	Administrative Assistant	12	\$ 31.20	\$14.68	\$ 45.88	1		\$ 45.88	\$ 45.88	\$ 45.88
Total Labor							\$ 258.15	\$ 506.57	\$ 691.99	\$ 896.49
CAES Furniture [\$5K per permanent Faculty/Staff (12), \$2.5K per graduate student (24)]							\$ 120.00			
Desk Top Computing Renewal (12 per year at \$2.5K each)							\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00
Capital Equipment							\$ 556.69	\$ 402.83	\$ 204.50	
Maintenance/Renewal of Capital Equipment (6.32% of total value)							\$ 35.16	\$ 60.60	\$ 73.51	\$ 73.51
Total Request							\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00

BUSINESS AFFAIRS AND HUMAN RESOURCES
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FY 2009 BUDGET REQUEST

Institution / Agency: University of Idaho

Agency #: 514

Decision Unit / Line Item: 12.03 and 12.04

Rank: 3&4 of 6

Category: Maintenance/Infrastructure/Occupancy Costs

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title:

FTP:

Gen	\$5,003,500	Fed	\$	Ded/Other	\$	Total	\$ 5,003,500
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How connected to institution/agency strategic plan:

Maintaining the physical infrastructure is one key to achieving all facets of the University of Idaho's strategic plan by allowing for a welcoming physical environment from which the work done to advance the goals may be completed. The four goals of the 2006 – 2010 strategic plan are:

- Teaching and Learning
- Scholarly and Creative Activity
- Outreach and Engagement
- Organizational, Culture, and Climate

Ongoing maintenance and repair of the physical infrastructure will protect the state's previous investment as well as will benefit the students, employees, and public who utilize these assets.

Description:

The University of Idaho is requesting additional funding for FY 2009 for facilities maintenance and repairs to assist in addressing the degradation of the physical infrastructure. The adequate maintenance and repair of the physical infrastructure is a critical component in providing support for the instructional, research and outreach missions of the University. Deferred maintenance needs at the University of Idaho exceed \$200,000,000. The University administration is working on a plan to fund some of the deferred maintenance through the issuance of bonds. However, deferred maintenance needs will continue to grow if funds are not forthcoming to address the ongoing maintenance and repair of our physical infrastructure. Funds requested for maintenance and repair are (see attached detail):

Personnel costs	\$ 808,300
Operating expenses	\$1,000,000
Capital Outlay	<u>\$ 2,191,700</u>
Total	\$ 4,000,000

In addition, the University of Idaho is requesting funding for occupancy costs for a building that was changed from auxiliary space to general education space in FY 2007 as well as for space that was not funded in prior years in the amount of \$1,003,500. These funds will be used to fund personnel, operating, and utilities costs for general education space.

BUSINESS AFFAIRS AND HUMAN RESOURCES
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Facility Maintenance Programs
DU 12.03

				22.50%	\$ 7,482		
Positions to staff maintenance programs:				Fringe	Health	Fr Ben	Total
	FTE	PyGrd	Salary Est.	Benefits	Insur	Total	Costs
1 L'scape Irrigation Tech	1.00	G	32,000	7,200	7,482	14,682	46,682
2 Chilled Wtr Engr Intern	1.00	NFE2	45,000	10,125	7,482	17,607	62,607
3 Recycle/Surp/SW Tech	1.00	E	26,000	5,850	7,482	13,332	39,332
4 Electrician	1.00	J	42,000	9,450	7,482	16,932	58,932
5 GIS Analyst/Tech	1.00	K	45,700	10,283	7,482	17,765	63,465
6 Landscape Tech 2	1.00	E	26,000	5,850	7,482	13,332	39,332
7 Landscape Tech 2	1.00	E	26,000	5,850	7,482	13,332	39,332
8 Landscape Tech 2	1.00	E	26,000	5,850	7,482	13,332	39,332
9 Team Clean Spec	1.00	C	21,000	4,725	7,482	12,207	33,207
10 CADD Drafter	1.00	H	36,000	8,100	7,482	15,582	51,582
11 Interiors Tech	1.00	H	36,000	8,100	7,482	15,582	51,582
12 Senior Energy Engineer	1.00	NFE2	60,000	13,500	7,482	20,982	80,982
13 Team Clean Spec	1.00	C	21,000	4,725	7,482	12,207	33,207
14 Executive Assistant	1.00	J	42,000	9,450	7,482	16,932	58,932
15 Interiors Project Mgr	1.00	I	38,700	8,708	7,482	16,190	54,890
16 Commun/Web Tech	1.00	I	38,700	8,708	7,482	16,190	54,890
Pers Costs	16.00		562,100	126,473	119,712	246,185	808,285
Operating Expenses							
Repair and Maintenance Services							820,000
Technical Services							10,000
Fuel and Lubricants							20,000
Repair and Maintenance Supplies							100,000
Institutional/Residential Supplies							10,000
Specific Use Supplies							30,000
Miscellaneous Expenditures							10,000
Total Operating Expenses							1,000,000
Capital Outlay							
Buildings and Improvements							1,491,700
Computer Equipment							30,000
Motorized Equipment							100,000
Office Equipment							10,000
Specific Use Equipment							60,000
Site Developments							500,000
Total Capital Outlay							2,191,700
Budget Request Total for DU 12.04							4,000,000

BUSINESS AFFAIRS AND HUMAN RESOURCES
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FY 2009 BUDGET REQUEST

Institution / Agency: University of Idaho

Agency #: 514

Decision Unit / Line Item: 12.04

Rank: 5 of 6

Category: Expanded Programs

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Graduate Assistantships

FTP:

Gen	\$1,300,000	Fed	\$	Ded/Other	\$	Total	\$1,300,000
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How connected to institution/agency strategic plan:

This request specifically addresses the *Organization, Culture, and Climate Goal* and the *Teaching and Learning Goal* of the University of Idaho's strategic plan by enabling the University to attract competent and qualified graduate students to the University of Idaho.

Description:

Supplements to 300 teaching assistantships are needed to enhance stipends. UI ranks 30th among 30 peer public universities. This request would allow us to attain the median stipend amount. UI's low stipends make it difficult to recruit competitive graduate students in almost every discipline. With the enhancement, we would recruit more competitively and enroll more of the students we accept, enhancing the quality of our graduate student population. This would directly benefit both undergraduate students and the faculty being assisted.

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FY 2009 BUDGET REQUEST

Institution / Agency: University of Idaho

Agency #: 514

Decision Unit / Line Item: 12.05

Rank: 6 of 6

Category: Expanded Programs

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Northern Idaho Faculty Positions

FTP: 6.5

Gen	\$497,000	Fed	\$	Ded/Other	\$	Total	\$497,000
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How connected to institution/agency strategic plan:

This request addresses the following goals in the University of Idaho's Strategic Action Plan:

Teaching and Learning – This request will help the University meet objectives of building and sustaining innovative curricula as well as developing integrative activities in the learning process and to build alliances within and outside the university to enrich our teaching.

Scholarly and Creative Activity – This request will help the University promote an environment that increases faculty engagement in interdisciplinary scholarship and emphasizes scholarly and creative activities that support the University's strategic themes.

Outreach and Engagement – This request will help the University engage all sectors through enhancing public education in science, math, and education and by supporting research efforts in northern Idaho.

Description:

The University of Idaho is requesting funding to support hiring faculty to support a set of initiatives aimed at increasing our ability to serve Northern Idaho in critical areas and to provide the state of Idaho with increased numbers of professionals in high need areas. The impact of this will be immediate and substantive, bringing improved higher education opportunities to the North Idaho Panhandle in the delivery of education, research and outreach services.

BUSINESS AFFAIRS AND HUMAN RESOURCES
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FY09 Faculty Funds Requests for Northern Idaho

College	Position	Amount	Fringe	Total	Location
Computer Science	FTE Assistant Professor	\$80,000	\$25,500	\$105,500	Coeur d' Alene
College of Natural Resources	FTE GeoSpatial Extension Specialist	\$35,000	\$15,375	\$50,375	Sandpoint
College of Education	FT Asst Prof C&I - Math Ed	\$55,000	\$19,875	\$74,875	Coeur d' Alene
College of Education	FT Asst Prof C&I - Generalist/Science	\$55,000	\$19,875	\$74,875	Coeur d' Alene
College of Education	PT Asst Prof ACTE - STEM				Coeur d'
College of Education	Education	\$27,500	\$13,688	\$41,188	Alene/Moscow
College of Education	FT Asst Prof Special Education	\$55,000	\$19,875	\$74,875	Coeur d' Alene
College of Education	FT Asst Prof Outdoor Education	\$55,000	\$19,875	\$74,875	Coeur d' Alene/Moscow
		<u>\$362,500</u>	<u>\$134,063</u>	<u>\$496,563</u>	

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BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

FY 2009 BUDGET REQUEST

Institution / Agency: Lewis-Clark State College

Agency #: 511

Decision Unit / Line Item: 12.01

Rank: 1 of 4

Category: Salary Enhancement

Title: Employee Compensation

FTP: -0-

Gen	\$1,996,100	Fed	\$	Ded/Other	\$	Total	\$1,996,100
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How connected to institution/agency strategic plan:

Fair wages are essential in order to recruit and retain competent faculty/staff to deliver quality programs to our students. A significant gap exists for many LCSC employees between their current salary and market salaries at comparable institutions. This request closes 78% of the gap.

Description:

Recruiting and retaining highly qualified faculty and staff will benefit all of Idaho's citizens by improving the instruction, research and public service functions of the college.

In general, retention and recruitment success will yield greater employee productivity while reducing expenditures for recruitment, moving expenses, start-up and training.

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FY 2009 BUDGET REQUEST

Institution / Agency: Lewis-Clark State College

Agency #: 511

Decision Unit / Line Item: 12.02

Rank: 2 of 4

Category: New/Expanded Programs

Title: Nursing & Health Science Faculty

FTP: 8.55

Gen	\$620,600	Fed	\$	Ded/Other	\$	Total	\$620,600
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How connected to institution/agency strategic plan:

This request is for nine new faculty positions (8.55 FTE) to support the expanded Nursing and Health Science programs at Lewis-Clark State College as part of the Governor's initiative.

Description:

Nine faculty positions, 8 full-time and 1 part-time (8.55 FTE), annual salaries range from a low of \$45,000 to a high of \$54,450 based upon specific duties and responsibilities plus benefits.

Additional operating funds in the amount of \$36,000 for the costs associated with establishing and maintaining 8.55 new positions.

All of the citizens of Idaho will be the beneficiary of this request by increasing the number of nurses/health professionals in the state.

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FY 2009 BUDGET REQUEST

Institution / Agency: Lewis-Clark State College

Agency #: 511

Decision Unit / Line Item: 12.03

Rank: 3 of 4

Category: New/Expanded Programs

Title: Nursing Program Equipment

FTP: -0-

Gen	\$605,800	Fed	\$	Ded/Other	\$	Total	\$605,800
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How connected to institution/agency strategic plan:

This request is for one-time equipment needed to support the Nursing and Health Science programs associated with the new \$16 million Health Science facility under construction at Lewis-Clark State College. This one-time equipment request complements LCSC's ongoing personnel and programmatic request in support of the Governor's initiative to address the health professional shortage.

Description:

This request covers 164 items, (e.g. microscopes, IV units, EKG machines) that are not part of the fixtures and equipment of the new building.

All of the citizens of Idaho will be the beneficiary of this request by increasing the number of nurses/health professionals in the state.

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FY 2009 BUDGET REQUEST

Institution / Agency: Lewis-Clark State College

Agency #: 511

Decision Unit / Line Item: 12.04

Rank: 4 of 4

Category: New/Expanded Programs

Title: Indian Center

FTP: 4.0

Gen	\$264,600	Fed	\$	Ded/Other	\$	Total	\$264,600
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How connected to institution/agency strategic plan:

This request seeks permanent funding to maintain the American Indian Center for Educational Excellence that was originally established and implemented with federal grant funds. The Center is a multi-faceted program predominantly aimed to assist LCSC Native American and non-Native students seeking higher education training and program degrees. In addition to providing academic, vocational and personal counseling services to LCSC students, the Center actively recruits American Indian students throughout the Northwest and provides intensive retention assistance programs to enhance student success.

Description:

- 1 - Director of Center: \$57,500.00 estimated annual salary, 12 month full-time contract with benefits, availability 7/1/2008
- 2 - Academic Counselor: \$39,500 estimated annual salary, 12 month full-time contact with benefits, availability 7/1/2008
- 3 - Office Assistant II: \$20,500 classified staff with pay grade 30; 10 month full-time contract with benefits, availability 8/15/2008
- 4 - Educational Retention Specialist: \$30,500 estimated annual salary, 10 month full-time contract with benefits, availability 8/1/2008
- 5 - Lab assistants, irregular help, part-time with no benefits, hourly as needed, availability 9/1/2008

Travel - \$22,500 for recruitment & retention

Operating Funds - \$15,000 to facilitate regional workshops

Supplies - \$5,000

No capital items are requested

Predominately American Indian students will be served, along with non-Indian students seeking college training, certification and advance degrees. Expected outcomes include stronger support systems for said students leading to more effective retention and graduation rates, with subsequent impact upon Idaho, specifically the five Idaho tribal reservations.

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Line Items: Community Colleges

Line Items for the Community Colleges are summarized on page 2.

The summary lists the page number where the detail, supporting documentation can be found for each Line Item.

MOTION

A motion to approve for final development the following specific budget Line Items for the Community Colleges (College of Southern Idaho, North Idaho College, and College of Western Idaho) (list items below):

- 1.
- 2.
- 3.
- 4.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

Community Colleges
Fiscal Year 2009 Line Items
 Grouped by College in Priority Order

			FTP	General	Other Funds	Total
1	FY 2008 Appropriation		644.53	23,587,700	33,353,800	\$ 56,941,500
2						
3	Institution/Priority/Line Item	Detail Page				
4	College of Southern Idaho					
5	1 New/Expanded Programs: Rural Math/Science Dual Credit & College Prep	3	3.00	276,700		276,700
6	2 New/Expanded Programs: Online Program Development and Quality Control	5	1.00	226,300		226,300
7	North Idaho College					
8	1 New/Expanded Programs: Joint Program Development with Community Colleges of Spokane	7	1.00	115,000		115,000
9	2 Salary Enhancement	8		553,000		553,000
10	3 Maintenance/Infrastructure: Upgrading Campus Technology to Minimum Standards	11		307,500		307,500
11	College of Western Idaho					
12	1 Placeholder for FY09 State Appropriation	13				
13	Total Line Items		5.00	1,478,500	-	\$ 1,478,500
14	Percentage of FY 2008 Appropriation		0.78%	6.27%	0.00%	2.60%

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AUGUST 9-10, 2007

FY 2009 BUDGET REQUEST

Institution / Agency: College of Southern Idaho

Agency #:

Decision Unit / Line Item: Rural Math/Science Dual Credit Rank: 1 of 1

Category: Expanded Programs

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Rural Math/Science Dual Credit & College Prep

FTP: 3.0

Gen \$ 276,700 Fed \$ 0 Ded/Other \$ 0 Total \$ 276,700

How connected to institution/agency strategic plan:

The request fits with the CSI strategic plan of utilization of resources. Dual credit students have access to higher education courses and programs at a reduced fee.

The request also fits the strategic plan of partnering with local high schools, by increasing access to affordable education for all students. Idaho ranks low in the percentage of high school graduates who transition to college.

The newly accepted high school graduation requirements for Math and Science will be difficult for most of the smaller rural school districts to meet. This solution will assist the high school districts in offering the appropriate courses for graduation.

By attending Dual Credit classes while still in high school, the student can save money, increase readiness for college campus classes, and increase their chance of success in college overall.

Description:

Funding is requested for the expansion of Dual Credit offerings in Math and Science to rural high schools. This funding will be utilized to supplement existing high school resources in providing qualified, highly trained staff to teach both on site and internet based math and science courses to high school students.

Math courses offered would range from basic math to college algebra to calculus. The mission will be to prepare students to enter college with a solid foundation in Math and, if they so choose, Dual Credits. Science courses will focus upon from basic biology, Physics, and chemistry that will prepare the student for college level laboratory classes.

This pilot program will be offered to eight small rural schools that are in need of this type of program.

BUSINESS AFFAIRS AND HUMAN RESOURCES
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Initial personnel needs will be for three full time faculty. These faculty will provide instruction on site to each school at various times during the semester and provide a variety of instructional methods in the course delivery. Individual Education Plans will be prepared for each student and cohort learning groups established to the extent possible. We also are asking for funding to pay school districts for the monitoring of students, assistance with plan development and student achievement.

Personnel costs for faculty are estimated at \$37,000 each plus benefits of \$17,400 which would be \$54,400 per faculty member. The cost for three faculty would be \$163,200.

Equipment will have to be purchased for each high school offering science courses which would include a laboratory experience. Depending upon space available, this may involve upgrading existing equipment or developing labs on or off site. The initial request is to provide funding for three labs at \$25,000 per lab for a total of \$75,000. Three lap top computers for faculty at approximately \$1,500 each will also be needed.

Travel expenses of approximately \$10,000 are expected which will include mileage and meals. Monitoring payments to school districts are estimated at \$3,000 per district per year which would be \$24,000.

As a part of this program, CSI will also work with transitioning students into college and utilizing various existing grants that assist students with tuition and college costs.

The total estimated cost of this decision unit is \$163,200 for personnel, \$79,500 for equipment and \$34,000 for operating expenses for a total of \$276,700.

Number of students we estimate we will serve is dependent on the number of high schools that are served. The increased high school graduation requirements in Math and Science make this especially acceptable to the local high school districts. The first year we estimate that over 300 junior and senior high school students will participate in the Math and Science offerings from the College of Southern Idaho.

Success will be measured in several ways. First students will meet the Math and Science requirements for high school graduation. Secondly, more students will transition to college programs. Thirdly, students who complete the Dual Credit Math and Science courses will be better prepared for college programs and will show greater retention and graduation or completion rates.

BUSINESS AFFAIRS AND HUMAN RESOURCES
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FY 2009 BUDGET REQUEST

Institution / Agency: College of Southern Idaho

Agency #:

Decision Unit / Line Item: Online Program Development

Rank: 2 of 2

Category: Expanded Programs

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Online Program Development and Quality Control

FTP: 1.0

Gen	\$ 226,300	Fed	\$ 0	Ded/Other	\$ 0	Total	\$ 226,300
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How connected to institution/agency strategic plan:

The request fits within the CSI strategic plan by addressing access, quality, and utilization of resources. Online learning opportunities provide access to higher education courses and programs at an affordable price without the cost of transportation or child care, and without interfering with work schedules or requiring relocation. CSI serves a large population of non-traditional students who work full-time or part-time and have family responsibilities. Online courses provide any-time anywhere access to higher education for students who cannot attend traditional face-to-face courses.

Description:

While we currently offer over 100 online courses, demand for online offerings continues to grow. Online sections fill up very quickly and students are asking for more courses and programs to be provided online. Although we have been expanding our online offerings, we need to take these offerings to the next level. We are requesting funding to expand these offerings into complete online programs.

Quality and branding are extremely important for online courses. Currently, we depend upon individual faculty members and student evaluations for quality control. With more courses offered and a wider range of faculty teaching these courses, there is a need for standardization and for implementing a formal, more centralized quality assurance program.

We are requesting funding to employ the services of a nationally recognized organization that utilizes an inter-institutional online learning quality assurance system built on a peer-based approach to quality assurance and continuous improvement of online courses and programs. The subscription will provide access to a valid, reliable and nationally recognized set of quality indicators and review criteria based on the research literature and published accreditation standards. The service also includes training and professional development for CSI faculty, as well as independent peer course reviews. Courses that meet the review criteria become recognized as meeting established quality standards. The assessment process will allow us to highlight

BUSINESS AFFAIRS AND HUMAN RESOURCES
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exemplary online courses and provide an opportunity for our faculty to learn from each other. The estimated start-up cost for this evaluation and standardization program is \$75,000.

As a second part of this expansion, we have found that we need to hire an Instructional Designer for our online courses. This person will assist faculty with the design and development of effective and engaging online courses consistent with sound instructional design principles and based on a thorough understanding of online learning environments and learning theory; provide training in universal design, accessibility issues, as well as effective online facilitation techniques; evaluate online course materials provided by textbook publishers and other organizations; and work on quality assurance. The estimated cost for an Instructional Design position is \$55,000 plus benefits of \$21,300 for a total of \$76,300.

The third part of this request for expansion is funds for the development of new online courses that will allow CSI to offer more fully online programs. Currently we offer the Para-Educator and Early Childhood Education programs online. Several of our programs offer online elements (e.g. Nursing, Paramedic), but they are not fully online programs. We also have at least one online option under every general education general area. Nevertheless, there is a growing need to increase online course offerings, online general education options, and fully online programs. We would like to offer Liberal Arts, English, Library and Information Science, Business, Computer Science, Psychology, and some health sciences degrees online. We are requesting \$75,000 to pay existing faculty to help develop these courses while they maintain their existing loads (be the content experts and work closely with the Instructional Designer). Upon completion of the course development, these courses will be offered as a part of a faculty member's regular load.

Success will be measured in several ways. First we will be able to document the wider use of online courses that will provide greater access to students. Secondly, we will be offering a certified course that will let students know that standards have been met. Thirdly, expansion of offerings into programs will provide a cost-efficient method for some students to get their education.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007**

**North Idaho College
Program Line Item Requests for FY 09**

New Program Development

Request Priority 1 of 3

Joint Program Development with Community Colleges of Spokane

Today's rapidly changing society, workplace, and population requires that education programs work closely with the communities they serve to provide high quality, state-of-the-art training. Idaho will continue to be one of the nation's fastest growing states over the next quarter century, with the major growth contributor being people over 64. The nearly 150 percent increase in those 65 and older ranks Idaho as seventh among all the states, and underscores health care as a major policy issue in the state.

North Idaho College seeks to provide educational opportunities in the health professions to address the growing needs of our community. The College also seeks to cultivate an environment that supports innovation and creativity through partnerships that build program and financial capacity.

North Idaho College is requesting monies to explore and develop program partnerships with Spokane Community College in order to build program and financial capacity by leveraging complementary resources and avoiding duplicative initiatives. Our initial efforts will focus on Cardiovascular Technician and Dental Technician programming. These efforts will result in new career pathways for our students and represent a fiscally sound method of increasing service to our community.

FY09 Requests		Budget
Personnel Services—1.0 FTE Salary	\$50,000	
Employee Benefits at 27%	\$13,500	
Personnel Total		\$63,500
Program Development		\$10,000
Printed Materials		\$8,000
Program Facilities Rental		\$33,500

Total Budget Necessary for Project.....\$115,000

North Idaho College

Program Line Item Requests for FY 09

Salary Equity

Request Priority 2 of 3

A study conducted in 2007 by the Human Resources Department at North Idaho College determined that a significant lag exists between the salaries of its faculty and staff compared with other agencies to which NIC is losing several quality employees. While efforts were made for the 2008 fiscal year to bring salaries up to alignment with the market, there was only so much that could be done with the limited funding available for this endeavor. As a result of 2008 adjustments, some positions were brought somewhat closer to the established market levels. However, despite increases provided, faculty and staff members still fall short.

Below is an overview of the situation faced by some NIC employee groups. North Idaho College requests money to be granted this next year to assist in bringing salaries up to market to ensure the ability to attract, retain and motivate the best instructors for Idaho's schools.

Faculty

Over the past several years, North Idaho College has recognized an ongoing lag in the salaries paid to its instructors compared to other community colleges in the region. While the issue of community college teacher salary lag is not limited to NIC (Newsom, 2004), this creates an acute challenge to hiring, retaining and motivating employees. Many colleges are feeling the impact of tight salaries. Several colleges have recently felt a similar impact as they are faced with a full compliment of students, but without a full compliment of instructors due to low salaries (Hare, 2005). North Idaho College is now feeling the same effect with more resignations taking place in the 2006-07 year than ever before among its faculty members, with salaries being the primary reason for most departures.

Area comparators, including Community Colleges of Spokane, have focused on increasing salaries for faculty over the past 10 years to ensure competitiveness to help attract and retain top instructors (Sanderson, 1997). While NIC has attempted to bring salaries up over past years, the salaries still lag significantly to other schools to which instructors are lost due to wages. Even with the current 2007-08 increases to instructor pay, today's adjusted wages will need an additional 12% to bring NIC instructors to equity with comparators' figures from last year. This does not take into account any adjustments that they would have had this year.

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It is requested that North Idaho College be granted funding to provide an increase to the base pay for full-time faculty members as part of a 3-year effort to bring instructor salaries in line with those of direct comparators. It is presumed that a three-year process to bring salaries in line with that of the established market will help to ease the currently high rate of attrition among full-time faculty members. North Idaho College is committed to a longer-term solution rather than seeking a quick fix that would place far too much burden on taxpayers in any given year. An increase for instructor salaries would provide a longer-term solution and help to retain the best instructors within Idaho institutions.

Staff

While efforts have been made to adjust salaries for staff to bring them to a competitive level with other comparators, NIC staff faculties still lag in their salaries compared to others. Due to the differing nature of each position, and their relationships to other agencies and organizations, it is challenging to use a straight comparison of just how far behind NIC is to its comparators in staff positions. However, it has become clear through the study that while some positions can be considered “at market”, there are still several positions that lag the market due to increased duties placed within a job, seniority in the position, and other factors that contribute to this lag.

It is requested that North Idaho College be granted funding to provide an increase to the base pay for staff members as part of a 3-year effort to bring instructor salaries in line with those of direct comparators. It is anticipated that a three-year process to bring salaries in line with that of the established market will help to ease the currently high rate of attrition among staff members.

Request

A request of \$553,000 is made to cover salaries and related benefits increases, and to make necessary adjustments to faculty and staff positions as outlined within this request. This represents the current year’s efforts in a 3-year effort to address the significant lag in faculty and staff salaries.

Total Budget Necessary for Project.....\$553,000

References

Hare, M.G. (2005, Feb. 2). County boosts funding for CCC to help school hire, retain teachers; Officials increase support for college to \$5.6 million. *The Sun*, 4B.

Newsom, J. (2004, Jun 17). Tuition may rise for local students; N.C. community college faculty are close to the lowest paid in the nation, making hiring difficult. *Greensboro News Record*, B1.

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Sanderson, W. (1997, Oct. 15). Community college raise plan raises hackles union members are voting this week on complicated wage proposal. *Spokesman Review*, A1.

North Idaho College
Program Line Item Requests for FY 09

Improving Infrastructure

Request Priority 3 of 3

Upgrading Campus Technology to Minimum Standard

North Idaho College has partially equipped 98 of 146 classrooms for media presentations using readily available technology, including projectors, internet-attached computers, and audio/video players. Rooms have had lighting, screens, and furniture added to make it easy for faculty and students to use the technology for teaching and learning.

While the processes and services to acquire and support the use of teaching technology have improved, there is still a lack of systematic equipping to protect the investments, lower operating costs, and further improve use.

A “baseline” reset of the classroom technology is needed to bring all appropriate classrooms to a minimum campus standard. The following benefits would be achieved:

1. Provide the capability to use presentation technology in all classrooms where required.
2. Improve facility efficiency by creating flexibility in assigning classrooms.
3. Allow technology classrooms to begin a replacement funding rotation for equipment.
4. Lower the per room cost to acquire expensive equipment.
5. Lower the per room cost to support those using equipment.

NIC is requesting funding for \$615,000 over a two-year span to equip all classrooms to the campus minimum standard.

Classrooms assessed against the standard classroom minimum. All items with useful life will continue to be used. Classrooms that will not be used for student or instructor presentations are marked “dry” and are included in the total but will not be equipped or included in equipment rotations.

Note: Includes classrooms on Coeur d'Alene Campus, Workforce Training, Ramsey Technical Building and Outreach Centers. Excludes general computer labs, U of I rooms in Molstead, AEC on Lakeside and Welding Tech.

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Model to fund NIC Classrooms to the “Baseline” Technology Standard

FY09 Requests	Number of Classrooms	Cost per Classroom	Budget
Classrooms that currently are “Dry” (no technology) and will remain without	25	-0-	-0-
Classrooms that currently are at or above minimum standard	32	-0-	-0-
Classrooms that currently have nothing and need standardization	23	\$12,000	\$276,000
Classrooms that currently are at 50% and need to be brought to standard	47	\$6,000	\$282,000
Classrooms that currently are at 75% and need to be brought to standard	19	\$3,000	\$57,000

Total Budget Necessary for Project.....\$307,500

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FY 2009 BUDGET REQUEST

Institution / Agency: College of Western Idaho

Agency #:

Decision Unit / Line Item: 12.01

Rank: 1 of 1

Category: New/Expanded Programs

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Placeholder: FY 2009 General Fund Appropriation

FTP:

Gen	\$ 0	Fed	\$ 0	Ded/Other	\$ 0	Total	\$ 0
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Description:

The trustees of the new community college district for the College of Western Idaho (CWI) are preparing a budget request which will be submitted to the Division of Financial Management (DFM) and the Legislative Budget Office for the FY 2009 State budget development process. DFM has granted an extension to CWI to submit their budget request information.

By approving this line item, the State Board of Education is alerting the DFM and LSO that a budget request from the CWI will be submitted even though the amount of the request was not known at the August Board meeting. Once the budget has been submitted, the Board may make a formal approval at a separate Board meeting.

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Line Items: Agricultural Research and Extension Service

Line Items for the Agricultural Research and Extension Service is summarized on the next page.

The detail, supporting documentation for this Line Item can be found on page 2.

MOTION

A motion to approve for final development the following specific budget Line Items for Agricultural Research and Extension Service:

1. Salary Enhancement: \$1,220,500 (\$1,211,000 General Funds, \$9,500 Federal Funds)
2. Full-Time 4-H Program Coordinator Positions: \$169,600 (General Funds)
3. University of Idaho Center for Bioenergy Research, Development and Outreach: \$150,000 (General Funds)

Moved by _____ Seconded by _____ Carried Yes _____ No _____

BUSINESS AFFAIRS AND HUMAN RESOURCES
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University of Idaho Ag Research and Extension
Fiscal Year 2009 Line Items
Grouped by Program in Priority Order

		FTP	General	Other Funds	Total
1	Program/Priority/Line Item				
2	Ag Research Extension				
3	FY 2008 Appropriation	370.46	27,665,700	5,021,900	32,687,600
4	1 Salary Enhancement 3		1,211,000	9,500	1,220,500
5	2 New/Expanded Programs: Full-Time 4-H Program Coordinator Positions 4	4.00	169,600		169,600
6	3 New/Expanded Programs: University of Idaho Center for Bioenergy Research, Development and Outreach 6	1.50	150,000		150,000
7	Total Line Items	5.50	\$ 1,530,600	\$ 9,500	\$ 1,540,100
8	Percentage of FY 2008 Appropriation	1.48%	5.53%	0.19%	4.71%

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FY 2009 BUDGET REQUEST

Institution / Agency: University of Idaho
Agricultural Research and Extension

Agency #: 514

Decision Unit / Line Item: 12.01

Rank: 1 of 3

Category: Salary Enhancements

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Salary Enhancements

FTP:

Gen \$1,211,000 Fed Ded/Other \$9,500 Total \$1,220,500

How connected to institution/agency strategic plan:

This request specifically addresses the *Organization, Culture, and Climate Goal* of the University of Idaho's strategic plan by enabling it to attract and retain excellent faculty and staff to carry out the other three goals of the plan which are: *Teaching and Learning, Scholarly and Creative Activity, and Outreach and Engagement*.

Description:

The University of Idaho had the lowest percentage increase (3.96%) for total wages and fringe benefits from FY 2002 through FY 2005 of all its peer institutions per the National Center for Education Statistics. The mean four year increase was 12.77% and the high was 29.78%.

Faculty salary averages for FY 2006 comparing the University of Idaho (including Agricultural programs) with its seventeen peer institutions are:

Faculty Rank	University of Idaho	Peer Median	Peer High
Assistant Professor	\$54,340	\$59,555	\$ 65,426
Associate Professor	\$62,957	\$68,059	\$ 80,891
Professor	\$82,366	\$88,476	\$110,571

Salary enhancements of 5% would enable the University of Idaho to be more competitive when attracting faculty and staff thereby improving the instruction, research, and publish service functions of the institutions.

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FY 2009 BUDGET REQUEST

Institution / Agency: University of Idaho

Agency #: 514

Agricultural Research and Extension

Decision Unit / Line Item: 12.02

Rank: 2 of 3

Category: New/Expanded Programs

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Full-Time 4-H Program Coordinator Positions

FTP: 4.0

Gen	\$169,616	Fed	\$	Ded/Other	\$	Total	\$169,616
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How connected to institution/agency strategic plan:

Outreach and Engagement Goal: Engage with the public, private and non-profit sectors through mutually beneficial partnerships that enhance teaching, learning, discovery, and creativity.

Description:

Background

Youth involved in 4-H perform better academically and are less likely to engage in high risk behaviors. A preliminary study suggests that ISAT reading scores also improve for youth participating in 4-H after school programs. Idaho's population is growing rapidly and additional Extension faculty and staff are needed to expand opportunities for more youth involvement in 4-H.

Current Situation

University of Idaho Extension responded to 2003 budget cuts by restructuring Extension operations at the county and district levels. The reorganization reflected recommendations made by UI Extension Advisory Board members from throughout Idaho and supporters of the 4-H/youth program. This action by UI Extension was designed to find new ways to serve Idaho's citizens effectively despite reduced faculty and staff resources.

UI Extension restructured the delivery of 4-H/youth programs. A three-year pilot program in ten counties across Idaho was initiated to hire Program Coordinators to maintain day-to-day operations and administration of 4-H programs, including recruiting and training volunteers, promoting 4-H in local communities, and organizing project evaluation and exhibit events. There is high clientele satisfaction with the 4-H Program Coordinator system, a strong team atmosphere among Program Coordinators and Extension Educators, and highly effective subject matter support for the 4-H program by Extension Educators.

BUSINESS AFFAIRS AND HUMAN RESOURCES
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Planned Activities

Based on the success and high clientele satisfaction, we wish to expand the number of 4-H Program Coordinator positions and request additional funding for four 4-H Program Coordinator positions. This funding will leverage county funds to create eight additional 4-H Program Coordinator positions throughout Idaho to maintain strong 4-H Youth Development programs, and allow expansion of the programs to more youth.

Salary and Fringe Benefits (4 FTP @ \$42,404/FTP)	<u>\$169,616</u>
Total	\$169,616

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AUGUST 9-10, 2007

FY 2009 BUDGET REQUEST

Institution / Agency: University of Idaho

Agency #: 514

Agricultural Research and Extension

Decision Unit / Line Item: 12.03

Rank: 3 of 3

Category: New/Expanded Programs and Operating Support

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: University of Idaho Center for Bioenergy Research, Development and Outreach

FTP: 1.5 FTP

Gen \$150,000 Fed \$ Ded/Other \$ Total \$150,000

How connected to institution/agency strategic plan:

Scholarly and Creative Activity Goal: Achieve excellence in scholarship and creative activity through an institutional culture that values and promotes strong academic areas and interdisciplinary collaboration among them.

Description:

Background

Three decades of research at the University of Idaho have provided the foundation of the modern biodiesel industry in the US and globally. More recently, UI research has made significant contributions toward developing feedstocks for bio-based ethanol production.

Current Situation

Current political and economic events have prompted planning for, or implementation of, biofuel production facilities in all regions of Idaho. UI researchers, located primarily in the Colleges of Agricultural and Life Sciences, Engineering, and Natural Resources, are routinely asked to provide technical and economic advice during the planning of these facilities.

Planned Activities

We plan to integrate UI biofuels expertise by establishing a Center for Bioenergy Research, Development, and Outreach (CBRDO). Center administration will be structured to promote resource integration and collaboration internally and externally. The CBRDO will be a one-stop, accessible entity to provide biofuel research, outreach and extension to Idaho citizens, and will provide expertise in biofuel technology, economics, social impacts and economic development, and environmental issues.

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Seed funding to implement the CBRDO will be provided by the UI colleges, departments, and the Idaho Agricultural Experiment Station. It is anticipated that, except for a modest operating budget, the center will be self-sustaining from grants and contracts. This request is for a portion of the basic operation which includes staffing, travel, and routine operating expenses as follows:

0.5 FTP Director Salary and Fringe Benefits	\$ 70,000
1.0 FTP Support Staff Salary and Fringe Benefits	\$ 45,000
Operating Expenditures (includes travel)	<u>\$ 35,000</u>
Total	\$150,000

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Line Items: Special Programs

Line Items for the Special Programs are summarized on the next page.

The summary on pages 2 and 3 lists the page number where the detail, supporting documentation can be found for each Line Item.

MOTION

A motion to approve for final development the following specific budget Line Items for the Special Programs, as shown on the next page:

1. Forest Utilization Research - Salary Enhancement: \$20,800 (General Funds)
2. Forest Utilization Research – Increasing Value of Idaho Forest Resources @ \$119,500 (General Funds)
3. Forest Utilization Research – Enhanced Policy Analysis @ \$105,000 (General Funds)“
4. Idaho Geological Survey - Salary Enhancement: \$36,000 (General Funds)
5. Idaho Geological Survey – Mission Capability Enhancement: \$169,500 (General Funds)
6. Idaho Geological Survey – Web site redesign and upgrade: \$23,000 (General Funds)
7. Idaho Geological Survey – Seismic monitoring stations: \$50,000 (General Funds)
8. Scholarships and Grants – Increase in various Scholarships: \$290,000 (General Funds)
9. Idaho Museum of Natural History - Salary Enhancement:: \$21,200 (General Funds)
10. Idaho Museum of Natural History - Increased Operating Support: \$111,700 (General Funds)
11. Idaho Small Business Development Centers - Mission Capability Enhancement: \$83,700 (General Funds)
12. Idaho Small Business Development Centers – Salary Competitiveness: \$12,500 (General Funds)
13. Idaho Council on Economic Education – Mission Capability Enhancement: \$22,500 (General Funds)
14. Idaho Council on Economic Education – Mission Economic Education Materials for Teachers and High School Seniors: \$20,000 (General Funds)
15. Tech Help - Growth Services/New Product Development Program: \$270,000 (General Funds)

Moved by _____ Seconded by _____ Carried Yes _____ No _____

BUSINESS AFFAIRS AND HUMAN RESOURCES
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Special Programs Summary
Fiscal Year 2009 Line Items
Grouped by Program in Priority Order

		FTP	General	Other Funds	Total
	Program/Priority/Line Item	Detail Page			
1	Forest Utilization Research				
2	FY 2008 Appropriation		5.75	626,600	626,600
3	1 Salary Enhancement	5		20,800	20,800
4	2 New/Expanded Programs: Increasing value of forest resources	6		119,500	119,500
5	3 New/Expanded Programs: Policy Analysis Enhancement	7		105,000	105,000
6	Total Line Items			224,500	224,500
7	Percentage of FY 2008 Appropriation		0.00%	35.83%	35.83%
8					
9	Idaho Geological Survey				
10	FY 2008 Appropriation		10.35	874,800	874,800
11	1 Salary Enhancement	9		36,000	36,000
12	2 New/Expanded Programs: Mission Capability Enhancement	10		169,500	169,500
13	3 Operating Costs: Web site redesign and upgrade	11		23,000	23,000
14	4 Operating Costs: Seismic monitoring stations (One-time)	12		50,000	50,000
15	Total Line Items			278,500	278,500
16	Percentage of FY 2008 Appropriation		0.00%	31.84%	31.84%
17					
18	Scholarships and Grants				
19	FY 2008 Appropriation			9,462,500	9,902,500
20	1 Various Scholarship Programs	13		290,000	290,000
21	Total Line Items			290,000	290,000
22	Percentage of FY 2008 Appropriation			3.06%	2.93%
23					
24	Idaho Museum of Natural History				
25	FY 2008 Appropriation		8.50	595,500	595,500
26	1 Salary Enhancement	15		21,200	21,200
27	2 Operating Costs: Increased Operating Support for the Idaho Museum of Natural History	17	1.40	111,700	111,700
28	Total Line Items		1.40	132,900	132,900
29	Percentage of FY 2008 Appropriation		16.47%	22.32%	22.32%
30					

BUSINESS AFFAIRS AND HUMAN RESOURCES
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Special Programs Summary
Fiscal Year 2009 Line Items
Grouped by Program in Priority Order

			FTP	General	Other Funds	Total
	Program/Priority/Line Item	Detail Page				
31	Idaho Small Business Development Centers					
32	FY 2008 Appropriation		19.32	302,700		302,700
33	1 New/Expanded Programs: Mission Capability Enhancement	19	1.00	83,700		83,700
34	2 Salary Enhancement	21		12,500		12,500
35	Total Line Items		1.00	96,200		96,200
36	Percentage of FY 2008 Appropriation		5.18%	31.78%		31.78%
37						
38	Idaho Council on Economic Education					
39	FY 2008 Appropriation			57,500		57,500
40	1 New/Expanded Programs: Mission Capability Enhancement	23		22,500		22,500
41	2 New/Expanded Programs: Economic Education Materials for Teachers and High School Seniors	24		20,000		20,000
42	Total Line Items			42,500		42,500
43	Percentage of FY 2008 Appropriation			73.91%		73.91%
44						
45	Tech Help					
46	FY 2008 Appropriation		5.00	176,200		176,200
47	1 New/Expanded Programs: Growth Services/New Product Development Program	25	3.00	270,000		270,000
48	Total Line Items		3.00	270,000		270,000
49	Percentage of FY 2008 Appropriation		60.00%	153.23%		153.23%
50						

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FY 2009 BUDGET REQUEST

Institution / Agency: Forest Utilization Research

Agency #: 516

Decision Unit / Line Item: 12.01

Rank: 1 of 3

Category: Salary Enhancements

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Salary Enhancements

FTP:

Gen \$20,800 Fed \$ Ded/Other \$ Total \$20,800

How connected to institution/agency strategic plan:

This request specifically addresses the *Organization, Culture, and Climate Goal* of the University of Idaho's strategic plan by enabling it to attract and retain excellent faculty and staff to carry out the other three goals of the plan which are: *Teaching and Learning, Scholarly and Creative Activity, and Outreach and Engagement*.

Description:

The University of Idaho had the lowest percentage increase (3.96%) for total wages and fringe benefits from FY 2002 through FY 2005 of all its peer institutions per the National Center for Education Statistics. The mean four year increase was 12.77% and the high was 29.78%.

Faculty salary averages for FY 2006 comparing the University of Idaho with its seventeen peer institutions are:

Faculty Rank	University of Idaho	Peer Median	Peer High
Assistant Professor	\$54,340	\$59,555	\$ 65,426
Associate Professor	\$62,957	\$68,059	\$ 80,891
Professor	\$82,366	\$88,476	\$110,571

Salary enhancements of 5% would enable the University of Idaho to be more competitive when attracting faculty and staff thereby improving the instruction, research, and publish service functions of the institutions.

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FY 2009 BUDGET REQUEST

Institution / Agency: Forest Utilization Research

Agency #: 516

Decision Unit / Line Item: 12.02

Rank: 2 of 3

Category: Expanded Programs

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Increasing value of forest resources

FTP:

Gen	\$119,500	Fed	\$	Ded/Other	\$	Total	\$119,500
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How connected to institution/agency strategic plan:

This request specifically addresses the *Outreach and Engagement Goal* of the University of Idaho's strategic plan by fostering local economic development and by contributing to the nation's energy self-sufficiency and security. In addition it addresses the *Teaching and Learning Goal* by giving students hands-on training and preparing them to be competitive in a global forest products economy.

Description:

Forest resource utilization contributes significantly to the economic well being of Idaho. To remain competitive, the industry needs to increase the value of the forest resource by enhanced utilization. The goal is to increase the competitive advantage of Idaho's forest products industry, foster local economic development and reduce forest fire risk through research programs that will improve yield and to utilize low grade trees and forest biomass for use in value added product by:

- Development of non-destructive analysis tools to grade trees and logs in order to improve yield and value in structural applications
- Create bio-fuels and wood based composites from forest residues

This will be accomplished through research, demonstration and hands-on training of student at the UI forest products laboratory.

The funding request in the decision unit will:

- Enable the university to address the growing need to prepare graduates with a level of skills and knowledge that equips Idaho and its citizens to be competitive in a global forest products economy
- Maintain specialized accreditation in Forest Products which is in line with the University's mission
- Reduce risk of wildfires through utilization of forest woody fuels
- Contribute to the nation's energy self-sufficiency and security

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FY 2009 BUDGET REQUEST

Institution / Agency: Forest Utilization Research

Agency #: 516

Decision Unit / Line Item: 12.03

Rank: 3 of 3

Category: Expanded Programs

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Policy Analysis Enhancement

FTP:

Gen	\$105,000	Fed	\$	Ded/Other	\$	Total	\$105,000
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How connected to institution/agency strategic plan:

This request specifically addresses the *Outreach and Engagement Goal* of the University of Idaho's strategic plan by addressing a range of interdisciplinary perspectives on natural resources issues of interest to the people of Idaho. This need is often expressed by natural resource leaders in the state who support the PAG's work by serving on the Advisory Committee. These individuals represent state and federal public agencies, environmental non-governmental organizations, and private firms and resource associations who all represent different natural resources management interests that will benefit from the enhanced interdisciplinary research this request will enable.

Description:

The CNR Policy analysis Group was created in 1989 by the Idaho state legislature. The PAG identifies and analyzes scientific and institutional problems associated with natural resource policy issues. In keeping with its mandate the PAG develops, analyzes, and presents several alternative policy options without recommending any particular one. According to the mandate, "Individual projects and analyses will be conducted by the group's staff or members of the college's faculty, or by scientists from other educational institutions or research entities as appropriate [and] must adhere to the highest professional and scientific standards for objective, scientific research."

Interdisciplinary research is growing dramatically at the University of Idaho. This type of research integrates policy and law with the biological and physical sciences to solve real natural resource management problems. This has increased the demand for policy analysis in many of our research projects, providing additional opportunities for the PAG to have an impact on important natural resource issues. The PAG must provide funding support for a broader array of faculty to contribute to the PAG's mission. To ensure that PAG makes contributions to the increasingly complex natural resource management issues of our day, we are requesting \$105,000 to fund additional faculty contributions to policy analysis. The personnel costs represent partial faculty

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appointments that will total approximately \$63,900 and the associated fringe benefits. Operating expenses of \$20,000 are also requested.

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FY 2009 BUDGET REQUEST

Institution / Agency: Idaho Geological Survey

Agency #: 516

Decision Unit / Line Item: 12.01

Rank: 1 of 4

Category: Salary Enhancements

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Salary Enhancements

FTP:

Gen \$36,000 Fed \$ Ded/Other \$ Total \$36,000

How connected to institution/agency strategic plan:

This request specifically addresses the *Organization, Culture, and Climate Goal* of the University of Idaho's strategic plan by enabling it to attract and retain excellent faculty and staff to carry out the other three goals of the plan which are: *Teaching and Learning, Scholarly and Creative Activity, and Outreach and Engagement*.

Description:

The University of Idaho had the lowest percentage increase (3.96%) for total wages and fringe benefits from FY 2002 through FY 2005 of all its peer institutions per the National Center for Education Statistics. The mean four year increase was 12.77% and the high was 29.78%.

Faculty salary averages for FY 2006 comparing the University of Idaho with its seventeen peer institutions are:

Faculty Rank	University of Idaho	Peer Median	Peer High
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Salary enhancements of 5% would enable the University of Idaho to be more competitive when attracting faculty and staff thereby improving the instruction, research, and publish service functions of the institutions.

BUSINESS AFFAIRS AND HUMAN RESOURCES
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FY 2009 BUDGET REQUEST

Institution / Agency: Idaho Geological Survey

Agency #: 516

Decision Unit / Line Item: 12.02

Rank: 2 of 4

Category: New/Expanded Program

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Mission Capability Enhancement

FTP:

Gen	\$169,500	Fed	\$	Ded/Other	\$	Total	\$169,500
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How connected to institution/agency strategic plan:

This request specifically addresses the *Outreach and Engagement Goal* of the University of Idaho's strategic plan by providing for state-mission applied research and delivery of geologic information.

Description:

These additional funds will enhance the capability of IGS to respond to Idaho's growing demand for geologic information by enhancing the state's benefits and outcomes from the Idaho Geological Survey's main office in Moscow and branch offices in Boise and Pocatello. Additional funds for personnel costs and operating expenditures will provide for state-mission applied research and delivery of geologic information (geology for growth corridors, highway routes, mining geology and mines, geologic hazards, groundwater protection, and aquifer modeling).

**BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007**

FY 2009 BUDGET REQUEST

Institution / Agency: Idaho Geological Survey

Agency #: 516

Decision Unit / Line Item: 12.03

Rank: 3 of 4

Category: Operating Support – one time

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Web site redesign and upgrade

FTP:

Gen	\$23,000	Fed	\$	Ded/Other	\$	Total	\$23,000
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How connected to institution/agency strategic plan:

This request specifically addresses the *Outreach and Engagement Goal* of the University of Idaho's strategic plan by providing an avenue for the public to obtain products and information from the IGS.

Description:

The Idaho Geologic Survey's web-site needs a redesign and upgrade, including shopping-cart services. The Survey's web-site has become the primary delivery system for all geologic information produced and provided by the Survey. Client demand for Internet products and information is outpacing the current configuration of the Survey's web-site. The outcomes of the Survey's grants and contracts, valued at about \$1.2 million in FY 2007 depend on the services of the Survey's web-site. The requested funds will pay for design services, equipment upgrades, and the capability for shopping-cart, or "e-commerce" services.

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

FY 2009 BUDGET REQUEST

Institution / Agency: Idaho Geological Survey

Agency #: 516

Decision Unit / Line Item: 12.04

Rank: 4 of 4

Category: Operating support – **one time**

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Seismic monitoring stations

FTP:

Gen	\$50,000	Fed	\$	Ded/Other	\$	Total	\$50,000
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How connected to institution/agency strategic plan:

This request specifically addresses the *Scholarly and Creative Activity Goal* of the University of Idaho's strategic plan by enhancing the Idaho Geological Survey's ability to monitor on-going earthquake activity by upgrading seismic instrumentation.

Description:

U.S. Array, the transportable seismograph component of the national EarthScope program is currently active in Idaho. Each installation will remain for only 18 months of data collection before it is relocated. The program is offering research partners the opportunity to purchase stations for ongoing earthquake monitoring. Once they are purchased, a communication system needs to be reestablished. The cost is a substantial savings over establishing new sites. Idaho is fifth in earthquake occurrence, but is one of the most poorly instrumented states for seismic monitoring. The request will add two new permanent stations and fund their reconfiguration into the Idaho seismic network.

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

FY 2009 BUDGET REQUEST

Institution / Agency: SBOE Scholarships and Grants

Agency #:
OSBE

Decision Unit / Line Item: 12.01

Rank: of

Category: New/Expanded Programs

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Various Scholarship Programs

FTP:

Gen	\$290,000	Fed	\$	Ded/Other	\$	Total	\$290,000
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The following 3 programs are authorized by statute and the appropriation is requested in the year following the year the expenses are actually incurred by the institutions.

1. Student Incentive Loan Forgiveness – Statute authorizes a total of 14 new nursing loan contracts and 16 new teaching loan contracts each year. The number of contracts per institution is set by statute. If an institution does not use some of the loan contracts, the contract can be reassigned to another institution. The increase in this program reflects both the reassignment of loan contracts and tuition increases at institutions. Authorizing statute is 33-3722. **\$46,700**

2. Freedom Scholarship (POW/MIA) A qualifying dependent will be attending an Idaho institution beginning in 2007-2008. This request reflects the estimate of qualifying expenses authorized by 33-4302, Idaho Code. **\$13,000**

3. Peace Officer/Fireman (Public Safety Officer Dependent Scholarship) Funds from FY2007 were used to pay for scholarships for one of the three participants under this program authorized by 33-4302A. **\$19,700 reduction**

The Robert R. Lee Promise Category A Scholarship provides between 25-40 new scholarships each year to academic scholarship and professional-technical students. The award is \$3,000/year renewable up to four years for academic programs and for the term of the professional-technical program, up to three years. Due to early graduations, deferments, and available funding, we were able to award 40 new scholarships for the 2007-2008 academic year. The current state funding for the Promise Category A Scholarship is \$331,300, which allows for a maximum of 110 active participants at any one time. Idaho Code allows for a total of no greater than 400 and no more than 100 new awards a year. For academic year there were 180 applicants that met or exceeded the criteria for the academic scholarship. After 31 scholarships were awarded and 12 applicants declined, there were 137 qualified applicants that did not receive a scholarship. There were nine offers made to qualifying professional-technical applicants for a total of 40 new Robert Lee Promise A scholarships. **\$250,000**

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BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

FY 2009 BUDGET REQUEST

Institution / Agency: Idaho Museum of Natural History

Agency #: 513

Decision Unit / Line Item: 12.01

Rank: 1 of 2

Category: Salary Enhancements

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Salary Competitiveness

FTP:

Gen	\$21,200	Fed	\$	Ded/Other	\$	Total	\$21,200
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How connected to institution/agency strategic plan:

Recruiting and retaining highly qualified faculty and staff will benefit all of Idaho's citizens by improving the instruction, research and public service functions of the university. A well-educated, well-informed workforce will help Idaho attract and retain business and industry.

Description:

Faculty and staff (professional and classified) salaries continue to be ISU's most important budget priority for FY09. Comparison of FY07 salaries for ISU faculty with other public, doctoral-research universities reveals that ISU faculty salaries continue to be significantly below peer institutions, especially at the higher academic ranks. Average salaries for Professors at ISU are nearly 20 percent below professors at peer institutions; ISU Associate Professors are 16 percent below peers, and ISU Assistant Professors are 11 percent below peers. ISU faculty are recruited nationally, and for ISU to remain competitive in attracting high quality faculty, salary must be competitive.

Similarly, ISU competes locally and regionally to recruit and retain classified staff and nationally for professional staff. Professional staff salaries lag behind those of ISU's peer institutions by margins similar to those listed above for faculty salary gaps, making it very difficult to consummate national searches for vacancies successfully. Though steps toward salary equity for classified staff have been made in recent years, the still-extant gaps often affect the institution's ability to recruit and retain them. In general, retention and recruitment success will yield greater employee productivity while reducing expenditures for recruitment, moving expenses, start-up and training. The university and subsequently the state are impacted as we are unable to attract and retain quality faculty and staff. Without appropriate and competitive compensation, the university and state will experience higher turnover rates, fewer recruitment successes, and the lag between current compensation levels and the marketplace will grow.

Given that several of ISU's strategic goals are affected by these salary gaps for faculty and professional/classified staff, this line item budget request is crucial to maintaining ISU's ability to meet current and future mission-driven needs.

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

The specific strategic goals impacted by this request include the following:

Goal 5 — Faculty: Hire and retain a faculty that sustains a high quality learning environment through effective teaching, productive scholarship, and useful public service.

(SBOE Main Goals: Quality and Relevancy)

Goal 6 — Support: Manage University resources to provide appropriate staff and support while maintaining a high quality learning environment. (SBOE Main Goals: Quality, Access, Efficiency)

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

FY 2009 BUDGET REQUEST

Institution / Agency: Idaho Museum of Natural History

Agency #: 513

Decision Unit / Line Item: 12.02

Rank: 2 of 2

Category: Operating Support

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Increased Operating Support for the Idaho Museum of Natural History

FTP: 1.4

Gen	\$111,700	Fed	\$	Ded/Other	\$	Total	\$111,700
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How connected to institution/agency strategic plan:

The Idaho Museum of Natural History actively nurtures an understanding of and delight in Idaho's natural and cultural heritage. As the official state museum of natural history, it acquires, preserves, studies, interprets and displays natural and cultural objects for Idaho residents, visitors and the world's community of students and scholars. The Museum also supports and encourages Idaho's other natural history museums through mentoring and training in sound museological practices. Research and teaching efforts centered on the PhD in Counseling program also further the following Goals, as articulated in ISU's current strategic plan:

Goal 1 — Access: Continue to provide access to opportunities that maximize student success and learning by offering relevant programs and services to meet student needs (SBOE Main Goals: Access and Relevancy)

Goal 3 — Research: Conduct research consistent with the state, regional, and national public service missions and the University's undergraduate and graduate programs.

(SBOE Main Goals: Quality and Relevancy)

Goal 4 — Service: Provide quality educational services to support economic development, continuing education, and access to University-sponsored training clinics, facilities, and events. (SBOE Main Goals: Quality, Access, and Relevancy)

Description:

This requests includes regular salary and benefits for an additional 0.5 FTE Life Sciences Collections Manager, and an additional 0.9 FTE to fund three curators (Botany, Anthropology and Mammalogy) at 0.2 FTE and bring the other three we currently have (Ornithology, Herpetology, Geology) from 0.1 FTE to 0.2 FTE. Current staffing for collections management provides a 0.5 FTE Earth Sciences Collections Manager and a 0.5 FTE Anthropology Collections manager; there is no one managing the Life Sciences collections (over 75,000 specimens). Current staffing for curators is at

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

0.5 FTE for Vertebrate Paleontology (curates over 250,000 specimens), 0.1 FTE for birds, 0.1 FTE for reptiles, and 0.1 for invertebrate paleontology, paleobotany, and rocks and minerals. There is currently no one curating botanical specimens, mammals, or anthropology. The 0.1 FTE level (1/2 day/week is not enough to keep up with curating these collections. These requests are made to fill voids in our structure for collections management and care that were identified in our reaccreditation self-study. The request also includes an additional \$10,000 for materials, supplies, communications, and travel is requested for the Museum. This will allow us to keep up with record-keeping and conservation requirements of being an accredited museum. This request directly serves our audience, which is Idaho residents, visitors to Idaho, and the world's community of students and scholars. The Museum's core functions are to collect, care for, research, interpret and present, through educational programs and exhibitions, Idaho's cultural and natural heritage, and to support and encourage local and municipal natural history museums throughout Idaho. The Museum cannot fully perform these core functions without this additional funding, and collections care, preservation, management and access will suffer.

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

FY 2009 BUDGET REQUEST

Institution / Agency: Idaho SBDC

Agency #: 516

Decision Unit / Line Item: 12.01

Rank: 1 of 2

Category: Expanded Program

Title: Hispanic Business Outreach

FTP: 1.0

Gen	\$83,700	Fed	\$	Ded/Other	\$	Total	\$83,700
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How connected to institution/agency strategic plan:

Goal 1: Improve the success of small businesses through delivery of our core services – one-on-one business consulting, training and research. Objective 1.3: Ensure that services are available to minorities and available all counties.

Description:

Currently, the Idaho Small Business Development Center (SBDC) is serving only a small percentage of the Hispanic business community due to limited resources within the SBDC. In order to reach the growing need to serve the Hispanic business community, additional resources are needed.

This funding would allow the SBDC to hire a bilingual/bicultural individual to better serve the Hispanic businesses in the southern part of the state. The individual will need to bring experience in owning and operating a small business to this job. The individual would be located in Canyon County, but would serve Hispanic businesses in the entire southern part of the state.

This individual will be responsible for determining the needs in the Hispanic business community. Based on these needs, this person will deliver tailored consulting and training to improve the success of these businesses. It also provides sufficient funding to allow this person to travel to Idaho Falls, Pocatello, Burley, Twin Falls, etc. to provide consulting and training to existing and startup Hispanic businesses.

COST:

PERSONNEL:	\$ 50,000
FRINGE:	17,500
OPERATING:	<u>16,200</u>
TOTAL:	\$83,700

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

With the addition of this new position, we would expect to see an additional 100 new business owners and to provide at least 800 hours of consulting. We would also expect at least 14 training courses delivered to the Hispanic community.

With the growth of the Hispanic population in Idaho, it is important that the Idaho SBDC, along with our college and university partners, help diversify the business base and help in the creation of new businesses and the jobs they bring to the state of Idaho. More than 80% of the new jobs in Idaho are created by small businesses.

The Idaho SBDC has shown over the past 13 years that entrepreneurs that use Idaho SBDC services grow at faster rate than the average Idaho business. Sales growth is more than 3 times the state's average. Job creation is more than 4 times that that an average business creates.

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

FY 2009 BUDGET REQUEST

Institution / Agency: Idaho SBDC

Agency #: 516

Decision Unit / Line Item: 12.02

Rank: 2 of 2

Category: Salary Enhancements

Title: Salary Enhancements

FTP:

Gen	\$12,500	Fed	\$	Ded/Other	\$	Total	\$12,500
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How connected to institution/agency strategic plan:

Goal 1: Improve the success of small businesses through delivery of our core services – one-on-one business consulting, training and research.

Description:

The Idaho Small Business Development Center has had difficulty retaining and replacing personnel. Our experience is similar to the colleges and universities around the state. A 4.5% increase is requested to help increase our ability to retain and attract quality people to serve our clientele.

DESCRIPTION:

This would provide the Idaho SBDC additional funds to increase our competitiveness to retain and attract quality personnel to serve the citizens and entrepreneurs in Idaho.

The Idaho SBDC has shown over the past 13 years that entrepreneurs that use Idaho SBDC services grow at faster rate than the average Idaho business. Sales growth is more than 3 times the state's average. Job creation is more than 4 times that of an average business.

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BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

FY 2009 BUDGET REQUEST

Institution / Agency: Idaho Council on Economic Education Agency #: 516

Decision Unit / Line Item: 12.01 Rank: 1 of 2

Category: Expanded Educational Program

Title: Financial Literacy Materials and Training

FTP:

Gen	\$22,500	Fed	\$	Ded/Other	\$	Total	\$22,500
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How connected to institution/agency strategic plan:

The mission of the Idaho Council on Economic Education is to provide financial literacy and economic education to Idaho K-12 students and teachers. There is great demand for this program in Idaho. This funding will make it possible to provide the program to 9,000 students.

Description:

This will allow the Idaho Council on Economic Education to provide financial literacy educational materials and training to 9,000 Idaho K-12 students and their teachers in all 6 regions of Idaho. The funds will be used specifically to provide "The Stock Market Game" in Idaho. This program is nationally recognized as one of the top financial literacy programs in the United States. Many Idaho students want to participate in this program but have been prevented from doing so due to lack of funding from their schools.

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

FY 2009 BUDGET REQUEST

Institution / Agency: Idaho Council on Economic Education Agency #: 516

Decision Unit / Line Item: 12.02 Rank: 2 of 2

Category: Expanded Educational Program

Title: Economic Education Materials for Teachers and High School Seniors

FTP:

Gen	\$20,000	Fed	\$	Ded/Other	\$	Total	\$20,000
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How connected to institution/agency strategic plan:

The mission of the Idaho Council on Economic Education is to provide financial literacy and economic education to Idaho K-12 students and teachers. Idaho requires that high school students take one semester of economics for graduation. This funding will provide direct support for materials and training in conjunction with this required class.

Description:

This will allow the Idaho Council on Economic Education to provide economic education materials and training to Idaho teachers and high school seniors in conjunction with their required senior year course in economics. These funds will be used specifically to provide the International Economic Summit program to 2,000 students in schools that have not had the funding to participate in this program previously, primarily rural Idaho schools.

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

FY 2009 BUDGET REQUEST

Institution / Agency: TechHelp

Agency #: 516

Decision Unit / Line Item: 12.01

Rank: 1 of 1

Category: New/Expanded Programs

Title: Growth Services/New Product Development Program

FTP: 3

Gen	\$ 270,000	Fed	\$0	Ded/Other	\$0	Total	\$270,000
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How connected to institution/agency strategic plan:

The TechHelp Growth Services/New Product Development Program will create public engagements that link the university's academic mission with its community partners to address issues of mutual benefit, create partnerships that contribute to regional growth and development, create network and outreach opportunities with the community, provide development opportunities for faculty to integrate research and teaching and create an organization that is responsive to change.

Description:

TechHelp requests a budget enhancement to support work with manufactures on growth strategies that will augment our successful cost reduction programs. The growth strategies effort would require 3 FTE initially in two main areas: Eureka! Winning Ways (E!WW) Growth Services and New Product Development. Because 80% of companies say they need ideas for growth, TechHelp teamed with famed innovation guru, Doug Hall, of Eureka! Ranch to create Eureka! Winning Ways, a program that will help Idaho manufacturers and processors develop ideas and products that will drive top line growth of at least 20% annually. TechHelp Specialists will guide each participating company through a process that will create at least 50 ideas for measurably smarter growth. TechHelp specialists will help the companies generate action plans to accelerate the smartest ideas and will provide ongoing coaching that will create a deep understanding of how to ignite continuous exponential growth.

TechHelp's Growth Services/New Product Development Program will generate the need for additional TechHelp assistance in the areas of new product development (design, prototyping, material analysis...), intellectual property protection, technology transfer, product research (in cooperation with University partners), Lean Manufacturing, Six Sigma, ISO Certification, quality programs, marketing, financing and more.

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BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

Line Items: Health Programs

Line Items for the Health Programs are summarized on the next page.

MOTION

A motion to approve for final development the following specific budget Line Items for the Health Programs:

1. WOI - Salary Enhancement: \$23,000 (General Funds)
2. WOI - Additional Veterinary Student Positions: \$258,100 (General Funds)
3. WWAMI - Salary Enhancement: \$32,700 (General Funds)
4. IDEP - Salary Enhancement: \$15,000 (General Funds)
5. IDEP – Expansion of Dental Program @ \$29,800 (\$10,400 General Funds, \$19,400 Dedicated Funds)
6. Family Practice Residencies - Salary Enhancement: \$19,000 (General Funds)
7. UofU – Additional Seats (2): \$71,500 (General Funds)

Moved by _____ Seconded by _____ Carried Yes _____ No _____

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

Health Programs Summary
Fiscal Year 2009 Line Items
Grouped by Program in Priority Order

		FTP	General	Other Funds	Total
	Detail Page				
1	Program/Priority/Line Item				
2	WOI Veterinary Education				
3	FY 2008 Appropriation	6.92	1,743,700	100,000	1,843,700
4	1 Salary Enhancement 3		23,000		23,000
5	2 New/Expanded Programs: Additional Veterinary Student Positions 4	2.00	258,100		258,100
6	Total Line Items	2.00	281,100		281,100
7	Percentage of FY 2008 Appropriation	28.90%	16.12%	0.00%	15.25%
8					
9	WWAMI Medical Education				
10	FY 2008 Appropriation	6.57	3,368,600	295,400	3,664,000
11	1 Salary Enhancement 5		32,700		32,700
12	Total Line Items		32,700		32,700
13	Percentage of FY 2008 Appropriation	0.00%	0.97%	0.00%	0.89%
14					
15	IDEP Dental Education				
16	FY 2008 Appropriation	3.25	1,142,500	132,900	1,275,400
17	1 Salary Enhancement 7		15,000		15,000
18	2 New/Expanded Programs: Additional Seat for IDEP program 9		10,400	19,400	29,800
19	Total Line Items		25,400	19,400	44,800
20	Percentage of FY 2008 Appropriation	0.00%	2.22%	14.60%	3.51%
21					
22	Family Practice Residencies				
23	FY 2008 Appropriation	6.57	3,368,600	295,400	3,664,000
24	1 Salary Enhancement 11		19,000		19,000
25	Total Line Items		19,000		19,000
26	Percentage of FY 2008 Appropriation	0.00%	0.56%	0.00%	0.52%
27					
28	University of Utah Medical Education				
29	FY 2008 Appropriation		1,088,800		1,088,800
30	1 New/Expanded Programs: Additional Seats 13		71,500		71,500
31	Total Line Items		71,500		71,500
32	Percentage of FY 2008 Appropriation		6.57%		6.57%
33					
34	WICHE Optometry				
35	No Line Items				

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

FY 2009 BUDGET REQUEST

Institution / Agency: University of Idaho
WOI Veterinary Education

Agency #: 515

Decision Unit / Line Item: 12.01

Rank: 1 of 2

Category: Salary Enhancements

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Salary Enhancements

FTP:

Gen \$23,000 Fed Ded/Other \$ Total \$23,000

How connected to institution/agency strategic plan:

This request specifically addresses the *Organization, Culture, and Climate Goal* of the University of Idaho's strategic plan by enabling it to attract and retain excellent faculty and staff to carry out the other three goals of the plan which are: *Teaching and Learning, Scholarly and Creative Activity, and Outreach and Engagement*.

Description:

The University of Idaho had the lowest percentage increase (3.96%) for total wages and fringe benefits from FY 2002 through FY 2005 of all its peer institutions per the National Center for Education Statistics. The mean four year increase was 12.77% and the high was 29.78%.

Faculty salary averages for FY 2006 comparing the University of Idaho (including Agricultural programs) with its seventeen peer institutions are:

Faculty Rank	University of Idaho	Peer Median	Peer High
Assistant Professor	\$54,340	\$59,555	\$ 65,426
Associate Professor	\$62,957	\$68,059	\$ 80,891
Professor	\$82,366	\$88,476	\$110,571

Salary enhancements of 5% would enable the University of Idaho to be more competitive when attracting faculty and staff thereby improving the instruction, research, and publish service functions of the institutions.

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

FY 2009 BUDGET REQUEST

Institution / Agency: University of Idaho
WOI Veterinary Education

Agency #: 515

Decision Unit / Line Item: 12.02

Rank: 2 of 2

Category: New/Expanded Programs

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Additional Veterinary Student Positions

FTP: 2.0

Gen	\$258,100	Fed	\$	Ded/Other	\$	Total	\$258,100
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How connected to institution/agency strategic plan:

This request addresses the Outreach and Engagement Goal of the University of Idaho's Strategic Action Plan by addressing large animal veterinary needs for Idaho's dairy and cattle industries.

Description

Support fees for two additional veterinary student positions: \$258,100

Background:

The livestock industry in Idaho has grown dramatically during the past decade. The Idaho dairy industry, currently ranked 4th nationally, is the largest single sector in Idaho's agricultural economy, while the beef cattle industry is the 2nd largest single sector in Idaho's agricultural economy. Combined, the livestock industry generated \$2.5 billion in on-farm cash receipts in 2005, 55% of the total for Idaho's agricultural industry. Growth in the number of milk cows is predicted to be 25%, or 100,000 head, during the next five years.

An increasing number of large animal veterinarians will be required for the growing livestock industry to provide adequate animal and herd health care associated with sustainable production and food security. Idaho currently appropriates funding for 11 student positions at the WSU College of Veterinary Medicine. The requested ongoing funding includes 8 student-years (2 students X 4 years of education for DVM) at the established FY09 support fees rate of \$32,258 per year.

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

FY 2009 BUDGET REQUEST

Institution / Agency: WWAMI

Agency #: 514

Decision Unit / Line Item: 12.01

Rank: 1 of 1

Category: Salary Enhancements

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Salary Enhancement

FTP:

Gen \$32,700 Fed \$ Ded/Other \$ Total \$32,700

How connected to institution/agency strategic plan:

This request specifically addresses the *Organization, Culture, and Climate Goal* of the University of Idaho's strategic plan by enabling it to attract and retain excellent faculty and staff to carry out the other three goals of the plan which are: *Teaching and Learning, Scholarly and Creative Activity, and Outreach and Engagement*.

Description:

The University of Idaho had the lowest percentage increase (3.96%) for total wages and fringe benefits from FY 2002 through FY 2005 of all its peer institutions per the National Center for Education Statistics. The mean four year increase was 12.77% and the high was 29.78%.

Faculty salary averages for FY 2006 comparing the University of Idaho with its seventeen peer institutions are:

Faculty Rank	University of Idaho	Peer Median	Peer High
Assistant Professor	\$54,340	\$59,555	\$ 65,426
Associate Professor	\$62,957	\$68,059	\$ 80,891
Professor	\$82,366	\$88,476	\$110,571

Salary enhancements of 5% would enable the University of Idaho to be more competitive when attracting faculty and staff thereby improving the instruction, research, and publish service functions of the institutions.

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BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

FY 2009 BUDGET REQUEST

Institution / Agency: Idaho Dental Education Program

Agency #: 513

Decision Unit / Line Item: 12.01

Rank: 1 of 2

Category: Salary Enhancements

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Salary Competitiveness

FTP:

Gen	\$15,000	Fed	\$	Ded/Other	Total	\$15,000
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How connected to institution/agency strategic plan:

Recruiting and retaining highly qualified faculty and staff will benefit all of Idaho's citizens by improving the instruction, research and public service functions of the university. A well-educated, well-informed workforce will help Idaho attract and retain business and industry.

Description:

Faculty and staff (professional and classified) salaries continue to be ISU's most important budget priority for FY09. Comparison of FY07 salaries for ISU faculty with other public, doctoral-research universities reveals that ISU faculty salaries continue to be significantly below peer institutions, especially at the higher academic ranks. Average salaries for Professors at ISU are nearly 20 percent below professors at peer institutions; ISU Associate Professors are 16 percent below peers, and ISU Assistant Professors are 11 percent below peers. ISU faculty are recruited nationally, and for ISU to remain competitive in attracting high quality faculty, salary must be competitive.

Similarly, ISU competes locally and regionally to recruit and retain classified staff and nationally for professional staff. Professional staff salaries lag behind those of ISU's peer institutions by margins similar to those listed above for faculty salary gaps, making it very difficult to consummate national searches for vacancies successfully. Though steps toward salary equity for classified staff have been made in recent years, the still-extant gaps often affect the institution's ability to recruit and retain them. In general, retention and recruitment success will yield greater employee productivity while reducing expenditures for recruitment, moving expenses, start-up and training. The university and subsequently the state are impacted as we are unable to attract and retain quality faculty and staff. Without appropriate and competitive compensation, the university and state will experience higher turnover rates, fewer recruitment successes, and the lag between current compensation levels and the marketplace will grow.

Given that several of ISU's strategic goals are affected by these salary gaps for faculty and professional/classified staff, this line item budget request is crucial to maintaining ISU's ability to meet current and future mission-driven needs.

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

The specific strategic goals impacted by this request include the following:

Goal 5 — Faculty: Hire and retain a faculty that sustains a high quality learning environment through effective teaching, productive scholarship, and useful public service.

(SBOE Main Goals: Quality and Relevancy)

Goal 6 — Support: Manage University resources to provide appropriate staff and support while maintaining a high quality learning environment. (SBOE Main Goals: Quality, Access, Efficiency)

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

FY 2009 BUDGET REQUEST

Institution / Agency: Idaho Dental Education Program

Agency #: 513

Decision Unit / Line Item: 12.02

Rank: 2 of 2

Category: Expanded Programs

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Additional Seat for IDEP program

FTP:

Gen	\$10,400	Fed	\$	Ded/Other	\$19,400	Total	\$29,800
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How connected to institution/agency strategic plan:

The Idaho Dental Education Program's (IDEP) goal is to provide residents of Idaho with access to an outstanding dental education and encourage their return to practice in Idaho. The program is designed to develop graduates who possess the ability to practice today's dentistry at its finest. IDEP graduates will also acquire the background to evaluate changes and future treatment methods as they relate to individual patient care. IDEP serves as Idaho's state assisted route of access for dental education. The Program is a cooperative effort of Creighton University's School of Dentistry in Omaha, Nebraska and Idaho State University's Kasiska College of Health Professions in Pocatello, Idaho. As the SBOE-designated lead institution of higher education for the health professions in Idaho, ISU's expansion of IDEP is consistent with the institution's health-professions driven strategic planning. Research and teaching efforts centered on the program also further the following Goals, as articulated in ISU's current strategic plan:

Goal 1 — Access: Continue to provide access to opportunities that maximize student success and learning by offering relevant programs and services to meet student needs (SBOE Main Goals: Access and Relevancy)

Goal 2 — Learning: Provide an effective and efficient learning environment that serves students of varied ages, abilities, needs, and backgrounds. (SBOE Main Goals: Quality and Relevancy)

Goal 4 — Service: Provide quality educational services to support economic development, continuing education, and access to University-sponsored training clinics, facilities, and events. (SBOE Main Goals: Quality, Access, and Relevancy)

Goal 5 — Faculty: Hire and retain a faculty that sustains a high quality learning environment through effective teaching, productive scholarship, and useful public service.
(SBOE Main Goals: Quality and Relevancy)

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

Description:

IDEP requests the increase of one additional seat in the program. This request represents the second increase as outlined in the original plan for increasing enrollment from seven to ten seats over a three year period. The program was initiated with the funding for one additional seat in FY2002 (from 7 to 8). Approval of this decision unit would result in nine available seats. Funding is also requested for the increased Trustee Benefit payment to Creighton University in accordance with the contract. This request is supported by the State Board of Education's emphasis on increasing the available health education seats for Idaho's residents. Idaho has experienced a 49% increase in population since 1980. The population is projected to increase by an additional 8% by 2010. The number of Idaho applicants far exceeds the capacity of the current program. For the past two years there have been between 13 and 14 applicants for every available seat in the program. Early indications suggest that the number of qualified applicants for the upcoming application cycle will meet or exceed those for the past two years. Over 70% of the students graduating from the program return to Idaho to practice.

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

FY 2009 BUDGET REQUEST

Institution / Agency: Family Practice Residency

Agency #: 513

Decision Unit / Line Item: 12.01

Rank: 1 of 1

Category: Salary Enhancements

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Salary Competitiveness

FTP:

Gen	\$19,000	Fed	\$	Ded/Other	\$	Total	\$19,000
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How connected to institution/agency strategic plan:

Recruiting and retaining highly qualified faculty and staff will benefit all of Idaho's citizens by improving the instruction, research and public service functions of the university. A well-educated, well-informed workforce will help Idaho attract and retain business and industry.

Description:

Faculty and staff (professional and classified) salaries continue to be ISU's most important budget priority for FY09. Comparison of FY07 salaries for ISU faculty with other public, doctoral-research universities reveals that ISU faculty salaries continue to be significantly below peer institutions, especially at the higher academic ranks. Average salaries for Professors at ISU are nearly 20 percent below professors at peer institutions; ISU Associate Professors are 16 percent below peers, and ISU Assistant Professors are 11 percent below peers. ISU faculty are recruited nationally, and for ISU to remain competitive in attracting high quality faculty, salary must be competitive.

Similarly, ISU competes locally and regionally to recruit and retain classified staff and nationally for professional staff. Professional staff salaries lag behind those of ISU's peer institutions by margins similar to those listed above for faculty salary gaps, making it very difficult to consummate national searches for vacancies successfully. Though steps toward salary equity for classified staff have been made in recent years, the still-extant gaps often affect the institution's ability to recruit and retain them. In general, retention and recruitment success will yield greater employee productivity while reducing expenditures for recruitment, moving expenses, start-up and training. The university and subsequently the state are impacted as we are unable to attract and retain quality faculty and staff. Without appropriate and competitive compensation, the university and state will experience higher turnover rates, fewer recruitment successes, and the lag between current compensation levels and the marketplace will grow.

Given that several of ISU's strategic goals are affected by these salary gaps for faculty and professional/classified staff, this line item budget request is crucial to maintaining ISU's ability to meet current and future mission-driven needs.

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

The specific strategic goals impacted by this request include the following:

Goal 5 — Faculty: Hire and retain a faculty that sustains a high quality learning environment through effective teaching, productive scholarship, and useful public service.

(SBOE Main Goals: Quality and Relevancy)

Goal 6 — Support: Manage University resources to provide appropriate staff and support while maintaining a high quality learning environment. (SBOE Main Goals: Quality, Access, Efficiency)

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

FY 2009 BUDGET REQUEST

Institution / Agency: UofU

Agency #: 515

Decision Unit / Line Item: 12.01

Rank: 1 of 1

Category: New/Enhanced Programs

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Additional Program Seats

FTP:

Gen	\$71,500	Fed	\$	Ded/Other	\$	Total	\$71,500
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How connected to institution/agency strategic plan:

The Idaho UofU Medical Education Program provides eight entering Idaho students with the opportunity to complete their medical training through the University of Utah School of Medicine. Idaho has been involved with the UofU program for 30 years beginning with an association through the WICHE program and then through the current contract. In 2005 Idaho ranked 47th out of 50 states in the number of physicians per population, and Idaho's population is projected to grow to 1.8 million by 2020. With the current 32 seats (8 per year X 4 years) for Idaho UofU, qualified Idaho students have a one in six chance of getting into a state-supported medical school education, compared to a one in three chance on the national average. This means that for every top student admitted to UofU, five other Idaho students have to leave the state to pursue medical training.

The number of state-supported medical student seats needs to grow substantially over the next ten years in order to address the medical needs of Idaho. We request that Idaho start by restoring the remaining two UofU seats from the original state allocation and contract (to a total of 10 entering Idaho UofU seats in FY2009), and then develop a plan for continued growth in medical student seats for Idaho residents in the years to come.

Description:

In FY2009, funding is required for 2 additional first year student fees. Additional funding will be requested each year, as the students advance and others enter the program over the next 3 fiscal years.

FY2009 1st year @ \$35,732 X 2 Students

FY2010 2nd year @ \$35,732 X 2 Students

FY2011 3rd year @ \$35,732 X 2 Students

FY2012 4th year @ \$35,732 X 2 Students

After the students' training is complete, Idaho residents stand to benefit from this medical education funding, as Idaho physicians set up practice in their home state, serving the people who helped make it possible for them to become doctors. UofU increases the likelihood that students will return to Idaho communities to practice.

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BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

Line Items: Agencies

Office of the State Board of Education

MOTION

A motion to include for final FY 2009 budget development the following specific Line Items, for Office of the State Board of Education, as displayed on Page 4.

1. Assessment – FY 2008 Supplemental: \$1,530,000 (**\$130,000 one-time**) (General Funds)
2. GEAR UP – FY 2008 Supplemental: \$675,000 (Federal Funds)
3. NAEP – FY 2009 Federal Spending Authority: \$128,100 (Federal Funds from SDE)
4. Deaf & Blind Coordinators: FY 2009 Position Upgrades: \$19,600 (General Funds)

Moved by _____ Seconded by _____ Carried Yes _____ No _____

Professional-Technical Education

MOTION

A motion to include for final FY 2009 budget development the following specific Line Items, for Professional-Technical Education, as displayed on Page 4.

1. Secondary Added Cost Workload Adjustment: \$180,500 (General Funds)
2. Fire Training and Testing Unit: \$650,000 (**\$500,000 one-time**) (General Funds)
3. Secondary Added Cost Formula: \$684,900 (General Funds)
4. Technical College Program Expansion: \$2,470,800 (**\$900,000 one-time**) (General Funds)
5. Technical College Instructional Equipment: \$753,400 (General Funds)
6. Technical College Faculty Salary Competitiveness: \$716,700 (General Funds)
7. HR/ABE/GED/Veterans/Proprietary Function Transfer (Placeholder)

Moved by _____ Seconded by _____ Carried Yes _____ No _____

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

Idaho Division of Vocational Rehabilitation

MOTION

A motion to include for final FY 2009 budget development the following specific Line Items, for Idaho Division of Vocational Rehabilitation, as displayed on Page 5.

1. Extended Employment Funding: \$500,000 (General Funds)
2. Pass Plan Writer: \$76,400 (\$16,300 General Funds, \$60,100 Federal Funds)
3. Epilepsy Services Funding Increase: \$30,000 (General Funds)

Moved by _____ Seconded by _____ Carried Yes _____ No _____

Idaho Public Television

MOTION

A motion to include for final FY 2009 budget development the following specific Line Items, for Idaho Public Television, as displayed on Page 5.

1. Reliable Emergency Power Backup: \$325,000 (General Funds)
2. Idaho Experience Documentaries: \$358,400 (General Funds)

Moved by _____ Seconded by _____ Carried Yes _____ No _____

Idaho State Historical Society

MOTION

A motion to include for final FY 2009 budget development the following specific Line Items, for Idaho State Historical Society, as displayed on Page 5.

1. Community Assistance Grants: \$150,000 (General Funds)
2. Museum Restoration Initiative: \$59,300 (General Funds)
3. Senior Maintenance/Craftsman: \$36,500 (General Funds)
4. Matching Cost Share for State Archeologist: \$41,900 (General Funds)
5. Collection Development: \$40,000 (General Funds)
6. History Day Enhancement: \$16,100 (General Funds)
7. Compact/Mobile Shelving: \$750,000 **one-time** (General Funds)

Moved by _____ Seconded by _____ Carried Yes _____ No _____

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

Idaho Commision for Libraries

MOTION

A motion to include for final FY 2009 budget development the following specific Line Items, for Idaho Commision for Libraries, as displayed on Page 5.

1. Read to Me: \$1,170,000 (General Funds)

Moved by _____ Seconded by _____ Carried Yes _____ No _____

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

Agency Summary
Fiscal Year 2009 Line Items
Grouped by Agency in Priority Order

		FTP	General	Other Funds	Total
	Detail Page				
1	Office of the State Board of Education				
2	FY 2008 Appropriation	27.00	10,920,700	8,792,000	19,712,700
3	1 Assessment: FY08 Supplemental 7		1,530,000		1,530,000
4	2 GEAR UP: FY08 Supplemental 8	3.00		675,000	675,000
5					
6	3 NAEP FY 2009 Federal Spending Authority 9			128,100	128,100
7	4 Deaf & Blind Coordinators: Position Upgrades 10		19,600		19,600
8	Total Line Items	3.00	1,549,600	803,100	2,352,700
9	Percentage of FY 2008 Appropriation	11.11%	14.19%	9.13%	11.93%
10					
11	Idaho School for the Deaf and the Blind				
12	No Line Items Requested				
13					
14	Professional-Technical Education				
15	FY 2008 Appropriation	550.60	51,595,000	8,620,700	60,215,700
16	1 Maintenance/Infrastructure: Secondary Added Cost Workload Adjustment 11		180,500		180,500
17	2 Maintenance/Infrastructure: Fire Training and Testing Unit (\$500,000 one-time) 12	1.00	650,000		650,000
18	3 Maintenance/Infrastructure: Secondary Added Cost Formula 13		684,900		684,900
19	4 New/Expanded Programs: Technical College Program Expansion (\$900,000 one-time) 14	24.25	2,470,800		2,470,800
20	5 Maintenance/Infrastructure: Technical College Instructional Equipment 17		753,400		753,400
21	6 Salary Enhancements: Technical College Faculty Salary Competitiveness 18		716,700		716,700
22	7 New/Expanded Programs: HR/ABE/GED/Veterans/Proprietary Function Transfer (Placeholder) 19				
23	Total Line Items	25.25	5,456,300		5,456,300
24	Percentage of FY 2008 Appropriation	4.59%	10.58%	0.00%	9.06%
25					

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

Agency Summary
Fiscal Year 2009 Line Items
Grouped by Agency in Priority Order

		FTP	General	Other Funds	Total
	Program/Priority/Line Item	Detail Page			
25					
26	Idaho Division of Vocational Rehabilitation				
27	FY 2008 Appropriation	150.00	8,353,000	16,322,300	24,675,300
28	1 New/Expanded Programs: Extended Employment Funding	21	500,000		500,000
29	2 Salary Enhancements: Pass Plan Writer	23	1.00	16,300	76,400
30	3 New/Expanded Programs: Epilepsy Services Funding Increase	24		60,100	30,000
31	Total Line Items		1.00	546,300	60,100
32	Percentage of FY 2008 Appropriation		0.67%	6.54%	0.37%
33					2.46%
34	Idaho Public Television				
35	FY 2008 Appropriation	57.00	3,279,900	5,906,700	9,186,600
36	1 Maintenance/Infrastructure: Reliable Emergency Power Backup	25		325,000	325,000
37	2 New/Expanded Programs: Idaho Experience Documentaries	27		358,400	358,400
38	Total Line Items		683,400		683,400
39	Percentage of FY 2008 Appropriation		0.00%	20.84%	0.00%
40					7.44%
41	Idaho State Historical Society				
42	FY 2008 Appropriation	49.02	2,972,200	2,393,500	5,365,700
43	1 New/Expanded Programs: Community Assistance Grants	29		150,000	150,000
44	2 New/Expanded Programs: Museum Curatorial Registrar/Restoration Initiative	31	1.00	59,300	59,300
45	3 Maintenance/Infrastructure: Historic Structures Maintenance Craftsman	33	1.00	36,500	36,500
46	4 New/Expanded Programs: Matching Cost Share for State Archeologist	35	1.00	41,900	41,900
47	5 New/Expanded Programs: Collection Development for Public Archives and Research Library (PARL)	37		40,000	40,000
48	6 New/Expanded Programs: History Day Enhancement Project	39		16,100	16,100
49	7 Maintenance/Infrastructure: Compact/Mobile Shelving at Public Archives and Research Library (PARL) (\$750,000 one-time)	41		750,000	750,000
50	Total Line Items		3.00	1,093,800	1,093,800
51	Percentage of FY 2008 Appropriation		0.06	36.8%	0.0%
52					20.4%
53	Idaho Commision for Libraries				
54	FY 2008 Appropriation	40.50	2,879,800	1,586,100	4,465,900
55	1 New/Expanded Programs: Read to Me	43	3.00	1,170,000	1,170,000
56	Total Line Items		3.00	1,170,000	1,170,000
57	Percentage of FY 2008 Appropriation		7.41%	40.63%	0.00%
					26.20%

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BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

FY 2009 BUDGET REQUEST

Institution / Agency: Office of the State Board of Education

Agency #: 501

Decision Unit / Line Item: 12.01

Rank: 1 of 4

Category: New/Expanded Programs or Operating Support

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Assessment: FY 2008 Supplement

FTP:

Gen	\$1,530,000	Fed	\$	Ded/Other	\$	Total	\$1,530,000
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Description:

Although our former contractor delivered all of the Board required elements of the Idaho Assessment System (ISAT) at a lesser cost, it was found by both an independent review and a federal peer review that the Spring ISAT, which is used to meet the requirements of No Child Left Behind (NCLB), did not meet the national standards for validity, reliability and alignment to State content standards. That contract was set to expire July 2006, and Staff was anticipating a new contract when it received the information from the studies noted above. Because of these reports, the focus for the RFP for the new contract became meeting the compliance requirements for NCLB. Therefore, the focus was on the Spring ISAT and making sure it met all of the technical requirements. The other elements of the ISAT, including 2nd/9th grade and Fall testing, were proposed as cost options which were not initially incorporated into the new contract. Although sufficient funding was not available to cover the costs of these additional cost options, they are required by Board rule. With careful management and fiscal responsibility, the OSBE budget can absorb cost options except for the Fall test. The cost of these additional costs is approximately \$1.8m ongoing. The primary reason for additional costs under the new contract has been the need for extensive test development because there were very few items aligned to State content standards.

The implementation of a new test for Limited English Proficiency Students in the Idaho English Language Assessment (IELA) program, as required by NCLB, has so far not qualified for additional federal funds. Therefore, the costs for this implementation have been paid out of the ISAT funding at a cost of \$600,000 per year for three years. The OSBE budget also does not have adequate funds for these costs. The State Board of Education is only asking for an ongoing supplemental for FY 2009 of \$1.4 million dollars at this time.

In addition, \$130,000 of **one-time** funding is requested for 2nd grade PLD development and standard setting.

In addition, \$_____ ongoing funding is requested for 2% Modified Alternative Assessment which will increase AYP flexibility for students with disabilities.

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

FY 2009 BUDGET REQUEST

Institution / Agency: Office of the State Board of Education

Agency #: 501

Decision Unit / Line Item: 12.02

Rank: 2 of 4

Category: Operating Support

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: GEAR UP

FTP: 3.0

Gen	\$ 0	Fed	\$ 675,000	Ded/Other	\$ 0	Total	\$675,000
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How connected to institution/agency strategic plan:

GEAR UP aligns with SBE goals of access, relevance, and quality

Description: GEAR UP is entering the second year of a six year discretionary grant designed to increase the number of low income students, beginning in the 7th grade, who are academically prepared to enter and be successful in post-secondary education and provide scholarships for those completing the GEAR UP program to help defray the cost of post-secondary education. FTE include one (1) Program Manager and two (2) Regional Coordinators to provide technical assistance and compliance monitoring for twenty-five (25) middle/junior high schools. Approximately 4,425 students will take part in GEAR UP activities in FFY09.

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

FY 2009 BUDGET REQUEST

Institution / Agency: Office of the State Board of Education

Agency #:
OSBE

Decision Unit / Line Item: 12.03

Rank: 3 of 4

Category: New/Expanded Programs

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: NAEP State Coordinator Funding

FTP:

Gen	\$	Fed	\$128,100	Ded/Other	\$	Total	\$128,100
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Funding for the NAEP State Coordinator is currently coming from the State Department of Education's appropriation through a memorandum of understanding. For FY 2009, the Office of the State Board of Education (OSBE) needs spending authority for this federally funded program.

The Coordinator position is utilizing an existing FTP within OSBE, so there is no need for an increase in FTP.

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

FY 2009 BUDGET REQUEST

Institution / Agency: Office of the State Board of Education

Agency #: 501

Decision Unit / Line Item: 12.04

Rank: 4 of 4

Category: Position Upgrades

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Deaf and Blind Coordinators

FTP:

Gen	\$ 19,600	Fed	\$	Ded/Other	\$ 0	Total	\$19,600
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How connected to institution/agency strategic plan:

Deaf and Hard of Hearing/Blind and Visually Impaired education aligns with SBE goals of access, relevance, and quality

The duties and requirements necessary to implement the Deaf and Hard of Hearing/Blind and Visually Impaired education services model are at a higher level than originally envisioned for a Project Coordinator position.

Increased requirements of the positions raise the positions to the level of Program Manager from Projects Coordinator. The PM salary range is \$45,000 - \$75,000. The mid-point is \$60,000.

This request asks for the increase for salaries and benefits for the two existing Project Coordinators to the Program Manager level pending legislative authorization of the model.

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

FY 2009 BUDGET REQUEST

Institution / Agency: Division of Professional-Technical Education Agency #: 503

Decision Unit / Line Item: 12.01

Rank: 1 of 6

Category: Maintenance/Infrastructure

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Secondary Added Cost Workload Adjustment

FTP: 0.00

Gen	\$ 180,500	Fed	\$	Ded/Other	\$	Total	\$ 180,500
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How connected to institution/agency strategic plan: In Section 2 (Access) of the Idaho Division of Professional-Technical Education Strategic Plan 2005-2009, it refers to helping all students develop skills, knowledge, and social awareness to become globally competitive workers, responsible citizens, and life-long learners. This request is to provide support for new and expanded high school PTE programs. This is further supported in the PTE Strategic Plan in Section 2 by Objective 1: Expand high demand training programs. This is referenced to the SBOE Strategic Plan in Section 1-5.

Description: Historically, this is a maintenance level request. This funding request addresses the additional costs of new and expanded programs that have met the requirements and been approved at the high school level. The secondary workload adjustment formula drives the added-cost funds for all approved professional-technical programs. Since all programs that meet the criteria get to participate in the funding formula, without this funding, existing programs will necessarily receive less money than they did the year before.

Every high school in Idaho has at least one professional-technical program. Nearly every student enrolls in at least one professional-technical program and many enroll in more than one program during their high school experience. The secondary workload adjustment is designed to help pay for the increased added-costs of instruction including extended contracts, travel expenses, purchased services, specialized materials and supplies, new equipment and equipment replacement needs. A total of 809.6 program units are projected for FY 2008; an increase of 41.0 units over FY 2007.

To ensure that existing high school PTE programs are funded at the same level, and the new and expanded programs are funded, the secondary workload adjustment request for FY 2009 is \$180,522. This budget request will provide the funding necessary for those already approved programs. If this request is not funded, the level of added-cost support to programs will need to be reduced.

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

FY 2009 BUDGET REQUEST

Institution / Agency: Division of Professional-Technical Education Agency #: 503

Decision Unit / Line Item: 12.02

Rank: 2 of 6

Category: Maintenance/Infrastructure

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Fire Training and Testing Unit

FTP: 1.00

Gen \$650,000 Fed \$ Ded/Other \$ Total \$650,000

Note: \$500,000 of the amount above would be **one-time**.

How connected to institution/agency strategic plan: This mobile live-fire training and testing unit will provide the equipment and technology needed to train and test structural firefighters to meet the current industry standards. Goal 3, Objective 5 (SBOE 3-4).

Description: The Division of Professional Technical Education (PTE) provides resources for the training of emergency service personnel across the state. The National Fire Protection Association (NFPA) Standard #1001 for firefighter qualification was updated in 2002 and now requires the ability to provide live-fire training and testing. This request would provide new equipment to meet the new NFPA Standard. The equipment would be housed at one of the technical colleges and would be moved around the state to provide training for the fire service community.

Idaho is scheduled for a reaccreditation site visit in 2008 by the International Fire Service Accreditation Congress. Without the ability to train and test using live-fire, we will lose our accreditation. We must, at the very least, demonstrate a plan to obtain the required capability as soon as possible.

Fire departments in many Idaho communities have attempted to provide live-fire training for their personnel using acquired structures. This practice is becoming increasingly more difficult due to environmental regulations. It is also very dangerous because it is extremely difficult to effectively control a fire's behavior inside ordinary construction once it has been set. Nationwide, a dozen or more firefighters are killed or seriously burned in live-fire training accidents every year.

We need to provide access to the necessary training for structural firefighters in a safe, controllable atmosphere. Firefighters are risking their lives daily to protect people and property. More than 80% of the fire protection in Idaho is provided by volunteers or paid-per-call personnel who protect their communities with little or no compensation for their services. This request would provide them with the training and testing necessary to do their jobs safely.

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

FY 2009 BUDGET REQUEST

Institution / Agency: Division of Professional-Technical Education Agency #: 503

Decision Unit / Line Item: 12.03

Rank: 3 of 6

Category: Maintenance/Infrastructure

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Secondary Added Cost Formula

FTP: 0.00

Gen	\$684,900	Fed	\$	Ded/Other	\$	Total	\$684,900
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How connected to institution/agency strategic plan:

In Section 1 (Quality) of the Idaho Division of Professional-Technical Education Strategic Plan 2005-2009, it states, "Provide leadership and technical assistance that will continuously improve the quality of Idaho's professional-technical education system." This is referenced to the SBOE Strategic Plan in Section 4-10.

Description: During the FY 2006 Legislative Session, the Joint Finance and Appropriations Committee appropriated \$300,000 to begin the process of implementing the recommendations made by an independent study of the high school professional-technical added-cost formula. The study revealed that the formula fell short of meeting the added costs of instruction, extended contracts, travel expenses, purchased services, specialized materials and supplies, and equipment. The study recommended that the formula be adjusted to meet the current needs of programs including equipment upgrading and replacement, one-time start up costs, innovative program costs, web-based instruction, student leadership development, and career-technical guidance.

To implement the recommendations of the study, \$684,900 is needed. This recommendation was initially made in FY 2003, so the problems and shortages identified have grown since then.

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

FY 2009 BUDGET REQUEST

Institution / Agency: Division of Professional-Technical Education Agency #: 503

Decision Unit / Line Item: 12.04 Rank: 4 of 6

Category: Expanded programs

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Technical College Program Expansion

FTP: 24.25

Gen \$2,470,800 Fed \$ Ded/Other \$ Total \$2,470,800

Note: \$900,000 is **one-time** start-up costs.

How connected to institution/agency strategic plan:

In Section 2 (Access) of the Idaho Division of Professional-Technical Education Strategic Plan 2005-2009, it refers to helping all students develop skills, knowledge, and social awareness to become globally competitive workers, responsible citizens, and life-long learners. This request is further supported in Section 2 by Objective 1: Expand high demand training programs. This is referenced to the SBOE Strategic Plan in Section 1-5.

Description: This budget request would provide funding to begin or expand 21 new professional-technical programs in Idaho's six technical colleges. The demand for workers in the professional and skilled trades is high in Idaho and around the globe. Many of the fastest growing Idaho jobs that are both high demand and high wage are clustered around health care, manufacturing, and technical occupations. Many of the jobs in these high wage, high demand occupations require an Associates Degree or PTE certificate.

Postsecondary technical education is becoming the new minimum requirement for the majority of jobs in Idaho and the US. The continued success of Idaho's economy depends on an increasing supply of professional and technically trained employees and entrepreneurs. Professional-Technical Education is Idaho's primary source of these workers. The past few years have been challenging for the technical colleges. Budget pressures and low unemployment have resulted in a focus on maintaining existing programs - with limited funding available for growing new ones. This budget request addresses both the increased skills needed in existing jobs and the need to fill new positions. Specific programs that will be targeted include those related to manufacturing, healthcare, allied health occupations, energy systems technician, web development, and veterinary technician. Funds for the new programs will be distributed according to the percentage of people served in each region. Those regions with the lowest percentage of people served will receive the most programs. This request would serve Idaho citizens throughout the state who need and can benefit from postsecondary

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professional-technical training. It would also serve the businesses who depend on a highly trained workforce in order to remain competitive.

Distribution will be as follows:

Institutions	FTP	On-going	One-time	Total
BSU	8.13	555,800	350,000	905,800
CSI	2.86	188,100	100,000	288,100
EITC	5.00	275,600	150,000	425,600
ISU	1.50	102,200	50,000	152,200
LCSC	2.76	182,800	100,000	282,800
NIC	4.00	266,300	150,000	416,300
TOTALS	24.25	1,570,800	900,000	2,470,800

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FY 2009 BUDGET REQUEST

Institution / Agency: Professional-Technical Education

Agency #: 503

Decision Unit / Line Item: 12.05

Rank: 5 of 6

Category: Maintenance/Infrastructure

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Technical College Instructional Equipment

FTP: 0.00

Gen	\$753,400	Fed	\$	Ded/Other	\$	Total	\$753,400
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How connected to institution/agency strategic plan: This decision unit meets the Professional-Technical Education's Strategic Plan 2005-2009 Goal 1. Quality – Provide leadership and technical assistance that will continually improve the quality of Idaho's professional-technical education system.

Description - This request addresses ongoing requirements to provide state of the art equipment and technology to insure that instruction and training is current with business and industry certification standards. Many of the teaching laboratories in the technical college system are quickly becoming outdated as industries and technologies evolve. The technical colleges must keep their instructional equipment current in order to provide quality industry relevant training necessary to compete in a global marketplace. This request is submitted in an effort to sustain the level of training that is needed by graduates as they compete for jobs following graduation. The percentage of budget dedicated to instructional equipment has steadily declined from FY 1997 levels of 6.3% to a low of 2.2% in FY 2003, and 2.99% in FY 2008. This request would increase the percentage of budget dedicated to instructional equipment to 5%. Last year's one time appropriations, although definitely needed and beneficial, did not ensure the ongoing need to maintain state of the art instructional equipment. Funds will be distributed based on the institution's relative FY 2008 instructional base.

Distribution will be as follows:

BSU	\$150,900
CSI	\$114,700
EITC	\$102,000
ISU	\$214,000
LCSC	\$83,700
NIC	\$88,100

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FY 2009 BUDGET REQUEST

Institution / Agency: Professional-Technical Education

Agency #: 503

Decision Unit / Line Item: 12.06

Rank: 6 of 6

Category: Salary Enhancements

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Technical College Faculty Salary Competitiveness

FTP: 0.00

Gen	\$716,700	Fed	\$	Ded/Other	\$	Total	\$716,700
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How connected to institution/agency strategic plan: This decision unit meets the Professional-Technical Education's Strategic Plan 2005-2009 Goal 1. Quality – Provide leadership and technical assistance that will continually improve the quality of Idaho's professional-technical education system.

Description: Idaho's technical college salaries are considerably lower than salaries offered by business and industry to individuals with the same level of expertise and experience. Business and industry is also the source of technical college instructors, but hiring well qualified instructors has become extremely difficult. Even those individuals who would enjoy teaching are reluctant to reject higher salaries to accept employment for lower wages in technical colleges. As professional-technical faculty are selected for their expertise, experience, and education, their salaries should reflect the higher end of business and industry salary ranges. Providing technical instructor salaries that are competitive with business and industry is critical to maintaining quality instruction.

There are instances where students who hold no more than one or two-year technical certificates begin work in entry-level positions for business or industry at salaries that are \$5,000 to \$10,000 more per year than their instructors are paid. If technical colleges are restricted to hiring instructors who will accept low wages, instructors may not deliver the level of quality performance in the classroom or be at the top of their professions. In numerous instances, salaries are not competitive with comparable instructors in neighboring states.

Distribution will be as follows:

BSU	\$153,400
CSI	\$116,100
EITC	\$73,000
ISU	\$199,400
LCSC	\$82,500
NIC	\$92,300

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FY 2009 BUDGET REQUEST

Institution / Agency: Division of Professional-Technical Education Agency #: 503

Decision Unit / Line Item: Information Item – Figures transferred at base level Rank: N/A of N/A

Category: Expanded programs

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: HR/ABE/GED/Veterans/Proprietary Function Transfer

FTP:

Gen	Fed	\$	Ded/Other	\$	Total
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How connected to institution/agency strategic plan:

Description: These programs have been transferred to the Division through a memorandum of understanding. The FY 2009 budgets will need to be modified to reflect shifting those functions from the Division of Human Resources and the Department of Education to the Division of Professional-Technical Education. The specific budget numbers are not yet available, but there will be no new general account dollars requested. The Division may need 3 more FTP to cover 2 positions now employed by the Department in Group positions and 1 to cover proprietary school oversight. Those FTPs should be available when CIS is transferred to the Department of Labor.

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FY 2009 BUDGET REQUEST

Institution/Agency: Idaho Division of Vocational Rehabilitation Agency#: 523

Decision Unit / Line Item: Rank: #1 of 3

Category: Expanded Program

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Extended Employment Funding

FTP: N/A

Gen \$500,000 Fed \$ Ded/Other \$ Total \$500,000

How connected to institution/agency strategic plan: This request support the goal #1, objectives 1, 2, and 3 of the IDVR Strategic Plan.

Description:

The Extended Employment program provides long term support for significantly disabled individuals. This program has been managed by IDVR for the last three years, having been transferred from Health & Welfare. Support is provided by oversight within a protected environment or by job coaches at a job site in the community, providing any necessary support from a few hours per week to full time support giving job training to the employee and insuring the employer of work task completion. This program is important to maintain as studies have shown that individuals who maintain employment need fewer state and federal support services.

The most significant challenge facing the program is a matter of resource shortage.

Since IDVR began management of the program:

- Employment placement has increased by 30%, from approximately 900 to 1,176 in 3 years.
- Funding has been increased by \$246,600, but the waiting list has increased by 40% from 175 to approximately 250 individuals in 3 years.
- Approximately 240 individuals have been moved off the waiting list in the last year.

Growth in the waiting list is related to several factors: rapid state population growth, a better managed program with an improving reputation, and a back log of pent up demand for the employment services.

In order to eliminate the current waiting list, funding of about one million dollars is needed, but significant progress can be made by an addition of \$500,000 to the program.

- Focus area 1: Shifting the program toward community supported employment, about 10% less expensive than supported employment in a customized, protected environment.
- Focus area 2: Moving clients more rapidly through the system.

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The second significant challenge is that the number of providers of service recently grew from 22 to 30 providers with the number expected to further increase over the next few years. The new providers do not have funds designated to provide services to our clients since present resources could only be taken from long standing providers for redistribution to the new providers. An increase in funds will allow for the use of new providers as individuals needing support choose these providers for their employment support.

IDVR will continue to seek service improvements through various methods such as the recent Round Table discussion established among representation from IDVR, Co-Ad, the DD Council, the Idaho Association of Community Rehabilitation Programs, the Vocational Providers of Idaho, and the State Independent Living Council.

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FY 2009 BUDGET REQUEST

Institution/Agency: Idaho Division of Vocational Rehabilitation Agency#: 523

Decision Unit / Line Item: Rank: #2 of 3

Category: Salary Enhancements

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Pass Plan Writer

FTP: 1

Gen	\$16,300	Fed	\$60,100	Ded/Other	\$	Total	\$76,400
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How connected to institution/agency strategic plan: This request support the goal #2, objective 3 "Enhance Revenue Opportunities for all VR Programs" of the IDVR Strategic Plan.

Description:

IDVR is requesting one FTP for a position to write PASS (Plan for Achieving Self Support) plans. The objective is to provide otherwise unavailable resources directed towards independence from federal and state support for individuals with severe disabilities on SSA benefits. The agency currently has no individuals dedicated to this purpose.

PASS plans assist in reducing Division costs for SSA clients the PASS plan incorporates expenditures that may otherwise constitute a financial obligation to the agency.

- One full time PASS plan writer could write and submit 50 plans annually.
- The average PASS plan in a previous pilot project was valued at about \$10,000.
- Potential return on investment: \$500,000 annually.
- At any given time over 300 VR clients could benefit from PASS plans but resources are insufficient, in personnel and dollars, to develop the written plans and provide the subsequent oversight.
- Each plan may take from 20 to 40 hours to produce.
- Clear understanding of disabilities and excellent writing skills are needed for this position. IDVR will provide needed training.

The addition of this position would provide unavailable resources for division clients or conserve Division resources by bringing in SSA reimbursements to offset Division expenditures. Recipients would no longer need SSA benefits thus saving the Federal government.

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FY 2009 BUDGET REQUEST

Institution/Agency: Idaho Division of Vocational Rehabilitation Agency#: 523

Decision Unit / Line Item: Rank: #3 of 3

Category: Expanded Program

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Epilepsy Services Funding Increase

FTP: 0

Gen	\$30,000	Fed	\$	Ded/Other	\$	Total	\$30,000
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How connected to institution/agency strategic plan: This request supports goal 1 & 2 of the IDVR Strategic Plan.

Description:

The Epilepsy Foundation of Idaho has contracted with IDVR since 1991 to provide epilepsy services in all Idaho counties excluding Ada County. For the third consecutive fiscal year, the cost of services has exceeded the contracted funds. These changes are largely due to inflation and increased personnel costs.

Cost of Services in Excess of Contract:

FY 2005	\$27,938 over contract
FY 2006	\$34,755 over contract
FY 2007	\$38,000 over contract (estimated)

In prior years The Epilepsy Foundation of Idaho has subsidized these costs through donations from the private sector and special event fundraisers. As donations are becoming more and more difficult to achieve, a funding increase of \$30,000 in the contract amount is being requested to more closely reflect actual costs.

The Foundation will continue to seek private funds and increase fundraising efforts as well to continue to subsidize these services.

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FY 2009 BUDGET REQUEST

Institution / Agency: Public Television

Agency # 520

Decision Unit / Line Item: 12.01

Rank: 1 of 2

Category:

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Maintenance/Infrastructure

Title: Reliable Emergency Power backup

FTP:

Gen	\$325,000	Fed	\$	Ded/Other	\$	Total	\$325,000
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How connected to institution/agency strategic plan:

IdahoPTV Strategies & Measures:

1. Contribute to a well-informed citizenry.
2. Provide high quality television and web programming.
3. Provide relevant Idaho-specific information.
4. Provide additional access to citizens anywhere in the state to IdahoPTV and PBS resources that support citizen participation and educational goals, via the WWW.
5. Be a relevant education and information resource for all citizens, but particularly for children and the elderly.

Description:

In recent years, the area of Boise that Idaho Public Television's network operations center is located, has been experiencing semi-regular power outages. In early June, 2007, one such power outage lasted nearly two hours, cutting programming and emergency announcement services to all viewers in Idaho and portions of six surrounding states. This is only an example of a on-going pattern. (A detailed list is available for review.) These outages are particularly harmful to the digital equipment housed within the NOC. In addition, when these power outages occur, all regular and emergency programming services to the state is negatively disrupted. We are especially concerned that when an emergency does occur, and localized power outages would be likely, we will not be able to provide timely information to the public via the Emergency Alert System and announcements by local and state officials.

Idaho Public Television broadcasts 24 hours a day, 7 days a week to 97% of the population of Idaho. Utilizing a Network Operations Center (NOC), Idaho Public Television transmits its signal to 10 transmitters and 37 translators across the state. Idaho's population has come to expect consistent and reliable education, entertainment, and information from this Idaho owned State entity. They also have come to expect reliable and timely emergency information, especially those rural Idahoans that rely on

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the on air broadcasting to fulfill their television needs. Public broadcasting in general and Idaho Public Television specifically have been exploring ways in which this State owned asset can be of significant use during an emergency in which Homeland Security needs to communicate statewide in a timely manner to everyone in Idaho. Idaho Public Television is the only network in Idaho that can transmit information of this nature and reach the citizenry on a scale broad enough to meet this need from one source.

Over the years, Idahoans have been relying on Idaho Public Television to provide news of the Legislative Session, Governors speeches, and public affairs programming for discussion of these events. The advent of digital television has opened many new avenues available for Idaho Public Television to take advantage of so we can stream live coverage in the House and Senate and at the same time broadcast this same feed to the entire state of Idaho. Whenever there are special events in the Statehouse such as the Governors speeches, awards, or debates its Idaho Public Television's feed that supplies video and audio to the major television stations statewide.

A sudden loss of power at our NOC interrupts the consistent flow of television programming statewide. This same loss of power during a speech by the Governor or an important debate in the legislature deprives Idahoans their participation in its state government. Idaho Public Television cannot even stream to the web more than a few minutes and valuable recording of Idaho government history is lost during this time.

Idaho Public Television would like to propose a one-time cost that would take a major leap towards avoiding these associated problems and open an opportunity to better serve our emergency and Homeland Security issues. Interruptions in the government processes and the flow in education and information would become more consistent and reliable as power interruptions in Boise continue to become worse over time. This is a proposal for a long term backup power flywheel and associated power generator to replace the current system of UPS batteries that currently only allow a few minutes of backup power. We currently employ more than twenty of these and they must be replaced every 2 years to stay even a little effective. Even the security of the facility which includes the regional office of DEQ, utilize this backup energy. Once the UPS is dead, the state broadcast needs and the security system we employ become ineffective.

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FY 2009 BUDGET REQUEST

Institution / Agency: Public Television

Agency # 520

Decision Unit / Line Item: 12.02

Rank: 2 of 2

Category:

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

New/Expanded Programs

Title: Idaho Experience Documentaries

FTP:

Gen	\$358,400	Fed	\$	Ded/Other	\$	Total	\$358,400
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How connected to institution/agency strategic plan:

IdahoPTV Strategies & Measures:

6. Contribute to a well-informed citizenry.
7. Provide high quality television and web programming.
8. Provide relevant Idaho-specific information.
9. Provide additional access to citizens anywhere in the state to IdahoPTV and PBS resources that support citizen participation and educational goals, via the WWW.
10. Be a relevant education and information resource for all citizens, but particularly for children and the elderly.

Description:

Idaho Public Television is committed to presenting Idaho stories in a way that preserves and enhances our heritage. Toward that end, we propose to produce two documentaries annually, in the tradition of PBS' *American Experience* or *American Masters*, and to make them available to students, teachers and the Idaho public.

To date, there are no other known efforts to produce comprehensive multi-media documentaries about influential Idahoans and the forces that shaped our state.

Each documentary will be broadcast several times throughout the state, with unlimited off-air record rights for educational institutions. Enhanced DVDs and web-based media of the programs will be available to the Idaho State Library for circulation to libraries throughout Idaho via interlibrary loan. The documentaries will be closed-captioned for the hearing impaired and a companion website will be developed to take the program beyond the television screen and enhance educational opportunities for Idaho's teachers and students.

Working together with the Idaho State Historical Society and the libraries of Idaho's universities and colleges, we will help to preserve Idaho's heritage by preserving

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valuable, unique documents and artifacts that are presently stored in the partners' collections but are unusable because of their fragile condition.

Idaho Public Television believes this project will generate excitement to produce other Idaho Experience documentaries. In addition to State of Idaho contributions to this effort, Idaho Public Television will seek additional resources to enhance and expand this effort to beyond the two annual program topics.

The budget request includes one-time and on-going costs. One time expenses include a field camera system and office equipment totaling \$84,400. Recurring costs include three positions and expense funds totaling \$274,000.

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FY 2009 BUDGET REQUEST

Institution / Agency: Idaho State Historical Society

Agency #: 522

Decision Unit / Line Item: 12.01

Rank: 1 of 7

Category: Expanded Program

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Community Assistance Grants

FTP: None

Gen	\$150,000	Fed	\$	Ded/Other	\$	Total	\$150,000
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How connected to institution/agency strategic plan:

ISHS 2. Funding/Organizational Development

ISHS 4. Customer Service

SBOE 2. Access

SBOE 3. Relevance

Description:

What is being requested and why? What is the agency current staffing level for this activity and how much funding by source is in the base?

In order for the Idaho State Historical Society (ISHS) to meet its statutory obligations (Idaho Code 67-4114 through 67-4130) of preserving and interpreting the entire state's history, it needs to have the resources to provide assistance to communities throughout the state in their preservation and interpretation efforts. This grant program builds upon a very successful model, also coordinated by ISHS. During the Lewis and Clark Bicentennial ISHS oversaw a community grant program that provided funding to museums, historical societies, cities, schools, tribes, and non-profit organizations along the LC Trail. This funding, from federal and state sources, dramatically enhanced museums and libraries along the Trail, provided for interpretive centers and signage, provided training and educational opportunities for teachers, and in other ways dramatically improved Trail communities' ability to preserve and interpret their history. ISHS proposes to use this highly respected program as a model for a state-wide community grant program. Grants will be available statewide for historic preservation and interpretation needs. Non-profits, tribes, and local government agencies from throughout the state will be able to apply for competitive grants. For the first year of the grants program, priority will be given to education, interpretation, and preservation focusing on the bicentennial of David Thompson and the Fur Trade in Idaho.

Staff member Keith Petersen coordinated the grant program during the Lewis and Clark Bicentennial and will serve as coordinator of this community grants program. No additional staffing will be required. All funds provided by the state will be distributed to communities for projects. General Funds totaling \$50,000 are currently in the base for trustee/benefit community projects. This funding was initially provided for Lewis and Clark Bicentennial projects, and in FY 2007 and FY 2008 was used for state-wide projects. In addition, as it did successfully for the Lewis and Clark Bicentennial, the Society has also requested a congressional appropriation for this program.

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What resources are necessary to implement this request?

a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire and terms of service.

b. Note any existing agency human resources that will be redirected to this new effort and how existing operations will be impacted.

c. List any additional operating funds and capital items needed.

No new positions will be created. No additional operating funds or capital items will be required. The coordination of this community grants program will be assigned to current staff member Keith Petersen as part of his outreach duties, similar to his previous coordination of the Lewis and Clark Bicentennial community grants program. All funding requested will be distributed to communities throughout the state.

This project will be funded by General Funds, as noted. The funding will be ongoing. ISHS is seeking additional sources of funds for this outreach program, particularly a direct congressional appropriation. As noted above, this program is modeled after the Society's Lewis and Clark Bicentennial community grants program. For that effort, more than 90% of the more than \$4 million granted came from non-state sources, including congressional appropriations and partnerships with federal agencies. The Society's goal is to have a similar broad-based community grants program for this effort. But state funding is essential to provide the base upon which additional funding efforts can build.

Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded, who and what are impacted?

Perhaps the best way to answer this is to use the example of community museums along the Lewis and Clark Trail and how they benefited from the effort upon which this program is modeled. Museums in Moscow, Lewiston, Orofino, Kamiah, Pierce, Cottonwood, Grangeville, and Salmon were literally transformed into dynamic community educational facilities with a modest amount of funding. Our experience has shown that organizations such as these can make dramatic and dynamic improvements with grants of as little as \$15,000, because they have the volunteer base and community support to match and stretch those dollars. These museums are now open longer hours, have new exhibits, handicapped accessibility, websites, and brochures, and in a wide diversity of other ways are greatly improved. It does not take a lot of money to assist community preservation and interpretation needs. Throughout the state there are local historic preservation committees, museums (Idaho has more than 100), historical societies, libraries, schools, and other groups tirelessly working to preserve Idaho's rich heritage and culture. They often do this without recognition and with precious little money. A modest ongoing community grants program like the one outlined here will pay rich dividends in every corner of the state. Idaho lags far behind most states in terms of the funding provided for preservation and interpretation efforts in communities. This proposal helps to fill a need that has been apparent for decades. If funding is not provided, preservation efforts in the state will continue to suffer.

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FY 2009 BUDGET REQUEST

Institution / Agency: Idaho State Historical Society

Agency #: 522

Decision Unit / Line Item: 12.02

Rank: 2 of 7

Category: Expanded Program

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Museum Curatorial Registrar/Restoration Initiative

FTP: 1.00

Gen	\$59,300	Fed	\$	Ded/Other	\$	Total	\$59,300
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How connected to institution/agency strategic plan:

ISHS 4. Customer Service

SBOE 2. Access

SBOE 4. Efficiency

Description:

What is being requested and why? What is the agency current staffing level for this activity and how much funding by source is in the base?

For FY 2008 the State Historical Society requested \$118,600 for two curatorial registrar positions for the Idaho State Historical Museum. Half of that request was funded and one curatorial registrar was added to the Museum staff. This request seeks the other half of that funding. Due to the reduction in force in FY 2003, the Society lost three positions in the Museum. The funding we received in FY 2008 replaced one of these. We are still two positions short of what we had six years ago. The Museum holds in trust for the people of Idaho more than 200,000 artifacts relating to the history of Idaho. These unique and priceless artifacts are a true state treasure. The necessary cataloging, conservation, and preservation of these artifacts have suffered in recent years because of lack of professional staff to care for the collection. More of the public will be able to utilize the collection through exhibits, programs, and research if we are able to again have a fuller Museum staff. When the objects are cared for properly they will help future generations understand our past.

Accreditors from the American Association of Museums in 2006 noted a need for two additional curatorial registrars; as noted above, one of these positions was funded for FY 2008. The accrediting team has been notified that the Society received only one of two requested positions. The accrediting team will do its site visit of the Museum in August 2008. We will not know until after that visit whether accreditation will be awarded even though only one position was filled. Even if the Museum does receive accreditation, the need for an additional curatorial registrar will remain, as the backlog in proper conservation of the collections will remain.

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What resources are necessary to implement this request?

a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service.

b. Note any existing agency human resources that would be redirected to this new effort and how existing operations will be impacted.

c. List any additional operating funds and capital items needed.

This request seeks one permanent museum curatorial registrar, full-time, pay grade 38, with full benefits, with a hiring date of July 1, 2008. There is no set time for position expiration, as this is an ongoing need. Other than an adjustment in supervisory responsibilities by administrative personnel to coordinate work assignments, there will be no shifting of duties within the agency. Approximately \$10,000 in operating expenditures will be required annually for office and curatorial supplies to be used by the new registrar to adequately fulfill his/her responsibilities; the Society is not seeking an increase in operating expenditures with this request.

The allocation requested for this position will come from General Funds. This is an ongoing request/position.

Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

Existing operations and the public will benefit from access to artifacts processed and preserved by the registrar. The work the registrar will perform is essential to the preservation of these artifacts, which belong to the people of Idaho.

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FY 2009 BUDGET REQUEST

Institution / Agency: Idaho State Historical Society

Agency #: 522

Decision Unit / Line Item:

Rank: 3 of 7

Category: Maintenance / Infrastructure

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Historic Structures Maintenance Craftsman

FTP: 1.00

Gen	\$36,500	Fed	\$	Ded/Other	\$	Total	\$36,500
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How connected to institution/agency strategic plan:

ISHS 2. Funding/Organizational Development

ISHS 4. Customer Service

SBOE 2. Access

SBOE 4. Efficiency

Description:

What is being requested and why? What is the agency current staffing level for this activity and how much funding by source is in the base?

This request seeks funding to hire an additional Maintenance Craftsman 2, at entry level pay plus 5%.

The Idaho State Historical Society (ISHS) is responsible for the maintenance of 60 structures at four historic sites around the State. The overwhelming majority of these structures are listed on the National Register of Historic Places. Some of these buildings are in Boise, such as the Old Idaho Penitentiary, the Idaho History Center, the Idaho Assay Office, and the former Bureau of Reclamation building. Others are located outside of Boise in the communities of Franklin, Hansen, and Pierce. Currently, the Society has two maintenance craftsmen on staff to maintain all of these structures and the surrounding grounds at the sites; these are the only building maintenance personnel authorized within the entire Society. It is impossible to maintain these state facilities with this skeleton crew, and as a consequence, some of Idaho's most significant historic structures, including one of only three National Landmark buildings in Idaho (the Assay Office) are not being adequately maintained and the required maintenance and inspections are not being preformed in a timely manner. This additional position will assist the Society in reducing its backlog of facilities maintenance, perform ongoing maintenance and inspections, and when required, will help educate local historical groups in caring for their historic structures. This position will be paid by General Funds. There is no funding currently in the base for this position.

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What resources are necessary to implement this request?

a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service.

b. Note any existing agency human resources that will be redirected to this new effort and how existing operations will be impacted.

c. List any additional operating and capital items needed.

This proposal requests approval to hire a full-time Maintenance Craftsman 2, pay grade 32, with full benefits, to start July 1, 2008 and serve ongoing. This position will be funded by General Funds. Other than an adjustment in supervisory responsibilities by administrative personnel to coordinate work assignments, there will be no shifting of duties within the agency. Approximately \$10,000 in current operating funds will be required annually for maintenance supplies to be used by the new Maintenance Craftsman to adequately fulfill his/her responsibilities. The Society is not seeking an increase in operating expenditures with this request.

This position would be paid with General Funds.

Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

The people of Idaho and out of state visitors to our historic sites will benefit from this request. The addition, the work of the Maintenance Craftsman position will help prevent further deterioration of the historic structures belonging to the State Historical Society. It will allow in-house, trained individuals to preserve and restore our historic buildings rather than delaying needed work or relying on contractors to perform the work. The skills needed to perform specialized work on historic buildings in accordance with the Secretary of the Interior's Standards for the Preservation of Historic Properties may not be readily available through contractors. We are then subject to training contractor personnel, or bringing in expertise from out of state to do the work.

The current and back-log workload of maintaining the historic integrity of 60 buildings, fulfilling day-to-day requirements of public accessibility, and ensuring the environmental and safety needs of the staff occupying or visitors touring those structures is beyond the capabilities of the two authorized Maintenance Craftsman positions.

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

FY 2009 BUDGET REQUEST

Institution / Agency: Idaho State Historical Society

Agency #: 522

Decision Unit / Line Item:

Rank: 4 of 7

Category: Operating Support

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Matching Cost Share for State Archeologist

FTP: 1.00

Gen	\$41,900	Fed	Ded/Other	Total	\$41,900
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How connected to institution/agency strategic plan:

ISHS 2. Funding/Organizational Development

ISHS 4. Customer Service

SBOE 1. Quality

SBOE 4. Efficiency

Description:

What is being requested and why? What is the agency current staffing level for this activity and how much funding by source is in the base?

This request is to for ½ cost share of state funding to match federal funds for the State Archeologist. Reallocated federal funds would be used to support the hiring of a full time Administrative Assistant 1 for the State Historic Preservation Office.

The current staffing for the Idaho State Archeologist is 1 FTP and is fully funded by Federal Funds. The request is being made to provide needed non-federal matching funds for the federal funding that now fully supports Idaho's State Historical Preservation Office (SHPO). General Funds applied to the State Archeologist position would allow for a reallocation of federal funding for a full time Administrative Assistant to provide customer service and clerical/data entry support to the office which serves between 1,000 and 1,500 requests for mandated services annually.

What resources are necessary to implement this request?

a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire and terms of service.

b. Note any existing agency human resources that will be redirected to this new effort and how existing operations will be impacted.

c. List any additional operating funds and capital items needed.

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

This proposal requests approval to complete two initiatives:

- To provide ½ state General Fund support to the State Archeologist position to assist in non-federal match and
- To reallocate freed-up federal funds to hire an Administrative Assistant 1 at pay grade 32, with full benefits, to start July 1, 2008 and serve ongoing.

Currently, there is no direct cost match from the general fund for the SHPO. The non-federal matching requirement is \$396,686 and is currently being met by indirect cost allocation and state funding for restoration of the Capitol. Restoration of the Capitol will not be available as matching funds in FY 2009.

SHPO's State Archeologist and related program staff currently do their own clerical and data entry work. Currently, SHPO staff serves between 1,000 and 1,500 cases per year required for Section 106 Compliance alone. (Not including other key responsibilities of public education, outreach, and the Idaho State Archeological Survey) For each case, there is a minimum of 1 hour in reporting, filing forms, and entering data.

Benefit derived from this shift/redirected effort is conservatively illuminated as follows:

Currently 1,500 hours of managerial/technical at \$30/hour = \$45,000

Proposed 1,500 hours clerical @ \$12 per hour = \$18,000

This shift will allow SHPO's professional staff to concentrate their efforts on high value professional and technical work and make more efficient use of their time.

Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded, who and what are impacted?

The Idaho Legislature recognizes the role of and need for a state archaeologist in historic preservation. In Chapter 41 of the Idaho Code, archaeological responsibilities and duties are assigned to the Idaho State Historical Society under 67-4115, 67-4118, 67-4119, 67-4120, 67-4121, and 67-4122. Title 33, Chapter 39 establishes an Idaho Archaeological Survey under authority of the State Board of Education and the regents of the University of Idaho, and stipulates that the "Idaho state archaeologist" shall serve as its director.

Almost all other states and trust territories provide some measure of general fund support for their historic preservation offices. Idaho is one of the few remaining states that relies entirely on Federal support for the direct costs of its State Historic Preservation Office.

Approval of this request will enhance SHPO's efficiency, increase capacity to perform additional technical work as projected by future work and assist in complementing needed non-federal match for the program. Parts of the Garvee Bond-funded highway projects will significantly increase the workload in SHPO. Without additional staff, completion of this and other project may be delayed.

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

FY 2009 BUDGET REQUEST

Institution / Agency: Idaho State Historical Society

Agency #: 522

Decision Unit / Line Item: 12.05

Rank: 5 of 7

Category: Operating Support

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Collection Development for Public Archives and Research Library (PARL)

FTP: None

Gen	\$40,000	Fed	Ded/Other	Total	\$40,000
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How connected to institution/agency strategic plan:

ISHS 2. Funding/Organizational Development

ISHS 4. Customer Service

SBOE 1. Quality

SBOE 2. Access

SBOE 3. Relevance

Description:

What is being requested and why? What is the agency current staffing level for this activity and how much funding by source is in the base?

This request would provide \$40,000 for collection development, roughly 6% of PARL's annual budget.

To maintain a viable research collection that will be used by the public, it is necessary to acquire current resources such as books, periodicals, maps, newspapers, on-line databases, and other materials. Libraries in the United States typically devote 12-15% of their base budget to collection development.

Prior to fall, 2002, PARL had a \$38,100 line-item in the ISHS base budget for collection development. Due to the severe economic downturn that year, these funds were removed from the budget and have not been returned. (With one exception: the FY07 budget included a one-time enhancement of \$80,000 for collection development which did allow some 'catch-up'.)

What resources are necessary to implement this request?

a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire and terms of service.

No additional positions would be required at this time.

b. Note any existing agency human resources that will be redirected to this new effort and how existing operations will be impacted.

Existing staff – two Library Assistant 2s and one Library Assistant 3 – will be responsible for check-in and copy cataloging of these items.

c. List any additional operating funds and capital items needed.

No additional resources would be required at this time.

Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded, who and what are impacted?

PARL annually serves some 15,000-16,000 researchers, both on- and off-site. This request would allow access to current research materials. Failure to fund this requests will result in a growing obsolescence of PARL's resources and decline in researcher use as they find relevant materials elsewhere.

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

FY 2009 BUDGET REQUEST

Institution / Agency: Idaho State Historical Society

Agency #: 522

Decision Unit / Line Item: 12.06

Rank: 6 of 7

Category: Operating Support

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: History Day Enhancement Project

FTP: None

Gen	\$16,100	Fed	Ded/Other	Total	\$16,100
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How connected to institution/agency strategic plan:

ISHS 4. Customer Service

SBOE 2. Access

SBOE 4. Efficiency

Description:

What is being requested and why? What is the agency current staffing level for this activity and how much funding by source is in the base?

This proposal seeks to shift the current, approved History Day Aide from dedicated to General Funds so that it can be sustained.

Currently, the Idaho State Historical Society has a part-time employee working 950 hours per year as the state History Day Aide, paid by dedicated funds. This person serves as the logistical coordinator of this statewide educational outreach program that reaches hundreds of Idaho school children each year, and provides \$35,000 in college/university scholarships annually. The earned income (dedicated funds) of the Museum cannot continue to support this position, so this request is to replace dedicated funds with General Funds. The Idaho History Day education program, coordinated statewide by the Idaho State Historical Museum, has grown rapidly due to increased promotion and interest throughout the state. With the 2007 legislative passage of requirements for senior projects prior to graduation beginning in 2013, we anticipate that this program will continue to expand dramatically.

Students in grades 6 through 12 complete research projects based on a theme related to history, and conduct presentations in the form of exhibits, written reports, oral presentations, or dramatic presentations. State winners are eligible for the National History Day competition in Maryland. Participation in the program has grown dynamically in the past few years, from 659 students in 2003 to 1,300 students in 2007. With the likelihood that Idaho History Day projects will qualify as being among those identified as fulfilling research project requirements for high school seniors to graduate, an additional and substantial increase in competitors is being anticipated.

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

In addition to the History Day Aide, the Museum's educational specialist also spends a great deal of his time on History Day, and this will continue. This proposal does not seek to increase the staffing for this position, but rather to shift the History Day Aide to General Funds so that it can be supported in the future. This position is essential to the continuation of Idaho History Day.

What resources are necessary to implement this request?

a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service.

b. Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted.

c. List any additional operating funds and capital items needed.

This request is for a fund shift from dedicated funds to General Funds, because the earned income at the Museum cannot sustain the necessary History Day Aide. The History Day Aide currently works at pay grade 37, 950 hours per year. This position will continue. This is an ongoing project, so there will be no new human resources required, nor will there be additional operating funds or capital items required.

Break out fund sources with anticipated expenditures in the financial data matrix. Non-General Funds should include a description of major revenue assumptions.

All requested allocations for this request would come from General Funds.

Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

This request will impact all schools in Idaho serving grades 6 through 12, plus home-schooled students in those grades, who participate or anticipate participating in Idaho History Day. If this request is not funded, the ability to adequately coordinate Idaho History Day and provide appropriate services to the increasing number of participants will be in jeopardy, as will any future anticipated growth in the program, particularly growth that is anticipated as a result of new graduation requirements for Idaho high school students.

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

FY 2009 BUDGET REQUEST

Institution / Agency: Idaho State Historical Society

Agency #: 522

Decision Unit / Line Item: 12.07

Rank: 7 of 7

Category: Maintenance / Infrastructure

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Compact/Mobile Shelving at Public Archives and Research Library (PARL)

FTP: None

Gen	\$750,000	Fed	Ded/Other	Total	\$750,000
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\$750,000 one-time

How connected to institution/agency strategic plan:

ISHS 2. Funding/Organizational Development

SBOE 2. Access

SBOE 3. Efficiency

Description:

What is being requested and why? What is the agency current staffing level for this activity and how much funding by source is in the base?

This proposal requests additional one-time capital support for \$750,000 of compact storage shelving as part of multiple year phasing.

The Merle W. Wells Archives Building was completed in 1998 and included capacity for storage of approximately 60,000 cubic feet of collection materials, primarily state- and county-level public records. The building is now at capacity.

The Wells Building was constructed to allow the addition of compact/mobile storage, with appropriate weight loads and lighting that runs perpendicular to the existing stationary shelving. Conversion of the entire building to compact/mobile storage will allow an 80% increase in storage capacity.

Complete conversion of the building to compact/mobile storage is estimated at \$900,000.

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

What resources are necessary to implement this request?

a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire and terms of service.

No additional positions would be required at this time.

b. Note any existing agency human resources that will be redirected to this new effort and how existing operations will be impacted.

Existing staff members – State Archivist, two Archivists and one Records Technician – will assist the PARL Administrator with oversight of these activities.

c. List any additional operating funds and capital items needed.

The total project budget is \$900,000. Combined with \$150,000 in the FY 2008 appropriation, approval of this request for one-time \$750,000 would result in the project's completion.

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

FY 2009 BUDGET REQUEST

Institution / Agency: Idaho Commission for Libraries

Agency #: 521

Decision Unit / Line Item: 12.01

Rank: 1 of 1

Category: Expanded Programs

(New / Expanded Programs, Operating Support, Maintenance / Infrastructure (Including Occupancy Costs), Salary Enhancements)

Title: Read to Me

FTP: 3.0

Gen	\$1,170,000	Fed	\$	Ded/Other	\$	Total	\$1,170,000
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How connected to agency strategic plan:

SBOE Goal: Access

ICFL Strategic Plan, 2008 – 2011

III.A.1: Develop, coordinate, provide and support reading and literacy programs and services.

a. Coordinate and support Read to Me.

IV.C.1: Promote and support outreach projects that encourage partnership.

a. Collaborate and support Read to Me outreach.

Description:

If funded, this request will expand Read To Me, the early and family literacy program for public libraries and their school and community partners. Read to Me consists of a variety of program elements so each library can choose those that best match its community's needs and resources. Each program element is designed to be easily customized and implemented by a typical Idaho public library (58%, or 60 of Idaho's 104 library jurisdictions, serve populations of less than 5,000. In FY2006, public libraries employed a median staff of 2.32 FTE).

To help build the capacity of libraries to implement Read To Me (RTM) programs at the local level, ICFL develops and delivers training and technical assistance based on current research and best practices for local library staff and their community partners. ICFL also develops resources for parents and support materials, displays, and web tools for participating libraries to increase public awareness of the RTM program.

The intended outcomes of this expansion are:

- More Idaho children will be "ready to learn" when they begin kindergarten, and
- More Idaho early elementary children will maintain or increase their reading skills over the summer.

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

To achieve these outcomes, the new funding is to be focused in these areas:

- Under First Book, Idaho public libraries work with community partners to identify at-risk children to receive a book a month for a year and to offer parent workshops on family literacy. Expand from 9 public libraries serving 700 children to additional libraries to serve 5,000 children.
- In the Jump Start program, public libraries collaborate with the local school(s) at kindergarten registration to provide resources for parents (kindergarten readiness and early literacy information, summer reading program invitations) and books for the children. Expand from 40 public libraries working with 72 elementary schools reaching 5,500 children to additional libraries and schools to reach 22,000 children.
- Increase participation in local Summer Reading Programs by 10%, from 40,700 to 44,770.
- Increase the number of library and community partner staff reached with RTM training and technical assistance by 20%.
- Offer mini-grants as seed money for 70 local libraries to establish or expand their RTM programs using best practices in library service to children.

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

INSTITUTION / AGENCY AGENDA
AGENCIES AND INSTITUTIONS OF THE STATE BOARD

SUBJECT

FY09 Capital Budget Requests

REFERENCE

N/A

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.B.8.c.

BACKGROUND

Capital projects are considered and recommended by the Permanent Building Fund Advisory Council (PBFAC), so the capital projects request process is separate from the operating budget request process. The PBFAC (staffed by the Division of Public Works (DPW)), has several major areas of focus: new, renovated or remodeled projects; Americans with Disabilities Act (ADA) projects; asbestos abatement/removal, and building demolition. The State Board of Education reviews and prioritizes major capital projects (as defined by DPW) only, and the DPW staff determines priorities for the remaining areas, such as renovations/remodels.

Major capital projects approved by the State Board of Education are forwarded to the Permanent Building Fund Advisory Council, which reviews and prioritizes all capital projects statewide. The legislature appropriates funds to DPW specifically for major capital projects and makes available funding for renovation and repair and other projects statewide. The Governor also makes a recommendation regarding major capital projects to the legislature.

In the last few years the Board has chosen to not prioritize or recommend any capital facilities to the Permanent Building Fund, requesting that all funding efforts be directed primarily toward Alternation & Repairs, asbestos abatement, etc.

DISCUSSION

Institutions and agencies have prepared and submitted their FY 2009 capital budget requests to the Board office and DPW, as shown on Page 4.

IMPACT

Only Board-approved major capital projects can be forwarded to the PBFAC. The PBFAC, Governor and Legislature will then be informed of the Board's emphasis based upon the priorities indicated (if any), at the Board's discretion.

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

INSTITUTION / AGENCY AGENDA

AGENCIES AND INSTITUTIONS OF THE STATE BOARD – continued

ATTACHEMENTS

N/A

STAFF COMMENTS AND RECOMMENDATIONS

Projects listed on the following schedule have been prioritized by each institution or agency. Many of these projects were included in the FY 2008 institution request list.

During its 2003 session, the Idaho Legislature approved a slate of projects that were funded by bonds issued by the State Building Authority, commonly referred to as the “bonded projects”. Because of that new construction, there were no capital projects requested by the Board for either FY 2005 or FY 2006. There was a general understanding that bonding and constructing several new facilities now was better than having one new educational building each year spread over several years. These bonds will be paid off by annual revenues into the PBFAC.

During the past three years the PBFAC has placed its emphasis on Alteration & Repairs because of the significant backlog in all agencies and institutions. The legislature appropriated over \$69 million in Alteration & Repair projects statewide for FY 2008. Therefore, for FY 2009 the PBFAC might choose to recommend one or several major facilities if they were extremely critical.

Board action could be to recommend some or all of the projects to the Permanent Building Fund Advisory Council for consideration at its October 2007 meeting, or to recommend no major capital facilities for FY 2009 and have the PBFAC concentrate upon Alteration and Repair and other non-major projects. Previous discussions of the Board have concluded that a project's past ranking on any list should not influence future decisions about where that project should be ranked. Another option available to the Board is to recommend a portion of a project or projects, for planning and design in FY 2009.

BOARD ACTION

This item is for informational purposes only. Any action, including prioritizing the major capital projects requested, will be at the Board's discretion.

SAMPLE MOTION, IF NEEDED:

A motion to recommend to the Permanent Building Fund Advisory Council the following major capital project(s), in priority order, for consideration in the FY 2009 budget process, and to forward, for information purposes only, the current

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

INSTITUTION / AGENCY AGENDA

AGENCIES AND INSTITUTIONS OF THE STATE BOARD – continued

list of projects to the Permanent Building Fund Advisory Council so it is aware of the ongoing needs of the institutions.

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|----|-------|-------------------------------|
| 1. | _____ | <select from Tab 12g, Page 4> |
| 2. | _____ | " |
| 3. | _____ | " |
| 4. | _____ | " |

Moved by _____ Seconded by _____ Carried Yes _____ No _____

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

State Board of Education
FY09 Major Capital Request Summary
(\$ in 000's)

Board Priority	Institution/Agency & Project	Detail Page	Total Project Cost		FY 2009 Request
			Perm. Building Fund	Total Funds	
1	Boise State University				
2	1 Center for Environmental Science & Economic Development	5	15,000.0	35,000.0	15,000.0
3	2 Science Research Building	9	30,000.0	62,000.0	500.0
4	Idaho State University				
5	1 Addition to and Renovation of the Life Science Complex	11	33,866.0	33,866.0	33,866.0
6	2 Remodel ISU Meridian Building	12	5,175.0	5,175.0	5,175.0
7	3 Idaho Museum of Natural History Building	13	26,049.0	26,049.0	26,049.0
8	4 Addition to Family Medicine Clinic	14	8,969.0	8,969.0	8,969.0
9	University of Idaho				
10	1 Science & New Technologies Laboratory/Interdisciplinary Research & Education Facility (Planning/Pre-Design)	15	10,499.8	65,334.0	3,266.6
11	2 Northern Idaho Classroom/Office Facility (Planning/Pre-Design)	19	4,200.0	8,400.0	420.8
12	Lewis-Clark State College				
13	1 Upgrade and Renovate Talkington Hall	23	2,600.0	2,600.0	2,600.0
14	2 Reconfigure Meriwether-Lewis Hall to support program relocations to new Health Sciences Building	25	1,750.0	1,750.0	1,750.0
15	3 Upgrade and Renovation of Administration Building- Phase I (Silverthorne Theatre)	27	1,050.0	1,050.0	1,050.0
16	4 Renovation of Spalding Hall	29	2,625.0	2,625.0	2,625.0
17	5 Upgrade and Renovation of Administration Building- Phase II (Offices and Classrooms)	31	3,675.0	3,675.0	3,675.0
18	6 Remodel and Expansion of Old Science Building	33	2,058.0	2,058.0	2,058.0
19	7 Renovation and Purchase of New Music Building	35	849.0	849.0	849.0
20	North Idaho College				
21	1 Seiter Hall Remodel	37	3,950.0	3,950.0	3,950.0
22	2 Professional Technical Building	38	14,028.5	14,028.5	14,028.5
23	Eastern Idaho Technical College				
24	1 Construct parking lot for new Health Care Bldg	39	900.0	900.0	900.0
25	Idaho State Historical Society				
26	1 Museum Addition - Phase II	41	10,000.0	10,000.0	10,000.0
27	2 Expansion of the Public Archives and Research Library	41	6,500.0	6,500.0	6,500.0
28					
29	Total		\$ 183,744.3	\$ 294,778.5	\$ 143,231.9

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

Project Title: Center for Environmental Science and Economic Development,
Boise State University Campus
Institution/Agency: **Boise State University**

Brief Description: The proposed building will support education, research, and outreach involving environmental science and economic development. The facility will be the first new science and engineering building to be located in the southeast expansion zone. The building will be adjacent to the Engineering Technology building, the Micron Engineering Center, and the Harry Morrison Laboratory. The building will house geological science and civil engineering teaching and research laboratories; as well as integrated office and work areas for Geosciences, Civil Engineering, Public Policy and Administration and Political Science. The organization and design layout of the building will promote collaboration between scientists, engineers, as well as public policy and political science faculty on important environmental and public policy issues and problems. Laboratories and work areas will be designed with state-of-the-art equipment and configured within a flexible lab design module and infrastructure system to ensure future flexibility. This design approach will permit rapid and inexpensive reconfiguration in response to changes in research participants, project needs, and extramural funding.

Project Scope: 45,000 **NASF** 70,500 **GSF**

Estimated Total Cost: **\$35,000,000**

Date Approved by State Board of Education: June 2006, SBOE approved increase in budget for planning and through design development of \$1,680,000.

Source of Construction Funds (by fund source and amount):

Total Project Cost

Fund Source

Amount

HUD Grants

\$3,125,155

Permanent Building Fund

\$15,000,000

Bond Funds (Strategic Facilities Fee)

\$16,874,845

Previous Appropriations

Fund Source

Amount

N/A

N/A

Budget Year Request

Fund Source

Amount

Permanent Building Fund

\$15,000,000

1. PROJECT DESCRIPTION AND JUSTIFICATION

The proposed Center for Environmental Science and Economic Development (CESED) will be a unique state-of the art academic facility that fosters interdisciplinary collaboration, research and outreach on a variety of environmental science and economic development issues. Many environmental issues are complex and span an array of disciplines, and work on such is most effectively carried out in a facility that promotes close collaboration between a variety of experts. CESED was created to not only accommodate the growth of individual campus departments, but to provide a facility that eases collaboration between departments in addressing important environmental issues. Thanks to its close proximity to state and federal agencies, emphases in engineering, business, and the social sciences (especially public policy), and a history of successful academic and research programs in the sciences, Boise State University is an optimum location for a facility of this type.

The proposed building will be the first new science and engineering building built in the southeast expansion zone since the 2005 Campus Master Plan update. The building will be adjacent to the Engineering Technology building, the Micron Engineering Center, and the Harry Morrison Laboratory. Eventually, the southeast expansion zone will support a science and engineering complex designed to promote research, education, and outreach in a variety of interdisciplinary fields. While each building will support facilities appropriate to certain research and teaching themes, departmental culture will be preserved in office clusters. The layout of each building will promote collaboration between scientists and engineers on important research problems. Laboratories and work areas will be designed with state-of-the-art flexibility to permit rapid and inexpensive reconfiguration in response to changes in research participants, project needs, and extramural funding.

No single facility can comprehensively address all environmental issues; academic and research activities in the CESED building will focus on geoenvironmental problems. The building will bring together faculty and students from hydrology, civil and environmental engineering, transportation, near-surface geophysics, biogeochemistry, surficial processes, geology, public policy and administration, and political science. Preliminary analyses indicate that the building can house all of geosciences, public policy and political science and civil engineering faculty and staff, research and teaching labs for geosciences and a significant number of new civil engineering labs. The building will promote better collaboration between scientists and engineers working on Earth systems, house Ph.D. programs, encourage direct interaction between environmental policy experts and geoscientists and civil engineers, and relocate the fledgling energy policy group to be near engineers and scientists working on alternative energy (wind, hydrogen, and geothermal especially).

Enrollment at Boise State University has grown 9.9% over the past five years, with Fall 2006 headcount at 18,876. Students are increasingly taking more credit hours. Over the last five years the number of full-time students has increased 28%. Graduate programs are growing, with applications up by a third between 2006 and 2007. The CESED building will provide much-needed faculty offices, labs and classrooms.

2. PROJECT COMPONENTS

This proposed Center for Environmental Science and Economic Development blends academic and research units from the geosciences, civil engineering, public policy, and political science. Program elements for this project include teaching laboratories, classrooms, research laboratories, faculty offices, offices for lab technicians, administrators and staff members, and office space for graduate students.

3. ALTERNATIVES

Modular facilities could possibly be utilized to provide additional research, classrooms and offices, but the use of these temporary structures should only be considered to meet the short-term needs for the institution. It would not be prudent to utilize modular buildings for long-term research or class laboratory space. The University has purchased land in the expansion zone to accommodate this new facility. Investing in temporary modulars would not be cost effective nor would it meet academic and research needs.

4. VACATED SPACES

In addition to providing up-to-date laboratory, classroom, and office space, this project would permit the Department of Geosciences and others moving to the new building to vacate the space their departments currently occupy in the Mathematics/ Geosciences Building, Public Affairs and Arts West, Engineering Technology and the Micron Engineering Center. These spaces would be made available to meet critical classroom and faculty office space needs of other campus departments such as Mathematics, English and various Engineering departments. Moves of other departments into vacated space will be accomplished consistent with the 2005 Master Plan.

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BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

Project Title: Planning and Design for Science Research Building
Institution/Agency: Boise State University

Brief Description: Boise State University's Master Plan outlines the growth in the Southeast expansion area of science and engineering facilities supporting the Strategic Plan. The requested funds will pay for preliminary planning and design of the second of four new science buildings currently envisioned. Intermediate level planning to insure the coordination of this building with the final build out of the science and engineering area will also be incorporated.

Project Scope: 60,000 **NASF** 100,000 **GSF**

Estimated Total Cost: \$62,000,000

Date Approved by State Board of Education: This is the first request for this project.

Source of Construction Funds (by fund source and amount):

Total Project Cost

Fund Source	Amount
Permanent Building Fund	\$30,000,000
Other Funding (Gifts and University Financing)	\$31,500,000

Previous Appropriations n/a

Fund Source	Amount
N/A	N/A

Budget Year Request

Fund Source	Amount
Permanent Building Fund	\$500,000

1. PROJECT DESCRIPTION AND JUSTIFICATION

The proposed building will be the second of a new four-building science and engineering complex in the southeast expansion zone. The first, the Center for Environmental Science and Economic Development, is currently in design.

Consistent with the 2005 Campus Master Plan, the new science research building will be part of a science and engineering complex designed to promote interdisciplinary research, education, and outreach. Each building of the complex will include science and engineering laboratories and facilities appropriate to specific interdisciplinary topic areas, with departmental culture preserved in office clusters. The buildings will be planned to promote collaboration between scientists and engineers on important research problems. Laboratories and work areas will be an open design with state-of-the-art flexibility to permit rapid and inexpensive reconfiguration in response to changes in research participants, project needs, and extramural funding.

BUSINESS AFFAIRS AND HUMAN RESOURCES
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Current thinking is that this second new building will focus on biomolecular science. Portions of the following existing departments will be included: Biology, Chemistry, Physics, Materials Science Engineering, Electrical and Computer Engineering and Computer Science. Collaborative areas of research will include molecular biology, biochemistry, biophysics, biomaterials and bioinformatics. Boise State's new PhD in Biomolecular Science will be centered in this building. In addition to planning the building, the future relationships and interactions of all science and engineering departments will be examined to determine the optimum set of adjacencies in the four building complex. This planning will help insure that decisions regarding the particular building design will support the holistic vision put forth in the Master Plan of an integrated science and engineering complex.

2. PROJECT COMPONENTS

This proposed facility blends academic and research units from Biology, Chemistry, Physics, Materials Science Engineering, Electrical and Computer Engineering and Computer Science. The new building will support graduate and undergraduate academic programs in these disciplines, and promote interdisciplinary research. Program elements for this project include core research facilities such as protein sequence analysis, teaching and research laboratories, faculty offices, offices for lab technicians, administrative and staff offices, and office space for graduate students.

3. ALTERNATIVES

Modular facilities could possibly be utilized to provide additional research, classrooms and offices, but the use of these temporary structures should only be considered to meet the short-term needs for the institution. It would not be prudent to utilize modular buildings for research or class laboratory space. The University has purchased land in the expansion zone to accommodate this new facility. Investing in temporary modulares would not be cost effective nor would it meet academic and research needs.

4. VACATED SPACES

In addition to providing up-to-date laboratory, classroom, and office space for several academic departments, this project would permit departments to vacate some space currently occupied in other campus buildings. These spaces would be made available to meet the critical classroom and faculty office space needs of the other growing departments such as English, History, Education and others. Because planning is in the early stages, the precise amount of space to be vacated is not defined. The expansion and relocation of these departments into vacated spaces in the historic center of campus is consistent with the Master Plan, which calls for that area to become a center for liberal arts education and research.

BUSINESS AFFAIRS AND HUMAN RESOURCES
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CAPITAL BUDGET REQUEST
FY 2009

Capital Improvement Project Description
(New Buildings, Additions or Major Renovations)

AGENCY: Idaho State University

AGENCY PROJECT PRIORITY: 1

PROJECT DESCRIPTION/LOCATION: Renovation and Addition to the Life Science Complex

CONTACT PERSON: Darrell Buffaloe

TELEPHONE: 282-2209

PROJECT JUSTIFICATION:

(A) Concisely describe what the project is. Renovate existing four buildings in the Life Science Complex and add 40,000 GSF to Life Science A. Remove asbestos from Life Science D

(B) What is the existing program and how will it be improved? The buildings are 36 years old and many of the laboratories are functionally obsolete. The additional space is needed to support new biological faculty members and to support the Biomedical Research Institute.

(C) What will be the impact on your operating budget? There will be an increase in utility, maintenance, and custodial costs associated with the new space.

(D) What are the consequences if this project is not funded? Faculty will continue doing research and teaching in substandard laboratory facilities. The Biomedical Research Institute will be spread throughout the campus.

ESTIMATED BUDGET:

Land	\$0
A/E fees	\$2,646,000
Construction	\$25,956,000
5% Contingency	\$1,298,000
F F & E	\$2,016,000
Other (Asbestos)	\$1,950,000
Total	\$ 33,866,000

FUNDING:

PBF	\$33,866,000
General Account	
Agency Funds	
Federal Funds	
Other	
Total	\$33,866,000

Agency Head Signature: _____

Date: _____

BUSINESS AFFAIRS AND HUMAN RESOURCES
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CAPITAL BUDGET REQUEST
FY 2009

Capital Improvement Project Description
(New Buildings, Additions or Major Renovations)

AGENCY: Idaho State University

AGENCY PROJECT PRIORITY: 1-A

PROJECT DESCRIPTION/LOCATION: Remodel ISU – Meridian Building

CONTACT PERSON: Darrell Buffaloe

TELEPHONE: 282-2209

PROJECT JUSTIFICATION:

(A) Concisely describe what the project is. This project will remodel 40,000 FSF of unfinished space in the ISU – Meridian building to support the academic and health research mission of Idaho State University.

(B) What is the existing program and how will it be improved? Idaho State University has several health care programs in the Boise area. The programs are being consolidated into one building.

(C) What will be the impact on your operating budget? There should not be a significant increase in our operating budget. Programs that were previously housed in rented buildings will now be housed in a State owned facility.

(D) What are the consequences if this project is not funded? Faculty will teach and do research in rented space.

ESTIMATED BUDGET:

Land	\$ <u>0</u>
A/E fees	\$450,000
Construction	\$4,500,000
5% Contingency	\$225,000
F F & E	\$2,016,000
Other	0
Total	\$ <u>5,175,000</u>

FUNDING:

PBF	\$ <u>5,175,000</u>
General Account	
Agency Funds	
Federal Funds	
Other	
Total	\$ <u>5,175,000</u>

Agency Head Signature: _____

Date: _____

BUSINESS AFFAIRS AND HUMAN RESOURCES
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CAPITAL BUDGET REQUEST
FY 2009

Capital Improvement Project Description
(New Buildings, Additions or Major Renovations)

AGENCY: Idaho State University

AGENCY PROJECT PRIORITY: 2

PROJECT DESCRIPTION/LOCATION: New Idaho Museum of Natural History Building

CONTACT PERSON: Darrell Buffaloe

TELEPHONE: 282-2209

PROJECT JUSTIFICATION:

(A) The Idaho Museum of Natural History is located in the old university library. The current building does not provide for adequate environmental requirements for the museum collections. It also does not have sufficient space for public display of the collections.

(B) What is the existing program and how will it be improved? This project will provide space for education, research, storage, and display of artifacts of significant importance to the citizens of Idaho.

(C) What will be the impact on your operating budget? An operating budget must be established to support the extra 62,000 GSF added to the program.

(D) What are the consequences if this project is not funded? Priceless natural history artifacts will continue to be stored in inadequate space. The public will not have the access to the museum materials that would be possible with a new building.

ESTIMATED BUDGET:

Land	\$ <u>0</u>
A/E fees	\$2,122,000
Construction	\$21,218,000
5% Contingency	\$1,061,000
F F & E	\$1,648,000
Other	0
Total	\$ 26,049,000

FUNDING:

PBF	\$ 26,049,000
General Account	
Agency Funds	
Federal Funds	
Other	
Total	\$ 26,049,000

Agency Head Signature: _____

Date: _____

BUSINESS AFFAIRS AND HUMAN RESOURCES
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CAPITAL BUDGET REQUEST
FY 2009

Capital Improvement Project Description
(New Buildings, Additions or Major Renovations)

AGENCY: Idaho State University

AGENCY PROJECT PRIORITY: 3

PROJECT DESCRIPTION/LOCATION: Addition to the Family Medicine Building

CONTACT PERSON: Darrell Buffaloe

TELEPHONE: 282-2209

PROJECT JUSTIFICATION:

(A) Concisely describe what the project is. Add 25,000 GSF of space to the Family Medicine Building

(B) What is the existing program and how will it be improved? The Family Medical and Dental Residency programs are located in this building. The Idaho Dental Program and the Dental Hygiene Program will occupy the space.

(C) What will be the impact on your operating budget? The operating budget should remain the same. The two buildings housing the Dental Hygiene Program will be demolished.

(D) What are the consequences if this project is not funded?

ESTIMATED BUDGET:

Land	\$ <u>0</u>
A/E fees	\$732,000
Construction	\$7,302,000
5% Contingency	\$366,000
F F & E	\$569,000
Other	0
Total	\$ 8,969,000

FUNDING:

PBF	\$ 8,969,000
General Account	
Agency Funds	
Federal Funds	
Other	
Total	\$ 8,969,000

Agency Head Signature: _____

Date: _____

OFFICE OF THE STATE BOARD OF EDUCATION

SET A

PROJECT SUMMARY

Project Title: Science and New Technologies / Interdisciplinary Research & Education Facility (Planning/Pre-Design)

Institution/Agency: University of Idaho

Brief Description:

The Science and New Technologies / Interdisciplinary Research & Education Facility project involves construction of a new laboratory facility providing modern, well-equipped spaces supporting a broad range of undergraduate and graduate instructional and research programs in selected scientific and technical disciplines at the university. The facility will be designed to foster interdisciplinary collaboration and interaction and will include flexible systems and support infrastructure, allowing reconfiguration of spaces supporting changes in programs and research needs over time. The initial phase of the project will include a comprehensive building and system assessment that will be used to define the overall scope of the project and prepare a refined cost estimate.

Project Scope: NASF GSF

Building size:	60,000-70,000	90,000-100,000
Site and Utility infrastructure		
Furnishings, Fixtures and Equipment		
All project fees and related expenses		

Estimated Total Cost: \$65,334,000

Date Approved by State Board of Education:

First request, July 1999
Second request, July 2000
Third request, July 2001
Fourth request, July 2002
Fifth request, July 2003
Sixth request, July 2004
Seventh request, July 2005

**BUSINESS AFFAIRS AND HUMAN RESOURCES
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Eighth request, July 2006
Ninth Request, July 2007

Source of Construction Funds (by fund source and amount):

<u>Fund Source</u>	<u>Total Project Cost</u>	<u>Amount</u>
Permanent Building Fund		\$10,500,000
Federal Funding		\$23,334,000
Other Funding (inc Gifts)		\$31,500,000

<u>Fund Source</u>	<u>Previous Appropriations</u>	<u>Amount</u>
Fed FY05 Federal Funding		\$892,500

<u>Fund Source</u>	<u>Budget Year Request</u>	<u>Amount</u>
Permanent Building Fund		\$3,266,600

1. PROJECT DESCRIPTION AND JUSTIFICATION

As the land grant university for the State of Idaho, the University of Idaho places emphasis on problems and challenges facing Idaho and Idahoans. In both undergraduate and graduate education disciplines, especially in scientific and technical fields, enrollment growth and focus upon the university's interdisciplinary programs is leading to a need for additional modern, technically-equipped laboratory and support space. Further, as Idaho's research university, the UI is a main force for research and development in the state with emphasis on selected areas that are key to the economic health and development of Idaho industry. Areas of emphasis in which laboratory space is critical are: Food and Fiber Production, Molecular Biology, Environmental Sciences and Technology, Materials Science, Infrastructure/Construction and Transportation, Computing/Software Systems, and Telecommunications.

The UI Long Range Campus Development Plan identifies 2-3 potential sites that are optimal for this type of facility complex. In some locations it would be necessary to relocate existing programs housed in buildings slated for eventual removal. Selecting a location for the project will be made after the program is fully defined.

This project addresses the specialized laboratory needs of these disciplines for undergraduate, graduate and research programs. The synergies among the various levels of study and scholarship will be fostered in a facility integrating a broad cross section of technical and scientific personnel and programs. Specific facility features and attributes will be detailed during the pre-design phase.

2. PROJECT COMPONENTS

The majority of the project complex will consist of instructional and graduate/research laboratories and laboratory support areas (e.g., instrument labs, specialized containment labs, shared equipment rooms, computer laboratories, seminar and conference areas, and offices). It is anticipated that the size of the building will be approximately 90,000 – 100,000 GSF. Purchase of major furnishings, fixtures and equipment necessary to outfit the laboratories, support areas and connections, and necessary enhancements to the university's infrastructure systems will also be included in the project.

3. ALTERNATIVES

Three alternatives have been studied to date.

Alternative 1: Construct Multiple Smaller Laboratory Additions

This alternative involves construction of separate undergraduate, graduate and research laboratories, by discipline, as additions to, or immediately adjacent to, existing College buildings. This alternative would provide the necessary space to support the programs, however, project costs are expected to be significantly higher since there would be multiple sites and projects. In addition, this approach does not readily support interdisciplinary interaction and collaboration. The university rejected this alternative.

Alternative 2: Construct Separate Laboratory Complexes for Undergraduate and Graduate/Research Programs

This alternative consists of construction of an interdisciplinary laboratory complex for undergraduate instructional and research programs and one for graduate and research programs. This alternative would provide the necessary space to support the programs, however, project costs are expected to be higher since there would be two projects with unnecessary duplication. In addition, this approach does not readily support interdisciplinary interaction and collaboration between undergraduate and graduate students, and researchers. The university rejected this alternative.

Alternative 3: Construct a Single Interdisciplinary Laboratory Facility

This option would entail constructing a single complex that integrates undergraduate and graduate/research laboratories into an interdisciplinary science and technology center facilitating collaboration and creating new synergies across academic levels and disciplines. Overall project expenses are expected to be less under this approach since there will be only one site and construction of a single building allows elimination of unnecessary duplication of building systems. This is the university's preferred alternative.

4. VACATED SPACE

It is not anticipated that a great deal of space will be vacated upon completion of the proposed project. Space currently used for instructional laboratories and some research laboratories that may be vacated may be reused to meet additional laboratory space demand. Other prospective uses of vacated space may be for offices and specialized learning areas including computer laboratories, seminar areas, team and group rooms, etc.

OFFICE OF THE STATE BOARD OF EDUCATION

SET A

PROJECT SUMMARY

Project Title: Northern Idaho Classroom/Office Facility (Planning/Pre-Design)

Institution/Agency: University of Idaho

Brief Description:

The University of Idaho has responsibility to deliver education, outreach, and extension programs across the State of Idaho. With the tremendous growth in the northern part of the state, there is an ever increasing demand for University of Idaho programs and course delivery. We anticipate the need for an additional facility in the Coeur d' Alene vicinity to meet the classroom and office needs for expanding university programs. This facility will support collaborative programs that provide increased access to education and that ensure relevant education, training, and information services are available in the northern Idaho region. The facility will also enhance regional and statewide economic development by supporting comprehensive educational offerings for building, attracting, and retaining a highly skilled workforce.

Project Scope: NASF GSF

Building size:	~24,000	~32,000
Site and utility infrastructure		
Furnishings, Fixtures and Equipment		
All project fees and related expenses		

Estimated Total Cost: \$8,400,000

Date Approved by State Board of Education:

First request, July 2006

Second request, July 2007

BUSINESS AFFAIRS AND HUMAN RESOURCES
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Source of Construction Funds (by fund source and amount):

<u>Fund Source</u>	<u>Total Project Cost</u>	<u>Amount</u>
Permanent Building Fund		\$4,200,000
Other (private) sources		<u>\$4,200,000</u>
	Total:	\$8,400,000

<u>Fund Source</u>	(1) <u>Previous Appropriations</u>	<u>Amount</u>
NA		0

<u>Fund Source</u>	<u>Budget Year Request</u>	<u>Amount</u>
Permanent Building Fund		\$420,800

1. PROJECT DESCRIPTION AND JUSTIFICATION

The University, in collaboration with North Idaho College and the City of Coeur d' Alene, envisions the creation of an education corridor in the vicinity of the North Idaho College campus. The University presently leases facilities from the City nearby the NIC campus. Higher education program growth in the region will be concentrated in this education corridor. Expanded facilities are needed to serve the burgeoning population and the corresponding growing demand for higher education services in the region. This new facility will allow the University of Idaho to serve the program needs of citizens in the area, in accordance with its institutional role-and-mission statements.

2. PROJECT COMPONENTS

This facility will be approximately 32,000 square feet and will house classrooms and faculty and staff offices, along with ancillary support spaces. The building will support local interests in expanding science and technology education in Northern Idaho. The preliminary cost estimate for the building is \$8,000,000. The University requests \$400,000 in initial funding (5% of overall project budget) to support initial programming and pre-design work. Work products from this pre-design phase will include detailed program definition, site analysis and feasibility review, infrastructure needs and impacts, room data sheets, adjacency diagrams, and a refined project cost estimate. Graphical materials will also be generated to assist in private fundraising efforts in support of the project.

3. VACATED SPACE

It is not anticipated that space will be vacated upon completion of the proposed facilities. Rather, the new space created by these facilities will allow for expansion of programs that meet the needs of citizens in this important geographic region of the state.

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CAPITAL BUDGET REQUEST
FY 2009

Capital Improvement Project Description
(New Buildings, Additions or Major Renovations)

AGENCY: Lewis-Clark State College

AGENCY PROJECT PRIORITY: 1

PROJECT DESCRIPTION/LOCATION: Upgrade and Renovation of Talkington Hall

CONTACT PERSON: Chet Herbst

TELEPHONE: (208) 792-2240

PROJECT JUSTIFICATION:

(A) Concisely describe what the project is.

This project would fund basic safety upgrades (fire protection, windows, doors), lighting, and HVAC installation so that this former dormitory could be used for office space, meeting areas, instructional areas/classrooms, storage, and “swing” space to support temporary moves on LCSC’s Lewiston campus, where available office space does not meet current or projected demand.

(B) What is the existing program and how will it be improved?

Talkington Hall, built in 1930 as a women’s dormitory, is no longer useable as a residence hall, due to safety concerns, lack of HVAC, and decrepitude of the carpets, doors, windows, and common areas. [Students have been moved to two new residence halls, built with funds provided by private developers.] The facility is essentially vacant, and only few rooms are used as offices (using extraordinary measures to provide temporary climate control) since there is no other free space on campus. In FY2007, LCSC commissioned a private architectural firm to conduct a modernization feasibility study for the facility. The result of the analysis was a recommendation to retain and renovate the building, for a moderate investment. Renovation of the building to provide safety upgrades, modern lighting, flooring, energy efficient windows/doors, and central an HVAC system would bring 92 dorm-sized rooms and several common areas (21,866 total square feet) back into LCSC’s useable office, meeting, and classroom inventory—while preserving one of the most beautiful and historic buildings on the Normal Hill campus.

(C) What will be the impact on your operating budget?

Renovation and installation of energy-efficient HVAC and lighting systems, window replacement, and door replacement will result in significant reductions in energy consumption, lowering utility expenses compared to operations under the current configuration.

(D) What are the consequences if this project is not funded?

Without the proposed upgrades, the use of this facility will be extremely limited due to environmental and safety factors and the prohibitive cost of making temporary accommodations to provide climate control for the rooms in their current state.

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ESTIMATED BUDGET:		FUNDING:	
Land	\$	PBF	\$ <u>2,600,000</u>
A/E fees	\$ <u>260,000</u>	General Account	
Construction	\$ <u>2,210,000</u>	Agency Funds	
5% Contingency	\$ <u>130,000</u>	Federal Funds	
F F & E	\$ _____	Other	
Other			
Total	\$ <u>2,600,000</u>	Total	\$ <u>2,600,000</u>

Agency Head Signature: _____

Date: _____

BUSINESS AFFAIRS AND HUMAN RESOURCES
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CAPITAL BUDGET REQUEST
FY 2009

Capital Improvement Project Description
(New Buildings, Additions or Major Renovations)

AGENCY: Lewis-Clark State College

AGENCY PROJECT PRIORITY: 2

PROJECT DESCRIPTION/LOCATION: Reconfigure Meriwether-Lewis Hall

CONTACT PERSON: Chet Herbst

TELEPHONE: (208) 792-2240

PROJECT JUSTIFICATION:

(A) Concisely describe what the project is.

This project would provide funds needed to reconfigure Meriwether-Lewis Hall—the current home of LCSC’s nursing and science programs—to optimize the building’s utilization and efficiency following the completion of LCSC’s new Health Sciences Building and the relocation of other programs among the new and existing facilities. The project would realign and update the Natural Sciences laboratories, classrooms, offices, and preparation areas for the programs that inherit space vacated by nursing programs, and enable other programs now using cramped space elsewhere on campus to move to suitable facilities.

(B) What is the existing program and how will it be improved?

Built in 1970, and subsequently expanded to support LCSC’s nursing and science programs, this three story masonry facility is no longer able to support the College’s expanding health sciences programs, which will move at the beginning of FY2010 to a new Nursing/Health Sciences Building (project now underway). The proposed project for the MLH facility will modestly reconfigure and modernize the space in the 38,860 square foot building to accommodate currently over-crowded programs that will relocate to (or within) the building when the new facility goes into operation. Upgrades would include installation of an efficient HVAC system, refurbishment of labs and classrooms, wall relocations where necessary, and reconfiguration of rooms where needed to accommodate new programs and support office requirements.

(C) What will be the impact on your operating budget?

N/A (no significant change from current operating budget after reconfiguration).

(D) What are the consequences if this project is not funded?

The consequences would be that the students and staff using the facility would have to cope with outdated classroom, laboratory, and office space (late 1960’s vintage), and needed safety and environmental improvements would continue to be deferred.

BUSINESS AFFAIRS AND HUMAN RESOURCES
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ESTIMATED BUDGET:		FUNDING:	
Land	\$	PBF	\$ <u>1,750,000</u>
A/E fees	\$ <u>175,000</u>	General Account	
Construction	\$ <u>1,487,500</u>	Agency Funds	
5% Contingency	\$ <u>87,500</u>	Federal Funds	
F F & E	\$ _____	Other	
Other		Total	\$ <u>1,750,000</u>
Total	\$ <u>1,750,000</u>		

Agency Head Signature: _____

Date: _____

BUSINESS AFFAIRS AND HUMAN RESOURCES
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CAPITAL BUDGET REQUEST
FY 2009

Capital Improvement Project Description
(New Buildings, Additions or Major Renovations)

AGENCY: Lewis-Clark State College

AGENCY PROJECT PRIORITY: 3

PROJECT DESCRIPTION/LOCATION: Upgrade and Renovation of Administration Building-
Phase I (Silverthorne Theatre)

CONTACT PERSON: Chet Herbst

TELEPHONE: (208) 792-2240

PROJECT JUSTIFICATION:

(A) Concisely describe what the project is.

This project would provide renovation funds needed for renovation of the Silverthorne Theatre in the Administration Building which was constructed in 1921. The project would bring the theatre up to code and provide for needed improvements for classroom functions as well as enhance theatre experience on campus.

(B) What is the existing program and how will it be improved?

This project would address needs in the area of theatre arts experience on campus as well as providing an updated common classroom for campus use by renovation of the present theatre which is located in the Administration Building. The theatre is vital if the College is to serve student needs relating to visual and performing arts, music and all facets of human communications. The College now provides a theatre experience by staging productions and practices in the Administration Building auditorium which was constructed in 1921. The present scene shop and dressing room are located in the basement rooms which were not designed for that purpose, are too cramped, and do not meet current code requirements. The balcony of the theatre is currently not usable because the front half of the stage, which was added in the 1970's, is not visible from most of the balcony. Additionally, there are safety issues which would need to be addressed with a renovation of the balcony. While these facilities have been well maintained and are currently in use by our programs, the 1989 evaluation by the Northwest Association of Schools, Colleges, and Universities described the facilities as "deplorable."

(C) What will be the impact on your operating budget?

N/A

(D) What are the consequences if this project is not funded?

The alternative to this remodeling project is to remain "as-is", whereby the students at Lewis-Clark State College would be denied access or appropriate use of approximately 8,430 GSF of space. Use of this facility currently is limited due to Life-Safety Code and other code issues, and the need of our students to have classrooms that meet accreditation standards. Classroom areas in this building are not acceptable environments for quality education. The breadth of this remodel and expansion project exceeds the normal physical maintenance capabilities of the college.

BUSINESS AFFAIRS AND HUMAN RESOURCES
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ESTIMATED BUDGET:		FUNDING:	
Land	\$	PBF	\$ 1,050,000
A/E fees	\$ 105,000	General Account	
Construction	\$ 892,500	Agency Funds	
5% Contingency	\$ 52,500	Federal Funds	
F F & E		Other	
Other			
Total	\$ 1,050,000	Total	\$ 1,050,000

Agency Head Signature: _____

Date: _____

BUSINESS AFFAIRS AND HUMAN RESOURCES
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CAPITAL BUDGET REQUEST

FY 2009

Capital Improvement Project Description
(New Buildings, Additions or Major Renovations)

AGENCY: Lewis-Clark State College	AGENCY PROJECT PRIORITY: 4
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PROJECT DESCRIPTION/LOCATION: Renovation of Spalding Hall

CONTACT PERSON: Chet Herbst	TELEPHONE: (208) 792-2240
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PROJECT JUSTIFICATION:

(A) Concisely describe what the project is.

This project would provide funds to renovate and equip the offices and classrooms in Spalding Hall. Spalding Hall was constructed in 1924. The project would bring the building up to code and provide for needed improvements for classroom functions as well as enhance the offices contained within the building.

(B) What is the existing program and how will it be improved?

Spalding Hall currently houses all of the Education division programs for the College, the Humanities division, and the Social Sciences division. The Education division is one of our largest programs, with a historical link to the original mission of the College of providing teacher education and certification.

The proposed renovation will allow expansion of badly needed classroom space, and updating of heating, electrical, and air conditioning systems in the building. From the outside, Spalding Hall is a unique building that complements the history and culture of the campus. However, the interior is in disrepair and needs to be brought up to code to address life safety issues caused by old wiring, and a deteriorating infrastructure.

(C) What will be the impact on your operating budget?

N/A

(D) What are the consequences if this project is not funded?

The alternative to this remodeling project is to remain "as-is", whereby the students and faculty in the Education, Humanities, and Social Sciences divisions at Lewis-Clark State College would be denied access or appropriate use of space. Classroom and faculty office areas in this building are not acceptable environments for quality education. Providing a safe, comfortable working environment for faculty and an acceptable learning environment for students would be sacrificed without the remodel. The breadth of this remodel and expansion project exceeds the normal physical maintenance capabilities of the college

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ESTIMATED BUDGET:		FUNDING:	
Land	\$	PBF	\$ 2,625,000
A/E fees	\$ 263,000	General Account	
Construction	\$ 2,231,000	Agency Funds	
5% Contingency	\$ 131,000	Federal Funds	
F F & E		Other	
Other			
Total	\$ 2,625,000	Total	\$ 2,625,000

Agency Head Signature: _____

Date: _____

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

CAPITAL BUDGET REQUEST
FY 2009

Capital Improvement Project Description
(New Buildings, Additions or Major Renovations)

AGENCY: Lewis-Clark State College

AGENCY PROJECT PRIORITY: 5

PROJECT DESCRIPTION/LOCATION: Upgrade and Renovation of Administration Building-
Phase II (Offices and Classrooms)

CONTACT PERSON: Chet Herbst

TELEPHONE: (208) 792-2240

PROJECT JUSTIFICATION:

(A) Concisely describe what the project is.

This project would provide funds to renovate and equip the offices and classrooms in the Administration Building. The Administration Building was constructed in 1921. The project would bring the building up to code and provide for needed improvements for classroom functions as well as enhance the offices contained within the building.

(B) What is the existing program and how will it be improved?

The Main Administration Building currently houses the offices for the central administration for the College including the President, Provost, and Academic Vice President, Vice President for Finance and Administration, Institutional Research, Human Resources, Budget Officer, Purchasing, and Controller's offices, as well as the Academic Business Department. In addition, it contains several classrooms that are used as general classrooms for the entire campus. It also houses the Silverthorne Theatre and classroom. Since the late 1970s, the student body at Lewis-Clark State College has more than doubled in size to nearly 3,500. Because this building provides a significant amount of teaching and learning classroom space and is the main building visited by the general public in doing business with the College, it is important to provide an environment that supports and encourages the learning activity demanded as a part of the mission for the College with the technical enhancements needed to prepare students for success after college.

(C) What will be the impact on your operating budget?

Utility and maintenance support by formula.

(D) What are the consequences if this project is not funded?

The alternative to this remodeling project is to remain "as-is", whereby the students at Lewis-Clark State College would be denied access or appropriate use of space. Classroom areas in this building are not acceptable environments for quality education. The breadth of this remodel and expansion project exceeds the normal physical maintenance capabilities of the college

BUSINESS AFFAIRS AND HUMAN RESOURCES
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ESTIMATED BUDGET:		FUNDING:	
Land	\$	PBF	\$ 3,675,000
A/E fees	\$ 368,000	General Account	
Construction	\$ 3,123,000	Agency Funds	
5% Contingency	\$ 184,000	Federal Funds	
F F & E		Other	
Other			
Total	\$ 3,675,000	Total	\$ 3,675,000

Agency Head Signature: _____

Date: _____

BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

CAPITAL BUDGET REQUEST
FY 2009

Capital Improvement Project Description
(New Buildings, Additions or Major Renovations)

AGENCY: Lewis-Clark State College

AGENCY PROJECT PRIORITY: 6

PROJECT DESCRIPTION/LOCATION: Remodel and Expansion of Old Science Building

CONTACT PERSON: Chet Herbst

TELEPHONE: (208) 792-2240

PROJECT JUSTIFICATION:

(A) Concisely describe what the project is.

The project would provide renovation funds needed to bring the Old Science Building, constructed in 1909, up to current code requirements and to an acceptable functioning level of operation for its current use as a classroom building. This request will remodel the facility for code compliance (electrical, structural, and mechanical) and make it useful for current and contemplated future classroom needs.

(B) What is the existing program and how will it be improved?

The remodel will allow expansion of badly needed classrooms for sciences and other general education courses.

(C) What will be the impact on your operating budget?

N/A

(D) What are the consequences if this project is not funded?

The building will continue to be utilized with the code issues listed and will not be utilized as efficiently and effectively as it would with a remodel.

ESTIMATED BUDGET:

Land	
A/E fees	\$ <u>146,000</u>
Construction	\$ <u>1,240,000</u>
5% Contingency	\$ <u>73,000</u>
F F & E	\$ <u>599,000</u>
Other	
Total	\$ <u>2,058,000</u>

FUNDING:

PBF	\$ <u>2,058,000</u>
General Account	
Agency Funds	
Federal Funds	
Other	
Total	\$ <u>2,058,000</u>

Agency Head Signature: _____

Date: _____

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BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

CAPITAL BUDGET REQUEST
FY 2009

Capital Improvement Project Description
(New Buildings, Additions or Major Renovations)

AGENCY: Lewis-Clark State College

AGENCY PROJECT PRIORITY: 7

PROJECT DESCRIPTION/LOCATION: Renovation and Purchase of New Music Building

CONTACT PERSON: Chet Herbst

TELEPHONE: (208) 792-2240

PROJECT JUSTIFICATION:

(A) Concisely describe what the project is.

The project would provide renovation funds needed to bring the Music Building up to an acceptable functioning level of operation. Funds would also be used to repay the College for the acquisition cost of the property. Remodeling work will include HVAC consolidation, acoustical treatments, ADA-approved restrooms and several Life-Safety Code upgrades.

(B) What is the existing program and how will it be improved?

The Music Building is a former church adjacent to the LCSC campus that became available for purchase. Recognizing the value and understanding that the opportunity to purchase the property could not be delayed, LCSC sought and received State Board of Education approval for the purchase. The purchase was with the hope that the Permanent Building Fund would reimburse the College for the acquisition and refurbish the facility for needed classroom space.

The remodel will be designed so that student classrooms in the discipline of music can be utilized effectively. This remodel will allow an area of instruction that has been neglected to work in an acceptable educational environment. Remodeling work will include HVAC consolidation, acoustical treatments, ADA-approved restrooms and several Life-Safety Code upgrades.

The acquisition of this building with Permanent Building Funds will allow LCSC to reallocate critically needed physical plant funds into other areas of operation needing major consideration.

(C) What will be the impact on your operating budget?

N/A

(D) What are the consequences if this project is not funded?

The building will continue to be utilized with the code issues listed and will not be utilized as efficiently and effectively as it would with a remodel.

BUSINESS AFFAIRS AND HUMAN RESOURCES
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ESTIMATED BUDGET:		FUNDING:	
Land	\$ 296,000	PBF	\$ 849,000
A/E fees	\$ 50,000	General Account	
Construction	\$ 430,000	Agency Funds	
5% Contingency	\$ 22,000	Federal Funds	
F F & E	\$ 51,000	Other	
Other			
Total	\$ 849,000	Total	\$ 849,000

Agency Head Signature: _____

Date: _____

**BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007**

**CAPITAL BUDGET REQUEST
FY 2009**

Capital Improvement Project Description
(New Buildings, Additions or Major Renovations)

AGENCY: **North Idaho College**

AGENCY PROJECT PRIORITY: **1**

PROJECT DESCRIPTION/LOCATION: **Seiter Hall Remodel/Renovation**

CONTACT PERSON: Rolly Jurgens

TELEPHONE: 208-769-3340

PROJECT JUSTIFICATION:

- (A) Concisely describe what the project is. To remodel the former Science building (Seiter Hall) into general classroom space, which in the past was primarily a laboratory classroom facility. Will include substantial mechanical, electrical, energy conservation upgrades, and roof repair. Remodel will bring the building into current ADA code standards.
- (B) What is the existing program and how will it be improved? All existing programs have been moved to the new Meyer Health Science Building, which opened in fall of 2005. Remodel could add 15 plus classrooms and two classroom auditoriums. Other educational and staff departments will gain much needed office and classroom space.
- (C) What will be the impact on your operating budget? Upgrading with energy efficient systems, and making needed roof repairs will reduce the overall operating budget as the building comes on line.
- (D) What are the consequences if this project is not funded? NIC is in desperate need of general classroom and office space. If funding is not provided, Seiter Hall and its unused lab space will not be conducive for general classroom educational activities. The learning environment will be less than desired, and will reduce educational opportunities in North Idaho, especially in light of current Growth Trends. The building will be under used.

ESTIMATED BUDGET:

Land	\$
A/E fees	275,000
Construction	3,166,200
5% Contingency	158,300
F F & E	<u>350,500</u>
Other	
Total	3,950,000

FUNDING:

PBF	\$ 3,950,000
General Account	
Agency Funds	
Federal Funds	
Other	
Total	\$3,950,000

BUSINESS AFFAIRS AND HUMAN RESOURCES
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CAPITAL BUDGET REQUEST
FY 2009

Capital Improvement Project Description
(New Buildings, Additions or Major Renovations)

AGENCY: **North Idaho College**

AGENCY PROJECT PRIORITY: **3**

PROJECT DESCRIPTION/LOCATION: **Professional Technical Building – Post Falls, Id.**

CONTACT PERSON: Rolly Jurgens

TELEPHONE: 208-769-3340

PROJECT JUSTIFICATION:

- (A) Concisely describe what the project is. To construct a new Professional Technical Building to create additional space for existing programs, expansion of new professional technical education programs, and to partner with local school districts to provide facilities to support their professional technical education programs as well.
- (B) What is the existing program and how will it be improved? Currently there are business and professional programs, health professions and trades and industry programs. These programs are near capacity with 12% of the student body enrolled in those programs. Nationally, 40% or more enrollments would be in these programs. Construction of this facility would expand professional technical education opportunities, keep up with rapid changes in technology, and increase student enrollments.
- (C) What will be the impact on your operating budget? Would increase in the areas of staffing, utilities and maintenance costs.
- (D) What are the consequences if this project is not funded? In coming and continuing students, local businesses and industries, and local public school districts would not be able to rely on NIC to provide expanded programs or enrollments.

ESTIMATED BUDGET:

Land	\$
A/E fees	1,156,900
Construction	11,156,900
5% Contingency	557,800
F F & E	<u>1,156,900</u>
Other	
Total	14,028,500

FUNDING:

PBF	\$14,028,500
General Account	
Agency Funds	
Federal Funds	
Other	
Total	\$14,028,500

BUSINESS AFFAIRS AND HUMAN RESOURCES
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CAPITAL BUDGET REQUEST
FY 2009

Capital Improvement Project Description
(New Buildings, Additions or Major Renovations)

AGENCY: **Eastern Idaho Technical College**
PROJECT PRIORITY: 1.

PROJECT DESCRIPTION/LOCATION: Construct parking lot for Health Care Building 6

CONTACT PERSON: Steve T. Bunnell TELEPHONE: 208-524-3000 ext 3393

PROJECT JUSTIFICATION:

(A) Concisely describe what the project is.
Construct a parking lot on Campus to provide parking for students, faculty and staff that are using this new Health Care Education Building. This would include design, site work, lighting, concrete, asphalt, striping and signage.

(B) What is the existing program and how will it be improved?
This Building is a share building with ISU and EITC. All programs that will operate within this building. Adequate parking in proximity of the facility is essential.

(D) What are the consequences if this project is not funded?
Insufficient number of parking spaces adjacent to this new building.

* If this project needs to be funded in A&R please move to number one priority 1.

ESTIMATED BUDGET:

Land	\$		
A/E fees		\$	78,000
Construction	\$	780,000	5%
Contingency	\$	39,000	FF&E
Other	\$	3,000	
Total	\$	<u>900,000</u>	

FUNDING:

PBF	\$ <u>900,000</u>
General Account	
Agency Funds	
Federal Funds	
Other	
Total	\$ <u>900,000</u>

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BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 9-10, 2007

CAPITAL BUDGET REQUEST
FY 2009

Capital Improvement Project Description
(New Buildings, Additions or Major Renovations)

AGENCY: **Idaho State Historical Society**

1) Expansion of the Idaho State Historical Museum: \$10 million.

The Idaho State Historical Museum, in Boise's Julia Davis Park, long-ago outgrew its existing facility, which was constructed in 1950 and expanded in 1982. Currently, less than 5% of the Society's historical artifacts are on exhibit at any given time in the state's most-visited museum. Lack of space prevents the exhibiting of more materials, hinders the staff's ability to frequently change exhibits, and prohibits accessibility to major traveling exhibits. In FY 2008, Permanent Building Fund money enabled DPW to hire LKV Architects to develop a concept for a 35,000 square foot expansion to the existing 29,000 square foot facility.

The museum expansion project, in this the centennial anniversary of both the Idaho State Historical Society and Julia Davis Park, is our highest priority capital request and will serve the residents of Idaho for decades to come.

2) Expansion of the Public Archives and Research Library: \$6.5 million.

In 2007, Governor Otter, as part of his proposal to devolve the Department of Administration, proposed moving the State Records Center to the Idaho State Historical Society. This proposal was also a recommendation of Governor Kempthorne's 2020 Blue Ribbon Task Force in 2002. The proposal, advocated for reasons of efficiency, was well received by the legislature in 2007. The Historical Society also believes this would lead to greater efficiencies in the handling of state records and archives. This request would provide for needed expansion to the present Public Archives and Research Library to absorb Records Center functions, or, if the Records Center does not move, will provide expansion space for the State Archives program, which will be necessary in the future in any event.

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