

STATE BOARD OF EDUCATION MEETING

October 11-12, 2007
Lewis-Clark State College
Williams Conference Center
Lewiston, Idaho



Thursday, October 11, 2007, 10:00 a.m.

EXECUTIVE SESSION (Closed to the Public)

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

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

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

Thursday, October 11, 1:00 p.m.

Friday, October 12, 8:00 a.m.

BOARDWORK

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

OPEN FORUM

CONSENT AGENDA

BAHR – SECTION I - HR

1. 2nd Reading of Board Policy I.E – Executive Officers

BAHR – SECTION II - FINANCE

2. FY 2008 Sources and Uses of Funds

PPGAC

3. Alcohol Permits Issued by University Presidents

IRSA

4. Quarterly Report of Program Changes Approved by the Executive Director
5. Notice of Intent – UI-Idaho Falls Transfer of B.S., Computer Science to ISU
6. Approval of Pending Rules Governing Thoroughness – Accountability, assignment of responsibility for AYP determination
7. Approval of Pending Rules Governing Thoroughness – Adoption by reference of Alternate Assessment Extended Content Standards and Alternate Assessment Extended Achievement Standards

PLANNING, POLICY & GOVERNMENTAL AFFAIRS – Blake Hall (Chair), Laird Stone, and Paul Agidius

1. Presidents' Council Report
2. Lewis Clark State College Progress Report
3. Idaho State Historical Society Progress Report
4. Commission for Libraries – Legislation for Digital Repository for State Documents
5. Roady's Humanitarian Bowl Alcohol Waiver Request

INSTRUCTION, RESEARCH & STUDENT AFFAIRS –Sue Thilo (Chair), Rod Lewis, and Tom Luna

Higher Education

1. Idaho State Board of Education Report on Commonalities and Differences Among Colleges and Schools within Idaho's Public Higher Education Institutions – Business Programs
2. Overview of Idaho's Scholarship Programs
3. Strategic Planning of the University of Idaho's Law School
4. Higher Education Research Council – One-Time \$550k Grant Program Funding Recommendation
5. South Central Local Operations Committee Summary Report

6. Idaho State University Mission Statement
7. Registration of Postsecondary Education Institutions and Proprietary Schools

K-12

8. GEAR UP – Update
9. Recognition of Schools as Distinguished Schools and for Additional Yearly Growth
10. Approval of Proposed Rule for Pupil Personnel Services Certificate, Educational Interpreter Endorsement
11. Approval of Pending Rule 08.02.03.004 regarding Standards for the Deaf and Hard of Hearing (DHH)
12. Approval of Pending Rule 08.02.03.004 regarding Standards for the Blind and Visually Impaired

BUSINESS AFFAIRS & HUMAN RESOURCES – Laird Stone (Chair), Richard Westerberg, and Blake Hall

Section I – Human Resources

1. Boise State University – New Positions and Changes to Positions
2. Idaho State University – New Positions and Changes to Positions
3. University of Idaho – New Positions
4. Lewis-Clark State College – New Positions and Changes to Positions
5. Amendment to Contract Addendum – BSU Head Football Coach

Section II – Finance

1. University of Idaho - TKE Purchase/Sales Agreement
2. University of Idaho - ESCO Project Approval
3. University of Idaho - Bond Refinancing
4. University of Idaho - Wells Fargo Bank Loan Extension
5. University of Idaho - Naming/Memorializing of Buildings – McClure Center
6. University of Idaho - Retiree Health Benefits Trust
7. University of Idaho - Employee Insurance Policies
8. College and Universities - Carryover FY 2007 Unspent Funds into FY 2008
9. Idaho Promise Scholarship – Category B Award
10. 2009 Budget Request Revisions – Scholarships & Grants – Opportunity Scholarship
11. 2009 OSBE Budget Revision – GEAR UP Grant FTP
12. 2009 Line Item Budget Request – Idaho English Language Assessment

DEPARTMENT OF EDUCATION

Consent Agenda

1. Appointment to Professional Standards Commission
2. Elementary Schools with Less Than 10 Average Daily Attendance
3. Hardship Status Annual Report – Albion Elementary School

Regular Agenda

1. Superintendent's Update
2. ISAT Science Graduation Test
3. Presentation of FY09 Public School budget Request
4. ICTL Statewide Technology Plan

OTHER / NEW BUSINESS

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

1. Agenda Approval

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

2. Minutes Approval

BOARD ACTION

To approve the minutes from August 9-10, 2007, August 23, 2007, September 10, 2007 September 12, 2007, and September 19, 2007 as submitted.

3. Rolling Calendar

BOARD ACTION

To approve October 9-10, 2008 as the date and Lewis-Clark State College in Lewiston, ID as the location for the October 2008 regularly scheduled Board meeting.

4. Special Meeting

BOARD ACTION

To approve November 2, 2007 as the date and Boise, ID as the location for a Special Board meeting.



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

**DRAFT MINUTES
STATE BOARD OF EDUCATION
August 9-10, 2007
College of Southern Idaho
Herrett Center
Rick Allen Community Room
Twin Falls, Idaho**

A regular meeting of the State Board of Education was held August 9-10, 2007 at the College of Southern Idaho in Twin Falls, Idaho. Board Vice President Paul Agidius chaired the meeting. Members present were:

Present:

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

Absent:

Milford Terrell, President
Blake Hall

EXECUTIVE SESSION

M/S (Thilo/Stone): To move into Executive Session, on August 9, 2007 at 10:00 a.m. pursuant to Idaho Code Section 67-2345(1), in order to discuss one or more of the following: (a) to consider hiring a public officer, employee, staff member or individual agent; (b) to consider the evaluation, dismissal or disciplining of, or to hear complaints or charges brought against a public officer, employee, staff member or individual agent, or public school student; [...]; (d) to consider records that are exempt by law from public inspection; ... A roll call vote was taken; motion carried unanimously.

During executive session, discussions took place related to personnel issues and real estate issues.

M/S (Stone/Luna): To go out of Executive Session at 12:30 p.m. Motion carried

unanimously.

OPEN SESSION

Board Vice President Paul Agidius called the Open Session portion of the meeting to order at 1:00 p.m. on August 9, 2007 and started by thanking the College of Southern Idaho for their hospitality. Senator Shawn Keogh, Representative Wendy Jacquet, Senator Clint Stennett, and Representative Donna Pence, were recognized in the audience. The Board took a few moments to recognize Teacher-in-Space Barbara Morgan, who was currently in space, for her dedication, commitment, and contributions to the students and teachers of Idaho, and of the United States.

BOARDWORK1. Rolling Calendar

M/S (Stone, Westerberg): To approve August 21-22, 2008 and North Idaho College in Coeur d'Alene as the location for the August 2008 regularly scheduled Board meeting.

Substitute M/S (Luna/Thilo): To look at another time and date for the August 2008 meeting. Motion carried unanimously.

2. Minutes Approval

M/S (Thilo/Lewis): To approve the minutes from June 13-14, 2007, July 9, 2007, and July 16, 2007, as submitted. Motion carried unanimously.

3. Agenda

By unanimous consent the Board agreed to pull item 5 of the Department of Education's agenda.

By unanimous consent the Board agreed to move Tab 2 of Section II of the Business Affairs and Human Resources Agenda to the beginning of the agenda, ahead of the open forum in order to meet a timeline.

By unanimous consent, the Board approved the agenda as modified.

BUSINESS AFFAIRS AND HUMAN RESOURCES – Section II2. Idaho State University – Authorization to Issue General Revenue Bonds

M/S (Stone/Westerberg): To approve a Supplemental Resolution authorizing the issuance and sale of \$16,120,000 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. *A roll call vote was taken; motion carried unanimously.*

It was clarified that the amount should read \$16,120,000.

At this time, President Art Vailas of Idaho State University introduced Jim Fletcher, the new Vice President for Financial Affairs for Idaho State University. The Board joined Dr. Vailas in welcoming Mr. Fletcher.

On another note, Interim Executive Director Karen McGee indicated the need for the Board to hold a special meeting within the next few weeks related to the math and science standards in order to meet the legislative deadlines for submitting rules. She will work with Tom Luna to find a date and time for that meeting.

OPEN FORUM

A number of people appeared to present written and/or oral comments to the Board regarding the proposed changes for the education of deaf and blind students in Idaho. The following appeared in person:

1. Representative Wendy Jacquet expressed concerns and urged the Board to take more time to consider the impact of the changes they are considering.
2. Representative Donna Pence expressed concerns and pointed out that the proposal does not indicate what alternatives will be provided for students not successful under the proposed approach.
3. Senator Clint Stennett expressed concerns and asked the Board to do the following before proceeding: first, to interview the students in their residential setting at the Idaho School for the Deaf and the Blind, and second, to engage the superintendents and local school boards in discussions to find out about the true cost savings of this proposal.
4. Ruth Anna Spooner discussed her personal experiences and viewpoints as a deaf student who has successfully navigated through the education system. She talked about the need to have support, options, and a place to fit in. She has recently earned her bachelor's degree out of state and is planning to return to Idaho to work.
5. Ramona Walhoff suggested that the Board is not ready or equipped to make the changes or to run the program for the Blind. She noted that the number of people needing services far outnumber the staff trying to serve them.
6. Susan Bradley discussed the challenges of losing her vision as an adult. She expressed concerns about recruiting and retaining qualified teachers.
7. Elizabeth Cram discussed the situation with her two sons who are deaf, and explained that the Gooding School for the Deaf and the Blind has been the best they have been able to find. She indicated that if the School is disbanded her family is without a least restrictive environment.

She noted that the public school environment is not equipped to meet her son's special needs due to a lack of qualified staff and services for students with multiple impairments.

8. Elsie Lamb spoke about her experiences as a blind student and emphasized that people who have sensory disabilities face many challenges. She noted she had concerns about the proposal being considered, in particular the disparity between what is funded for the deaf and what is being funded for the blind.

9. Kathy Sanders spoke about her son who is deaf and a senior at the Gooding School. She described his experiences of being transported many miles to and from school each day in an effort to be mainstreamed into the public school system. The family ultimately moved to Gooding so that the family could stay together while he received the specialized education he needed.

10. Raymond Lockery, representing the Idaho Association of the Deaf, noted that the association is not supportive of the proposed models. He indicated that if the School is closed, Idaho will become only the fourth state without a set-aside facility.

11. Jan Galwaithe spoke in opposition to the proposal because it does not include a residential component. She reminded the Board that some students can only succeed in that kind of environment.

12. Sara Symms spoke about her two visually impaired preschoolers. She noted they both received services through ISDB to the age of three. They currently attend a special preschool that is geared for visually impaired students, with a goal to have them proficient in Braille before kindergarten. She urged the Board members to remember they are talking about real kids who need incredible support.

13. Jerry Wilding discussed his experiences as a deaf person and as a former teacher at ISDB. He is a member of Deaf Education Advocacy First. He expressed concern that there is not a deaf person serving on the Board, so there isn't anyone who really understands what it is like to be deaf. He suggested that only the deaf community really knows who the kids are, what it is like for them, how they are impacted, and what they need. The deaf community wants to keep the residential school open.

14. Maria Alvarez is the President of Idaho Parents of Blind Students. Her son is blind and the first blind student in his school. Their experience has been that there is a lack of trained teachers and that transportation services are not available to blind students in the same way as they are to deaf students. She is currently looking for services out of the state because Idaho doesn't provide what her son needs.

15. Mary Dunn of the Idaho School for the Deaf and the Blind discussed the economic development activities underway between ISDB, the community, and various businesses and organizations. She noted that the School is looking at ways to optimize resources while providing the necessary services. She highlighted some of the joint uses and coordination efforts that are underway. She noted that the community is very supportive of the students and the school.

CONSENT AGENDA

M/S (Thilo/Lewis): To approve the consent agenda as submitted with the exception of item 9. Motion carried unanimously.

M/S (Lewis/Westerberg): To remove item 9 from the Consent agenda and review it more thoroughly. Motion carried unanimously.

Related to Tab 9, Board member Lewis raised questions about the flow chart included in the materials. He asked about the process as well as the economic impact and the financial analysis associated with this policy change. Dr. Mike Rush of the Division of Professional-Technical Education indicated that this policy change is strictly a reflection of who is responsible for professional-technical education programs. He noted that the concerns of Board member Lewis went beyond the changes being recommended in this particular policy change. He noted that the Board has final approval for all program changes. Board member Stone expressed satisfaction with Dr. Rush's explanation. Interim Executive Director McGee verified that this policy change did conform to existing policy. Karen Echeverria, of the Board office, noted that the flow chart is not part of the policy; it simply provides a visual demonstration of the flow of documents. Board member Lewis thanked the Board staff for that confirmation.

M/S (Lewis/Thilo): To approve the second reading of Proposed Amendment to Idaho State Board of Education Governing Policies and procedures, Section III.G.5. -- Approval Procedures, as detailed on Attachment 1 of this request. Motion carried unanimously.

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

By unanimous consent, the Board agreed to approve the request by Boise State University for nineteen (19) new positions supported by appropriated and local funds; title, term, salary and FTE changes to five (5) positions.

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

By unanimous consent, the Board agreed to approve the request by Idaho State University for six (6) new positions (5.5 FTE); to increase the term on two (2) positions (2.0 FTE) to 12 month; and increase the FTE on one (1) position (1.0 FTE).

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

By unanimous consent, the Board agreed to approve the request by the University of Idaho to establish fourteen (14) new positions supported by appropriated and non-appropriated funds and to reactivate three (3) deleted PCN's supported by appropriated and non-appropriated funds.

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

By unanimous consent, the Board agreed to approve the request by Lewis-Clark State College for seven (7) new positions.

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

By unanimous consent, the Board agreed to approve the request by Eastern Idaho Technical College to created two (2) new positions supported by State Appropriation and local sources as detailed on the Human Resources agenda.

6. BAHR – Section I – Mike Rush – Honorarium Request

By unanimous consent, the Board agreed to approve the request by Mike Rush, Administrator of the Idaho Division of Professional-Technical Education, to accept the \$1,000 honorarium provided to him, for service on a Technical Review Panel for the National Center for Education Statistics, for purposes of donating it to the Professional-Technical Education Foundation.

7. PPGAC – Alcohol Permits Issued by University Presidents

This is an information item only.

8. IRSA – Second Reading, Amendment to Idaho State Board of Education Governing Policies and Procedures, Section II.G.6.B.2, Acquisition of Tenure

By unanimous consent, the Board agreed to approve the second reading of amendments to Idaho State Board of Education Governing Policies & Procedures, Section II.G.6.b.2, Acquisition of Tenure as presented.

9. Note: This item was pulled from the Consent Agenda and considered separately.10. IRSA – Appointment of Idaho Council for Technology in Learning (ICTL) members

By unanimous consent, the Board agreed to approve the reappointment of Milford Terrell to the Idaho Council for Technology and Learning, and to appoint Jerry Beck as the member serving as a President of an Idaho Public College or University.

PLANNING, POLICY & GOVERNMENTAL AFFAIRS1. Presidents' Council Report

President Art Vailas reported on the various items discussed by the Presidents at their recent retreat. One of their future efforts will be to work with the Board on a strategy to make professional-technical education more accessible and affordable, and to address the complexities of that issue. Dr. Vailas noted that the universities, in partnership with various companies, are committed to Idaho being globally competitive as an energy corridor.

2. College of Southern Idaho Progress Report

Dr. Claudeen Buettner, Executive Vice President of the College of Southern Idaho, presented the CSI progress report to the Board on behalf of Dr. Jerry Beck. She discussed CSI's goals, and noted that the most recent accreditation report included six commendations and no

recommendations. Dr. Buettner reported that CSI delivers over a quarter of their classes electronically; this is the fastest growing segment of CSI instruction. CSI is also placing a heavy emphasis on the recruitment and retention of students.

3. Idaho Commission for Libraries Progress Report

Ann Joslin from the Idaho Commission for Libraries presented a progress report to the Board. She noted that the Commission has been operating under their new statute, name, and strategic plan for a year. She pointed out that their strategic plan includes: providing services to digital natives, meeting future needs, strengthening the library's identity, and managing the changing library infrastructure in the face of rapid change.

4. 2008 Proposed Legislation

Board staff provided input on the process for submitting legislative ideas and for carrying actual legislation in 2008. Jane McClaran of the Division of Financial Management (DFM) indicated that the due date for legislative idea forms to be turned into DFM was August 3rd. She noted that these ideas have already been submitted and DFM is reviewing them. Several Board members expressed serious concerns about the process and the fact that the full Board had not been involved in the creation of the ideas. It was further noted that some of the items had insufficient detail as to the full intent, purpose, or impact of the legislation that was being proposed. Interim Executive Director McGee explained how the timelines had worked this year, and noted that next year the process will start in June. Board staff reported that there will be an opportunity in October to review any drafted legislation that comes out of the idea process to decide whether or not to forward it.

The Board discussed, at length, the various legislative ideas submitted in the Board agenda. It was determined that the legislative idea related to the deaf and blind education models needed to be set aside until that issue is resolved.

By unanimous consent, the Board agreed to delay considering the legislative idea for the Deaf/Hard of Hearing and Blind/Visually Impaired Education Services at this time.

The Board took up the remainder of the legislative ideas with the following outcome.

Moving the Idaho Reading Indicator (IRI) Assessment to the SBOE

M/S (Luna/Westerberg): To postpone action on item 2 -- moving the Idaho Reading Indicator (IRI) Assessment to the SBOE -- to a time definite. Motion carried unanimously.

Clarify Procedures the Board Takes After Approving Consolidation, Deconsolidation, and Boundary Change Requests

M/S (Stone/ Agidius): To approve item number 3 -- Clarify Procedures the Board Takes After Approving Consolidation, Deconsolidation, and Boundary Change Requests -- as submitted, and to direct staff to continue with the Governor's legislative process; and to direct staff to bring the legislative language and amendments to the Board at their October Board meeting for final approval. Motion carried unanimously.

Higher Education Residency Requirements

M/S (Stone/Lewis): To approve item number 4 -- Higher Education Residency

Requirements -- as submitted, and to direct staff to continue with the Governor's legislative process; and to direct staff to bring the legislative language and amendments to the Board at their October Board meeting for final approval. Motion carried 5-0 (Agidius absent during vote).

Educator Stipend Program

M/S (Thilo/Luna): To approve item number 5 -- Educator Stipend Program -- as submitted, and to direct staff to continue with the Governor's legislative process; and to direct staff to bring the legislative language and amendments to the Board at their October Board meeting for final approval. Motion carried unanimously.

Student Vision Screening

M/S (Thilo/Agidius): To approve item number 6 -- Student Vision Screening -- as submitted, and to direct staff to continue with the Governor's legislative process; and to direct staff to bring the legislative language and amendments to the Board at their October Board meeting for final approval. Motion carried 5-1 (Lewis voted Nay).

Pure State Kidney Program

M/S (Stone/Agidius): To approve item number 7 -- Pure State Kidney Program -- as submitted, and to direct staff to continue with the Governor's legislative process; and to direct staff to bring the legislative language and amendments to the Board at their October Board meeting for final approval. Motion carried unanimously.

State Requirements for Colleges and Universities

M/S (Lewis/Agidius): To approve item number 8 -- State Requirements for Colleges and Universities -- as submitted, and to direct staff to continue with the Governor's legislative process; and to direct staff to bring the legislative language and amendments to the Board at their October Board meeting for final approval. Motion carried unanimously.

Postsecondary Education Projects

M/S (Agidius/): To approve item number 9 -- Postsecondary Education Projects -- as submitted, and to direct staff to continue with the Governor's legislative process; and to direct staff to bring the legislative language and amendments to the Board at their October Board meeting for final approval.

Substitute (Lewis/Agidius): To approve the concept without reference to the appropriated amount. Motion carried unanimously.

Board member Lewis asked Board staff to develop more information on this idea and bring it back for further consideration.

Idaho Center for Livestock and Environment Studies

M/S (Agidius/Thilo): To approve item number 10 -- Idaho Center for Livestock and Environment Studies -- as submitted, and to direct staff to continue with the Governor's legislative process; and to direct staff to bring the legislative language and amendments to the Board at their October Board meeting for final approval. Motion carried unanimously.

Tuition at the Community Colleges

M/S (Agidius/Stone): To approve item number 11 -- Tuition at the Community Colleges -- as submitted, and to direct staff to continue with the Governor's legislative process; and to direct staff to bring the legislative language and amendments to the Board at their October Board meeting for final approval. Motion carried unanimously.

5. Approval of State Board of Education 2008 Strategic Plan

M/S (Agidius/Lewis): To approve the State Board of Education's Strategic Plan FY 2009 as presented. Motion carried 5-0 (Luna absent during the vote).

Board member Stone thanked Chet Herbst of Lewis-Clark State College for his help in the strategic planning effort. He noted that the plan will be reviewed in May each year and revised as the Board continues its work. Board member Westerberg pointed out that the plan still needs work in terms of performance measures. Board member Stone concurred, and noted that the Board will be addressing that issue.

6. Approval of Institution and Agency Profiles

M/S (Stone/Agidius): To approve the agency and institution profiles and performance measurement reports as submitted. Motion carried unanimously.

Board member Stone noted that work needs to be done related to benchmarks.

M/S (Stone/Agidius): To direct Board staff to work with the institutions regarding benchmarks. Motion carried unanimously.

Board member Westerberg asked that the Board make sure at least one of the benchmarks addresses efficiency.

M/S (Stone/Thilo): To direct staff to annually prepare an agenda item for the April Board meeting that will include review and possible amendments to the Board's strategic plan. Motion carried unanimously.

7. Approval of University of Idaho Alcohol Waiver Request for 2007 Home Football Games

M/S (Stone/Agidius): To approve the request by the University of Idaho to establish secure areas for the purpose of allowing the above specified pre-game activities (Vandal Game Day, Corporate Tent Area, and President's Circle Pre-Game Function) for the 2007 home football season, such events to be in compliance with Board policy Section I.J., and the following conditions:

1. The service area shall be secure, surrounded by a fence to control access to and from the area.
2. The pre-game events shall be limited to four hours, ending at kick-off.
3. Alcohol making or distributing companies may not sponsor the activities or tents.
4. UI shall use color-coded wrist band or pass admission system to identify attendees and invited guests.
5. UI shall send companies sponsoring a corporate tent a letter outlining the Board's

alcohol policy and further conditions set by the Board. The letter will state that the minimum drinking age in Idaho is 21 and that at no time may they allow any underage drinking and/or serving of alcohol to visibly intoxicated patrons.

6. There must be two entry points manned by security personnel for the secure area.
7. Security personnel shall be located throughout the secure service area to monitor use of wristbands, patron behavior, and entrance and exit.
8. No person may exit the secure area with alcoholic beverages.
9. Tent sponsors shall insure and indemnify the State of Idaho, the State Board of Education and Board of Regents of the University of Idaho and the University of Idaho for a minimum of \$2,000,000, and shall obtain the proper permits and licenses.
10. The area is for sponsors to entertain clients/guests for the fall of 2007 home football games, including the sales and service of alcohol.
11. This exception is only for the 2007 football season; the University shall bring the matter back to the Board after the conclusion of the 2007 football season for reconsideration for 2008.
12. UI will abide by all terms and conditions of the Board's existing alcohol policy.

Motion carried unanimously.

8. Approval of Boise State University Alcohol Waiver Request for 2007 Home Football Games

M/S (Stone/Luna): To approve the request by the Boise State University to establish secure areas under the conditions set forth in this request for the purpose of allowing pre-game activities for the 2007 home football season, such events to be in compliance with Board policy Section I.J. The conditions are as follows:

1. A secured area surrounded by a fence to control access to and from the area.
2. Four-hour duration, ending at kick-off.
3. No alcohol making or distributing companies may be allowed to sponsor the activities or tents.
4. A color-coded wrist band or pass admission system that would identify attendees and invited guests.
5. Companies involved in the tent village would be sent a letter outlining the tent village/SBOE alcohol policy. The letter will state the minimum drinking age in Idaho is 21 and that at no time should they allow any underage drinking and/or serving of alcohol to visibly intoxicated patrons.
6. Two entry points manned by security personnel.
7. Security personnel located throughout the controlled area will be monitoring the alcohol wristband policy and patron behavior.
8. Security personnel will not allow patrons to exit the area with alcoholic beverages.
9. Tent sponsors will be required to insure and indemnify the State of Idaho, the State Board of Education and Boise State University for a minimum of \$2,000,000; and, to make sure that the proper permits and licenses are obtained.
10. The area is for sponsors to entertain clients/guests for the fall of 2007 home football games, including the sales and service of alcohol.
11. It be brought back after the conclusion of the 2007 football season to the Board for reconsideration for 2008.
12. BSU will abide by all terms and conditions of the Board's existing policy.

Motion carried unanimously.

9. College of Western Idaho Update

Board member Stone reported that the Interim Executive Director of the Board had released \$300,000 to the College of Western Idaho in compliance with Board policy. This action was approved by the Executive Committee first. It was noted that the amount which can be distributed at one time, by the Interim Executive Director, is \$500,000; any amount more than that has to come to the full Board first.

INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS

By unanimous consent, the Board agreed to take up items number 7 and 8 of the Instruction, Research, and Student Affairs agenda at this time.

Board member Thilo introduced the recommendations for the new models under consideration and noted that they have a decentralized delivery approach. She briefly summarized the process up to this point, and noted it had taken over two years.

7. Approval of Service Delivery Model for the Education of Blind or Visually Impaired Students

Aylee Schaefer, Transition Coordinator for Blind Education from the Board office, introduced herself to the Board. Ms. Schaefer described the proposed delivery model and stressed that it is specifically designed for students who are blind or visually impaired. The Board discussed the proposed delivery model in great detail and expressed a number of concerns regarding the transition period, the future of students who preferred to stay in Gooding, the alternatives for students who could not be successfully mainstreamed, funding issues, and the actual oversight of the services.

It was noted that if the model was approved by the Board, legislation could be presented in 2008 with an effective date of 2009. This would allow for additional time for hearings and public comment, as well as legislative review. It was confirmed that implementation of this model would mean the Idaho School for the Deaf and the Blind in Gooding would be closed July 2009, at the same time the new Boise facility opened.

Board member Lewis agreed that while the concept of regional access was good, the idea of eliminating a full-time residential option for those who would choose that approach concerned him. Board member Stone referred to the standards and reminded the Board that the transition will be governed by those standards. Tom Luna asked about plans to ensure that the new model will be more successful in meeting the standards than the present delivery model. He pointed out that recruiting and retaining qualified teachers and staff would still be a challenge.

M/S (Thilo/Lewis): To postpone agenda items 7 and 8 until the October Board meeting.
Motion carried unanimously.

For the October meeting, Board member Stone asked that the link between the plans and the standards be provided, particularly those that speak to maintaining new and existing facilities. Board member Lewis asked that a perspective on the number of students at ISDB who want to, or need to, stay there be included. He also would like there to be a true transition plan that

ensures all students throughout the state are provided for.

State Superintendent Luna asked that a financial analysis for phasing out one program while phasing in the new one be provided in a timely manner to the Board, prior to the October Board meeting, so that there is sufficient time for the Board to review it. In addition, he encouraged that more input from superintendents and administrators who may be affected by the closing of the school be brought to the table.

1. Idaho Class of 2007 ACT College Readiness Review

Stacy Elmore, a senior consultant with ACT, made a brief presentation to the Board. Ms. Elmore pointed out that the data for the class of 2007 will be released on August 15, 2007. She agreed to provide the Board with information about other states that use the ACT test as a performance measure to meet their graduation requirements.

2. Approval of Amendments to the University of Idaho's Mission Statement

M/S (Thilo/Agidius): To approve the proposed amendments to the University of Idaho's mission statement as presented. Motion carried unanimously.

Board member Lewis raised a question about a reference to the statewide mission. There was brief discussion to clarify this point.

3. Approval of the Temporary and Proposed Rules Governing the Idaho Promise Scholarship Program, IDAPA 08.01.05

M/S (Thilo/Stone): To approve the Temporary and Proposed Rules Governing the Promise Scholarship Program, IDAPA 08.01.05. Motion carried unanimously.

It was noted that eligible students can apply for both Promise A and Promise B scholarships. Board staff will get more information to the Board as to why. Staff will also be invited to report to the Board at a future meeting on scholarships overall.

4. Round III – Idaho Technology Grant Program FY 2008 Grant Funding Recommendations

M/S (Thilo/Agidius): To approve funding for the proposed projects as exhibited, in the amount of \$171,200. Motion carried unanimously.

5. Final Progress Report on the FY 2005 Center for Research on Invasive Species and Small Populations

This was an item of information.

6. Idaho GEAR-UP Update

Decker Sanders of the Board office reported that while individual school districts have agreed to provide a one-for-one match, the state is spending federal funds for which it does not have a match for. If sufficient matching funds are not obtained, students will be left without scholarships. The Board needs to decide whether or not to pursue the GEAR UP program.

9. Approval of Proposed Rules Governing Thoroughness IDAPA 08.02.03

M/S (Thilo/Agidius): To approve the Proposed Rules Governing Thoroughness IDAPA 08.02.03.

Substitute M/S (Westerberg/Agidius): To exclude that part of the Board rule change requiring approval of the plans by the SBOE, and to also make the changes noted by Board staff on page 12 of Tab 9 regarding language, and on page 20 of Tab 9, item number 200. Motion carried unanimously.

Board member Westerberg asked for clarification. Karen Echeverria of the Board office explained that while the Board rules currently require districts to submit a draft of their alternate plans to the Board, the Board is not required to approve those plans. Board approval of the plans will ensure that they meet Board standards.

State Superintendent Luna noted that, as a former chairman of a local board, he could not support extending the arm of the state into what should be a local decision. Board member Westerberg noted that he had previously been involved in writing an alternate plan and, unless there were gross problems throughout the state, he could not support this rule change. Mr. Luna reiterated that the local patrons have the option of replacing their local board members if they don't like how they operate. Board member Westerberg noted that if this were to be approved, it would require increased staff to review each plan and to enforce the change.

Board member Lewis raised a number of points and asked for clarification related to questions he had, and identified several changes. The changes were so noted by Board staff.

10. Approval of Temporary and Proposed Rules Governing Public Charter Schools

M/S (Thilo/Stone): To approve the proposed rule change to IDAPA 08.02.04.205, Rules Governing Public Charter Schools, requiring written response to the initial review of a proposed draft charter petition. Motion carried unanimously.

BUSINESS AFFAIRS AND HUMAN RESOURCES – SECTION I**1. University of Idaho – Employment Agreement – Co-Head Coach, Track and Cross Country Teams**

M/S (Stone/Agidius): To approve the request by University of Idaho to offer a multi-year contract for Wayne Phipps, in the form presented to the Board. Motion carried unanimously.

2. University of Idaho – Multi-Year Contract Addendum – Director of Athletics

M/S (Stone/Westerberg): To approve the request by University of Idaho to offer a multi-year contract addendum for Robert Spear, Athletics Director, in the form presented to the Board. Motion carried unanimously.

BUSINESS AFFAIRS AND HUMAN RESOURCES – SECTION II

1. Idaho State University – Purchase and Finance Enterprise Resource Planning (ERP) System

M/S (Stone/Agidius): 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. Motion carried unanimously.

It was pointed out that the Board had been notified on several occasions, starting two years ago, of the problems with the existing system and the need to replace it. It was also noted that this is part of ISU's accreditation compliance.

3. University of Idaho – Selection of Bond Counsel and Investment Banker

This was an information item.

4. University of Idaho – Revisions to Employee Health Plan

M/S (Stone/Agidius): 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 matter described in the materials presented to the Board. Motion carried unanimously.

5. University of Idaho – Ground Lease Assignment and Assumption

M/S (Stone/Agidius): 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. Motion carried unanimously.

6. University of Idaho – Sandpoint Facilities Project

M/S (Stone/Agidius): 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 the 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. Motion carried 5-1 (Lewis voted Nay).

There was lengthy discussion of this item. Board member Lewis noted that while this is a beneficial program for Idaho, and a generous offer, it would be helpful to have more detail and more time to consider the proposal. Lloyd Mues reviewed the budget and the process taken so far to provide the Board with details regarding this project. Senator Shawn Keogh was invited to speak and she explained this proposal has been in the works for fourteen months. She pointed out that the community support and the anticipated growth for Northern Idaho were two of the positive aspects of this project.

7. University of Idaho – Irrigation Canal Easement

M/S (Stone/Thilo): 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. Motion carried unanimously.

8. University of Idaho – Service Agreement Extension – RuffaloCODY

M/S (Stone/Agidius): 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. Motion carried unanimously.

9. This item was pulled at the request of Lewis-Clark State College

The Board adjourned at 8:50 p.m. and reconvened at 8:45 a.m. on Friday, August 10, 2007. Board Chair Agidius directed the Board to the Department of Education agenda, noting that item 10 of Section II of the BAHF agenda would be taken up later in the morning.

STATE DEPARTMENT OF EDUCATION AGENDA

1. Superintendent's Update

State Superintendent Tom Luna commented on developments, initiatives, and efforts underway in the Department. He discussed the NCLB requirements and noted that Idaho has implemented its plan. Results have identified some things that are working well and other things that may need to be changed. He asked the Board to direct staff to begin reviewing the accountability plan Idaho submitted, and determine what needs to be changed. Interim Executive Director McGee indicated that the Board staff had already set a date in September for the first meeting. Mr. Luna asked that the study take in the entire plan, and that it be a formal process. Ms. McGee asked Mr. Luna to help with the agenda topics for that study. Mr. Luna indicated that SDE will provide staff support and expertise. Board Chair Agidius directed the

Board staff to do so.

Mr. Luna noted that SDE had been in discussion with the Deans of the Colleges of Education related to new teachers being prepared to teach in the 21st century classroom. Their dialogue will continue, and will include input from local superintendents and administrators.

Mr. Luna reported that the latest round of ISAT testing was complete. He reminded the Board that the bar had been raised and so, as was expected, the number of schools not meeting AYP was up this first year of using the new test.

Mr. Luna reported that SDE is completing a total remodel of their offices. With the exception of the staff handling data, the entire staff will be on one floor which will improve synergy, reduce the need for administrative assistants, and reduce their rental costs. He plans to ask the Legislature to direct those cost savings into efforts going on in the classroom.

2. Post Falls School District Trustee Zone Boundary Change

M/S (Luna/Thilo): To approve the adjusted trustee zones for the Post Falls School District as submitted. Motion carried unanimously.

3. Curricular materials Selection Committee Appointment

M/S (Luna/Thilo): To approve the request by the State Department of Education for Susan Day Scherz's appointment to the Idaho State Curricular Materials Selection Committee as submitted. Motion carried unanimously.

4. Adoption of Curricular Materials

M/S (Luna/Agidius): To approve the request by the State Department of Education to adopt curricular materials as outlined in the 2007 Curricular Materials Recommendations Book. Motion carried unanimously.

5. This item was pulled from the agenda.

6. Certification Rule – Approval of Temporary and Proposed Rule – IDAPA 08.02.02.015 – Rules Governing Uniformity

M/S (Luna/Thilo): To approve the temporary and proposed rule change to IDAPA 08.02.02.015, Rules Governing Uniformity, Three Year Interim Certificate. Motion carried unanimously.

7. Accreditation Rules – Approval of Temporary and Proposed Rule – IDAPA 08.02.02.140 – Rules Governing Uniformity

M/S (Luna/Agidius): To approve the request by the State Department of Education to amend IDAPA 08.02.02.140 as submitted. Motion carried unanimously.

Shannon Page from the Department of Education reported on the costs for schools to pursue accreditation. She also explained the rationale for changing the method of accreditation, noting that the No Child Left Behind requirements made it duplicative to have Northwest Accrediting as

well. Dr. Mike Rush of the Division of Professional-Technical Education asked about the Robert Janss School at the Department of Correction. Ms. Page noted that the Robert Janss School will need to be accredited by Northwest. The State Department of Education will work with NW to make sure that the standards that Robert Janss School will need to comply with will be more aligned with their needs.

At this time, Decker Sanders from the Board office updated the Board on the Promise A and B scholarships, specifically that students can be eligible for both the A and B scholarships. He noted that this was an effort to make maximum use of the scholarship dollars. In addition, there are safeguards in place, in the rules, to ensure that no Promise B eligible students would be left out.

At this time the Board returned to BAHF – Section II, item 10.

10. FY 2009 Budget Requests

Board member Stone presented this item and provided a detailed overview of the process taken to bring these budget requests before the Board. He thanked everyone involved in the effort. He noted that the budget requests do not include any salary enhancements because the Board will work with the Governor's office and DFM to develop those at a later date.

a) College and Universities

M/S (Stone/Agidius): To approve for final development the following specific budget line items for the College and Universities: (1) Occupancy Costs, (2) Maintenance and Infrastructure Costs, and (3) New and Expanded Programs. Motion carried unanimously.

b) Community Colleges

M/S (Stone/Westerberg): 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):

(1) Maintenance and Infrastructure Costs: (NIC Upgrading Campus Technology to Minimum Standards, \$307,500 General Funds)

(2) New and Expanded programs: (CSI Rural Math/Science Dual Credit and College Prep, \$276,700 General Funds; Online Program Development and Quality Control, \$226,300 General Funds; NIC Joint Program Development with Community Colleges of Spokane, \$115,000 General Funds)

(3) Placeholder for the FY 2009 Budget Request for College of Western Idaho. Motion carried unanimously.

It was noted that there is not a dollar amount for the College of Western Idaho at this time. They are in the process of developing that budget.

c) Agricultural Research & Extension

M/S (Stone/Westerberg): To approve for final development the following specific budget line items for Agricultural Research and Extension:

(1) Full-Time 4-H Program Coordinator Positions, \$169,600 (General Funds)

(2) University of Idaho, Center for Bioenergy Research, Development and Outreach, \$150,000 (General Funds). Motion carried unanimously.

d) Special Programs

M/S (Stone/Agidius): To approve for final development the following specific budget line items for the Special Programs:

- (1) Forest utilization Research – Increasing Value of Idaho Forest Resources, \$119,500 (General Funds)**
- (2) Forest Utilization Research – Enhanced Policy Analysis, \$105,000 (General Funds)**
- (3) Idaho Geological Survey – Web site redesign and upgrade; \$23,000 (General Funds)**
- (4) Idaho Geological Survey – Seismic monitoring stations, \$50,000 (General Funds)**
- (5) Idaho Geological Survey – Mission Capability Enhancement; \$169,500 (General Funds)**
- (6) Scholarships and Grants – Increase in various scholarships, \$290,000 (General Funds)**
- (7) Idaho Museum of Natural history – Increased Operating Support, \$111,700 (General Funds)**
- (8) Idaho Small Business Development Centers – Mission Capability Enhancement, \$83,700 (General Funds)**
- (9) Idaho Council on Economic Education – Mission Capability Enhancement, \$22,500 (General Funds)**
- (10) Idaho Council on Economic Education – Mission Economic Education materials for Teacher and High School Seniors, \$20,000 (General Funds)**
- (11) Tech Help – Growth Services/New Product Development Program, \$270,000 (General Funds).** Motion carried unanimously.

e) Health Programs

M/S (Stone/Westerberg): To approve for final development the following specific budget line items for the Health Programs:

- (1) WOI – Additional Veterinary Student Positions, \$258,100 (General Funds)**
- (2) IDEP – Expansion of Dental Program @ \$29,800 (\$10,400 General Funds, \$19,400 Dedicated Funds)**
- (3) UofU – Additional Seats (2), \$71,500 (General Funds).** Motion carried unanimously.

f) Agencies

Office of the State Board of Education

M/S (Stone/Westerberg): To include for final FY 2009 budget development the following specific line items, for the Office of the State Board of Education:

- (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 and Blind Coordinators – FY 2009 Position Upgrades, \$19,600 (General Funds).**

Substitute M/S (Lewis/Agidius): To include for final FY 2009 budget development the

following specific line items, for the Office of the State Board of Education:

- (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)**
- And that item four is designated as a placeholder, dependent upon further deliberations by the Board regarding the deaf and blind program. Motion carried unanimously.**

An additional motion was brought forward at this time.

M/S (Stone/Lewis): Include for FY09 budget development a placeholder for ongoing funding for a 2% alternate assessment that will increase flexibility for special needs students. Motion carried unanimously.

Professional-Technical Education

M/S (Stone/Agidius): To include for final FY 2009 budget development the following specific line items, for Professional-Technical Education:

- (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 Instructional Equipment, \$753,400 (General Funds)**
- (5) Technical College Program Expansion, \$2,470,800 (\$900,000 one-time) (General Funds)**
- (6) HR/ABE/GED/Veterans/Proprietary Function Transfer (Placeholder). Motion carried unanimously.**

Idaho Division of Vocational-Rehabilitation

M/S (Stone/Westerberg): To include for final FY 2009 budget development the following specific line items, for Idaho Division of Vocational Rehabilitation:

- (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). Motion carried unanimously.**

Idaho Public Television

M/S (Stone/Westerberg): To include for final FY 2009 budget development the following specific line items, for Idaho Public Television:

- (1) Reliable Emergency Power Backup, \$325,000 one-time (General Funds)**
 - (2) Idaho Experience Documentaries, 4358,400 (\$84,400 one-time) (General Funds).**
- Motion carried unanimously.**

Idaho State Historical Society

M/S (Stone/Westerberg): To include for final FY 2009 budget development the following specific line items, for Idaho State Historical Society:

- (1) Senior Maintenance/Craftsman, \$36,500 (General Funds)**
- (2) Matching Cost Share for State Archeologist, \$41,900 (General Funds)**

- (3) Collection Development, \$40,000 (General Funds)**
- (4) History Day Enhancement, \$16,100 (General Funds)**
- (5) Compact/Mobile Shelving, \$750,000 one-time (General Funds)**
- (6) Community Assistance Grants, \$150,000 (General Funds)**
- (7) Museum Restoration Initiative, \$59,300 (General Funds).** Motion carried unanimously.

g) Capital Budget Requests

M/S (Stone/Westerberg): To recommend to the Permanent Building Fund Advisory Council the major capital project(s) as set forth in the attached list in Tab g for consideration in the FY 2009 budget process. Motion carried unanimously.

OTHER BUSINESS

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

M/S (Stone/Westerberg): To adjourn at 10:21 a.m. Motion carried unanimously.



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

**DRAFT MINUTES
STATE BOARD OF EDUCATION
SPECIAL TELECONFERENCE MEETING
Len B. Jordan Building
Office of the State Board of Education
650 West State Street
Boise, Idaho
August 23, 2007**

A special teleconference meeting of the State Board of Education was held August 23, 2007 and originated from the Office of the State Board of Education in Boise, Idaho. Board President Milford Terrell presided and called the meeting to order at 9:00 a.m. with a roll call of members.

Present:

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

Absent:

Rod Lewis
Blake Hall

OPEN SESSION

1. Agenda Approval

M/S (Luna/Stone): To approve the agenda as presented. Motion carried unanimously.

STATE BOARD OF EDUCATION

1. Approval of FY 2009 Line Item Budget for Commission for Libraries

M/S (Thilo/Luna): To include for final FY 2009 budget development the Read-To-Me program for Idaho Commission for Libraries (\$1,170,000 General Funds), as displayed on page 3. Motion carried unanimously.

Board President Terrell introduced this item. Scott Christie of the Board staff provided details and noted that this item had been pulled from the August 9-10, 2007 meeting agenda in order to allow time for additional review. He indicated it was now ready for the Board's consideration.

2. Approval of Cumulative Science Document Grades 5, 7, and 10

M/S (Thilo/Agidius): To approve the Cumulative Science document for ISAT grades 5, 7, and 10. Motion carried unanimously.

Board President Terrell introduced this item. Margo Healy of the Board office provided the Board with further details. Ms. Thilo explained that these are not a change of standards.

Mr. Terrell recommended that the State Department of Education study whether the Board wishes to amend the rule that makes science a part of the ISAT graduation test for 2008, and to report back to the Board in October. State Superintendent Luna agreed. He indicated that prior to the October Board meeting the Department of Education staff would meet with Board staff. They would also solicit input from the districts and patrons in order to make this determination.

STATE DEPARTMENT OF EDUCATION

1. Approval of IDAPA 08.02.03.004, Rules Governing Thoroughness

M/S (Luna/Thilo): To approve the proposed rule change to IDAPA 08.02.03.004, Rules Governing Thoroughness, Idaho Content Standards pending approval by the Division of Financial Management. Motion carried unanimously.

Peter Kavouras of the Department of Education discussed the math standards and provided background information for the Board's consideration. Mr. Luna indicated that these will go out for comment. The Board will be able to review this proposed rule before it becomes official and goes to the Legislature for approval.

Board member Thilo noted that a focus group met yesterday to go over this item. She complimented everyone involved in developing the standards and the courses. There will be opportunity for additional feedback. For the benefit of the Board, the process for collecting feedback was clarified.

OTHER BUSINESS

Board President Terrell shared that the Board will conduct a national search for its new Chief Fiscal Officer and new Chief Postsecondary Academic Officer. Board members will have the opportunity to interview the top three candidates at the end of the search.

There being no further business, the meeting was adjourned at 9:23 p.m.



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

**DRAFT MINUTES
STATE BOARD OF EDUCATION
SPECIAL TELECONFERENCE MEETING
Len B. Jordan Building
Office of the State Board of Education
650 West State Street
Boise, Idaho
September 10, 2007**

A special teleconference meeting of the State Board of Education was held September 10, 2007 and originated from the Office of the State Board of Education in Boise, Idaho. Board President Milford Terrell presided and called the meeting to order. The meeting was called to order at 10:00 a.m. with a roll call of members.

Present:

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

Absent:

Blake Hall

EXECUTIVE SESSION

M/S (Thilo/Agidius): To enter into executive session at 10:00 a.m. pursuant to Idaho Code Section 67-2345(1), in order to discuss one or more of the following: (a) to consider hiring a public officer, employee, staff member or individual agent; (b) to consider the evaluation, dismissal or disciplining of, or to hear complaints or charges brought against a public officer, employee, staff member or individual agent, or public school student; [...]; (d) to consider records that are exempt by law from public inspection; ... *A roll call vote was taken; motion carried unanimously.*

During executive session, discussions took place related to personnel issues.

M/S (Luna/Stone): To go out of Executive Session at 1:30 p.m. *Motion carried unanimously.*



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

**DRAFT MINUTES
STATE BOARD OF EDUCATION
SPECIAL TELECONFERENCE MEETING
Len B. Jordan Building
Office of the State Board of Education
650 West State Street
Boise, Idaho
September 12, 2007**

A special teleconference meeting of the State Board of Education was held September 12, 2007 and originated from the Office of the State Board of Education in Boise, Idaho. Board Vice President Paul Agidius chaired the meeting. The meeting was called to order at 2:00 p.m. with a roll call.

Present:

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

Absent:

Blake Hall

OPEN SESSION

STATE BOARD OF EDUCATION

1. Approval of Negotiations with Data Recognition Corporation (DRC)

M/S (Agidius/Westerberg): To direct Board staff to implement the cost reductions outlined in the agenda item including the extension to the contract and to bring these items back to the Board in the form of a contract amendment at a later date for formal approval. A roll call vote was taken; motion carried unanimously.

President Terrell informed the Board that he and Superintendent Luna, along with Board staff,

had been in negotiations with DRC in an attempt to reduce the cost of the contract. He indicated that they had tentatively agreed to stop development of the 2nd grade test and remove winter testing for grades 3 – 9. DRC had agreed to remove the contingency funds and to reduce the amount of their contract by \$100,000 per year over a three year period. DRC had also agreed to carry forward some payments into the next fiscal year.

Superintendent Luna clarified that there would be no interest charged on the carry forward payments.

Board Member Thilo clarified that grades 3-10 would still be tested in the fall, that there would be a winter test for grades 11-12 for those students who had not yet passed parts of the test, and that grades 3-10 would be tested in the spring. Karen Echeverria confirmed that this was correct.

President Terrell explained that the contract amendment must be approved by the Division of Purchasing and would then be brought back to the full Board for approval.

Superintendent Luna also clarified that the contract called for two 2-year extensions. As part of the negotiations, DRC would be allowed to exercise one of those extensions.

2. Personnel – Resignation of Interim Executive Director

President Terrell indicated that he had received, and accepted, a letter of resignation of Interim Executive Director Karen McGee. He indicated that Ms. McGee's letter stated she had enjoyed working for the Board and looked forward to working on education related issues in the community.

EXECUTIVE SESSION

M/S (Terrell/Thilo): To enter into executive session at 10:30 a.m. pursuant to Idaho Code Section 67-2345(1), in order to discuss one or more of the following: (a) to consider hiring a public officer, employee, staff member or individual agent; (b) to consider the evaluation, dismissal or disciplining of, or to hear complaints or charges brought against a public officer, employee, staff member or individual agent, or public school student; [...]; (d) to consider records that are exempt by law from public inspection; ... A roll call vote was taken; motion carried unanimously.

During executive session, discussions took place related to personnel issues.

M/S (Lewis/Thilo): To go out of Executive Session at 11:00 a.m. Motion carried unanimously.



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

**DRAFT MINUTES
STATE BOARD OF EDUCATION
SPECIAL TELECONFERENCE MEETING
Len B. Jordan Building
Office of the State Board of Education
650 West State Street
Boise, Idaho
September 19, 2007**

A special teleconference meeting of the State Board of Education was held September 19, 2007 and originated from the Office of the State Board of Education in Boise, Idaho. Board Vice President Paul Agidius chaired the meeting. The meeting was called to order at 10:00 a.m. with a roll call.

Present:

Paul Agidius, Vice President
Sue Thilo, Secretary
Rod Lewis
Laird Stone
Richard Westerberg

Absent:

Milford Terrell, President
Blake Hall
Tom Luna

OPEN SESSION

STATE BOARD OF EDUCATION

1. Approval of 2008 Legislation

M/S (Thilo/Westerberg): To approve the legislation relating to: clarifying procedures the Board takes after approving consolidation, deconsolidation, and boundary change requests; higher education residency requirements; student vision screening; the pure state kidney program; distribution of liquor dispensary funds to community colleges; tuition at community colleges as submitted; and, to direct staff to make revisions as necessary, and to continue with the Governor's legislative process. A roll call vote was

taken; motion carried unanimously.

Board Chair Agidius noted that three legislative ideas were not approved by the Division of Financial Management and asked how the Board wanted to proceed. It was clarified by Board staff that the October Board meeting would be too late to approve them.

M (Thilo/): To proceed with developing legislation related to the High Need Educator Stipend program. The motion died for lack of a second.

Mike Rush, Acting Executive Director of the State Board of Education, provided a brief explanation regarding the other two pieces of recommended legislation. He indicated that one had to do with the postsecondary education projects from the University of Idaho, and the second would provide an exemption for BSU, ISU, and LCSC from certain regulations under public works. Dr. Rush noted that conversations with the Governor's office regarding both pieces of legislation were ongoing. He suggested that the Board direct staff to continue working with the Governor's office on those two proposals with the understanding it wouldn't obligate the Board to approve them.

M/S (Lewis/Stone): To direct Board staff to continue to work on the two remaining pieces of legislation, in concert with the Governor's Office, with the understanding that these items would be brought back before the Board for further consideration at a future date. A roll call vote was taken; motion carried 4-0-1 (Thilo abstained).

2. Waiver of IDAPA 08-0203-0111 (Second Grade ISAT Testing) for School Year 2007-2008

M/S (Thilo/Westerberg): To waive the requirements for second grade ISAT testing for school year 2007-2008. A roll call vote was taken; motion carried unanimously.

3. Personnel – Appointment of Interim Executive Director

M/S (Stone/Thilo): To appoint Dr. Michael Rush as the Interim Executive Director for the State Board of Education, effective September 12, 2007. A roll call vote was taken; motion carried unanimously.

Board Chair Agidius clarified that the appointment of Dr. Rush as Interim Executive Director did not negate or rescind Dr. Rush's current appointment as the State Administrator of the Division of Professional-Technical Education. He asked that it be so noted in the minutes.

EXECUTIVE SESSION

M/S (Agidius/Thilo): To enter into executive session at 10:30 a.m. pursuant to Idaho Code Section 67-2345(1), in order to discuss one or more of the following: [...]; (d) to consider records that are exempt by law from public inspection; [...](f) to consider and advise its legal representatives in pending litigation or where there is a general public awareness of probable litigation. A roll call vote was taken; motion carried unanimously.

During executive session, discussions took place related to litigation issues.

M/S (Stone/Thilo): To go out of Executive Session at 1:30 p.m. *Motion carried unanimously.*

**CONSENT AGENDA
OCTOBER 11-12, 2007**

TAB	DESCRIPTION	ACTION
1	BAHR – SECTION I - SECOND READING OF AMENDMENT TO BOARD POLICY Section I.E – Executive Officers	Motion to approve
2	BAHR – SECTION II FY 2008 Sources & Uses of Funds	Motion to approve
3	PPGAC - Alcohol Permits Issued By University Presidents	Information item
4	IRSA – Quarterly Report of Program Changes Approved by the Executive Director	Information item
5	IRSA – Notice of Intent – UI-Idaho Falls Transfer of B.S., Computer Science to ISU	Information item
6	IRSA – Approval of Pending Rules Governing Thoroughness – Accountability, assignment of responsibility for AYP determination	Motion to approve
7	IRSA – Approval of Pending Rules Governing Thoroughness – Adoption by reference of Alternate Assessment Extended Content Standards & Alternate Assessment Extended Achievement Standards	Motion to approve

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**CONSENT AGENDA - BUSINESS AFFAIRS & HUMAN RESOURCES
OCTOBER 11-12, 2007**

SUBJECT

Second reading of amendment to Board Policy I.E Executive Officers.

REFERENCE

June 2007

Board approved 1st reading of proposed policy amendment

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Sections I.A.4. & 5.

BACKGROUND

The Board's policy regarding Executive Officers has not been updated since April 2002. The proposed changes would bring the policy more in line with the State of Idaho practices in regards to agency heads; update the policy in respect to the institutional president's compensation in regards to foundation supports; and the current structure at the Idaho School for the Deaf and Blind (ISDB).

DISCUSSION

Board policy needs to be updated in order to bring policy in line with current business practice. The only change from the 1st reading is the deletion of the word "chief" in paragraph 2.c. on page 4.

IMPACT

Approval of the policy changes would bring the policy in line with current business practice. While agency heads would still go through the annual evaluation process, they would no longer receive an annual letter of agreement. Institutional presidents' compensation would no longer include foundation supports and the reference to the superintendent of ISDB would be changed to Director.

ATTACHMENTS

Attachment 1 - Board Policy I.E – Executive Officers (redline)

page 3

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends approval of the second reading of the amendment to Board Policy I.E Executive Officers. No changes were made from this first reading.

BOARD ACTION

A motion to approve the second reading of the amendment to Board Policy I.E. – Executive Officers.

Moved _____ Seconded _____ Carried Yes _____ No _____

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Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: I. GENERAL GOVERNING POLICIES AND PROCEDURES

SUBSECTION: E. Executive Officers

June 2007

E. Executive Officers

This policy section shall apply to the Board's chief executive officers, as defined in Section II. D. 2. b. This policy section does not apply to the executive director of the Idaho State Historical Society or the State Library Commission.

1. Executive Director

The Executive Director serves as the administrative director of the Board's staff. Pursuant to Idaho Code 33-102A the Executive Director shall be under the direction of the Board and shall have such duties and powers as are prescribed by the Board. The Executive Director is charged with ensuring the effective articulation and coordination of institution, agency, and school concerns and is advisor to the Board and the Presidents/Agency Heads on all appropriate matters.

2. Presidents/Agency Heads

a. Responsibilities

The President/Agency Head is the chief program and administrative officer of the institution, agency or school. The President/Agency Head has full power and responsibility within the framework of the Board's Governing Policies and Procedures for the organization, management, direction, and supervision of the institution, agency or school and is held accountable by the Board for the successful functioning of the institution, agency or school in all of its units, divisions, and services.

For the higher education institutions, the Board expects the Presidents to obtain the necessary input from the faculty, classified and exempt employees, and students, but it holds the Presidents ultimately responsible for the well-being of the institutions, and final decisions at the institutional level rest with the Presidents.

b. The Chief Executive Officer is held accountable to the Board for performing the following duties within his or her designated areas of responsibility:

(1) Relations with the Board

- (a) Conduct of the institution, agency, or school in accordance with the Governing Policies and Procedures of the Board and applicable state and federal laws.**

CONSENT AGENDA - BUSINESS AFFAIRS & HUMAN RESOURCES
OCTOBER 11-12, 2007

- (b) Effective communication among the Board, the Board office, and the institution, agency, or school.
 - (c) Preparation of such budgets as may be necessary for proper reporting and planning.
 - (d) Transmittal to the Board of recommendations initiated within the institution, agency, or school.
 - (e) Participation and cooperation with the office of the Board in the development, coordination, and implementation of policies, programs, and all other matters of statewide concern.
 - (f) Notification to Board President or Executive Director of any out-of-state absence exceeding one week.
- (2) Leadership of the Institution, Agency, or School
- (a) Recruitment and retention of employees
 - (b) Development of programs, in accordance with an evolving plan for the institution, agency or school.
 - (c) In cooperation with appropriate parties, the promotion of the effective and efficient functioning of the institution, agency, or school.
 - (d) Development of methods that will encourage responsible and effective contributions by various parties associated with the institution, agency, or school in the achievement of the goals of the institution, agency or school.
- (3) Relations with the Public
- (a) Development of rapport between the institution, agency, or school and the public that each serves.
 - (b) Official representation of the institution, agency, or school and its Board-approved role and mission to the public.

c. Appointment Terms and Conditions

Each chief executive officer is employed and serves at the pleasure of the Board as an at-will employee. Appointments to the position of President of the higher education institutions and Executive Director of the Board are made by the Board. The Executive Director shall have authority to identify candidates and make recommendations for the appointment of Agency Heads, which must be approved and appointed by the Board. The Board and ~~chief~~—institutional President shall sign an annual letter of agreement that documents the period of appointment, salary, and any additional terms. The Executive Director and

CONSENT AGENDA - BUSINESS AFFAIRS & HUMAN RESOURCES
OCTOBER 11-12, 2007

Agency Heads shall not serve under annual appointment agreements. The Board's Policies regarding Non-classified Employees, Section II, Subsection F, do not apply to the Board's chief executive officers.

d. Evaluations

The Agency Heads are evaluated by the Executive Director annually, who makes recommendations to the Board with respect to compensation and employment actions. The Presidents and Executive Director are evaluated by the Board annually. The performance evaluation is based upon the duties outlined in the policy and mutually agreed upon goals. Final decisions with respect to compensation and employment actions with regard to chief executive officers are made by the Board.

e. Compensation and Benefits

Each chief executive officer's annual salary shall be set and approved by the Board. The chief executive officers shall not receive supplemental salary compensation from an affiliated institutional foundation or from any other source except that institutional Presidents may receive perquisites or benefits as permitted by topic 3, subtopic E, below and as such is specifically approved by the Board in each instance.

In addition to the salary referred to above, each chief executive officer shall receive the usual and ordinary medical, retirement, leave, educational, and other benefits available to all institutional, agency, and school employees.

- f. Each chief executive officer shall receive reasonable and adequate liability insurance coverage under the state's risk management program.
- g. Relocation and moving expenses incurred by each chief executive officer will be paid in accordance with the policies and rates established by the State Board of Examiners.
- h. Each chief executive officer earns annual leave at a rate of two (2) days per month or major fraction thereof of credited state service.

3. Institutional Presidents: Housing, Automobile, Expense Reimbursement, and Termination Policy

- a. The institutional Presidents are responsible for hosting official functions to promote their respective institutions. The University of Idaho, Idaho State University, and Lewis-Clark State College each own homes that are the most suitable facilities available for this purpose. At these institutions, the Presidents of such institutions are required to live in the official residences provided.

To preserve the image of the institutions and to provide adequate maintenance of state-owned property, the institutions shall provide support services for these

CONSENT AGENDA - BUSINESS AFFAIRS & HUMAN RESOURCES
OCTOBER 11-12, 2007

residences. This support shall include maintenance and repairs, utilities, and grounds keeping.

In the event that the institution does not own an official residence, a housing allowance will be provided that is similar in value to living in an official residence. In addition, this allowance shall cover reasonable maintenance and repair expenses related to the use of this home as the President's official residence.

- b. Each institutional President shall be provided an automobile. Maintenance, repairs, gas for business use, and insurance shall be provided for this vehicle.

If an institutional President does not elect to use a vehicle provided by the institution, the institution will provide the President a vehicle allowance in lieu of the cost of leasing, automobile maintenance, and insurance. Documented business travel will be reimbursed to compensate for gasoline costs.

- c. The institutional Presidents shall receive reimbursement for official entertainment expenses. Public relations and other out-of-pocket expenses may be reimbursed if they are directly related to the function of the institution as determined by the President. (See fiscal policy for entertainment and related expenses.)

- d. Terminations

In the event an institutional President's appointment is terminated by Board action (for or without cause), the President shall be paid all compensation and benefits under the terms of his or her annual letter of agreement until the end of such annual period of appointment.

- e. Foundation Provided Perquisites or Benefits

(1) Perquisites or benefits for the institutional Presidents, may be provided by the institution's affiliated foundation meeting all requirements of Section V, Subsection E of the Board's Governing Policies and Procedures if approved by the Board on a case-by-case basis.

4. Agency Head for the Idaho School for the Deaf and the Blind (ISDB): Housing and Automobile Policy

- a. The director for the ISDB is responsible for hosting official functions to promote the school. The ISDB owns a home that is the most suitable facility available for this purpose. The director for the ISDB is required to live in this official residence.

To preserve the image of the ISDB and to provide adequate maintenance of state-owned property, the ISDB shall provide support services for this residence. This support shall include maintenance, utilities, custodial, and grounds keeping.

- b. The director for the ISDB shall be provided an automobile. Maintenance, repairs, gas for business use, and insurance shall be provided for this vehicle.

CONSENT AGENDA - BUSINESS AFFAIRS & HUMAN RESOURCES
OCTOBER 11-12, 2007

5. President Emeritus/Emerita Designation

The Board may choose to grant President Emeritus/Emerita status to a retiring President. President Emeritus/Emerita status should be reserved to honor, in retirement, a president who has made distinguished professional contributions to the institution and who has also served a significant portion of his/her career at the institution. The intent of conferring President Emeritus/Emerita status is to bestow an honorary title in recognition of successful tenure in the Presidential role.

a. Appointment Procedure

An institution may forward a recommendation to the Board that this honorary title be conferred upon a President that is retiring or has retired from the institution. Each institution shall provide for input into the recommendation from the campus community.

b. Rights, Privileges and Responsibilities

Rights and privileges of such a distinction shall be, insofar as resources will allow, similar to those of active institutional staff, including such privileges as:

- (1) staff privileges for activities, events and campus facilities;
- (2) receipt of institutional newspaper and other major institutional publications and receipt of employee/spouse fee privilege (see Section V. R.).

**CONSENT AGENDA - BUSINESS AFFAIRS & HUMAN RESOURCES
OCTOBER 11-12, 2007**

~~REFERENCE~~ – APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: I. GENERAL GOVERNING POLICIES AND PROCEDURES

SUBSECTION: A. Policy Making Authority

August 2006

4. Conformance with State and Federal Law

All Board Governing Policies and Procedures and the internal policies and procedures of its institutions, agencies and school will comply with and be in conformance to applicable laws.

5. Adoption, Amendment, or Repeal of Board Policies

- a. Board policies may be adopted by majority vote at any regular or special meeting of the Board. The adoption, amendment, or repeal of a Board policy may be requested by any member of the Board, the executive director, or any chief executive officer. Persons who are Board employees, or students or student groups, must file a written request with the chief executive officer of an institution, agency or school, or his or her designee, to receive Board consideration. An Idaho resident, other than those described above, may file a written request with the executive director for Board consideration of a proposal. Regardless of the source, a statement of the proposed adoption, amendment, or repeal must be presented to the executive director for transmittal to the Board. If the subject matter of the presentation concerns an agency, institution, school, or department of the Board, the executive director will also notify the appropriate chief executive officer of the nature of the request.
- b. Board action on any proposal will not be taken earlier than the next regular or special meeting following Board approval for first reading. During the interim between the first reading and Board action, the chief executive officers will seek to discuss and review the proposal with faculty, staff, or other Board employees and students or student groups, as appropriate. The chief executive officers will transmit summaries of oral statements and written comments on the proposal to the executive director. After thorough consideration, the proposal will be presented by the executive director to the Board for action.
- c. The executive director is authorized to make nonsubstantive corrections and amendments to Board Governing Policies and Procedures as may be necessary in such areas as typographical errors, cross-references, and citations of state and federal statutes.

**CONSENT AGENDA - BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007**

**INSTITUTION / AGENCY AGENDA
COLLEGE AND UNIVERSITIES OF THE STATE BOARD**

SUBJECT

FY 2008 College and University "Summary of Sources and Uses of Funds"

APPLICABLE STATUTES, RULE OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Sections V.B.4.b.(1), V.B.5.c. and V.B.6.b.

BACKGROUND

Idaho's public higher education institutions receive funding from a variety of sources. General Account and Endowment funds and student fees are appropriated annually by the Legislature. In addition, the College and Universities receive student activity fees; federal, state, and private grant funds; receipts from sales of products and services, and funds from other sources.

Most revenues are used for instruction, research, public service, academic support, libraries, student services, institutional support, physical plant, scholarships and fellowships, and auxiliary enterprises.

DISCUSSION

An estimate of the sources and uses of funds for Fiscal Year 2008 is displayed in pages 3 through 7. Included on pages 8 and 9 are two charts which display a six-year history of sources and uses of funds. This report is prepared each year based on estimates for the upcoming year. Pages 10 and 11 display the Fiscal Year 2008 sources and uses of funds by percentage.

IMPACT

Board members, researchers, and the general public are able to review sources of funding, and expenditures, for the higher education institutions.

STAFF COMMENTS AND RECOMMENDATIONS

For sources of funds, Auxiliary Enterprise & Generated Funds revenues include Sales & Services, Indirect Costs, and Other revenues. From FY 2003 to FY 2008, the percentage of the total budget funded by state general funds has decreased from 33.2% to 30.7%, while the student fees percentage has increased from 16.8% to 17.8%.

For uses of funds, the percentage of the total expenditures used for Instruction decreased from 30.8% to 28.8%, while the Research percentage increased from 10.7% to 12.6%.

BOARD ACTION

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

College & Universities Summary
Summary of Sources and Uses of Funds
Fiscal Year 2008

	A	B	C	D	E	F	G	H
	Operating Budgets							
	Board Approved Budgets			CEO Approved	Estimated Budgets		Total	%
	General	Technical	Special	Auxiliary	Instit	Grants &	Operating	%
	Education	Education	Programs	Enter. (1)	Accounts	Contracts	Budgets	of Total
SOURCES OF FUNDS:								
State Appropriations								
1 General Account	\$256,533,000	\$21,395,945	\$36,718,900	\$0	\$0	\$0	\$314,647,845	30.7%
2 One-time Funds	3,572,500	0	556,500	0	0	0	4,129,000	0.4%
3 Endowment Funds	7,851,500	0	0	0	0	0	7,851,500	0.8%
4 Student Fees	128,406,200	0	142,832	0	0	0	128,549,032	12.5%
5								
6 Total Appropriations	\$396,363,200	\$21,395,945	\$37,418,232	\$0	\$0	\$0	\$455,177,377	44.4%
7								
8 Other Student Fees	\$0	\$0	\$295,400	\$27,814,590	\$25,617,421	\$0	\$53,727,411	5.2%
9 Federal Approp	0	0	4,782,000	0	0	0	4,782,000	0.5%
10 Federal Grants & Contracts	0	0	0	76,000	0	248,177,778 (3)	248,253,778	24.2%
11 State Grants & Contracts	0	0	0	0	107,088	28,971,709	29,078,797	2.8%
12 Private Gifts, Grts & Contr	0	0	0	7,630,451	6,989,873	29,177,228	43,797,552	4.3%
13 Sales & Serv of Educ Act	0	0	189,900	141,710	53,590,824	0	53,922,434	5.3%
14 Sales & Serv of Aux Ent	0	0	0	85,693,777	15,261,581	0	100,955,358	9.8%
15 Indirect Costs	0	0	0	0	17,022,432	0	17,022,432	1.7%
16 Other	141,800	0	150,000	4,445,334	13,335,950	623,093	18,696,177	1.8%
17								
18 Total Revenue	\$396,505,000	\$21,395,945	\$42,835,532	\$125,801,862	\$131,925,169	\$306,949,808	\$1,025,413,316	100.0%
19 USES OF FUNDS:								
20 Instruction	\$197,225,457	\$20,591,405	\$7,408,732	\$0	\$43,868,444	\$26,829,158	\$295,923,196	28.8%
21 Research	10,841,701	0	20,153,200	0	11,548,886	86,834,665	129,378,452	12.6%
22 Public Service	851,722	0	14,719,900	0	6,397,016	25,091,330	47,059,968	4.6%
23 Academic Support	32,497,513	591,619	0	0	11,886,631	357,113	45,332,876	4.4%
24 Libraries	20,879,266	0	0	0	575,507	0	21,454,773	2.1%
25 Student Services	25,666,857	167,421	0	0	5,384,292	1,753,683	32,972,253	3.2%
26 Institutional Support	44,255,747	0	0	0	38,041,102	0	82,296,849	8.0%
27 Physical Plant	51,440,010	0	0	0	10,135,373	3,579,100	65,154,483	6.3%
28 Scholarships & Fellowships	0	0	0	5,212,908	1,993,180	162,504,759 (3)	169,710,847	16.5%
29 Auxiliary Enterprises (1) & (3)	9,082,628	0	0	121,997,719	4,558,600	0	135,638,947	13.2%
30 Mandatory Transfers	0	0	0	0	0	0	0	0.0%
31 Other	0	0	0	0	0	0	0	0.0%
32 One-time Replacement Capital	3,764,100	45,500	553,700	0	0	0	4,363,300	0.4%
33								
34 Total Uses	\$396,505,001	\$21,395,945	\$42,835,532	\$127,210,627	\$134,389,031	\$306,949,808	\$1,029,285,944	100.0%
35								
36								
37 Incr/(Decr) to Balance	(\$1)	\$0	\$0	(\$1,408,765)	(\$2,463,862)	\$0	(\$3,872,628)	
38								
39								
40 Employee FTE	3,897.36	292.12	423.00	660.03	713.96	400.13	6,386.60	
41								
42 (1) General Education program supports intercollegiate athletics which is an auxiliary enterprise and reported in the General Education								
43 column not the auxiliary enterprise column.								
44 (2) Auxiliary Enterprises includes University of Idaho's Kibbie Dome operations								
45 (3) Includes Federal Direct Student Loan funds								

Boise State University
Summary of Sources and Uses of Funds
Fiscal Year 2008

	A	B	C	D	E	F	G	H
	Operating Budgets							
	Board Approved Budgets			CEO Approved	Estimated Budgets		Total	%
	General	Professional- Technical	Special	Auxiliary	Instit	Grants &	Operating	of
	Education	Education	Programs	Enter. 1)	Accounts	Contracts	Budgets	Total
SOURCES OF FUNDS:								
State Appropriations								
1 General Account	\$80,170,800	\$7,212,618	\$533,600				\$87,917,018	30.3%
2 One-time Funds	1,218,300		2,800				1,221,100	0.4%
3 Endowment Funds							0	0.0%
4 Student Fees	46,870,800						46,870,800	16.2%
5								
6 Total Appropriations	\$128,259,900	\$7,212,618	\$536,400	\$0	\$0	\$0	\$136,008,918	46.9%
7								
8 Other Student Fees				\$10,207,630	\$8,520,620		\$18,728,250	6.5%
9 Federal Approp							0	0.0%
10 Federal Grants & Contracts						59,296,679 (2)	59,296,679	20.4%
11 State Grants & Contracts						7,799,964	7,799,964	2.7%
12 Private Gifts, Grts & Contr				4,044,256	1,969,073	4,008,017	10,021,346	3.5%
13 Sales & Serv of Educ Act					1,108,983		1,108,983	0.4%
14 Sales & Serv of Aux Ent				42,643,084			42,643,084	14.7%
15 Indirect Costs					2,575,000		2,575,000	0.9%
16 Other				2,058,587	9,832,534		11,891,121	4.1%
17								
18 Total Revenue	\$128,259,900	\$7,212,618	\$536,400	\$58,953,557	\$24,006,210	\$71,104,660	\$290,073,345	100.0%
19 USES OF FUNDS:								
20 Instruction	\$64,774,128	\$7,212,618			\$9,487,305	\$8,165,924	\$89,639,975	30.6%
21 Research	1,951,415				2,078,639	9,383,733	13,413,787	4.6%
22 Public Service	754,851		536,400		2,958,548	6,635,003	10,884,802	3.7%
23 Academic Support	13,267,817				1,440,477		14,708,294	5.0%
24 Libraries	6,892,437				243,107		7,135,544	2.4%
25 Student Services	7,553,586				1,613,211		9,166,797	3.1%
26 Institutional Support	15,739,070				7,222,067		22,961,137	7.8%
27 Physical Plant	13,746,205				851,297		14,597,502	5.0%
28 Scholarships & Fellowships				3,170,128	697,680	46,920,000 (2)	50,787,808	17.4%
29 Auxiliary Enterprises (1)	2,362,091			55,728,623			58,090,714	19.9%
30 Mandatory Transfers							0	0.0%
31 Other (Incl One-Time Funds)							0	0.0%
32 One-time Replacement Capital	1,218,300						1,218,300	0.4%
33								
34 Total Uses	\$128,259,900	\$7,212,618	\$536,400	\$58,898,751	\$26,592,331	\$71,104,660	\$292,604,660	100.0%
35								
36								
37 Incr/(Decr) to Balance	\$0	\$0	\$0	\$54,806	(\$2,586,121)	\$0	(\$2,531,315)	
38								
39								
40 Employee FTE	1,280.78	97.67	5.00	357.85	181.40	170.00	2,092.70	
41								
42 (1) General Education program supports intercollegiate athletics which is an auxiliary enterprise and reported in the General Education								
43 column not the auxiliary enterprise column.								
44 (2) Includes Federal Direct Student Loan funds								

Idaho State University
Summary of Sources and Uses of Funds
Fiscal Year 2008

	A	B	C	D	E	F	G	H
	Operating Budgets							
	Board Approved Budgets			CEO Approved	Estimated Budgets		Total	%
	General	Professional- Technical	Special	Auxiliary	Instit	Grants &	Operating	of
	Education	Education	Programs	Enter. 1)	Accounts	Contracts	Budgets	Total
SOURCES OF FUNDS:								
State Appropriations								
1 General Account	\$70,394,800	\$10,171,733	\$2,405,900				\$82,972,433	30.2%
2 One-time Funds	1,761,200	0	53,700				1,814,900	0.7%
3 Endowment Funds	1,843,500						1,843,500	0.7%
4 Student Fees	32,516,500		142,832				32,659,332	11.9%
5								
6 Total Appropriations	\$106,516,000	\$10,171,733	\$2,602,432	\$0	\$0	\$0	\$119,290,165	43.5%
7								
8 Other Student Fees				\$8,783,360	\$8,401,501		\$17,184,861	6.3%
9 Federal Approp							0	0.0%
10 Federal Grants & Contracts				76,000		84,980,199 (2)	85,056,199	31.0%
11 State Grants & Contracts					107,088	7,122,745	7,229,833	2.6%
12 Private Gifts, Grts & Contr				725,470	1,640,000	8,546,411	10,911,881	4.0%
13 Sales & Serv of Educ Act				141,710	4,320,341		4,462,051	1.6%
14 Sales & Serv of Aux Ent				10,825,347	11,150,981		21,976,328	8.0%
15 Indirect Costs					5,297,432		5,297,432	1.9%
16 Other				681,732	1,803,416	623,093	3,108,241	1.1%
17								
18 Total Revenue	\$106,516,000	\$10,171,733	\$2,602,432	\$21,233,619	\$32,720,759	\$101,272,448	\$274,516,991	100.0%
19 USES OF FUNDS:								
20 Instruction	\$57,382,732	\$10,171,733	\$2,001,032		\$13,402,139	\$5,548,034	\$88,505,670	32.0%
21 Research	2,162,103				4,106,947	20,248,632	26,517,682	9.6%
22 Public Service	0		547,700		165,668	3,799,527	4,512,895	1.6%
23 Academic Support	7,504,443				3,931,354	357,113	11,792,910	4.3%
24 Libraries	5,179,914				192,800		5,372,714	1.9%
25 Student Services	6,370,822				879,581	894,383	8,144,786	2.9%
26 Institutional Support	9,994,618				7,003,735		16,998,353	6.1%
27 Physical Plant	13,192,068				1,853,876		15,045,944	5.4%
28 Scholarships & Fellowships					1,196,500	70,424,759 (2)	71,621,259	25.9%
29 Auxiliary Enterprises (1)	2,968,100			23,176,561			26,144,661	9.5%
30 Mandatory Transfers							0	0.0%
31 Other (One-Time)							0	0.0%
32 One-time Replacement Capital	1,761,200	0	53,700	0	0	0	1,814,900	0.7%
33								
34 Total Uses	\$106,516,000	\$10,171,733	\$2,602,432	\$23,176,561	\$32,732,600	\$101,272,448	\$276,471,774	100.0%
35								
36								
37 Incr/(Decr) to Balance	\$0	\$0	\$0	(\$1,942,942)	(\$11,841)	\$0	(\$1,954,783)	
38								
39								
40 Employee FTE	1,095.68	138.44	15.40	146.76	196.81	169.96	1,763.05	
41								
42 (1) General Education program supports intercollegiate athletics which is an auxiliary enterprise and reported in the General Education								
43 column not the auxiliary enterprise column.								
44 (2) Includes Federal Direct Student Loan funds								

University of Idaho
Summary of Sources and Uses of Funds
Fiscal Year 2008

	A	B	C	D	E	F	G	H
	Operating Budgets							
	Board Approved Budgets			CEO Approved	Estimated Budgets		Total	%
	General	Professional- Technical	Special	Auxiliary	Instit	Grants &	Operating	of
	Education	Education	Programs	Enter. 1)	Accounts	Contracts	Budgets	Total
SOURCES OF FUNDS:								
State Appropriations								
1 General Account	\$92,273,700		\$33,779,400				126,053,100	30.2%
2 One-time Funds	593,000		500,000				1,093,000	0.3%
3 Endowment Funds	4,853,000						4,853,000	1.2%
4 Student Fees	40,872,200						40,872,200	9.8%
5								
6 Total Appropriations	138,591,900		34,279,400	0	0	0	172,871,300	41.4%
7								
8 Other Student Fees			295,400	7,460,800	5,095,300		12,851,500	3.1%
9 Federal Approp			4,782,000				4,782,000	1.1%
10 Federal Grants & Contracts						101,800,900 (2)	101,800,900	24.4%
11 State Grants & Contracts						11,649,000	11,649,000	2.8%
12 Private Gifts, Grts & Contr				2,860,725	3,380,800	16,122,800	22,364,325	5.4%
13 Sales & Serv of Educ Act			189,900		45,961,500		46,151,400	11.1%
14 Sales & Serv of Aux Ent				29,969,785	4,110,600		34,080,385	8.2%
15 Indirect Costs					9,000,000		9,000,000	2.2%
16 Other	141,800		150,000	1,403,890			1,695,690	0.4%
17								
18 Total Revenue	138,733,700		39,696,700	41,695,200	67,548,200	129,572,700	417,246,500	100.0%
19 USES OF FUNDS:								
20 Instruction	64,229,880		5,407,700		18,746,400	10,973,700	99,357,680	23.8%
21 Research	6,590,482		20,153,200		5,363,300	56,987,000	89,093,982	21.3%
22 Public Service	3,500		13,635,800		2,746,900	12,872,900	29,259,100	7.0%
23 Academic Support	9,882,732				6,089,500		15,972,232	3.8%
24 Libraries	7,816,153				124,400		7,940,553	1.9%
25 Student Services	9,909,433				2,609,600		12,519,033	3.0%
26 Institutional Support	15,148,885				22,579,300		37,728,185	9.0%
27 Physical Plant	21,676,475				6,661,600	3,579,100	31,917,175	7.6%
28 Scholarships & Fellowships				2,042,780	1,000	45,160,000 (2)	47,203,780	11.3%
29 Auxiliary Enterprises (1) & (3)	2,883,160			39,218,420	3,142,000		45,243,580	10.8%
30 Mandatory Transfers							0	0.0%
31 Other-Incl One-Time								
32 One-time Replacement Capital	593,000		500,000				1,093,000	
33								
34 Total Uses	138,733,700		39,696,700	41,261,200	68,064,000	129,572,700	417,328,300	99.7%
35								
36								
37 Incr/(Decr) to Balance	0		0	434,000	(515,800)	0	(81,800)	
38								
39								
40 Employee FTE	1,227.95		402.60	137.34	303.41	8.33	2,079.63	
41								
42 1) The General Education program supports intercollegiate athletics, which is an auxiliary enterprise. General Education support for athletics								
43 is reported in the General Education column, not the auxiliary enterprise column.								
44 2) Includes Federal Direct Student Loan funds.								
45 3) Auxiliary Enterprises includes Kibbie Dome operations and the Student Recreation Center.								

Lewis-Clark State College
Summary of Sources and Uses of Funds
Fiscal Year 2008

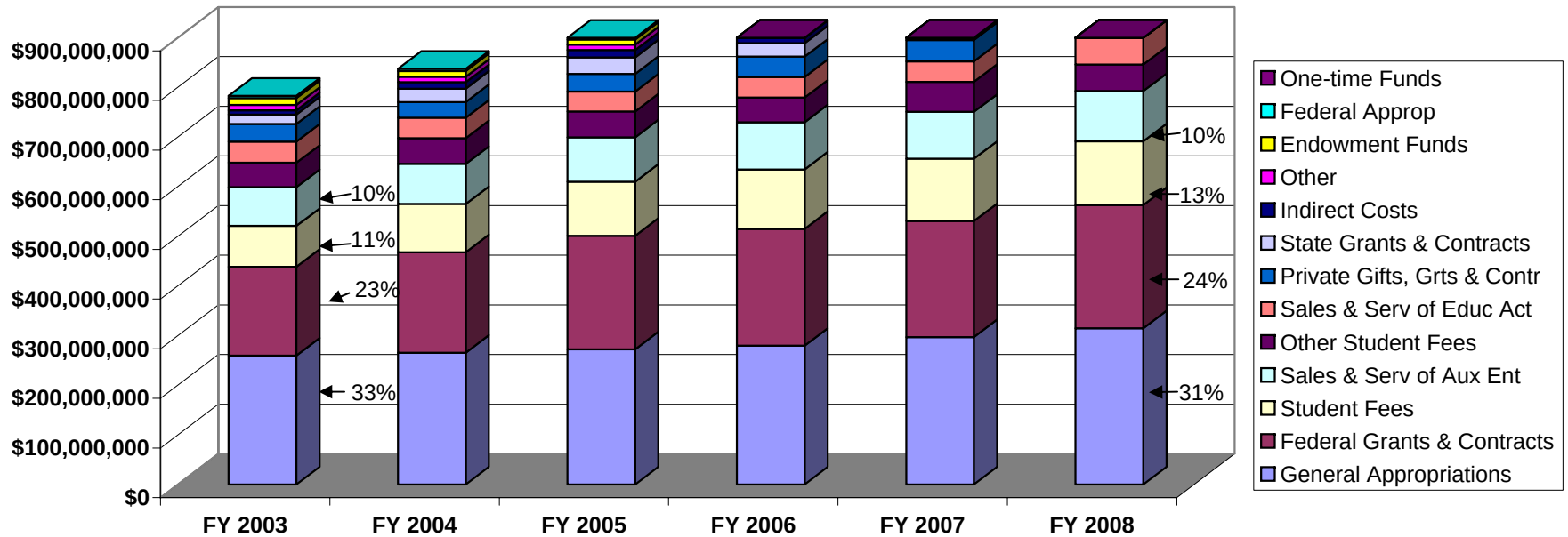
	A	B	C	D	E	F	G	H
	Board Approved Budgets			CEO Approved	Estimated Budgets		Total	%
	General Education	Professional-Technical Education	Special Programs	Auxiliary Enter. 1)	Instit Accounts	Grants & Contracts	Operating Budgets	of Total
SOURCES OF FUNDS:								
State Appropriations								
1 General Account	\$13,693,700	\$4,011,594					\$17,705,294	40.6%
2 One-time Funds							0	0.0%
3 Endowment Funds	1,155,000						1,155,000	2.7%
4 Student Fees	8,146,700						8,146,700	18.7%
5								
6 Total Appropriations	\$22,995,400	\$4,011,594	\$0	\$0	\$0	\$0	\$27,006,994	62.0%
7								
8 Other Student Fees				1,362,800	3,600,000		4,962,800	11.4%
9 Federal Approp							0	0.0%
10 Federal Grants & Contracts						2,100,000	2,100,000	4.8%
11 State Grants & Contracts						2,400,000	2,400,000	5.5%
12 Private Gifts, Grts & Contr						500,000	500,000	1.1%
13 Sales & Serv of Educ Act					2,200,000		2,200,000	5.0%
14 Sales & Serv of Aux Ent				2,255,561			2,255,561	5.2%
15 Indirect Costs					150,000		150,000	0.3%
16 Other				301,125	1,700,000		2,001,125	4.6%
17								
18 Total Revenue	\$22,995,400	\$4,011,594	\$0	\$3,919,486	\$7,650,000	\$5,000,000	\$43,576,480	100.0%
19 USES OF FUNDS:								
20 Instruction	\$10,838,717	\$3,207,054			\$2,232,600	\$2,141,500	\$18,419,871	43.0%
21 Research	137,701				0	215,300	353,001	0.8%
22 Public Service	93,371				525,900	1,783,900	2,403,171	5.6%
23 Academic Support	1,842,521	591,619			425,300		2,859,440	6.7%
24 Libraries	990,762				15,200		1,005,962	2.3%
25 Student Services	1,833,016	167,421			281,900	859,300	3,141,637	7.3%
26 Institutional Support	3,373,174				1,236,000		4,609,174	10.7%
27 Physical Plant	2,825,262				768,600		3,593,862	8.4%
28 Scholarships & Fellowships					98,000		98,000	0.2%
29 Auxiliary Enterprises (1)	869,277			3,874,115	1,416,600		6,159,992	14.4%
30 Mandatory Transfers							0	0.0%
31								
32 One-time Replacement Capital	191,600	45,500					237,100	0.6%
33								
34 Total Uses	\$22,995,401	\$4,011,594	\$0	\$3,874,115	\$7,000,100	\$5,000,000	\$42,881,210	100.0%
35								
36								
37 Incr/(Decr) to Balance	(\$1)	\$0	\$0	\$45,371	\$649,900	\$0	\$695,270	
38								
39								
40 Employee FTE	292.95	56.01		18.08	32.34	51.84	451.22	
41								
42 (1) General Education program supports intercollegiate athletics which is an auxiliary enterprise and reported in the General Education								
43 column not the auxiliary enterprise column.								
44								

State of Idaho

College and Universities

All Funds Revenues

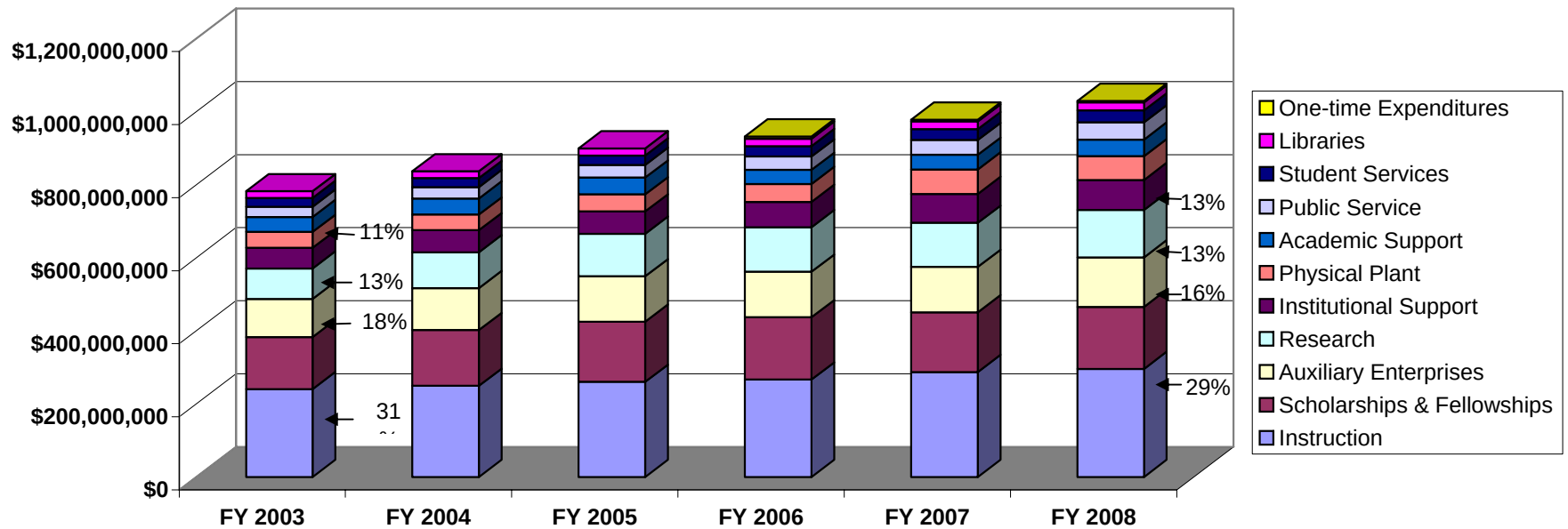
FY 2003-2008



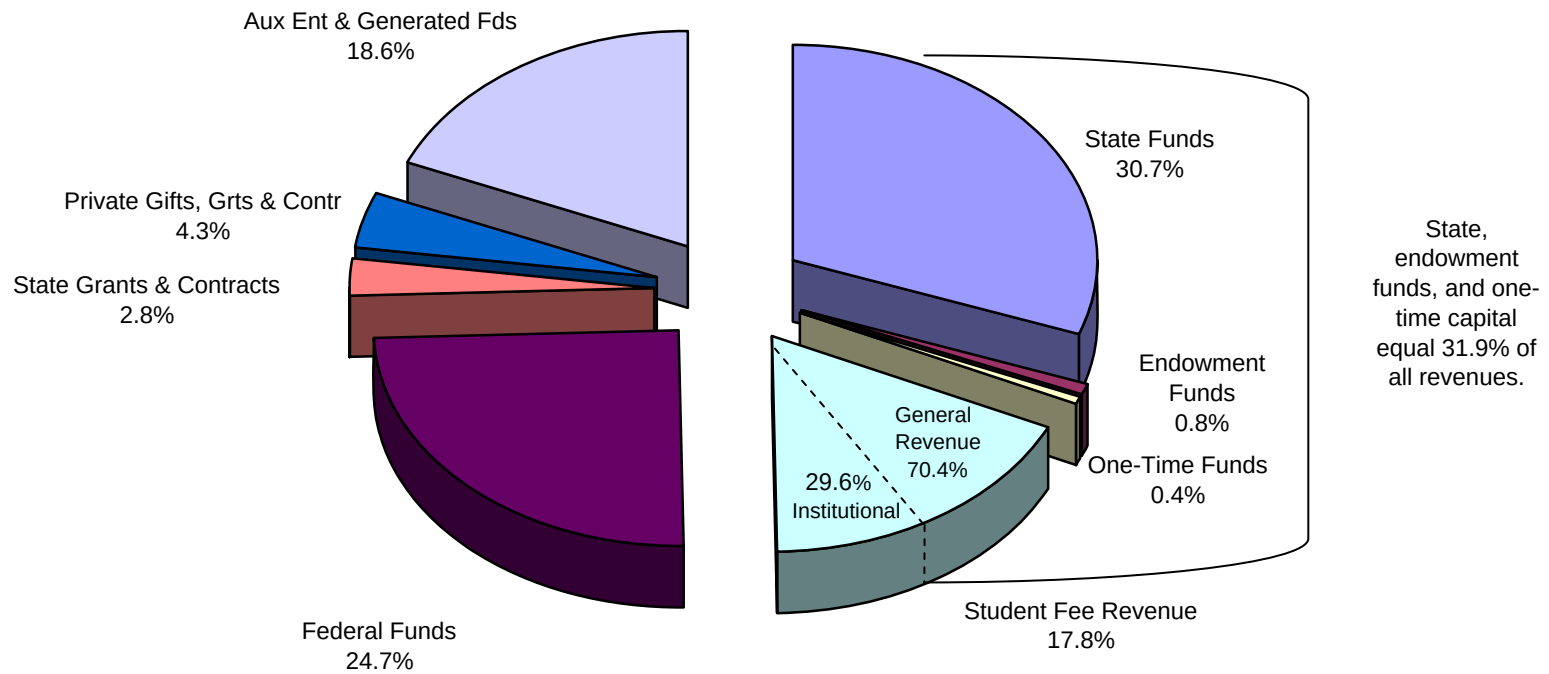
State of Idaho

College and Universities

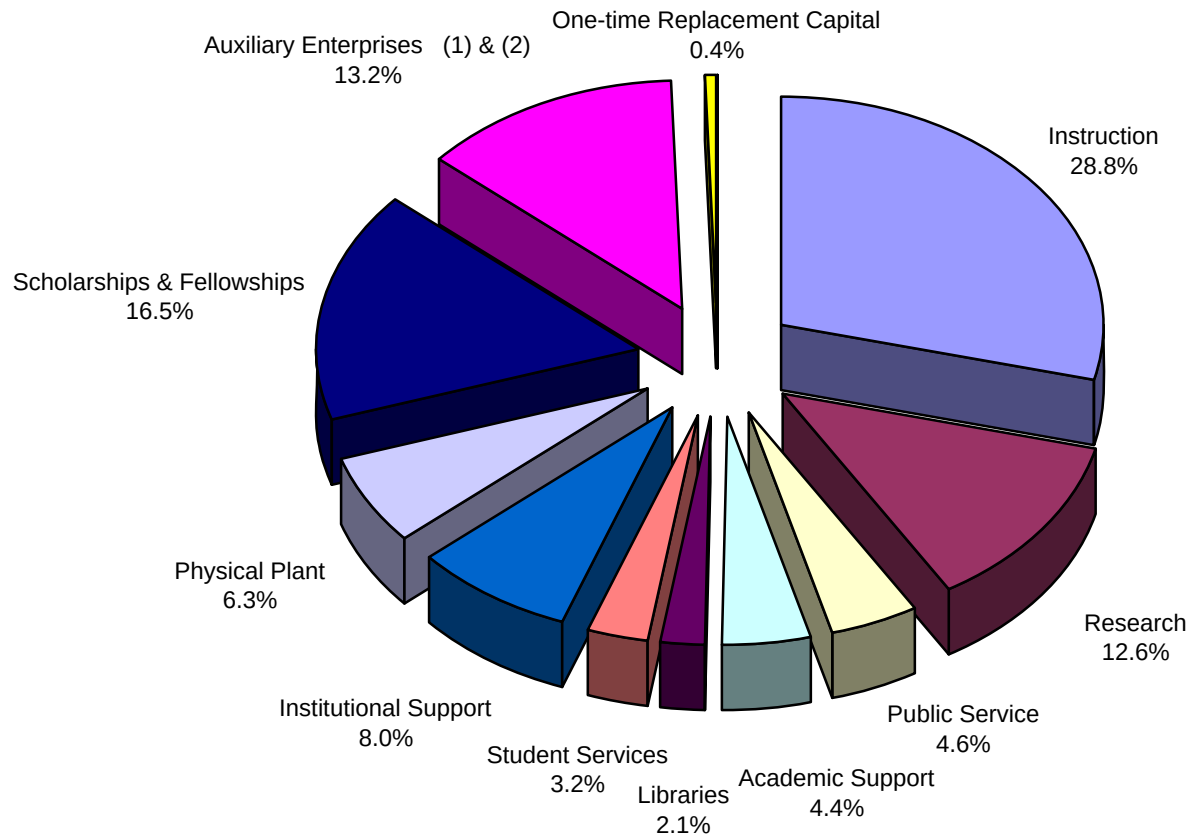
All Funds Expenditures FY 2003-2008



Idaho's College and Universities Revenue Budget for all Funds by Source Fiscal Year 2008



Idaho's College and Universities
Expenditure Budget for all Funds by Functional Classification
Fiscal Year 2008



**CONSENT AGENDA - BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007**

REFERENCE: APPLICABLE STATUTE, RULE, OR POLICY

**Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: V. FINANCIAL AFFAIRS
Subsection: B. Budget Policies**

April 2002

B. Budget Policies

4. Operating Budgets (Nonappropriated - Auxiliary Enterprises)

b. Operating Budgets

(1) Reports of revenues and expenditures must be submitted to the State Board of Education at the request of the Board.

5. Operating Budgets (Nonappropriated -- Local Service Operations)

c. Reports of revenues and expenditures must be submitted to the State Board of Education at the request of the Board.

6. Operating Budgets (Nonappropriated -- Other)

b. Reports of revenues and expenditures must be submitted to the State Board of Education at the request of the Board.

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**CONSENT AGENDA – PLANNING, POLICY, AND GOVERNMENTAL AFFAIRS
OCTOBER 11-12, 2007**

SUBJECT

Alcohol Permits Approved by University Presidents

APPLICABLE STATUTE, RULE, OR POLICY

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

REFERENCE

N/A

BACKGROUND

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

DISCUSSION

The last update presented to the Board was at the June 2007 Board meeting. Since that meeting, Board staff has received 9 permits from Boise State University, 6 permits from Idaho State University, and 8 from University of Idaho.

Board staff has prepared a brief listing of the permits issued for use from August 2007 through October 2007. The list is attached for the Board's review.

IMPACT

N/A

ATTACHMENTS

BSU permits	page 3
ISU permits	page 5
UI permits	page 7
Governing Policies and Procedures Section I.J.2.	page 9

STAFF COMMENTS AND RECOMMENDATIONS

State Board staff offers no comments or recommendations.

BOARD ACTION

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

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**CONSENT AGENDA – PLANNING, POLICY, AND GOVERNMENTAL AFFAIRS
OCTOBER 11-12, 2007**

**APPROVED ALCOHOL SERVICE AT
BOISE STATE UNIVERSITY**

August 2007 – October 2007

EVENT	LOCATION	DATE (S)
Aaron Lewis of Staind	Morrison Center, Main Hall	8/1/2007
MWI Veterinary Supply National Sales Mtg.	Taco Bell Arena	8/16/2007
75 th Anniversary Gala	Intramural Field - Tent	8/21/2007
50 Year-plus Reunion	Allen Noble Hall of Fame	9/13/2007
Idaho Dental Hygienists Gala	Morrison Center, Main Hall	9/14/2007
Movin' Out	Morrison Center, Main Hall	9/21-22/2007
Movin' Out	Morrison Center, Main Hall	9/23/2007
Boise Philharmonic	Morrison Center, Main Hall	9/29/2007
Opera ID – La Boheme	Morrison Center, Main Hall	10/6/2007

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**CONSENT AGENDA – PLANNING, POLICY, AND GOVERNMENTAL AFFAIRS
OCTOBER 11-12, 2007**

**APPROVED ALCOHOL SERVICE AT
IDAHO STATE UNIVERSITY**

August 2007 – September 2007

EVENT	LOCATION	DATE (S)
New Faculty Orientation	Stephens Performing Arts Center	8/21/2007
Johnson-Nye Piano Dedication	Marshall Rotunda, Stephens Performing Arts Center	8/23/2007
College Convocation	Alumni House	8/30/2007
Alumni Gathering	College of Education	9/6/2007
President Vailas Inauguration Reception	Marshall Rotunda, Stephens Performing Arts Center	9/13/2007
SHF Reception	Sports & Orthopedic Center	9/21/2007

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**CONSENT AGENDA – PLANNING, POLICY, AND GOVERNMENTAL AFFAIRS
OCTOBER 11-12, 2007**

**APPROVED ALCOHOL SERVICE AT
University of Idaho**

September 2007 – October 2007

EVENT	LOCATION	DATE (S)
Athletic Hall of Fame Dinner	SUB Ballroom	9/7/2007
Alumni Touchdown Reception	Alumni Lounge	9/7, 17, 21, 28/2007
CAA Design Week Reception	Prichard Art Gallery	9/14/2007
Auditorium Chamber Music Series	Albertson Gallery	9/18/2007
Friends Annual Meeting	Prichard Art Gallery	9/20/2007
Idaho Press Club Fall Conference	Ag Biotech Wing	9/22/2007
Presidents Sustainability Symposium Golf Scramble	UI Golf Course	9/30/2007
Women in Leadership Conference Reception	Clearwater/Whitewater Commons	10/19/2007

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REFERENCE: APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: I. GENERAL GOVERNING POLICIES AND PROCEDURES

J. Use of Institutional Facilities and Services

June 2004

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

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

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CONSENT - INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
OCTOBER 11-12, 2007

SUBJECT

Quarterly Report: Program Changes Approved by Executive Director

REFERENCE

N/A

APPLICABLE STATUTE, RULE, OR POLICY

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

BACKGROUND

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

DISCUSSION

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

IMPACT

N/A

ATTACHMENTS

Attachment 1 – List of Program Changes Approved by the
Executive Director

Page 3

STAFF COMMENTS AND RECOMMENDATIONS

Board staff offers no comments or recommendations.

BOARD ACTION

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

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CONSENT - INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
OCTOBER 11-12, 2007

Academic Programs
Approved by Executive Director
June 2007 – September 2007

Boise State University

Discontinue two existing BFA degrees and consolidate into a new BFA emphasis titled Visual Art Emphasis in Drawing and Painting

Lewis-Clark State College

BA/BS degree in Sports Administration

BA in English, Publishing Arts major

BA/BS major in Special Education

BA/BS degree in General Studies w/majors in Business, Education, Humanities, Natural Science & Mathematics, and Social Sciences

Idaho State University

Discontinue Library Science Minor

Addition of a non-thesis option to existing MS program in Pharmaceutical Sciences

New emphasis in Visual Communication with the BA in Mass Communication

New Bachelor of Business Administration in Health Care Information Systems

Creation of five new departments representing programs currently being offered at ISU:

Department of Civil and Environmental Engineering

Department of Computer Science

Department of Electrical Engineering

Department of Mechanical Engineering

Department of Nuclear Engineering

Change name of degree from Bachelor of Applied Technology to Bachelor of Applied Science and Change the major from Applied Technology to the student's Associate of Applied Science program of study

University of Idaho

New Archaeological Technician Certificate

Formation of a Bi-State School of Food Science with Washington State University

CONSENT - INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
OCTOBER 11-12, 2007

Professional - Technical Education Programs
Approved by Executive Director

Program Activity	Institution
Addition of an 18-month Advanced Technical Certificate and Associate of Applied Science to the Welding and Metals Fabrication program	BSU
Title change of Heavy Duty Mechanics – Diesel program to Heavy Duty Truck Technician	BSU
Addition of a new Veterinary Assistant option to the Veterinary Technology Program	CSI
Discontinue the following options under the Education Assistant Program: ▪ Bilingual Education ▪ Early Childhood Education ▪ Technology ▪ Math ▪ Math/Science & Technology ▪ Reading ▪ Special Needs	CSI
Degree Modification to the Generalist option in the Education Assistant Program	CSI
Title change of the Instrumentation and Automation Technology program to Instrumentation and Automation Engineering Technology	ISU
Addition of a new AAS, Energy Systems Instrumentation & Control Engineering Technology Program	ISU
Addition of a new Medical Informatics Program offering a Postsecondary Technical Certificate and an AAS degree	ISU
Addition of AAS degree to the Massage Therapy Program	ISU
Addition of a new Basic Manufacturing option to the Machine Technology Program	NIC
Addition of a Certificate of Completion for the Diesel Technology Program	NIC
Addition of a Certificate of Completion for the Automotive Technology Program	NIC
Addition of a new AAS, Medical Assistant Program	NIC
Addition of a new Nursing Assistant Program, Certificate of Completion	NIC
Addition of a new Outdoor Leadership option to the Resort/Recreation Mgmt Program	NIC

REFERENCE: APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: III. POSTSECONDARY AFFAIRS

G. Program Approval and Discontinuance

October 2005

4. Program Approval Policy

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

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

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CONSENT – INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
OCTOBER 11-12, 2007

SUBJECT

Transfer of the University of Idaho Bachelor of Science in Computer Science offered at the Idaho Falls Center for Higher Education to Idaho State University

APPLICABLE STATUTE, RULE, OR POLICY

- Idaho State Board of Education Governing Policies and Procedures, Section III.G. 4, Program Approval and Discontinuance
- Sections 33-107 (7), Idaho Code.

BACKGROUND

The University of Idaho and Idaho State University offer baccalaureate degrees in computer science. In 2000, the ISU computer science program moved to the ISU College of Engineering and just recently received accreditation from the Computing Accreditation Commission (CAC) of the Accrediting Board for Engineering and Technology (ABET). The computer science program at the UI has been offered since 1976.

In 1975, the UI was authorized to offer the Master of Science in Computer Science at the Idaho Falls Center for higher Education (IFCHE) as part of the agreement with Idaho National Lab (INL). A program leading to the Ph.D. in Computer Science was initiated in 1993. The IFCHE undergraduate program was accredited by CSAB as a branch of the UI program in Moscow in 1999.

DISCUSSION

The UI is not well positioned to support undergraduate programs in Idaho Falls. The distance between Moscow and Idaho Falls precludes any substantial sharing of faculty between the two programs. Classes by compressed video are effective only as long as transmission works perfectly, which does not always occur. As a result, most of the classes at Idaho Falls were taught by adjunct faculty from INL and over the years, have evolved somewhat differently from comparable courses at Moscow, a challenge to the accreditation at both locations.

Given the proximity of the accredited program in computer science at ISU and their experience with other undergraduate programs at IFCHE, it is more appropriate that the undergraduate computer science program at IFCHE be merged with the program at ISU. This has been thoroughly discussed by the faculty and deans from ISU and the UI. The conclusions of these discussions have been outlined in a Memorandum of Agreement (Attachment 2).

Per the agreement, the UI will transfer this program at IFCHE to Idaho State University in a phased arrangement. The purpose of the transfer is to allow the UI to focus on the graduate Computer Science program at IFCHE and allow ISU to integrate the BSCS program at IFCHE into its undergraduate CS program. This would allow both units to focus on their areas of strength at IFCHE. The agreement also contains commitments for cooperation and coordination by UI and ISU in both the graduate and undergraduate programs in Computer Science.

CONSENT – INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
OCTOBER 11-12, 2007

Enrollment in the BSCS program at IFCHE has been steady at 30-40 students over the last few years. Several of these students work for DOE or its contractors at the lab. Others are pursuing degrees through the IFCHE programs taking CS courses from UI and other courses from ISU or BYU. Because of the predominant part-time nature of the CS majors, the number of graduates from the program is low. Nevertheless, the CS program is an important element in the suite of programs offered at IFCHE.

Currently, the UI's BSCS program at IFCHE is accredited by the ABET through September 2007 as an extension of UI's CS program in Moscow. Program accreditation will remain in place throughout the transfer period.

Currently there are three CS programs in the Southeastern region of Idaho. In addition to ISU's program in Pocatello and UI's program at IFCHE, BYU has a new BS program in computer science at its campus. (See NOI for data information)

IMPACT

The CS program at ISU has capacity to absorb the IFCHE program using the existing faculty. Thus, additional personnel will not be necessary beyond those required for ABET accreditation of the current program. The IFCHE BSCS program has generated approximately \$96,000 in student fees over the three years 2003-04, 2004-05, and 2005-06 (an average of approximately \$32,000 per year). This should be sufficient to support the expenses incurred by ISU in incorporating the IFCHE program into its current operation.

ATTACHMENTS

Attachment 1 – Notice of Intent for Program Transfer
Attachment 2 – Memorandum of Agreement

Page 3
Page 9

STAFF COMMENTS AND RECOMMENDATIONS

At their September 6, 2007 meeting, CAAP and IRSA discussed this request and formally recommended Executive Director approval per Board Policy III.G.4., (b) (2). The Executive Director has approved the request and a copy of the Notice of Intent is being shared with the Board as an information item at the request IRSA members.

BOARD ACTION

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

IDAHO STATE BOARD OF EDUCATION
ACADEMIC/PROFESSIONAL-TECHNICAL EDUCATION
NOTICE OF INTENT

To initiate a

New, Expanded, Cooperative, Discontinued, program component or Off-Campus Instructional Program or Instructional/Research Unit

Institution Submitting Proposal: University of Idaho

Name of College, School, or Division: College of Engineering

Name of Department(s) or Area(s): Computer Science

Indicate if this Notice of Intent (NOI) is for an Academic or Professional Technical Program
 Academic X Professional - Technical _____

A New, Expanded, Cooperative, Contract, **Off-Campus Instructional Program** or Administrative/Research Unit (circle one) leading to:

Bachelor of Science in Computer Science

(Degree or Certificate)

Proposed Starting Date:

The completion date for the transfer is
August 1, 2007

For New Programs:

For Other Activity:

Program (i.e., degree) Title & CIP 2000 _____

- ☐ Program Component (major/minor/option/emphasis)
- ☒ Off-Campus Activity/Resident Center
- ☐ Instructional/Research Unit
- ☐ Addition/Expansion
- ☐ Discontinuance/consolidation
- ☐ Contract Program
- ☒ Other: Transfer Program at IFCHE from the University of Idaho to Idaho State University

Aicha Olsphabini 4/25/04
 College Dean (Institution) Date

VP Research & Graduate Studies Date

UI: _____

Clay E. Mues
 Chief Fiscal Officer (Institution) Date

[Signature] 7-18-07
 State Administrator, SDPTE Date

UI: _____

Chief Academic Officer (Institution)

Date



Chief Academic Officer, OSBE

9-13-07

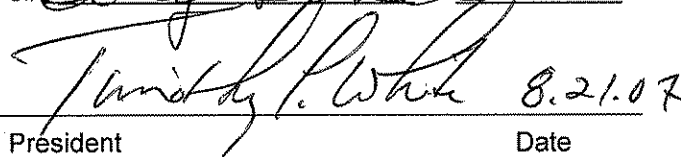
Date

UI:



President

Date

 8.21.07



SBOE/OSBE Approval

Date

UI:

Before completing this form, refer to Board Policy Section III.G. Program Approval and Discontinuance.

1. Briefly describe the nature of the request e.g., is this a new program (degree, program, or certificate) or program component (e.g., new, discontinued, modified, addition to an existing program or option).

This request is for approval of the agreement between the University of Idaho and Idaho State University with regards to the Bachelor of Science in Computer Science program at IFCHE. Per this agreement, the University of Idaho will transfer this program at IFCHE to Idaho State University in a phased arrangement. The purpose of this transfer is to allow the University of Idaho to focus on the graduate CS program at IFCHE and to allow the Idaho State University to integrate the BSCS program at IFCHE into its undergraduate CS program. This transfer would allow both units to focus on their areas of strength at IFCHE. The agreement also contains commitments for cooperation and coordination by UI and ISU in both the graduate and undergraduate programs in Computer Science. The full text of this agreement is attached to this NOI.

2. Provide a statement of need for program or a program modification. Include student and state need, demand, and employment potential. **Attach a Scope and Sequence, SDPTE Form Attachment B, for professional-technical education requests.** (Use additional sheets if necessary.).

Enrollment in the BSCS program at IFCHE has been steady at 30 – 40 students over the last few years. Several of these students work for DOE or its contractors at the lab. Others are pursuing degrees through the IFCHE programs taking CS courses from UI and other courses from ISU or BYUI. Students from other disciplines often take CS courses as electives. Because of the predominant part-time nature of the CS majors, the number of graduates from the program low. None-the-less, the CS program is an important element in the suite of programs offered at IFCHE.

3. Briefly describe how the institution will ensure the quality of the program (e.g., accreditation, professional societies, licensing boards, etc.).

Currently, the UI's BSCS program at IFCHE is accredited by the Accreditation Board for Engineering and Technology (ABET) through September 07 as an extension of UI's CS program at Moscow. Idaho State currently has an ABET accredited program in Computer Science at their campus in Pocatello. Program accreditation will remain in place throughout the transfer period.

4. Identify similar programs offered within the state of Idaho or in the region by other colleges/universities. If the proposed request is similar to another program, provide a rationale for the duplication. This may not apply to PTE programs if workforce needs within the respective region have been established.

Currently, there are three CS programs in the Southeastern Region of Idaho. In addition to ISU's program in Pocatello and UI's program at IFCHE, BYU Idaho has a new BS program in computer science at its campus at Rexburg.

Enrollment and Graduates (i.e., number of majors or other relevant data)

By Institution for the Proposed Program

Last three years beginning with the current year and the 2 previous years

Institution	Relevant Enrollment Data			Number of Graduates		
	Current	Previous Year	Previous Year	Current	Previous Year	Previous Year
BSU						
CSI						
EITC						
ISU	80	80	89	4	5	11
LCSC						
NIC						
UI (IFCHE)	27	8	21	4	3	4

Degrees offered by school/college or program(s) within disciplinary area under review

Institution and Degree name	Level	Specializations within the discipline (to reflect a national perspective)	Specializations offered within the degree at the institution
BSU	B. S.	Computer Science	
	M. S.	Computer Science	

CSI	A.S.	Computer Science	(Transfer Program)
EITC	A.A.S.	Computer Network Technology	
ISU	B.S.	Computer Science	
LCSC	B.S.	Computer Science	Web-based Emphasis Information Science
NIC	A.S. A.A.S.	Computer Science Computer Information Technology	(Transfer Program)
UI	B.S. M.S. Ph.D.	Computer Science Computer Science Computer Science	

5. Describe how this request is consistent with the State Board of Education's policy or role and mission of the institution. (i.e., centrality).

Both ISU and UI are comprehensive universities offering a wide range of programs. Both are authorized by the State Board to offer BS degrees in Computer Science. ISU is not currently authorized to offer graduate programs in Computer Science, although plans for a graduate program are being developed consistent with the SBOE eight year plan. Approval of this program transfer will in no way preclude ISU from initiating graduate programs in its SBOE approved region. The UI is authorized to offer graduate programs at IFCHE, including the MS and Ph.D. in Computer Science. Thus, having ISU offer the BSCS and UI offer the M.S. and Ph.D. at IFCHE is consistent with Board policy.

6. Is the proposed program in the 8-year Plan? Indicate below.

Yes X No

If not on 8-year plan, provide a justification for adding the program.

8. Resources--Faculty/Staff/Space Needs/Capital Outlay. (Use additional sheets if necessary.):

The CS program at ISU has capacity to absorb the IFCHE program using the existing faculty. Thus, additional personnel will not be necessary beyond those required for ABET accreditation of the current program. The IFCHE BSCS program has generated approximately \$96, 000 in student fees over the three academic years 2003-04, 2004-05 and 2005-06 (an average of approximately \$32,000 per year). This should be sufficient to support the expenses incurred by ISU in incorporating the IFCHE program into its current operation.

Estimated Fiscal Impact	FY _____	FY _____	FY _____	Total _____
A. Expenditures				
1. Personnel				
2. Operating				
3. Capital Outlay				
4. Facilities				
TOTAL:				
B. Source of Funds				
1. Appropriated- reallocation				
2. Appropriated – New				
3. Federal				
4. Other:				
TOTAL:				
B. Nature of Funds				
1. Recurring *				
2. Non-recurring **				
TOTAL:				

* Recurring is defined as ongoing operating budget for the program, which will become of the base.

** Non-recurring is defined as one-time funding in a fiscal year and not part of the base.

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AGREEMENT

Between Idaho State University and the University of Idaho

Computer Science Programs at the Idaho Falls Center for Higher Education

1. *Background*

Both the Idaho State University (ISU) and the University of Idaho (UI) offer baccalaureate degrees in computer science. In 2000, the ISU computer science program moved into the ISU College of Engineering, and has just recently received accreditation from the Computing Accreditation Commission (CAC) of the Accrediting Board for Engineering and Technology (ABET). The computer science program at the UI was approved by the State Board of Education (SBOE) as an addition to the UI College of Engineering in 1976. It has had continuous accreditation since 1993, first by the Computer Science Accrediting Board (CSAB) and more recently by the CAC of ABET.

In 1975, the University of Idaho was authorized to offer the master of science degree in computer science at the Idaho Falls Center for Higher Education (IFCHE) as part of its contract with the Idaho National Lab (INL). The first master of science degrees in computer science were granted in 1976. The graduate program has been a continuing part of UI's contract with INL since 1975. A program leading to the PhD in computer science was initiated in 1993. In response to local demands, some courses were offered at the undergraduate level in the late 1970's. This eventually led to a complete degree with the first BSCS degrees being awarded in 1983. The undergraduate program is not supported directly by the INL contract, but by student fees and funds from sources not related to the contract. The IFCHE undergraduate program was accredited by CSAB as a branch of the UI program in Moscow in 1999.

The University of Idaho is not well positioned to support undergraduate programs in Idaho Falls. The distance between Moscow and Idaho Falls precludes any substantial sharing of faculty between the two programs. Classes by compressed video are effective only as long as transmission works perfectly, which does not always happen. As a result, most of the classes at Idaho Falls are taught by adjunct faculty from the INL and, over the years, have evolved somewhat differently from comparable courses at Moscow, a challenge to the accreditation at both locations.

Given the proximity of the accredited program in computer science at Idaho State University and their experience with other undergraduate programs at IFCHE, it is more appropriate that the undergraduate computer science program at IFCHE be merged with the program at ISU. This subject has been thoroughly discussed by the computer science faculty and the College of Engineering deans at both Idaho State University and the University of Idaho. The conclusions of these discussions, and the proposed means to implement them, are outlined below.

2. Undergraduate Program

2a. Pre-fall Semester 2007

The University of Idaho will continue granting baccalaureate degrees in computer science at IFCHE through summer session, 2007. Students who graduate from this program prior to this date will receive a BSCS degree from the University of Idaho. The University of Idaho will be responsible for the upper-division computer science courses taught during the 2006-2007 academic year and during the summer session of 2007. Idaho State University will assume responsibility for the lower division computer science courses taught during the 2006-2007 academic year and the summer session of 2007. During this interim period, the UI and ISU computer science faculties will cooperate with and assist each other in this effort as appropriate.

2b. Post-fall Semester 2007

The University of Idaho will terminate its baccalaureate degree in computer science at IFCHE at the end of summer session, 2007. At the end of the summer session, 2007, students left in the computer science program will have the option of continuing their studies in computer science at the Moscow campus of UI, or transferring to the Idaho State University computer science program at IFCHE or at Pocatello. At this point, ISU will be responsible for all of the courses required for the BSCS degree. Cooperation between UI and ISU will include, but not be limited to, senior level classes that meet undergraduate requirements at ISU and are also used to satisfy requirements in the graduate program in computer science maintained by UI. Senior level courses with similar content may be cross-listed in each university's computer science curriculum. The UI and ISU computer science faculties will cooperate with and assist each other in this effort as appropriate.

3. Graduate Program

The University of Idaho will continue to offer its masters and doctorate degrees in computer science at IFCHE pursuant to its contract with the INL. Opportunities for cooperation with ISU computer science faculty in the graduate programs will be explored and encouraged, including participation in the research effort and service on graduate committees.

Nothing in this agreement shall preclude Idaho State University from offering graduate programs in computer science within its State Board of Education approved region.

4. Tuition and Fees

All student fees generated by undergraduate classes in computer science taught by ISU faculty will be retained by ISU. In senior level computer science classes taught by UI faculty, fees from ISU students will be retained by ISU and the fees from UI graduate students taking the course will be retained by UI. All instruction by UI computer science faculty at IFCHE will be essential in fulfilling the terms of the contract with the INL. No part of the UI computer science faculty salaries will be charged to ISU.

5. Summary

The terms of this agreement will promote the best use of the resources at both the University of Idaho and Idaho State University with respect to delivery of computer science programs at IFCHE. It will provide for both graduate and undergraduate education at IFCHE in computer science and will best serve the needs of students living in the immediate area and those employed by INL. The successful implementation of this program will set an example for future cooperation between ISU and UI, and the other universities that maintain a presence at IFCHE.

6. Signatures

The following signatures attest to the approval of this agreement.

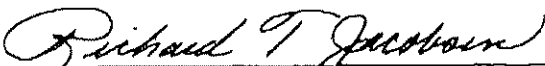
For Idaho State University



Robert Wharton, Vice President for Academic Affairs

10-2-06

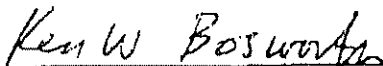
Date



Richard T. Jacobsen, Dean, College of Engineering

10/2/06

Date



Kenneth Bosworth, Chair, Computer Science Dept.

2 Oct. 2006

Date

For the University of Idaho



Doug D. Baker, Provost and Executive Vice President

9/27/06

Date



Aicha Elshabini, Dean, College of Engineering

9/27/06

Date



Robert Smith, Interim Dean
Idaho Falls Center for Higher Education

10/02/2006

Date



Mark Manwaring, Chair, Computer Science

27 Sep 2006

Date

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REFERENCE: APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: III. POSTSECONDARY AFFAIRS

G. Program Approval and Discontinuance

April 2005

4. Program Approval Policy

Program approval will take into consideration statewide and institutional objectives.

- a. New instructional programs, instructional units, majors, minors, options, and emphases require approval prior to implementation;

(1) Board Approval – Board approval prior to implementation is required for any new:

- (a) academic professional-technical program, new major, minor, option, emphasis, or instructional unit with a financial impact* of \$250,000 or more per year;
- (b) graduate program leading to a master's, specialist, or doctoral degree.

(2) Executive Director Approval – Executive Director approval prior to implementation is required for any new academic or professional-technical program, major, minor, option, emphasis or instructional unit with a financial impact of less than \$250,000 per year.

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

(1) Changes, additions, expansions, and consolidations to existing instructional programs, majors, minors, options, emphases, or instructional units with a financial impact of \$250,000 or more per year require Board approval prior to implementation.

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

**CONSENT – INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
OCTOBER 11-12, 2007**

REFERENCE: APPLICABLE STATUTE, RULE, OR POLICY

**TITLE 33
EDUCATION
CHAPTER 1
STATE BOARD OF EDUCATION**

33-107. GENERAL POWERS AND DUTIES OF THE STATE BOARD. The state board shall have power to:

(7) prescribe the courses and programs of study to be offered at the public institutions of higher education, after consultation with the presidents of the affected institutions;

CONSENT – INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
OCTOBER 11-12, 2007

SUBJECT

Approval of Pending Rules Governing Thoroughness – Accountability, assignment of responsibility for AYP determination.

APPLICABLE STATUTE, RULE, OR POLICY

- Section 33-105 (1) Rules – Executive Department Idaho Code
- Section 33-1612 Thorough System of Public Schools Idaho Code

BACKGROUND

The determination of Adequate Yearly Progress (AYP) has been delegated to the State Department of Education (SDE) from the beginning of the requirement. One of the reasons supporting this delegation was the technology available in the SDE to carry out this responsibility.

DISCUSSION

The amendments to Section 112 change the delegation of responsibilities by assigning responsibility for determining AYP to the office of the Board. Amendments in Section 113 provide that other consequent responsibilities, such as calculations for which districts are eligible for awards, also are to be made by the office of the Board. Both of these responsibilities rely heavily upon the cooperation of SDE to support the processes with the time and effort of their technology staff, which SDE has committed to support.

Other changes, in Section 112.03, AYP definitions, refine the definition of full academic year to be more in line with the requirements of No Child Left Behind. The previous wording allowed schools and districts to exclude some students from the AYP calculation even though they had attended school in the specific school or district up to and including much of the test window. The system now in place will allow such students to test in their district or school in one or more subjects and then be exited at the time of the move from remaining test subjects. They also will be able to test the other subjects in their new school and/or district. In the latter case, the student information will be available but the students will not meet the full school year requirement in their new school, only in the district unless the student has also moved out of district. The upcoming availability of a unique student identifier will greatly facilitate tracking mobile students, who previously have fallen out of the assessment system.

No comments were received on this rulemaking and no amendments were made between the proposed and pending rule.

IMPACT

Approval of the proposed rule will properly reflect the intention of the Board regarding assignment of the responsibility to determine AYP and carry out the calculations for rewards to schools and districts so that the Board may properly acknowledge the good progress being made. Changes in the AYP full school year definition will improve compliance with No Child Left Behind.

CONSENT – INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
OCTOBER 11-12, 2007

ATTACHMENTS

Attachment 1 – Pending Rules Governing Thoroughness – Assignment of AYP responsibilities.

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends that the Board approve the pending rule for assignment of AYP responsibilities. No comments were received on this rulemaking and no amendments were made between the proposed and pending rule.

BOARD ACTION

A motion to approve the Pending Rules Governing Thoroughness – Assignment of AYP responsibilities.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

CONSENT – INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
OCTOBER 11-12, 2007

Attachment 1

IDAPA 08.02.03 Rules Governing Thoroughness

112. ACCOUNTABILITY.

The provisions in this section apply for the purposes of meeting the “No Child Left Behind” Act and the state of Idaho accountability requirements. (03-20-04)

01. Student Achievement Levels. There are four (4) levels of student achievement for the ISAT. (3-20-04)

a. Advanced: Exceeds Standards. The student demonstrates thorough knowledge and mastery of skills that allows him/her to function independently above his current educational level. (3-20-04)

i. The student demonstrates a comprehensive understanding of all relevant information. (3-20-04)

ii. The student demonstrates comprehension and understanding of knowledge and skills at or above his/her grade level. (~~3-20-04~~)(____)

iii. The student can perform skills or processes independently without significant errors. (3-20-04)

b. Proficient: Meets Standards. The student demonstrates mastery of knowledge and skills that allow him/her to function independently on all major concepts and skills at his/her educational level. (3-20-04)

i. The student demonstrates a comprehensive understanding of all information relevant to the topic, at level. (3-20-04)

ii. The student can perform skills or processes independently without significant errors. (3-20-04)

c. Basic: Below Standards. The student demonstrates basic knowledge and skills usage but cannot operate independently on concepts and skills at his/her educational level. Requires remediation and assistance to complete tasks without significant errors. (3-20-04)

i. The student has an incomplete knowledge of the topic or misconceptions about some information. (3-20-04)

ii. The student requires assistance and coaching to complete tasks without errors. (3-20-04)

d. Below Basic: Critically Below Standards. The student demonstrates significant lack of skills and knowledge and is unable to complete basic skills or knowledge sets without significant remediation. (3-20-04)

i. The student has critical deficiencies of relevant knowledge of topic or misconceptions about some information. (3-20-04)

ii. The student cannot complete any skill set without significant assistance and coaching. (3-20-04)

02. Adequate Yearly Progress (AYP). (3-20-04)

a. Proficiency is defined as the number of students scoring proficient or advanced on the spring on-grade level ISAT. (3-20-04)

b. The State ~~Department Board~~ of Education will make AYP determinations for schools and districts each year. Results will be given to the districts ~~no later than~~ at least one (1) month prior to the first day of school. (~~3-20-04~~)(____)

CONSENT – INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
OCTOBER 11-12, 2007

c. The baseline for AYP will be set by the Board and shall identify the amount of growth (percentage of students reaching proficiency) required for each intermediate period. (3-20-04)

03. Adequate Yearly Progress (AYP) Definitions. For purposes of calculating and reporting adequate yearly progress, the following definitions shall be applied. (3-20-04)

a. Full Academic Year (continuous enrollment). (3-20-04)

i. A student who is enrolled continuously in the same public school from the end of the first eight (8) weeks or fifty-six (56) calendar days of the school year through the ~~end of the state approved spring testing administration period, not including the make-up portion of the test window,~~ will be included in the calculation to determine if the school achieved AYP. A student is continuously enrolled if he/she has not transferred or dropped-out of the public school. Students who are serving suspensions are still considered to be enrolled students. Students who are expelled but return to another school in the same district are considered continuously enrolled to determine the district AYP. (4-6-05)(____)

ii. A student who is enrolled continuously in the school district from the first eight (8) weeks or fifty-six (56) calendar days of the school year through the ~~end of the state approved spring testing administration period, not including the make-up portion of the test window,~~ will be included when determining if the school district has achieved AYP. (4-6-05)(____)

iii. A student who is enrolled continuously in a public school within Idaho from the end of the first eight (8) weeks or fifty-six (56) calendar days of the school year through the ~~end of the state approved spring testing administration period, not including the make-up portion of the test window,~~ will be included when determining if the state has achieved AYP. (4-6-05)(____)

b. Participation Rate. (3-20-04)

i. Failure to include ninety-five percent (95%) of all students and ninety-five percent (95%) of students in designated subgroups automatically identifies the school as not having achieved AYP. The ninety-five percent (95%) determination is made by dividing the number of students assessed on the Spring ISAT by the number of students reported on the class roster file for the Spring ISAT. (3-20-04)

(1) If a school district does not meet the ninety-five percent (95%) participation target for the current year, the participation rate can be calculated by the most current three (3) year average of participation. (3-20-04)

(2) Students who are absent for the entire state-approved testing window because of a significant medical emergency are exempt from taking the ISAT if such circumstances prohibit them from participating. (4-6-05)

ii. For groups of ten (10) or more students, absences for the state assessment may not exceed five percent (5%) of the current enrollment or two (2) students, whichever is greater. Groups of less than ten (10) students will not have a participation determination. (3-20-04)

c. Schools. (3-20-04)

i. An elementary school includes a grade configuration of grades Kindergarten (K) through six (6) inclusive, or any combination thereof. (3-20-04)

ii. A middle school is a school that does not meet the definition of an elementary school and contains grade eight (8) but does not contain grade twelve (12). (4-6-05)

iii. A high school is any school that contains grade twelve (12). (3-20-04)

CONSENT – INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
OCTOBER 11-12, 2007

iv. The accountability of public schools without grades assessed by this system (i.e., K-2 schools) will be based on the third grade test scores of the students who previously attended that feeder school. (3-20-04)

d. Subgroups. Scores on the ISAT must be disaggregated and reported by the following subgroups: (3-20-04)

i. Race/Ethnicity - Black/African American, Asian, Native Hawaiian/Pacific Islander, White, Hispanic/Latino Ethnicity, American Indian/Alaska Native. (3-20-04)

ii. Economically disadvantaged - identified through the free and reduced lunch program. (3-20-04)

iii. Students with disabilities - individuals who are eligible to receive special education services through the Individuals with Disabilities Education Act (IDEA). (3-20-04)

iv. Limited English Proficient - individuals who score in the low range on the state-approved language proficiency test and meet one of the following criteria: (4-6-05)

(1) Individuals whose native language is a language other than English; or (4-6-05)

(2) Individuals who come from environments where a language other than English is dominant; or (4-6-05)

(3) Individuals who are American Indian and Alaskan natives and who come from environments where a language other than English has had a significant impact on their level of English language proficiency, and who, by reason thereof, have sufficient difficulty speaking, reading, writing, or understanding the English language to deny such individuals the opportunity to learn successfully in classrooms, where the language of instruction is English. (4-6-05)

e. Graduation Rate. The State Board of Education will establish a target for graduation. All high schools must maintain or make progress toward the target each year. The graduation rate will be disaggregated by the subpopulations listed in Subsection 112.03.d. in the event the “safe harbor” is invoked by the school/district. By 2014, the schools/districts must meet the target. (3-20-04)

f. Additional Academic Indicator. The State Board of Education will establish a target for an additional academic indicator. All elementary and middle schools must maintain or make progress toward the additional academic indicator target each year. The additional academic indicator target will be disaggregated by the subpopulations listed in Subsection 112.03.d. in the event the “safe harbor” is invoked by the school/district. By 2014, the schools/districts must meet the target (3-20-04)

113. REWARDS.

01. Distinguished Schools. A school may be recognized as a “Distinguished School” if it is in the top five percent (5%) of schools exceeding the Idaho Adequate Yearly Progress (AYP) intermediate targets listed in Subsection 112.02, of this rule, and if it has significantly reduced the gaps between subgroups listed in Subsection 112.03.d. of this rule. (3-30-07)

02. Additional Yearly Growth (AYG) Award. A school demonstrating improved proficiency levels of subpopulations or in the aggregate by greater than ten percent (10%) shall be considered to have achieved AYG. Such school must have achieved Adequate Yearly Progress (AYP) to be eligible for this award. (3-30-07)

03. Determination by State Department Board of Education. The State Department Board of Education will determine the schools eligible for the Distinguished School and AYG awards each year based upon the criteria outlined in Subsections 113.01 and 113.02. The State Department of Education will present the schools to be recognized to the State Board of Education will recognize the schools no later than the annual October Board Meeting. (3-30-07)(____)

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**CONSENT – INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
OCTOBER 11-12, 2007**

REFERENCE: APPLICABLE STATUTE, RULE, OR POLICY

**TITLE 33
EDUCATION
CHAPTER 1
STATE BOARD OF EDUCATION**

33-105. RULES -- EXECUTIVE DEPARTMENT. (1) The state board shall have power to make rules for its own government and the government of its executive departments and offices; and, upon recommendations of its executive officers, to appoint to said departments and offices such specialists, clerks and other employees as the execution of duties may require, to fix their salaries and assign their duties.

**TITLE 33
EDUCATION
CHAPTER 16
COURSES OF INSTRUCTION**

33-1612. THOROUGH SYSTEM OF PUBLIC SCHOOLS. The constitution of the state of Idaho, section 1, article IX, charges the legislature with the duty to establish and maintain a general, uniform and thorough system of public, free common schools. In fulfillment of this duty, the people of the state of Idaho have long enjoyed the benefits of a public school system, supported by the legislature, which has recognized the value of education to the children of this state.

In continuing recognition of the fundamental duty established by the constitution, the legislature finds it in the public interest to define thoroughness and thereby establish the basic assumptions which govern provision of a thorough system of public schools.

A thorough system of public schools in Idaho is one in which:

1. A safe environment conducive to learning is provided;
2. Educators are empowered to maintain classroom discipline;
3. The basic values of honesty, self-discipline, unselfishness, respect for authority and the central importance of work are emphasized;
4. The skills necessary to communicate effectively are taught;
5. A basic curriculum necessary to enable students to enter academic or professional-technical postsecondary educational programs is provided;
6. The skills necessary for students to enter the work force are taught;
7. The students are introduced to current technology; and
8. The importance of students acquiring the skills to enable them to be responsible citizens of their homes, schools and communities is emphasized.

The state board shall adopt rules, pursuant to the provisions of chapter 52, title 67, Idaho Code, and section 33-105(3), Idaho Code, to establish a thorough system of public schools with uniformity as required by the constitution, but shall not otherwise impinge upon the authority of the board of trustees of the school districts. Authority to govern the school district, vested in the board of trustees of the school district, not delegated to the state board, is reserved to the board of trustees. Fulfillment of the expectations of a thorough system of public schools will continue to depend upon the vigilance of district patrons, the dedication of school trustees and educators, the responsiveness of state rules, and meaningful oversight by the legislature.

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CONSENT – INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
OCTOBER 11-12, 2007

SUBJECT

Approval of Pending Rules Governing Thoroughness – Adoption by reference of Alternate Assessment Extended Content Standards and Alternate Assessment Extended Achievement Standards

REFERENCE

November 1, 2006

The Board approved the Temporary and Proposed Rule at their November meeting.

APPLICABLE STATUTE, RULE, OR POLICY

- Section 33-105 (1) Rules – Executive Department Idaho Code
- Section 33-1612 Thorough System of Public Schools Idaho Code

BACKGROUND

The Idaho Alternate Assessment (IAA) is provided to approximately one percent of Idaho students. It was developed to allow significantly cognitively impaired special education students to participate in the Idaho Standards Achievement Tests (ISAT). This test is required by federal law and must meet the same technical quality standards as all large scale assessments. Formal adoption by the Board of both content and achievement standards is required.

DISCUSSION

When the ISAT was submitted for federal peer review in 2005, documentation for the Idaho Alternate Assessment was also submitted. The review of the IAA found that, while the Board had reviewed the content and achievement standards for the IAA, there had been no formal adoption. Therefore the temporary rule was put in place to adopt these items by reference. Approval of the pending rule will make this adoption permanent.

IMPACT

Approval of the pending rule will assure continued compliance with the federal requirements. No comments were received on this Rulemaking, and no amendments were made between the proposed and pending rule.

ATTACHMENTS

N/A

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends the Board approve the pending rule for assignment of AYP responsibilities.

BOARD ACTION

A motion to approve the Pending Rules Governing Thoroughness – Docket No. 08-0203-0607.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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**CONSENT – INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
OCTOBER 11-12, 2007**

REFERENCE: APPLICABLE STATUTE, RULE, OR POLICY

**TITLE 33
EDUCATION
CHAPTER 1
STATE BOARD OF EDUCATION**

33-105. RULES -- EXECUTIVE DEPARTMENT. (1) The state board shall have power to make rules for its own government and the government of its executive departments and offices; and, upon recommendations of its executive officers, to appoint to said departments and offices such specialists, clerks and other employees as the execution of duties may require, to fix their salaries and assign their duties.

**TITLE 33
EDUCATION
CHAPTER 16
COURSES OF INSTRUCTION**

33-1612. THOROUGH SYSTEM OF PUBLIC SCHOOLS. The constitution of the state of Idaho, section 1, article IX, charges the legislature with the duty to establish and maintain a general, uniform and thorough system of public, free common schools. In fulfillment of this duty, the people of the state of Idaho have long enjoyed the benefits of a public school system, supported by the legislature, which has recognized the value of education to the children of this state.

In continuing recognition of the fundamental duty established by the constitution, the legislature finds it in the public interest to define thoroughness and thereby establish the basic assumptions which govern provision of a thorough system of public schools.

A thorough system of public schools in Idaho is one in which:

1. A safe environment conducive to learning is provided;
2. Educators are empowered to maintain classroom discipline;
3. The basic values of honesty, self-discipline, unselfishness, respect for authority and the central importance of work are emphasized;
4. The skills necessary to communicate effectively are taught;
5. A basic curriculum necessary to enable students to enter academic or professional-technical postsecondary educational programs is provided;
6. The skills necessary for students to enter the work force are taught;
7. The students are introduced to current technology; and
8. The importance of students acquiring the skills to enable them to be responsible citizens of their homes, schools and communities is emphasized.

The state board shall adopt rules, pursuant to the provisions of chapter 52, title 67, Idaho Code, and section 33-105(3), Idaho Code, to establish a thorough system of public schools with uniformity as required by the constitution, but shall not otherwise impinge upon the authority of the board of trustees of the school districts. Authority to govern the school district, vested in the board of trustees of the school district, not delegated to the state board, is reserved to the board of trustees. Fulfillment of the expectations of a thorough system of public schools will continue to depend upon the vigilance of district patrons, the dedication of school trustees and educators, the responsiveness of state rules, and meaningful oversight by the legislature.

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**PLANNING, POLICY & GOVERNMENTAL AFFAIRS
OCTOBER 11–12, 2007**

TAB	DESCRIPTION	ACTION
1	PRESIDENTS' COUNCIL REPORT	Information Item
2	LEWIS-CLARK STATE COLLEGE PROGRESS REPORT	Information Item
3	IDAHO STATE HISTORICAL SOCIETY PROGRESS REPORT	Information Item
4	COMMISSION FOR LIBRARIES PROPOSED LEGISLATION	Motion to Approve
5	APPROVAL OF ROADY'S HUMANITARIUM BOWL CORPORATE TENT VILLAGE AND ALCOHOL WAIVER REQUEST FOR 2007	Motion to Approve

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PLANNING, POLICY & GOVERNMENTAL AFFAIRS
OCTOBER 11-12, 2007

SUBJECT

Presidents' Council Report

REFERENCE

N/A

APPLICABLE STATUTE, RULE, OR POLICY

N/A

BACKGROUND

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

DISCUSSION

N/A

IMPACT

N/A

ATTACHMENTS

N/A

STAFF COMMENTS AND RECOMMENDATIONS

State Board staff offers no comments or recommendations.

BOARD ACTION

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

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PLANNING, POLICY & GOVERNMENTAL AFFAIRS
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SUBJECT

Lewis Clark State College Progress Report

REFERENCE

N/A

APPLICABLE STATUTE, RULE, OR POLICY

N/A

BACKGROUND

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

DISCUSSION

Dr. Dene Thomas, President of the Lewis Clark State College, will be in attendance at the meeting and will present a summary of the accomplishments and future goals of the university.

IMPACT

President Thomas' presentation will provide the State Board members and others with current status information about the Lewis Clark State College.

ATTACHMENTS

N/A

STAFF COMMENTS AND RECOMMENDATIONS

No staff comments or recommendations are needed at this time.

BOARD ACTION

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

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PLANNING, POLICY & GOVERNMENTAL AFFAIRS
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SUBJECT

Idaho State Historical Society Agency Report

REFERENCE

N/A

APPLICABLE STATUTE, RULE, OR POLICY

N/A

BACKGROUND

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

DISCUSSION

Ms. Janet Gallimore, Executive Director and State Historic Preservation Officer, will be in attendance at the meeting and will present a summary of the accomplishments and future goals of ISHS.

IMPACT

Ms. Gallimore's presentation will provide the State Board members and others with current status information about ISHS.

ATTACHMENTS

N/A

STAFF COMMENTS AND RECOMMENDATIONS

No staff comments or recommendations are needed at this time.

BOARD ACTION

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

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**INSTITUTION / AGENCY AGENDA
IDAHO COMMISSION FOR LIBRARIES**

SUBJECT

Draft legislation to replace the 1972 depository system for public documents with a digital repository.

REFERENCE

August 2006

Agency presentation to the Board: The Commission for Libraries distributes state public documents through a depository library system established by statute in 1972. This is old technology – distributing print copies of state publications by mail to 18 libraries throughout the state. In the 21st century, there are more efficient, seamless ways to make state public information accessible to our citizens. In June [2006] a representative task force made six recommendations that include amending the statute and developing a digital repository of state public documents. Commission staff is working on an implementation plan now, with the potential for legislation and a budget line item request in the future.

APPLICABLE STATUTE, RULE, OR POLICY

N/A

BACKGROUND

This is an information item for the Board.

DISCUSSION

State agencies spent \$4,297,800 in FY2006 and \$5,347,600 in FY2007 for “printing and binding” services (State Controller’s Office fiscal data). Some portion of these expenditures is for “state publications” intended for use by Idaho citizens.

The return on this investment by state government will be greatly increased by creating a web accessible digital repository of state publications and bringing the 1972 depository system for public documents into the 21st century.

The proposed legislation:

- Establishes a digital repository to replace the outdated depository system,
- Provides a definition of “state publication” and other relevant terms,
- Replaces the requirement to submit 20 copies of public documents with more cost-effective requirements for the digital repository, and
- Provides for exemptions from the requirements.

PLANNING, POLICY & GOVERNMENTAL AFFAIRS
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IMPACT

The proposed legislation will expand citizen access to the information in state publications. It will make finding and retrieving information easier and more cost-effective for Idaho citizens and help state entities reach their intended audience in a more cost-effective way.

The estimated fiscal impact for this legislation is \$202,000 to establish the digital repository in the first year, and \$132,000 in ongoing funds to maintain it.

ATTACHMENTS

Attachment 1 – Proposed Legislation page 3

Attachment 2 - Statement of Purpose and Fiscal Impact page 7

STAFF COMMENTS AND RECOMMENDATIONS

This item is for informational purposes only and staff has no comments or recommendations.

BOARD ACTION

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

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LEGISLATURE OF THE STATE OF IDAHO

Fifty-ninth Legislature

Second Regular Session – 2008

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO.

BY

AN ACT

RELATING TO THE COMMISSION FOR LIBRARIES, AMENDING SECTION 33-2505, IDAHO CODE, TO ESTABLISH A DIGITAL REPOSITORY FOR STATE PUBLICATIONS; AMENDING CHAPTER 25, TITLE 33, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 33-2505A, IDAHO CODE, TO DEFINE RELEVANT TERMS; AMENDING CHAPTER 25, TITLE 33, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 33-2505B, IDAHO CODE, TO SET FORTH REQUIREMENTS FOR SUBMISSION OF STATE PUBLICATIONS TO THE DIGITAL REPOSITORY; AND AMENDING CHAPTER 25, TITLE 33, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 33-2505C, IDAHO CODE, TO SET FORTH EXEMPTIONS FROM THE REQUIREMENTS OF THIS CHAPTER.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 33-2505, Idaho Code, be, and the same is hereby amended to read as follows:

~~33-2505. STATE LIBRARIAN—DEPOSITORY FOR PUBLIC DOCUMENTS—DISTRIBUTION. It shall be the duty of the head of every agency, board, bureau, commission or department of the state of Idaho, including all state supported institutions of higher education in Idaho, to deposit with the librarian of the Idaho commission for libraries twenty (20) copies of all documents, reports, surveys, monographs, serial publications, compilations, pamphlets, bulletins, leaflets, circulars, maps, charts or broadsides of a public nature which it produces for public distribution. The deposit of information with the state librarian is intended to allow the information to be used and distributed to academic, regional, public, and special libraries in Idaho, the Library of Congress, and to others within the discretion of the state librarian.~~ DIGITAL REPOSITORY FOR STATE PUBLICATIONS. Recognizing that an informed citizenry is a cornerstone of effective democracy, and in order to provide free and continuous access to state publications, it shall be the duty of the state librarian to establish and maintain a publicly accessible repository of publications prepared by state agencies. The digital repository is intended to collect state publications and make them readily available to all Idaho citizens.

SECTION 2. That Chapter 25, Title 33, Idaho Code, be, and the same is hereby amended by the addition thereto of a NEW SECTION, to be known and designated as Section 33-2505A, Idaho Code, and to read as follows:

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33-2505A. DEFINITIONS. (1) "Digital repository" means electronic publications stored and accessible to the public on-line in a secure digital environment with redundant backup.

(2) "Format" includes any media used for state publications including, but not limited to, electronic, print, audio, visual, and microform.

(3) "State agency" includes every constitutional and statutory office, officer, department, division, bureau, board, commission, and agency of the state and, where applicable, all subdivisions of each.

(4) "State publication" means any information, regardless of format, published by a state agency and intended for distribution to the public. State publication does not include correspondence, internal confidential publications, office memoranda, university press publications, items detailed by section 9-340A through H, Idaho Code, or other information excluded or exempted by rule or regulation established by the board of library commissioners.

SECTION 3. That Chapter 25, Title 33, Idaho Code, be, and the same is hereby amended by the addition thereto of a **NEW SECTION**, to be known and designated as Section 33-2505B, Idaho Code, and to read as follows:

33-2505B. SUBMISSIONS BY STATE AGENCIES. (1) The head of every state agency shall promptly submit to the commission for libraries copies of published information that are state publications.

(a) For state publications available only in print format, each state agency shall submit two (2) copies of each printed publication to the commission for libraries.

(b) For state publications available only in electronic format, each state agency shall submit one (1) digital copy of each electronic publication to the commission for libraries.

(c) For state publications available in both print and electronic format, each state agency shall submit two (2) print copies and one (1) digital copy of the publication to the commission for libraries.

(d) Of the two print copies of state publications, one (1) copy shall be sent to the Idaho state historical society, and one (1) copy shall be sent to the university of Idaho library for archival purposes.

(2) The commission for libraries shall adopt such rules as are necessary and appropriate to accomplish the purpose of a digital repository for state publications.

SECTION 4. That Chapter 25, Title 33, Idaho Code, be, and the same is hereby amended by the addition thereto of a **NEW SECTION**, to be known and designated as Section 33-2505C, Idaho Code, and to read as follows:

PLANNING, POLICY & GOVERNMENTAL AFFAIRS
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33-2505C. EXEMPTIONS. (1) In the interest of economy and efficiency, the state librarian may exempt a given state publication or class of publications from the requirements of this section in full or in part.

(2) This chapter shall not apply to nor affect the duties concerning publications distributed by, or officers of:

- (a) The state law library; or
- (b) The statute law committee and the code reviser.

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**PLANNING, POLICY & GOVERNMENTAL AFFAIRS
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STATEMENT OF PURPOSE

RS

State agencies spent \$4,297,800 in FY2006 and \$5,347,600 in FY2007 for “printing and binding” services (State Controller’s Office fiscal data). Some portion of these expenditures are for state publications intended for use by Idaho citizens.

The return on this investment by state government will be greatly increased by creating a web-accessible digital repository of state publications and bringing the 1972 depository system for public documents into the 21st century.

The proposed legislation will make public documents published by state government more accessible to the public for whom they are intended. It will make finding and retrieving information easier and more cost-effective for Idaho citizens and help state entities reach their intended audience in a more cost-effective way.

The proposed legislation will expand citizen access to the information in state publications by:

- Establishing a digital repository to replace the outdated depository system,
- Providing a definition of “state publication” and other relevant terms,
- Replacing the requirement to submit 20 copies of public documents with more cost-effective requirements for the digital repository, and
- Providing for exemptions from the requirements.

I. FISCAL IMPACT

There are no accurate figures on the annual volume or cost of Idaho state publications. A sample survey estimated that in the spring of 2007 the equivalent of one terabyte of public documents was published with state tax dollars, and projected at least 30% annual growth. State agencies complying with the current depository requirements will undoubtedly experience a decrease in expenditures as a result of the proposed digital repository requirements as well as an increase in the reach of their state publications.

Estimated costs for the Commission for Libraries to implement the digital repository are \$202,000 for the first year, and \$132,000 in ongoing funds to maintain it:

- Capital - \$30,000 (OT) for server, storage, UPS, etc
- Operating - \$50,000 (\$40,000 OT) for content management license
- Personnel - \$122,000 ongoing for 1 FTE Librarian and 2 FTE OS2

CONTACT

Name: Ann Joslin, State Librarian
Agency: Idaho Commission for Libraries
Phone: (208) 334-2150

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PLANNING, POLICY & GOVERNMENTAL AFFAIRS
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SUBJECT

Roady's Humanitarian Bowl requests operation of a corporate tent village, including the serving of alcohol, during the Roady's Humanitarian Bowl game.

APPLICABLE STATUTE, RULE, OR POLICY

SBOE Policy I.J – Use of Institutional Facilities and Services With Regard to the Private Sector

BACKGROUND

Attached is the report from the Roady's Humanitarian Bowl regarding the corporate tent village activities from the 2006 MPC Computers Bowl game. This report was requested by the Board and is being presented in conjunction with the request to operate a corporate tent village again for the 2007 game.

DISCUSSION

As noted in the report, the 2006 corporate tent village was a great success. The corporate tent village has become an important part of the annual Roady's Humanitarian Bowl event. The tent village was a showcase of interactive technology and included 38 tents.

Most importantly, the Boise City Police Department was present and readily available during the entire event and reported no incidents of underage drinking, serving intoxicated persons, unruly behavior or other violations of law or State Board policy. The event has operated safely and effectively for the last three years and has become a significant benefit to the Bowl game, the University, the community and the state.

The request is to allow the Bowl game to conduct the corporate tent village in compliance with existing State Board of Education policies. Additionally, the Roady's Humanitarian Bowl will institute the control measures outlined in the request as follows:

1. A secured area surrounded by a fence to control access to and from the area.
2. Four-hour duration, ending at kick-off.
3. No alcohol making or distributing companies may be allowed to sponsor the activities or tents.
4. A color-coded wrist band or pass admission system that would identify attendees and invited guests.
5. Companies involved in the tent village would be sent a letter outlining the tent village/SBOE alcohol policy. The letter will state the minimum drinking age in Idaho is 21 and that at no time should they allow any underage drinking and/or serving of alcohol to visibly intoxicated patrons.
6. Two entry points manned by security personnel.
7. Security personnel located throughout the controlled area will be monitoring the alcohol wristband policy and patron behavior.

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8. Security personnel will not allow patrons to exit the area with alcoholic beverages.
9. Tent sponsors will be required to insure and indemnify the State of Idaho, the State Board of Education and Roady's Humanitarian Bowl for a minimum of \$3,000,000 and to make sure that the proper permits and licenses are obtained.
10. The area is for sponsors to entertain clients/guests for 2007 Roady's Humanitarian Bowl, including the sales and service of alcohol.
11. It is brought back to the Board after the conclusion of the 2007 game for reconsideration for the 2008 game.
12. Roady's Humanitarian Bowl will abide by all terms and conditions of the Board's existing alcohol policy.
13. Roady's Humanitarian Bowl will file with the Board an annual report of the Corporate Tent Village activities within sixty (60) days of the Bowl Game.

IMPACT

Since this event has been a major part of the community, it has made a positive impact on the economics of the community. The Roady's Humanitarian Bowl will earn revenues from the lease of the corporate tents. The University will also earn revenues from the lease of the Stadium.

ATTACHMENT

1. Letter form Kevin McDonald, Executive Director,
Roady's Humanitarian Bowl page 5
2. Report from Kevin McDonald, Executive Director,
Roady's Humanitarian Bowl Executive Director,
regarding MPC Computer's Bowl Corporate Tent
Village event that took place on 12-31-2006. page 7
3. Board Policy I.J – Use of Institutional Facilities and
Services with Regard to the Private Sector. page 9

STAFF COMMENTS AND RECOMMENDATIONS

Staff has reviewed the request and finds it to be in compliance and recommends approval of the request.

PLANNING, POLICY & GOVERNMENTAL AFFAIRS
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BOARD ACTION

A motion to approve the request by Roady's Humanitarian Bowl to establish secure areas under the conditions set forth in this request for the purpose of allowing pre-game activities 2007 Roady's Humanitarian Bowl game, subject to the following terms and conditions:

1. A secured area surrounded by a fence to control access to and from the area.
2. Four-hour duration, ending at kick-off.
3. No alcohol making or distributing companies may be allowed to sponsor the activities or tents.
4. A color-coded wrist band or pass admission system that would identify attendees and invited guests.
5. Companies involved in the tent village would be sent a letter outlining the tent village/SBOE alcohol policy. The letter will state the minimum drinking age in Idaho is 21 and that at no time should they allow any underage drinking and/or serving of alcohol to visibly intoxicated patrons.
6. Two entry points manned by security personnel.
7. Security personnel located throughout the controlled area will be monitoring the alcohol wristband policy and patron behavior.
8. Security personnel will not allow patrons to exit the area with alcoholic beverages.
9. Tent sponsors will be required to insure and indemnify the State of Idaho, the State Board of Education and Roady's Humanitarian Bowl for a minimum of \$3,000,000 and to make sure that the proper permits and licenses are obtained.
10. The area is for sponsors to entertain clients/guests for 2007 Roady's Humanitarian Bowl, including the sales and service of alcohol.
11. It is brought back to the Board after the conclusion of the 2007 game for reconsideration for the 2008 game.
12. Roady's Humanitarian Bowl will abide by all terms and conditions of the Board's existing alcohol policy.
13. Roady's Humanitarian Bowl will file with the Board an annual report of the Corporate Tent Village activities within sixty (60) days of the Bowl Game.

Moved by _____ Seconded by _____ Carried Yes ____ No ____

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PLANNING, POLICY & GOVERNMENTAL AFFAIRS
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October 1, 2007

To: State Board of Education

Fr: Kevin McDonald, Executive Director
Roady's Humanitarian Bowl

Re: 2006 Corporate Tent Village Report

The 2006 MPC Computers Bowl Corporate Tent Village took place on December 31st 2006. As in past years this event was held on the grass field just north of Bronco Stadium. The 2006 Tent Village consisted of 38 corporate tents including tents for University of Miami, the University of Nevada and MPC Computers, the games title sponsor.

The following controls were in place:

1. Each entrance had two points of entry. One for persons under 21 and the other for persons over 21.
2. Uniformed security personnel were present at each entry point. Two were assigned to the under 21 line and checked for red color coded wristbands that allowed entry to the village. The other four security personnel were assigned to the over 21 entry point. At the over 21 entry point security checked for the red color coded wristband that allowed access to the village and then checked ID's to verify that all persons were 21 before attaching a green wristband that signified they were of legal drinking age. Security was instructed to issue no wristbands without proper identification.
3. Security personnel were instructed to not allow alcoholic beverages of any kind to leave tent village.
4. All companies who purchased a tent in tent village were sent a letter outlining the Corporate Tent Village/State of Idaho alcohol policy. This letter stated that the minimum drinking age in Idaho is 21 and at no time should they allow any underage drinking nor should they serve alcohol to a visibly intoxicated patron.
5. The Boise Policy Department was present in Tent Village during the event monitoring the wristband policy and general behavior.
6. No incidents of underage drinking or unruly behavior were reported or noted.

As in the previous four years, Corporate Tent Village has had no incidents of underage drinking or unruly behavior. As the new Executive Director of the Roady's Humanitarian Bowl, I was not present at last year's Tent Village. I did however interview the past Executive Director and other operations personnel who were present.

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PLANNING, POLICY & GOVERNMENTAL AFFAIRS
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October 1, 2007

Dear State Board of Education Members:

Please accept this letter as a formal request permitting the Roady's Humanitarian Bowl to continue with the Corporate Tent Village event during the Bowl Game at Bronco Stadium. The purpose of Corporate Tent Village is to provide an area for local corporations to entertain clients and guests in a controlled environment. Now entering its fifth year, the Corporate Tent Village has become the main source of community involvement with the game. Even though the bowl staff has changed, we intend to follow the best practices to execute tent village in accordance to rules and regulations set forth by the State Board of Education and the State of Idaho.

As in past years, the Roady's Humanitarian Bowl is planning to construct a tent village which would allow corporations to provide food and beverage (non alcoholic and alcoholic) to their guests during the bowl game. This area will not be open to the general public. To date, the Corporate Tent Village has not had a single incident that violated the Bowl's and the State of Idaho's policy on alcohol or unruly behavior. The Bowl will again provide the following control measures:

1. A secured area surrounded by a fence to control access to and from area.
2. A color coded wrist band admission system that would identify attendees and invited guests.
3. Companies involved in the tent village will be sent a letter outlining the tent drinking age in Idaho is 21 and that at no time should they allow any underage drinking and/or the serving of alcohol to visibly intoxicated patrons.
4. Two entry points manned by security personnel that will verify age of patrons and issue a different colored wristband signifying the patron is over the legal drinking age.
5. Security personnel and Boise Police Department officers located throughout the controlled area to monitor the alcohol wristband policy and patron behavior.
6. Security personnel will not allow patrons to exit the area with alcoholic beverages.
7. The date of the event is scheduled for December 31, 2007.
8. The Bowl will provide a minimum of \$5,000,000 insurance policy that will insure and indemnify the State of Idaho, the State Board of Education and Boise State University.
9. Obtain all necessary permits and licenses required.

Thank you for your consideration. Please feel free to contact me at 208-424-1011 if further details and/or measures need to be identified or implemented.

Sincerely,

Kevin McDonald
Executive Director

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J. Use of Institutional Facilities and Services

1. Use of Institutional Facilities and Services

- a. Consistent with education's primary responsibilities of teaching, research, and public service, the institutions, under the governance of the State Board of Education and Board of Regents of the University of Idaho (Board), have and will continue to provide facilities and services for educational purposes. Such services and facilities, when provided, should be related to the mission of the institution and not directly competitive with services and facilities reasonably available from the private sector. The institutions' provision of services and facilities should be educationally related. In addition, the Board recognizes that the institutions have a role in assisting community and economic development in a manner that supports the activities of the private sector. To this end, cooperation with local, state, and federal agencies is encouraged.
- b. Priority and guidelines for use of institutional services and facilities is as follows:
 - (1) Institutionally sponsored programs and projects.
 - (2) Community programs or projects of an educational nature where the services or facilities provided by the institutions are directly related to the teaching, research, or service mission of the institution.
 - (3) Local, state, or federally sponsored programs and projects.
 - (4) The institutions will maintain a list of special events, services and facilities provided in those special events, the sponsor's name, the date of the use, and the approximate number of persons attending. This list will be available for public inspection. Individual institutional policies should be adopted in accordance with this general philosophy and policy statement of the Board. To this end, a coordinated effort between the public and private sector is encouraged.

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

- a. Board Administrative Rules IDAPA 08.01.08 provides requirements relative to alcoholic beverages on campus grounds. Said rules generally prohibit the possession or consumption of alcoholic beverages in areas open to and most commonly used by the general public on campus grounds. The rules authorize the Board to waive the prohibition pursuant to Board policies and procedures. The chief executive officer of each institution may waive the prohibition against possession or consumption of alcoholic beverages only as permitted by and in compliance with this policy. The grant of any such waiver shall be determined by the chief executive officer ("CEO") only in compliance with this Policy and in accordance with the provisions set forth herein, and not as a matter of right to any other person or party, in doing so, the chief executive officer must ensure

PLANNING, POLICY & GOVERNMENTAL AFFAIRS
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that the decisions to allow possession and consumption of alcoholic beverages are consistent with the proper image and the mission of the institution.

- b. Each institution shall maintain a policy providing for an institutional Alcohol Beverage Permit process. For purposes of this policy, the term "alcoholic beverage" shall include any beverage containing alcoholic liquor as defined in Idaho Code Section 23-105. Waiver of the prohibition against possession or consumption of alcoholic beverages shall be evidenced by issuance of a written Alcohol Beverage Permit issued by the CEO of the institution which may be issued only in response to a completed written application therefore. Staff of the State Board of Education shall prepare and make available to the institutions the form for an Alcohol Beverage Permit and the form for an Application for Alcohol Beverage Permit which is consistent with this Policy. Immediately upon issuance of an Alcohol Beverage Permit, a complete copy of the application and the permit shall be delivered to the Office of the State Board of Education, and Board staff shall disclose the issuance of the permit to the Board no later than the next Board meeting. An Alcohol Beverage Permit may only be issued to allow the sale or consumption of alcoholic beverages on public use areas of the campus grounds provided that all of the following minimum conditions shall be met. An institution may develop and apply additional, more restrictive, requirements for the issuance of an Alcohol Beverage Permit.
 - (1) An Alcohol Beverage Permit may be granted only for a specifically designated event (hereinafter "Permitted Event"). Each Permitted Event shall be defined by the activity planned, the area or location in which the activity will take place and the period of time during which the activity will take place. The activity planned for the Permitted Event must be consistent with the proper image and mission of the institution. The area or location in which the activity will take place must be defined with particularity, and must encompass a restricted space or area suitable for properly controlling the possession and consumption of alcoholic beverages. The time period for the activity must be a single contiguous time period for a separate defined occurrence (such as a dinner, a conference, a reception, a concert, a sporting competition and the like). An extended series of events or a continuous activity with no pre-determined conclusion shall not be a Permitted Event. The area or location of the Permitted Event, the restricted space or area therein for possession and consumption of alcoholic beverages and the applicable time periods for the Permitted Event must each be set forth in the Alcohol Beverage Permit and in the application therefore.
 - (2) The serving of alcoholic beverages must be part of a planned food and beverage program for the Permitted Event, rather than a program serving alcoholic beverages only. Food must be available at the Permitted Event. Consumption of alcoholic beverages and food cannot be the sole purpose of a Permitted Event.

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- (3) Non-alcoholic beverages must be as readily available as alcoholic beverages at the Permitted Event.
- (4) A Permitted Event must be one requiring paid admission through purchase of a ticket or through payment of a registration fee, or one where admission is by written, personal invitation. Events generally open to participation by the public without admission charges or without written personal invitation shall not be eligible for an alcoholic beverage permit. Only persons who have purchased a ticket or paid a registration fee for attendance at a Permitted Event, or who have received a written invitation to a Permitted Event, and who are of lawful age to consume alcoholic beverages, will be authorized to possess and consume alcoholic beverages at the Permitted Event.
- (5) Permitted Events which are generally open to the public through purchase of a ticket (such as sporting events, concerts or other entertainment events) must set out a confined and defined area where alcoholic beverages may be possessed and consumed. For such events, the defined area where alcoholic beverages may be possessed and consumed shall be clearly marked as such, and shall be separated in a fashion that entry into the area and exit from the area can be controlled to ensure that only those authorized to enter the area do so and that no alcoholic beverages leave the area. Only those individuals lawfully attending the Permitted Event who are of lawful age to consume alcoholic beverages may be allowed into the defined area, provided that such individuals may be accompanied by youth for whom they are responsible, but only if such youth are, at all times, under the supervision and control of such individuals. For such events there shall be sufficient space outside of the area where alcoholic beverages may be possessed and consumed to accommodate the participating public who do not wish to be present where alcoholic beverages are being consumed.
- (6) No student athletic events, (including without limitation NCAA, NIT, NAIA and intramural student athletic events) occurring in college or university owned, leased or operated facilities, or anywhere on campus grounds, shall be Permitted Events, nor shall a Permitted Event be allowed in conjunction with any such student athletic event.
- (7) An Alcohol Beverage Permit for a Permitted Event to which attendance is limited to individuals who have received a personal written invitation, or to those who have registered to participate in a particular conference (for example, a reception, a dinner, an exclusive conference) may allow alcoholic beverages to be possessed and consumed throughout the area of the event, provided that the area of the event is fully enclosed, and provided further that the area of the event must be such that entry into the area and exit from the area can be controlled to ensure that only those authorized to enter the area do so and that no alcoholic beverages leave the area. Additionally, the area of the Permitted Event must not be open to access by the general public, or to

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access by persons other than those properly participating in the Permitted Event.

- (8) Application for an Alcohol Beverage Permit must be made by the organizers of the event. Such organizers must comply with all applicable laws of the State of Idaho and the local jurisdiction with respect to all aspects of the event, including the possession sale and consumption of alcoholic beverages.
- (9) The Alcohol Beverage Permit, any required local catering permit, and applicable state or local alcoholic beverages permits shall be posted in a conspicuous place at the defined area where alcoholic beverages are authorized to be possessed and consumed.
- (10) The sale, service and consumption of alcoholic beverages at a Permitted Event shall be confined to the specific event, area or activity identified on the Beverage Permit application. Any alcoholic beverages allowed at a Permitted Event shall be supplied through authorized contractors of the organizers (such as caterers hired by the organizers). In no event shall the institution supply or sell alcoholic beverages directly. In no event shall the general public, or any participants in a Permitted Event be allowed to bring alcoholic beverages into a Permitted Event, or leave the defined area where possession and consumption is allowed while in possession of an alcoholic beverage.
- (11) The person/group issued the Beverage Permit and the contractors supplying the alcoholic beverages shall assume full responsibility to ensure that no one under the legal drinking age is supplied with any alcoholic beverage or allowed to consume any alcoholic beverage at the Permitted Event. Further, the person/group must provide proof of insurance coverage, including host liquor liability and liquor legal liability, in amounts and coverage limits sufficient to meet the needs of the institution, but in no case less than \$500,000 minimum coverage per occurrence. Such insurance must list the permitted person/group, the contractor, the institution, the State Board of Education and the State of Idaho as additional insured's, and the proof of insurance must be in the form a formal endorsement to the policy evidencing the coverage and the required additional insured's.
- (12) The Alcohol Beverage Permit shall set forth the time at which sale, service, possession and consumption of alcoholic beverages will be permitted, which times shall be strictly enforced. Service and sale of alcoholic beverages shall stop at a time in advance of the time of closure of the event sufficient to allow an orderly and temperate consumption of the balance of the alcoholic beverages then in possession of the participants of the event prior to closure of the event.

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(13) These guidelines shall apply to both institutional and non-institutional groups using institutional facilities.

- c. Within residential facilities owned, leased or operated by an institution, the CEO may allow the possession or consumption of alcoholic beverages by persons of legal drinking age within the living quarters of persons of legal drinking age. Consumption of alcohol shall not be permitted in the general use areas of any such residence facility. Possession of alcohol within the general use areas of a residential facility may only be done in a facility where consumption has been authorized by the CEO, and such possession shall be only as is incidental to, and reasonably necessary for, transporting the alcohol by the person of legal drinking age to living quarters where consumption is allowed. The term "living quarters" as used herein shall mean, and be limited to, the specific room or rooms of a residential facility which are assigned to students of the institution (either individually or in conjunction with another room mate or room mates) as their individual living space.

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TAB	DESCRIPTION	ACTION
1	IDAHO STATE BOARD OF EDUCATION REPORT ON COMMONALITIES AND DIFFERENCES AMONG COLLEGES AND SCHOOLS WITHIN IDAHO'S PUBLIC HIGHER EDUCATION INSTITUTIONS – BUSINESS PROGRAMS	Information Item
2	OVERVIEW OF IDAHO STUDENT AID PROGRAMS	Information Item
3	STRATEGIC PLANNING OF THE UNIVERSITY OF IDAHO'S LAW SCHOOL	Information Item
4	HIGHER EDUCATION RESEARCH COUNCIL – ONE- TIME \$550K GRANT PROGRAM FUNDING RECOMMENDATION	Motion to approve
5	SOUTH CENTRAL LOCAL OPERATIONS COMMITTEE – SUMMARY REPORT	Information Item
6	IDAHO STATE UNIVERSITY'S MISSION STATEMENT	Information Item
7	REGISTRATION OF POSTSECONDARY EDUCATIONAL INSTITUTIONS AND PROPRIETARY SCHOOLS	Motion to Approve
8	GEAR UP – UPDATE	Information Item

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9	RECOGNITION OF SCHOOLS AS DISTINGUISHED SCHOOLS AND FOR ADDITIONAL YEARLY GROWTH	Motion to Approve
10	APPROVAL OF PROPOSED RULE FOR PUPIL PERSONNEL SERVICES CERTIFICATE, EDUCATIONAL INTERPRETER ENDORSEMENT THROUGH AMENDMENT TO IDAPA 08.02.02.027	Motion to Approve
11	APPROVAL OF PENDING RULE 08.02.03.004 REGARDING STANDARDS FOR THE DEAF AND HARD OF HEARING (DHH)	Motion to Approve
12	APPROVAL OF PENDING RULE 08.02.03.004 REGARDING STANDARDS FOR THE BLIND AND VISUALLY IMPAIRED	Motion to Approve

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SUBJECT

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

REFERENCE

December 1, 2005	The Board directed the Presidents to review respective Colleges and programs and provide a series of reports to assist them in understanding the commonalities and differences among disciplinary colleges and schools within the public institutions of the state.
Nov 30-Dec 1, 2006	The first report on Engineering Programs was reported to the Board.
June 13-14, 2007	The second report on Education Programs was reported to the Board.

APPLICABLE STATUTE, RULE, OR POLICY

N/A

BACKGROUND

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

DISCUSSION

The Board requested that the Presidents examine the various colleges and programs at their respective institutions and provide a series of reports on how programs are different and similar and if there are commonalities, why those programs or colleges are necessary within the state.

Two reports have been completed on engineering and education. Using the same template from previous reports, the Business Deans have provided a similar report on Business programs and have coordinated a formal presentation for the Board.

Attached is a report for Boise State University, Idaho State University, the University of Idaho, Lewis-Clark State College, College of Southern Idaho, and North Idaho College. The reports are limited in only looking at the business

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schools and not all the individual programs that might be offered through other courses of study such as the technology business programs

IMPACT

Idaho's Public Higher Education Institutions
Business Programs
Enrollment

		2005	2006	2007
BSU	Enrollment	2,693	3,004	3,267
	% of Total	39.8%	42.0%	44.4%
ISU	Enrollment	1,263	1,167	1,074
	% of Total	18.7%	16.3%	14.6%
UI	Enrollment	1,620	1,708	1,592
	% of Total	23.9%	23.9%	21.7%
LCSC	Enrollment	387	440	515
	% of Total	5.7%	6.2%	7.0%
CSI	Enrollment	347	352	365
	% of Total	5.1%	4.9%	5.0%
NIC	Enrollment	294	302	359
	% of Total	4.3%	4.2%	4.9%
EITC	Enrollment	168	177	181
	% of Total	2.5%	2.5%	2.5%
Total Business	Enrollment	6,772	7,150	7,353
	% Change		5.6%	2.8%
Total Institutions	Enrollment	55,654	55,858	54,838
	% Change		0.4%	-1.8%

ATTACHMENTS

Attachment 1 – Degree Comparisons	Page 4
Attachment 1 – Boise State University	Page 5
Attachment 2 – Idaho State University	Page 19
Attachment 3 – University of Idaho	Page 29
Attachment 4 – Lewis-Clark State College	Page 39
Attachment 5 – College of Southern Idaho	Page 49
Attachment 6 – North Idaho College	Page 59
Attachment 7 – Eastern Idaho Technical College	Page 67

STAFF COMMENTS AND RECOMMENDATIONS

CAAP held a meeting on September 6, 2007 and shared draft reports on the Commonalities and Differences for Business Programs. CAAP discussed the goal of the reports and wondered if Board members are finding these reports and presentations at Board meetings useful and sufficiently meaningful to continue

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providing these reports to the Board. Members were contacted and determined that before making a judgment about the value of reports, they wanted to see the Business presentation at their October meeting.

BOARD ACTION

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

Degree Comparisons

Undergraduate programs

Degree Name	BSU	ISU	UI	LCSC
General Business Administration	X	X		X
Accounting	X	X	X	
Finance	X	X	X	
Management	X	X	X	X
Production & Operations Mgmt	X		X	
Information Systems	X	X	X	
Business Economics	X		X	
Marketing	X	X	X	
International Business	X			
Professional Golf Management			X	
Hospitality Management				X
Interdisciplinary Programs				X
Sports Administration (new spring 2008)				X

Graduate Degrees

Degree Name	BSU	ISU	UI	LCSC
Master of Business Administration	X	X	X	
MBA Accounting Emphasis		X		
M.S., Accountancy	X		X	
M.S., Accountancy- Taxation	X			
M.S., Management Info Systems	X			

Community Colleges

Degree Name	CSI	NIC
Associate of Arts		
Business Administration		X
General Business	X	
Economics	X	
Associate of Science		
Business Administration		X
Business Education		X

Technical College

Degree name	Level
Accounting Paraprofessional	AAS & Tech Certificate
Marketing and Management	AAS & Tech Certificate
Legal Assistant	AAS & Tech Certificate
Office Professional	AAS & Tech Certificate

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

BACKGROUND

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

SCOPE OF WORK

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

School/College	Board Meeting
Engineering	October 2006 – <i>Moved to Nov/Dec 2006</i>
Education	June 2007
Business	October 2007
Health Sciences (selected areas TBA)	February 2008

PROCESS

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

Date: August 8, 2007

Institution: Boise State University

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

College of Business & Economics Department of Accountancy Department of Economics International Business Program Department of Management Department of Marketing & Finance Department of Information Technology and Supply Chain Management

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

The College of Business and Economics' intellectual climate and educational environment are inextricably linked to, and shaped by, its urban setting within Idaho's largest concentration of business, industrial, financial, medical and governmental sectors. The undergraduate and graduate programs prepare students to work predominantly in business organizations, large and small, in and out of Idaho. The programs emphasize functional business knowledge and an awareness of business trends and challenges, and the skills and methods to address those challenges in the future.

The College of Business was created in 1965. Undergraduate degrees were awarded beginning in 1967, and the first masters degrees were awarded in 1972. The College's name was changed to College of Business and Economics (COBE) in the mid-1990s.

The COBE's undergraduate programs were initially accredited by AACSB-International (Association to Advance Collegiate Schools of Business) in 1979. In 1985, the masters degree programs received accreditation, and the Accountancy program achieved initial accreditation in 1991. To earn accreditation, business and accounting programs must satisfy the expectations of a wide range of quality standards relating to strategic management of resources, interactions of faculty and students in the educational process, and achievement of learning goals in degree programs. Those standards are linked to the mission of the college.

New graduate programs launched within the past 10 years include a Masters of Science in Accountancy Taxation Emphasis program begun in 1996, a Masters Program in Management Information Systems established in fall 1997, a Masters of Science in Accountancy started in 1998, and an Executive MBA (EMBA) launched in 2006.

II. Degrees offered by school/college or program(s) within disciplinary area under review:

Degree name	Level	Specializations within the discipline (to reflect a national perspective)	Specializations offered within the degree at the institution
Business	B.S., B.A., B.B.A.	Accounting Finance Marketing Operations Management Supply Chain Management Management Human Resources Entrepreneurship Information Systems Business Economics International Business	Accounting Computer Information Systems Economics Finance General Business International Business Management – Entrepreneurship Management – Human Resources Marketing Networking/ Telecom Operations Management

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Degree name	Level	Specializations within the discipline (to reflect a national perspective)	Specializations offered within the degree at the institution
Business	M.B.A.		n/a
Accounting	M.S.		Taxation
Management Information Systems	M.S., M.		n/a

**III. Enrollment and Graduates – Last three years beginning with the current year
and the 2 previous years**

	Enrollment			Number of Graduates		
	Fall 06	Fall 05	Fall 04	FY07	FY06	FY05
Degree						
Accounting B.S., B.A., B.B.A.						
Full-time students	307	297	264			
Part-time students	215	201	177			
Total students	522	498	441	96	101	78
Accounting and Finance B.S., B.A., B.B.A.						
Full-time students	180	98	18			
Part-time students	80	44	2			
Total students	260	142	20	16	6	6
Computer Information Systems B.S., B.A., B.B.A.						
Full-time students	82	90	94			
Part-time students	75	94	110			
Total students	157	184	204	34	33	41
Economics B.S., B.A., B.B.A.						
Full-time students	183	129	112			
Part-time students	68	62	38			
Total students	251	191	150	19	21	24
Finance B.S., B.A., B.B.A.						
Full-time students	110	114	102			
Part-time students	34	46	47			
Total students	144	160	149	32	40	51
General Business B.S., B.A., B.B.A.						

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	Enrollment			Number of Graduates		
	Fall 06	Fall 05	Fall 04	FY07	FY06	FY05
Degree						
Full-time students	355	313	317			
Part-time students	207	194	183			
Total students	562	507	500	95	90	67
International Business B.S., B.A., B.B.A.						
Full-time students	147	133	119			
Part-time students	48	31	33			
Total students	195	164	152	19	17	15
Management B.S., B.A., B.B.A.						
Full-time students	177	159	129			
Part-time students	100	95	72			
Total students	277	254	201	45	57	40
Marketing B.S., B.A., B.B.A.						
Full-time students	216	209	186			
Part-time students	82	90	90			
Total students	298	299	276	41	52	41
Networking/Telecom B.S., B.A., B.B.A.						
Full-time students	37	45	40			
Part-time students	26	25	31			
Total students	63	70	71	8	10	13
Operations Mgmt B.S., B.A., B.B.A.						
Full-time students	17	18	30			
Part-time students	19	12	14			
Total students	36	30	44	10	6	13
Business Undeclared						
Full-time students	208	225	211			
Part-time students	95	89	101			
Total students	303	314	312	n/a	n/a	n/a
Percent graduated within 6 years				80.9	92.5	100
Business M.B.A., E.M.B.A.						
Full-time students	55	22	21			
Part-time students	88	100	89			
Total students	143	122	110	35	38	32
Accounting M.S.						
Full-time students	10	8	12			

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	Enrollment			Number of Graduates		
	Fall 06	Fall 05	Fall 04	FY07	FY06	FY05
Degree						
Part-time students	9	16	11			
Total students	19	24	23	12	9	14
Accounting Tax M.S.						
Full-time students	7	10	6			
Part-time students	21	19	16			
Total students	28	29	22	18	8	9
Management Information Systems M.S., M.						
Full-time students	3	2	2			
Part-time students	6	14	16			
Total students	9	16	18	5	5	8
Percent graduated within 3 years				71.6	58.5	79.3
Total COBE students	3267	3004	2693	485	493	452

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

- Implemented the first Executive MBA in the state of Idaho in fall 2006. This program prepares middle- and senior-level managers for broader responsibility and higher positions within their organizations. Courses are designed around critical issues facing managers and are offered on a schedule designed to minimize disruption of work and personal life. The combination of highly experienced participants, exceptional faculty, and a steady procession of special guests speakers creates an invigorating learning environment in which to obtain an MBA degree.
- Hosted the sixth annual Northwest Venture Championship® in 2007, where teams of graduate and undergraduate students competed for more than \$20,000 in prizes. The competition, which is based on the creation of business plans, has grown into an international event, welcoming students and faculty from across the United States, Canada, Mexico and Australia. In 2006, Idaho Governor Kempthorne declared Entrepreneurship Week in Idaho partly to recognize the contributions of the Northwest Venture Championship in making Idaho a rich growing ground for new innovations and entrepreneurs.
- Established the first Residential College at Boise State University. The Residential College is an integrated living and learning opportunity for motivated students in business and commerce. Residents participate in a variety of social, cultural, academic and service activities; develop a supportive network of friends, faculty, and future colleagues; and collaboratively plan and lead projects

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that enhance their classroom learning. Residents interact with a live-in faculty member and obtain hands-on experience by managing the Dawson 4.0 Coffee Shop.

- Placed student teams at or near the top in regional and national competitions. Recent examples: the Human Resources team won 3rd place in a national HR competition; Finance students placed 3rd out of 18 Northwest schools in the D.A. Davidson Stock Portfolio contest; Marketing students won the regional American Advertising Federation's advertising contest; and Accounting students earned top-ten honors in the National Video Case Competition sponsored by the Institute of Internal Auditors.

V. Demonstrated demand for degree/program (limit to 5 items no greater than 300 words total).

- A consortium of Idaho companies that were seeking an innovative learning opportunity for the next generation of business leaders partnered with the College of Business and Economics to develop the Executive MBA program. Consortium members include IDACORP, Inc., J.R. Simplot Company, Hewlett-Packard, and Micron Technology. The first cohort began class sessions in fall 2006 with an enrollment of 28 students. More than three hundred requests for information about the program have been received from potential students interested in joining the second cohort, slated to begin fall 2008.
- Enrollments in the master's-level management programs have been increasing, realizing a growth rate of 17 percent from 2005 to 2006. Preliminary estimates indicate that enrollments may grow by another 20 percent for fall 2007. The number of Economics majors has quadrupled since 2001.
- In response to student demand, a new accounting/finance major was created. In 2004, the major started with 11 students, and as of fall 2006 the major numbered almost 130 students.
- Companies of all sizes (number of employees ranging from 20 to 10,000) and industries (financial to high-tech) employ Boise State University's business graduates. Examples range from small, local entrepreneurial firms to those that base employees all around the world. Most graduates remain in the Boise area after graduation, working for companies such as Blue Cross of Idaho, Micron Technology, Washington Group, and Wells Fargo.
- Development of programs in Accounting and General Business offered by Boise State at the College of Southern Idaho in Twin Falls directly resulted from demand for bachelor's-level education in the Magic Valley. Boise State commenced course offerings in fall 1995, producing its first graduates in 1997. The courses are offered by College faculty using on-site instruction and a variety of distance learning methods. While enrollments vary, the program typically graduates 20-30 business majors annually.

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

The College pursues several activities that add value to various groups, including the university, Boise businesses, government, and professional organizations.

- Live cases: Each semester, the Idaho Small Business Development Center (ISBDC) provides 10-15 “live cases” for classroom work to courses such as Strategic Management, Marketing Management, and Human Resource Management. Students work with the managers of the firms on problems facing those companies.
- Internships: Internship programs are a cornerstone of how students gain experience in business and professional organizations. As an example, the ISBDC and COBE jointly conduct a high-caliber internship program for students to work with CEOs of local entrepreneurial organizations. The ISBDC identifies the firms, COBE recruits the students, and members from each organization work together to oversee the internships.
- Northwest Venture Championship: Each spring nearly 100 students and faculty advisors from some 25 universities around the world come to Idaho to compete in the business plan competition. The competition has resulted in several start-up ventures in Idaho, employing individuals and producing growing revenues.
- Faculty expertise: Faculty members and administrators are active in state level committees (e.g., the Governor’s Entrepreneurship Initiative, and the Governor’s International Trade Advisory Committee), as providers of knowledge and support (e.g., facilitating strategic planning programs for government, non-profit and business organizations), and as participants in leadership roles in professional organizations (e.g., on the Idaho Opera Board). Faculty members also provide training and consulting for local businesses through the College’s executive education arm.
- Student research: For example, since 2005, the Global Business Consortium’s Heidelberg Project has helped more than 20 Idaho firms find markets in Europe by matching them with over 150 international marketing students in Germany who conduct research for each firm. The companies have, on average, tripled sales and increased full time jobs by 80 percent.

VII. Areas of commonalities with degrees/programs at other Idaho colleges and universities with rationale as to why (limit to 250 words).

At the graduate level, Idaho State University and Boise State University each offer an MBA, and the University of Idaho and Boise State University each offer an MS in Accounting. The state’s graduate programs differ in their areas of focus. Idaho State’s program provides formal emphases in areas unique to their mission, such as health

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care and pharmacy. Because of Boise's metropolitan location, Boise State's College of Business and Economics serves the business community's demand for master's-level professionals prepared in tax accounting.

Idaho State University, Boise State University, and Lewis-Clark State College offer a bachelor's degree in the content area of general business administration. Idaho State University, Boise State University, Lewis-Clark State College, and the University of Idaho offer a bachelor's degree in management. Idaho State University, Boise State University, and the University of Idaho offer bachelor's degrees in accounting, information systems, finance, and marketing. In addition, the University of Idaho and Boise State University offer bachelor's level degrees in business economics and operations management.

Perhaps the most compelling reason to have multiple business programs in Idaho is geographic. Regional universities 1) provide expanded access to business education to as many students who have the desire and aptitude to pursue these crucial majors, 2) provide continuing education for business professionals so they can sharpen and advance their knowledge, 3) stimulate partnerships with area business and government agencies, and 4) help market the region to new businesses which expect business education opportunities for their managers and executives.

VIII. Relationship/collaborations with other degrees/programs within the institution and how the courses in the program are used for other degrees (limit to 250 words)

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

MBA students have the option of selecting informal areas of concentration in health science, engineering, and public administration.

Two undergraduate core classes for all majors are provided by the College of Business and Economics – Principles of Macroeconomics and Principles of Microeconomics.

The Economics, Social Studies, Secondary Education Emphasis is a cooperative multidisciplinary program involving the Colleges of Arts and Sciences, Education, and Social Science and Public Affairs.

Several business courses are required for the undergraduate degree in Music Business offered by the College of Arts and Sciences.

The Construction Management program offered in the College of Engineering utilizes several business courses.

The degree in International Business requires a language specialty, offered by the College of Arts and Sciences.

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Many majors across campus are required to take basic accounting, management, and marketing courses, including some in the Colleges of Engineering and Health Sciences.

General Business 101, a course designed for any non-business major offers the opportunity to gain a general overview of business and an understanding of how business fits into their major of interest.

IX. Summary of findings from the most recent accreditation report including commendations, recommendations. Also include date of last accreditation and when the next accreditation is due.

AACSB-International accreditation

Visit Dates: October 23-26, 2001

Next visit: 2011-2012

Findings:

The team recommends the reaffirmation of business and accounting accreditation.

Assessment of overall high quality - The team's assessment is that the faculty is dedicated to high quality teaching in support of high quality business education. Students and other stakeholders, both on and off campus, comment on the college's quality, innovative, and challenging programs.

Continuous improvement environment - The college has exemplary relations with the business community through a web of advisory boards at the college, program, and center levels and has an aggressive and capable committee functioning to monitor the effectiveness of the College of Business and Economics' undergraduate core courses. These processes are central in the continuous improvement of the college's educational programs. There is heightened emphasis on scholarship amongst the faculty and administration.

Ability of the institution to achieve desired outcomes - Within the limitations imposed by modest budgets, the College is working seriously to achieve their desired outcomes.

Commendations of Strengths, Innovations, and Unique Features

Faculty morale is high. The feeling that the COBE at Boise State is a good place to work is pervasive and turnover is very low.

Faculty are interested in and supportive of students. Faculty seem devoted to the teaching mission and take their mentoring responsibilities seriously.

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The college is succeeding in building cooperative, supportive relationships with the business community. The dean's advisory council and an array of other advisory groups are active and involved in assisting the COBE in achieving its goals.

Technology is highly developed and an important part of the curriculum. The computer labs, telecomm teaching lab, and the BSU.net project are of obvious high quality.

Students are generally laudatory toward the COBE and its faculty and report high levels of satisfaction.

Recommendations

The assessment matrix is multi-faceted and extensive but is largely internal. The COBE should consider benchmarking using the EBI Satisfaction Survey, the ETS Field Skills Test or other assessment instruments for which national or focus group data is available for comparative purposes.

The "Immersion-in-Business" experience for undergraduates needs to be more tightly organized and better publicized to students as well as external publics.

Development efforts of the dean and accounting chair are moving in a positive direction. These efforts should be maintained and intensified.

The curriculum at both the undergraduate and graduate levels should be streamlined in light of limited resources, heavy teaching loads for permanent faculty and extensive use of adjuncts, and student complaints about redundancy in courses.

Teaching load should be linked to scholarly efforts and successes of the faculty. Differentiated roles based on intellectual contributions and teaching effectiveness should be pursued.

X. Contribution of the degree/program to economic development in the region, state, or the Governor's Science and Technology Initiative (limit 250 words).

The College of Business and Economics plays a vital role in economic development by supplying an educated workforce, and contributing practical expertise via trained professionals. The College offers Idaho's citizens the opportunity to learn and develop skills relevant to every area of business and government. Because of practical knowledge and experience gained, graduates of the COBE are well-prepared to contribute to their organization's success.

Three centers within the COBE support its external outreach and development programs. The Idaho Small Business Development Center (ISBDC), through its six regional offices, provides consulting services to start-up and small businesses throughout the state of Idaho. They deliver up-to-date consulting, training,

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technical assistance and environmental regulatory assistance in small business management.

TechHelp's experienced specialists across the state provide technical and professional assistance to Idaho manufacturers, processors and inventors to strengthen their global competitiveness through continuous product and process innovation. TechHelp is a partnership of Idaho's three state universities and an affiliate of the National Institute of Standards and Technology.

The Idaho Council on Economic Education (ICEE) works with K-12 teachers in Idaho, providing them with the latest economics and personal finance curriculum, instructional units, and core content training. The ICEE's International Economic Summit™ engages over 5,000 Idaho students as they work in assigned country teams of 3-5, role playing economic advisers for their countries--developing and then implementing strategic plans to improve the quality of life in their countries through trade and strategic alliances.

XI. Describe how the various degrees/programs or specializations within the school/college were built or will be built on existing programs, if applicable (limit to 250 words).

The curriculum for all of the majors is built upon common core content areas within the college. These include accounting, business communication, economics, finance, information systems, management, marketing, and statistics. In addition, students are expected to have word processing, spreadsheet, and data base skills within the first year of their program.

The Executive MBA (EMBA) grew from demand by businesses for an intensive, interactive high-level educational opportunity for their most promising executives. Some courses offered in an EMBA program are similar to those taught in traditional MBA programs-accounting, finance, statistics, management, marketing, and information systems. However, EMBA courses are enhanced by the extensive professional experience of the participants that allows for unique offerings such as the Fostering Innovation module, which meshes improvisation skills together with business acumen to boost participants' value in the workplace.

The Accounting/Finance major was developed in response demand by finance majors, who need accounting skills in order to succeed in corporate finance. This streamlined program, built upon requirements for the Accounting and Finance degrees, was initially offered in fall 2004.

The Graduate Certificate in Supply Chain Management is designed for professionals with bachelor's degrees who are working in the logistics/supply chain field and need the latest knowledge about logistics and supply chain management to fulfill the duties of their jobs. This certificate program, which builds on existing courses, is offered jointly by

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Boise State University and the University of Alaska, Anchorage in cooperation with the Northwest Educational Outreach Network (NEON) Supply Chain Management consortium.

XII. Future plans and timelines with rationale as to why (limit to 250 words):

As a fundamental part of achieving our vision of becoming a metropolitan research university of distinction, Boise State will continue in its role of equipping the business community and students with skills to create new business ideas and to improve business processes. In concert with the university, the COBE will move toward offering more graduate programs and improving its research.

EMBA

Recruitment for the second EMBA cohort will intensify in fall 2007 to start in fall 2008.

MBA in Information Technology Management

Slated to commence in fall 2007, this new MBA offers five courses specific to the management of IT in operations, plus one elective to complement six core MBA courses.

Ph.D.

Although the College offers several master's-level programs, we do not yet offer a Ph.D. Based on a thorough business plan being developed, a Ph.D. in either Economics or Business is projected to begin in 2012. One of the foremost concerns recently identified by the AACSB-International accrediting body is an emerging global doctoral faculty shortage in business. Graduates of our Ph.D. program will be highly employable at universities that are more research-oriented than Boise State. In addition, a Ph.D. will serve to enhance the regional and national reputation of Boise State University.

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**XIII. Fiscal Year Revenues - Current year is defined as the year the report is
presented to the Board**

Revenue Received, Various Fiscal Years				
	FY2006	FY2007	FY2008	
	Past	Current	Next	
	Fiscal Year	Fiscal Year	Fiscal Year	
Annual General Account/State Appropriation	8,390,900	8,695,100	9,072,500	
Revenue from Endowment Funds	840,100	622,800		
Student Fees	2,100	535,600		
Federal Appropriation				
Federal Grants & Contracts	955,700	1,200,600		
State Grants & Contracts	245,200	208,800		
Private Gifts, Grants & Contracts	815,700	290,500		
Sales & Serv. of Educ. Activities	96,000	27,700		
Sales & Serv. of Aux. Enterprises				
Other (please identify)				
Indirect Costs	14,400	46,900		
Total, All Fund Sources	11,360,100	11,628,000		
Notes:				
This report displays revenue received during the fiscal year, not expenditures made.				
Round to nearest \$100.00.				

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

BACKGROUND

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

SCOPE OF WORK

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

School/College	Board Meeting
Engineering	October 2006 – <i>Moved to Nov/Dec 2006</i>
Education	June 2007
Business	October 2007
Health Sciences (selected areas TBA)	February 2008

PROCESS

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

Date: August 8, 2007 (Second Draft)

Institution: Idaho State University

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

College of Business

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

The College of Business, founded in 1963, offers high quality business education. Its undergraduate and graduate programs in both business and accounting are nationally accredited by the AACSB International - The Association to Advance Collegiate Schools of Business. The College of Business is committed to providing the business education and training needed by those entering today's complex economy. It also equips graduates with the skills needed to meet the challenges presented by a constantly-changing business environment.

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High-quality instruction is a hallmark of the ISU College of Business. The College is proud of its commitment to an intimate mentoring style of education with small classes and significant student/teacher contact. Faculty members have an average of over fifteen years of teaching experience, and over 85% hold a doctoral degree in their specific field. Additional faculty qualifications, including professional business experience, professional certification, published research papers, articles and books, and other accomplishments enrich the courses they teach.

The College of Business has a commitment to students. At ISU, students are provided easy access to expert guidance in their studies. The faculty has an active concern for the progress of every student and works to help students meet their career objectives.

Idaho State University and the College of Business primarily serve students from Southeast Idaho and the Intermountain West. About three percent of the student body comprises international students. The college places graduates throughout the Western United States and nationally.

II. Degrees offered by school/college or program(s) within disciplinary area under review:

Degree name	Level	Specializations within the discipline (to reflect a national perspective)	Specializations offered within the degree at the institution
Bachelor of Business Administration	Undergraduate	Accounting Finance Marketing Operations Management Supply Chain Management Management Human Resources Management Entrepreneurship Information Systems Business Economics International	Accounting Computer Information Systems Finance General Business Administration Management Marketing
Master of Business Administration	Graduate	Accounting Finance Marketing Operations Management Supply Chain Management Management Human Resources Management Entrepreneurship Information Systems Business Economics International	Accounting Computer Information systems Finance General Business Administration Management Marketing Health Care Administration Pharmacy

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**III. Enrollment and Graduates – Last three years beginning with the current year
and the 2 previous years**

	Enrollment			Number of Graduates		
	Current Fall 2006	Previous Year Fall 05	Previous Year Fall 04	Current FY 2007	Previous Year FY 2006	Previous Year FY 2005
Degree						
BBA:						
Accounting						
Full-time	164	189	204			
Part-time	<u>55</u>	<u>50</u>	<u>75</u>			
Total	219	239	279	27	31	33
% graduating in 6 yrs				87.5%	100%	87.2%
CIS						
Full-time	78	81	115			
Part-time	<u>21</u>	<u>30</u>	<u>36</u>			
Total	99	111	151	7	14	17
% graduating in 6 yrs				75%	94.1%	85%
Finance						
Full-time	105	107	115			
Part-time	<u>25</u>	<u>30</u>	<u>37</u>			
Total	130	137	152	39	35	48
% graduating in 6 yrs				91.4%	91.3%	92.3%
General Bus						
Full-time	110	128	95			
Part-time	<u>38</u>	<u>62</u>	<u>35</u>			
Total	148	190	130	1	3	5
% graduating in 6 yrs				100%	100%	100%
Management						
Full-time	165	195	206			
Part-time	<u>91</u>	<u>102</u>	<u>123</u>			
Total	256	297	329	52	49	50
% graduating in 6 yrs				87.8%	80.7%	92.9%
Marketing						
Full-time	70	73	78			
Part-time	<u>18</u>	<u>29</u>	<u>24</u>			
Total	88	102	102	11	17	11
% graduating in 6 yrs				100%	88.9%	100%
Undeclared						
Full-time	92	62	89			
Part-time	<u>42</u>	<u>24</u>	<u>28</u>			
Total	134	<u>86</u>	<u>117</u>			
Total Undergraduate						
Full-time	784	837	902			
Part-time	<u>290</u>	<u>330</u>	<u>361</u>			
Total	1,074	1167	1263	137	149	164
% graduating in 6 yrs						

**INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
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MBA						
Full-time	55	51	69			
Part-time	<u>73</u>	<u>73</u>	<u>89</u>			
Total	128	124	158	41	45	44
% graduating in 6 yrs						

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

AACSB Accreditation (first and most recent)

The Idaho State University College of Business was first accredited by AACSB in 1975, and was most recently re-accredited in 2006. As part of a stronger emphasis by AACSB on the direct assessment of student learning, ISU put in place several assessment initiatives that were noted as being effective by the accreditation team. The AACSB enacted new standards in 2003 requiring extensive assessment of learning systems. As a result, many business schools visited in the last two years have encountered delays in reaccreditation. The accreditation team that visited the ISU College of Business in 2006 encountered no problems. Consequently, we feel our recent reaccreditation is quite notable.

CPA pass rates

For many years ISU Accounting students have had a remarkably good record for passing the Certified Public Accounting exam. ISU has ranked consistently in the top ten of all universities nationwide in the percentage of students passing the CPA exam on the first attempt. Recent changes to the exam have made it impossible to aggregate data on a university by university basis, but our students continue to achieve very high pass rates.

National Information Assurance Training and Education (NIATEC) Center of Excellence

Idaho State University College of Business's National Information Assurance Training and Education (NIATEC) program became one of the first seven National Centers of Excellence. As the federally designated cornerstone for essential education and training components of a strong Information Assurance initiative, the mission is to establish an effective Information Assurance infrastructure for academic, industry and government organizations.

Secured Large Endowment

On December 29, 2000, the ISU College of Business received a \$5 million endowment from Mr. Michael Ruettgers, then CEO of EMC Corporation and an alumnus of the college. Proceeds from that endowment have been critical in funding all of our major curricular initiatives within the college for the past several years..

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Notebook Computer Initiative

In 2006, the College of Business instituted a requirement for all business majors to own a notebook computer and is in the process of integrating their use in the classroom. This was the first such college-wide policy in the university.

V. Demonstrated demand for degree/program (limit to 5 items no greater than 300 words total).

The Association to Advance Collegiate Schools of Business (AACSB) is the premier accrediting agency for bachelor's, master's and doctoral degree programs in business administration and accounting. AACSB has commissioned a number of reports that address both the value of management education and the demand for business degrees. The findings are summarized below.

- Students and employers see tremendous value in management education. For example, the U.S. Department of Education reports an 11% increase in undergraduate business degrees conferred between 2001 and 2005.
- AACSB member schools report an 8% increase in MBA enrollment during the same 2001-2005 time period. With more than 200,000 diplomas awarded annually, the MBA is the world's most popular graduate degree.
- The demand for accounting majors, specifically for Masters students continues to be strong. Idaho Commerce and Labor's Idaho Occupational Projections for 2014: Hot Jobs Statewide report lists Accountants and Auditors in the "Top 15 jobs requiring long preparation."

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

Location

The ISU College of Business is the only public institution offering Bachelors-level degrees in business in SE Idaho, including at our campus in Idaho Falls and the only institution offering the MBA.

MBA Program

The program serves a unique mixture of full-time and part-time students in SE Idaho, with courses offered for working professionals in the evening in the two major population centers.

Undergraduate Cohort Program

The ISU College of Business Cohort Program serves both traditional and non-traditional students. Our cohort students take courses together for three semesters on a schedule that allows many of them to work part time.

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Emphasis on Critical Thinking and Communication

The core curriculum for all undergraduate business majors includes four unique courses that emphasize students' critical thinking, problem solving, and communication skills in a business context. These courses are a complement to both the university general education courses and the core business courses, and uniquely prepare our students for their professional careers.

Native American Business Administration

The Native American Business Administration (NABA) program is a program intended to supply Native Americans from across the country with general business and entrepreneurial skills. NABA students complete the same business majors as other business students, but also take additional coursework directed at issues specific to the Native American communities.

VII. Areas of commonalities with degrees/programs at other Idaho colleges and universities with rational as to why (limit to 250 words).

At the graduate level, Idaho State University and Boise State University each offer an MBA, and the University of Idaho and Boise State University each offer an MS in Accounting. The state's graduate programs differ in their areas of focus. Idaho State's program provides formal emphases in areas unique to their mission, such as health care and pharmacy. Because of Boise's metropolitan location, Boise State's College of Business and Economics serves the business community's demand for master's-level professionals prepared in tax accounting.

Idaho State University, Boise State University, and Lewis-Clark State College offer a bachelor's degree in the content area of general business administration. Idaho State University, Boise State University, and the University of Idaho offer bachelor's degrees in accounting, information systems, finance, management and marketing. In addition, the University of Idaho and Boise State University offer bachelor's level degrees in business economics and operations management.

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

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VIII. Relationship/collaborations with other degrees/programs within the institution and how the courses in the program are used for other degrees (limit to 250 words)

The ISU College of Business collaborates with other departments on campus to offer degrees, including:

Health Care Administration (HCA) – HCA students take 33 credits of business courses as part of the foundation for their degree, which is conferred by the College of Health Professions.

Health Care Information Systems (HCIS) – The recently proposed HCIS degree draws on courses in both Health Care Administration and Business Computer Information Systems. This degree will be conferred by the College of Business.

Mass Communication – The Mass Communication major, a degree offered by the College of Arts and Sciences, requires one or more Marketing courses, and frequently includes a minor in Marketing.

Pharmacy – The College of Pharmacy and the College of Business offer a Joint Doctor of Pharmacy/Master of Business Administration degree.

Proposed Minor – The College of Business is in the final stages of submitting a proposal to create a new Minor in Business that will consist of new business courses intended to allow students from across campus to obtain a well-rounded, broad foundation in business concepts. The intention of this new minor is to provide students with business skills to complement their chosen profession.

IX. Summary of findings from the most recent accreditation report including commendations, recommendations. Also include date of last accreditation and when the next accreditation is due.

The College received its letters dated January 12, 2007, confirming maintenance of AACSB accreditation for all business programs and the accounting programs. The following is a quotation from the business letter:

One purpose of peer review is to stimulate further continuous improvement of quality programs. As noted in the team report, your School is to be commended on the following strengths and effective practices:

- 1. The College has a very strong and collegial culture that is an important foundation for high-quality academic programs and faculty retention.*
- 2. The annual evaluation of faculty, completed by the Executive Committee, is a very thorough and fair process that ensures the faculty have opportunities for commendation or improvement when needed.*

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- 3. The small class sizes provide many opportunities for student/faculty interaction and teaching innovation.*
- 4. The College effectively integrates ethics coverage across the curriculum.*
- 5. The College has introduced several curricular innovations that offer unique opportunities for students or ensure that students develop skills valued by the professional community.*
- 6. The College has embarked on a capital campaign – Drive for Distinction- without University campaign support, with the goal of building an endowment that will support continuous improvement initiatives in the future.*

Additionally, in the interest of continuous improvement, the development of annual maintenance reports provides your school an ongoing opportunity to discuss progress on and updates to the action items within your school's strategic plan. These annual progress updates are to be retained at your school until 60 days prior to your next on-site review. As identified within the peer review team report, the following items are suggested for incorporation into your ongoing strategic planning initiatives:

- 1. Put into place processes to formally track placement of students within three months of graduation and career success of graduates at an appropriate later time.*
- 2. Continue to implement the remaining components of the Department's Assurance of Learning plan for the undergraduate and graduate degrees.*
- 3. More consistently articulate program learning goals and incorporate them in appropriate publishable media, e.g., the Undergraduate and Graduate Catalogs.*

Idaho State University has achieved accounting accreditation for six additional years. The next on-site maintenance review occurs in the fifth year, 2011-12.

X. Contribution of the degree/program to economic development in the region, state, or the Governor's Science and Technology Initiative (limit 250 words).

The Idaho State University College of Business provides professional graduates to businesses and other organizations in southeast Idaho and throughout the state. In addition, special programs are offered to regional organizations to train personnel in specialized areas related to their professional development.

The College also maintains Small Business Development Centers (SBDC) in both Pocatello and Idaho Falls to provide educational and consulting assistance to organizations throughout eastern Idaho. The Pocatello center acts as the administration unit for the Eastern Idaho Development Corporation.

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XI. Describe how the various degrees/programs or specializations within the school/college were built or will be built on existing programs, if applicable (limit to 250 words).

All business degrees require students to take a common set of core business courses. New programs are added to take advantage of courses currently offered for the existing business majors. For example, a new emphasis in health care information systems will be added in 2008 that will utilize courses currently taught by the College of Business for computer information system majors and by the Health Care Administration program for its majors. A program was added in 2005 offering a major in Native American Business Administration (NABA) by adding two new specialized courses to the existing courses in other business majors.

XII. Future plans and timelines with rationale as to why (limit to 250 words):

The ISU College of Business plans initiatives in several new programs in the next two years. The new Native American Business Administration program started in 2005 will be expanded to include students from other geographic regions, eventually establishing ISU as a unique program educating Native Americans in traditional business majors.

A notice of intent to establish a new major in Computer Information Systems with emphasis on Medical Information Technology has been approved by the State Board of Education. Specific curriculum will be designed in 2007 and the program will admit students into the program in 2008. This new major integrates different programs in two colleges at ISU and directly contributes to the health education mission of ISU.

A new notice of intent to add a major in insurance will be submitted to the Board of Education this year. This program will utilize many of the existing courses taught in other majors in the College of Business and will be entirely funded by an endowment established by firms in that industry within Idaho. There is no similar program in Idaho and similar programs are rare in the western United States.

The College is exploring alternative methods of delivering its existing curriculum to a broader range of Idaho citizens by increasing use of on-line courses and incorporating other innovative web-based components into several courses. The current projects seek to maintain the high quality of existing programs while increasing availability to people within southeast Idaho who would otherwise have frequent commutes to either Idaho Falls or Pocatello.

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**XIII. Fiscal Year Revenues - Current year is defined as the year the report is
presented to the Board**

Revenue Received, Various Fiscal Years					
	Past		Current		Next
	FY 2006		FY 2007		FY 2008
Annual General Account/State Appropriation	4,730,100		5,098,000		5,159,200
Revenue from Endowment Funds	270,900		242,000		
Student Fees	46,300		54,000		
Federal Appropriation					
Federal Grants & Contracts	85,000				
State Grants & Contracts					95,900
Private Gifts, Grants & Contracts	264,000		174,000		
Sales & Serv of Educ Activities					
Sales & Serv of Aux Enterprises					
Other (ISU support of Idaho Falls program)	205,000		230,000		
Indirect Costs					
Total, All Fund Sources	5,601,300		5,895,500		
Notes:					
This report displays revenue received during the fiscal year, not expenditures made.					
Round to nearest \$100.00.					

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**Idaho State Board of Education Report
on
Commonalities and Differences among Colleges and Schools
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BACKGROUND

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

SCOPE OF WORK

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

School/College	Board Meeting
Engineering	October 2006 – <i>Moved to Nov/Dec 2006</i>
Education	June 2007
Business	October 2007
Health Sciences (selected areas TBA)	February 2008

PROCESS

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

Date:

Institution: University of Idaho

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

College of Business and Economics

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

The College of Business and Economics (CBE) was founded in 1925 as a separate professional division consisting of one administrative unit. Over the years the CBE attracted top students who would go on to be the CEO's of Albertsons, Boeing, Morrison-Knudsen, and Boise Cascade and Chairman of the Board's of Deloitte & Touche and Moss Adams. The school has also attracted top scholars including Dr. Erwin Graue who has been recognized by *The American Economic Review* for his contributions to the field of economics. Today, the CBE has more than 1600 majors taking courses in the departments of business and accounting. The CBE received initial accreditation from the Association to Advance Collegiate Schools of Business (AACSB), International in 1993. The initial accreditation included all programs in the department of business as well as separate accreditation for accounting programs.

In 1994 the CBE introduced a new approach to undergraduate business education referred to as the Integrated Business Curriculum (IBC) which led to growth in enrollments and in 1999 the

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college received the Idaho Quality Award for Excellence. In 2002, the college moved into its current home in the J.A. Albertson building which was funded with private funds from alums, friends, and corporate stakeholders.

II. Degrees offered by school/college or program(s) within disciplinary area under review:

Degree name	Level	Specializations within the discipline (to reflect a national perspective)	Specializations offered within the degree at the institution
Business	B.S.	Accounting Finance Marketing Operations Management Supply Chain Management Management Human Resources Management Entrepreneurship Information Systems Business Economics International Business	Accounting Finance Marketing Operations Management Management Information Systems Business Economics
Business	M.B.A.*	na	na
Accountancy	M.Acct.	na	na

*An EMBA will be offered for the first time in fall 2007

III. Enrollment and Graduates – Last three years beginning with the current year and the 2 previous years

Undergraduate	Enrollment			Number of Graduates		
	FY07	FY06	FY05	FY07	FY06	FY05
Degree						
B.S. Bus: Accounting						
Full-time students	228	236	243			
Part-time students	7	14	13			
Total students	235	250	256	47	51	40
B.S. Bus: Business Economics						
Full-time students	362	344	263			
Part-time students	15	12	8			
Total students	377	356	271	18	13	15
B.S. Bus: Finance						
Full-time students	187	196	192			
Part-time students	5	11	6			
Total students	192	207	198	52	52	44
B.S. Bus: Marketing						
Full-time students	294	294	297			

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Part-time students	18	15	10			
Total students	312	309	307	57	54	56
B.S. Bus: Marketing Professional Golf Management Option						
Full-time students	81	82	63			
Part-time students	0	7	4			
Total students	81	89	67	6	2	na
B.S. Bus: Management and Human Resources						
Full-time students	218	280	250			
Part-time students	15	12	11			
Total students	233	292	261	66	55	50
B.S. Bus: Production/Operations Management						
Full-time students	48	58	61			
Part-time students	1	1	2			
Total students	49	59	63	14	20	18
B.S. Bus: Information Systems						
Full-time students	88	101	153			
Part-time students	8	8	16			
Total students	96	109	169	16	26	39
Total Number of Undergraduates	1575	1671	1592	276	273	262
% Graduating within 6 years				95%	94%	97%

Graduate	Enrollment			Number of Graduates		
Degree	FY07	FY06	FY05	FY07	FY06	FY05
Master of Accountancy						
Full-time students	14	32	22			
Part-time students	3	5	6			
Total students	17	37	28	8	22	9
Total Number of Graduate Students	17	37	28	8	22	9
% Graduating within 3 years				100%	100%	89%

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

- ✓ The College of Business and Economics (CBE) received the *Idaho Quality Award* for excellence and is the only educational unit in the state to have received this award. This award recognizes achievement in seven (7) distinct categories including leadership, strategic management, customer and market focus, measurement, human resource focus, business results, and process management.
- ✓ The J. A. Albertson Building is the home of the CBE and provides a state of the art teaching and learning facility for students and faculty. This \$15.6 Million project was funded entirely with private funds from alumni and supporters of the program.
- ✓ The CBE offers a unique undergraduate experience known as the Integrated Business Curriculum (IBC) that has received the *Award for Innovative and Creative Education from the International Academy of Educational Leadership*. This award recognizes the on going delivery of outstanding instruction and education; and, the practice of innovative and creative education.

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- ✓ The CBE offers the Utility Executive Course (UEC) each summer. UEC has earned a worldwide reputation as the premier industry-driven executive education program designed specifically for utility leaders. World-class faculty, outstanding participants, a highly interactive learning environment, and abundant opportunities for network building are hallmarks of the program. The UEC graduated its 54th class in June, 2007.
- ✓ The Barker Capital Management and Trading Program offers students a unique opportunity to develop risk management strategies and test their effectiveness by trading funds in the \$1 million Barker-Dangerfield Wealth Management Fund. This fund was established by former Chicago Board of Trade Chair and CBE alum Rotchy Barker to provide a realistic lab experience for students interested in trading and wealth management careers.

V. Demonstrated demand for degree/program (limit to 5 items no greater than 300 words total).

The Association to Advance Collegiate Schools of Business (AACSB) is the premier accrediting agency for bachelor's, master's and doctoral degree programs in business administration and accounting. AACSB has commissioned a number of reports that address both the value of management education and the demand for business degrees. The findings are summarized below.

- ✓ Students and employers see tremendous value in management education. For example, the U.S. Department of Education reports an 11% increase in undergraduate business degrees conferred between 2001 and 2005. The CBE's enrollments increased by over 21% during this same period.
- ✓ AACSB member schools report an 8% increase in MBA enrollment during the same 2001-2005 time period. With more than 200,000 diplomas awarded annually, the MBA is the world's most popular graduate degree. The CBE will introduce an Executive MBA in fall 2007 and expects enrollments of approximately 50 students by fall 2008.
- ✓ A significant number of leaders from business and industry are also participating in executive education programs. These settings offer extraordinary opportunities for business executives to engage with business faculty in high-level dialogue. Each year 50-60 utility executives participate in the CBE's Utility Executive Course on the University of Idaho campus.
- ✓ The demand for accounting majors, specifically for Masters students continues to be strong. Idaho Commerce and Labor's Idaho *Occupational Projections for 2014: Hot Jobs Statewide* report lists Accountants and Auditors in the "Top 15 jobs requiring long preparation."

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

- ✓ The Integrated Business Curriculum (IBC) offers a unique residential experience for students enrolled in all CBE degree programs. The IBC program was introduced in the fall of 1994 and represents a major pedagogical innovation in the way undergraduate business education is offered. The IBC program replaces the content from seven individual introductory business courses (finance, management, marketing, operations, information systems, international business, quantitative analysis) with a series of six course modules over two semesters. Student cohorts complete the 17-credit program in

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their junior year along with companion courses in accounting and managerial economics. The program is team taught by a cross-disciplinary faculty team using a "partner" company throughout the course as a functional integration vehicle.

- ✓ The Executive MBA program will be offered in the fall of 2007 and offer North Idaho residents an innovative curriculum that builds on the CBE's core competency in integrated management education. This program will be offered in both Sandpoint and Coeur d'Alene.
- ✓ For over 50 years, the Utility Executive Course has been preparing industry leaders with the knowledge and skills they need to produce business results. UEC has earned a worldwide reputation as the premier industry-driven executive education program designed specifically for utility leaders. World-class faculty, outstanding participants, a highly interactive learning environment, and abundant opportunities for network building are hallmarks of the program. Idaho Power and Avista managers are regular participants in the program and also serve on the UEC advisory council.
- ✓ The Barker Capital Management and Trading Program offers undergraduate students a unique opportunity to learn how to manage risk and wealth in a state of the art trading floor located in the J.A. Albertson building. This is the only program in the country that we are aware of which permits student/faculty exposure to and experience with funded trading of derivative strategies.
- ✓ The college offers a Professional Golf Management (PGM) program that is accredited by both AACSB and the Professional Golf Association. This program is one of only 17 accredited nationally and is the only such program accredited in the northwest region.

VII. Areas of commonalities with degrees/programs at other Idaho colleges and universities with rational as to why (limit to 250 words).

At the graduate level, Idaho State University and Boise State University each offer an MBA, and the University of Idaho and Boise State University each offer an MS in Accounting. The state's graduate programs differ in their areas of focus. Idaho State's program provides formal emphases in areas unique to their mission, such as health care and pharmacy. Because of Boise's metropolitan location, Boise State's College of Business and Economics serves the business community's demand for master's-level professionals prepared in tax accounting.

Idaho State University, Boise State University, and Lewis-Clark State College offer a bachelor's degree in the content area of general business administration. Idaho State University, Boise State University, and the University of Idaho offer bachelor's degrees in accounting, information systems, finance, management and marketing. In addition, the University of Idaho and Boise State University offer bachelor's level degrees in business economics and operations management.

Perhaps the most compelling reason to have multiple business programs in Idaho is geographic. Regional universities 1) provide expanded access to business education to as many students who have the desire and aptitude to pursue these crucial majors, 2) provide continuing education for business professionals so they can sharpen and advance their knowledge, 3) stimulate partnerships with area business and government agencies, and 4) help market the region to new businesses which expect business education opportunities for their managers and executives.

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VIII. Relationship/collaborations with other degrees/programs within the institution and how the courses in the program are used for other degrees (limit to 250 words)

The CBE is an important partner to several other colleges on the University of Idaho campus, particularly those with technical majors that desire fundamental business education. We provide support to both undergraduate and graduate programs including:

Graduate Programs

- ✓ College of Engineering: The CBE offers coursework in support of the Masters degree in Engineering Management including courses in accounting, product and process design, and leadership.
- ✓ College of Law: Joint J.D. and M.Acct.

A number of courses in business, accounting, economics, and business law also provide core curricula in the following undergraduate programs.

- ✓ College of Letters, Arts and Social Sciences: BMUS Music Business, B.S. Foreign Language Business Option
- ✓ College of Natural Resources: B.S. Forest Products Business Management
- ✓ College of Agriculture and Life Sciences: B.S. Ag Econ, B.S. Textiles Business Option
- ✓ College of Science: B.S. Mathematics/Actuarial Sciences Option
- ✓ College of Education: B.S. Business Education
- ✓ All Colleges: Entrepreneurship Certificate, Business Minor, Accounting Minor

IX. Summary of findings from the most recent accreditation report including commendations, recommendations. Also include date of last accreditation and when the next accreditation is due.

AACSB reaffirmed accreditation for all CBE programs including separate accreditation for the accounting program during our last visit in 2000. The report commended the college on its (1) mission, along with efforts and resources clearly directed toward the aspirations identified in the mission, (2) innovative Integrated Business Curriculum, (3) success in building cooperative relationships and programs with other colleges on campus, (4) faculty who are interested in and supportive of students.

The report requested that updates be made on the following areas of concern:

1. Increased resource allocation from the central administration and private funding to support growth.
2. Attracting and retaining qualified, productive faculty.
3. Development of a clear strategy regarding graduate programs.
4. Establishment of increased outreach efforts in terms of credit and non-credit programs.
5. Further development of assessment processes to directly measure whether learning takes place.

The next scheduled maintenance of accreditation visit is in 2009-10.

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X. Contribution of the degree/program to economic development in the region, state, or the Governor's Science and Technology Initiative (limit 250 words).

The college is an important contributor to the Vandal Innovation and Enterprise Works (VIEW) program. This is a university wide program designed to increase the development and transfer of university generated intellectual property to the private sector. The program is supported by all of the colleges on campus and the director is a CBE faculty member. The VIEW program has held business plan competitions the past 2 years and has attracted entrants from several colleges including engineering, agriculture and life sciences, science, business, letters, arts and social sciences, and natural resources. The entrants are Idaho students and the proposals have included projects in 2 of the Idaho Science and Technology focus areas: Ag/Biosciences and New Materials/Nanotechnology. A CBE alum sponsors the competition and has provided \$50,000 in prize money.

The CBE also provides a set of core courses that are included in a newly formed entrepreneurship certificate open to all majors on campus. This certificate program is designed to promote new business initiatives and serves students enrolled in all programs on campus.

Faculty members in CBE also work on research grants that support the Governor's Science and Technology initiative including a \$2.9 million USDA grant designed to provide education on the use of bio-diesel fuels.

XI. Describe how the various degrees/programs or specializations within the school/college were built or will be built on existing programs, if applicable (limit to 250 words).

The process of designing courses and new academic programs in the CBE begins with recognition of an opportunity or need for change. Determination of key curriculum opportunities, their relative value to the CBE's customers, and market opportunities is completed in conjunction with the college and departmental advisory boards. Information from business customers is discussed by faculty teams and by the college faculty as a whole, typically during the annual retreat. This information is then summarized and presented for discussion with the advisory boards. Meetings of the advisory board typically last a full day and involve extensive interaction between board members and faculty. The advisory boards consist of business stakeholders that help faculty understand potential opportunities from the business customer's perspective and to prioritize which of the many opportunities available provide the greatest value to the business community. While the college relies primarily on information from its business customers in redesigning its existing offerings and in developing new programs, input is also sought from students and other stakeholders. There are many ways that faculty listen and learn from students currently on campus. These include the advising process, the course evaluation process, out of class interaction with students as part of clubs and honor societies, the University of Idaho senior exit survey, the dean's student advisory board, and faculty open door policies that encourage students to share information with faculty.

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XII. Future plans and timelines with rationale as to why (limit to 250 words):

The CBE has just completed a new strategic plan that includes four goals and a set of strategies and action plans designed to achieve the four goals. The plans are built upon the core competencies within the college address opportunities identified by faculty and stakeholders. The plans include:

- ✓ Masters program in entrepreneurship. This interdisciplinary program will build on the current entrepreneurship certificate program and offer a “four plus one” opportunity for undergraduate majors in engineering, science, natural resources, the arts and social sciences, and agriculture to complete both an undergraduate degree and a masters degree in 5 years. The curriculum will be designed during the 2007-08 academic year and launched as early as Fall 2009.
- ✓ The establishment of a Center for Business Development and Entrepreneurship in north Idaho. The center would be located in the University of Idaho Research Park in Post Falls and offer assistance to researchers that will help with the transfer of intellectual property to the marketplace. The center will provide workshops, assistance in developing business plans and identifying sources of financing including angel and venture capital funds.
- ✓ The expansion of the Utility Executive Course to international locations including China and India. The utility industry in these countries is critical to continued growth and prosperity but has significant challenges to overcome. We plan to visit the region and conduct a needs assessment during 2007-08.
- ✓ Launch of the EMBA program in Sandpoint (fall 2007) and Coeur d’Alene (fall 2008)

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**XIII. Fiscal Year Revenues - Current year is defined as the year the report is
presented to the Board**

Revenue Received, Various Fiscal Years				
	Past	Current	Next	
	Fiscal Year (FY06)	Fiscal Year (FY07)	Fiscal Year (FY08)	
Annual General Account/State Appropriation	\$5,073,500	\$5,380,500	\$5,661,000	
Revenue from Endowment Funds	553,700	583,800		
Student Fees (Laptop, On-line, Acct Lab)	571,100	569,900		
Federal Appropriation				
Federal Grants & Contracts				
State Grants & Contracts (SBOE Grants)	101,600	18,700		
Private Gifts, Grants & Contracts	219,700	140,200		
Sales & Serv of Educ Activities (UEC)	669,200	522,000		
Sales & Serv of Aux Enterprises				
Other (please identify)—Summer Session/Off Campus Course Fees	91,700	92,000		
Indirect Costs				
Total, All Fund Sources	\$7,280,500	\$7,307,100	\$5,661,000	
Notes:				
This report displays revenue received during the fiscal year, not expenditures made. FY 08 revenues are in progress not yet available.				
Round to nearest \$100.00.				

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

BACKGROUND

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

SCOPE OF WORK

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

School/College	Board Meeting
Engineering	October 2006 – <i>Moved to Nov/Dec 2006</i>
Education	June 2007
Business	October 2007
Health Sciences (selected areas TBA)	February 2008

PROCESS

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

Date: September 7, 2007

Institution: Lewis-Clark State College

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

Division of Business Business Administration Management Hospitality Management Entrepreneurship Interdisciplinary

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

Lewis-Clark State College was established by the Idaho State Legislature in 1893. It was originally designated Lewiston State Normal School, reflecting its early mission as a teacher preparation institution. In the ensuing years its name was changed to Northern Idaho College of Education (1947), Lewis-Clark Normal School (1955), and finally to Lewis-Clark State College (1971) in recognition of the College's expanded role as a comprehensive 4-year undergraduate institution. LCSC has consistently been rated among the top public comprehensive 4-year colleges in the West by U.S. News and World Report and is accredited by the Northwest Commission on Colleges and Universities.

The Business Division was created in 1974 and offered a 2-year transfer program in business and an endorsement for secondary education teachers. In 1976, the first 4-year degree was introduced and since that time the Business Division has provided quality business education and training for students.

In keeping with the college's theme of "Connecting Learning to Life," the primary educational programs are professional programs, which include Business, Criminal Justice, Nursing and Health Sciences, Social Work, Teacher Preparation and Professional-Technical education. In light of this theme the Business Division has been especially responsive to the needs of the regional community and area business professionals in providing a diverse range of programs on and off campus at traditional and non-traditional times using a variety of delivery modalities.

After a slight enrollment downturn between 2001 and 2002, the Business Division has been growing each of the subsequent years. Over the past five years it has had increases in the number of declared majors, student credit hours generated, the number of graduates, and the number of faculty and staff in the division. Based upon program growth and excellence, the Business programs were recently accredited by the International Assembly of Collegiate Business Education (IACBE).

II. Degrees offered by school/college or program(s) within disciplinary area under review:

Degree name	Level	Specializations within the discipline (to reflect a national perspective)	Specializations offered within the degree at the institution
Business	BA, BS, AS	Accounting Business Communications Entrepreneurship Managerial Economics Financial Management International Business Marketing Taxation Insurance Economics	Business Administration Management Management Accounting Emphasis Management with Radiography Emphasis Hospitality Management Entrepreneurship

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		Human Resource Management Management Information Systems Construction Management	
Interdisciplinary	BA, BS		Business/Communications Business/English Business/Social Science

III. Enrollment and Graduates – Last three years beginning with the current year and the 2 previous years:

	Enrollment			Number of Graduates		
	Fall 06	Fall 05	Fall 04	FY 07	FY 06	FY 05
Degree						
Business Administration (BS/BA)						
Full-time students	276	242	221	54	36	52
Part-time students	103	92	82	14	13	14
Total students	379	334	303	72	53	70
Business Administration (AS)	2	N/A	N/A	N/A	N/A	N/A
Entrepreneurship (AS)	2	N/A	N/A	N/A	N/A	N/A
Hospitality Management (BS/BA)	21	3	N/A	3	1	N/A
Interdisciplinary (BS/BA)	22	23	31	9	3	4
Management (BS/BA)						
Full-time students	50	47	35	13	11	8
Part-time students	39	33	18	1	3	3
Total students	89	80	53	14	14	11
Percent graduated within 6 Years				87%	81%	82%
Total	515	440	387	98	71	85

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

- The Business Division at Lewis-Clark State College was awarded specialized accreditation by the International Assembly of Collegiate Business Education (IACBE) at their annual conference - on April 13, 2007. During the IACBE site visit, the team recognized the LCSC Business Division for having “the best self-study [they] had ever seen.”
- The Region II Idaho Small Business Development Center (ISBDC) received federal earmarks over the last five years to provide e-commerce training to small Idaho rural businesses in the amount of \$1.5 million; \$500,000 to assist manufacturers in Northern Idaho develop North Idaho Manufacturing Association

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(NIMA), and \$1 million to assist high-growth businesses in Idaho successfully implement fulfillment (order to cash) strategies. These monies have allowed us to assist approximately 750 small businesses across the state during the last five years. Additionally, LCSC hosts the Luminary Leadership Conference, bringing “the best management thought, theories, practices and tools for implementation” from internationally-recognized business experts to approximately 250 regional business professionals.

- Based upon student interest and regional needs, the Business Division has developed new degrees and reinstated previously discontinued degrees. The reinstated degrees are a BA/BS in Management and a BA/BS in Business Administration with a Management Accounting Emphasis. It has also partnered with the Business Technology and Service Division to create a new BA/BS degree in Hospitality Management. This 2+ 2 program allows for a seamless transition from the Professional-Technical AAS degree in Hospitality Management to the bachelor’s degree. Additionally, it has worked with the Division of Nursing and Health Sciences to create a new BA/BS in Management with a Radiography Emphasis that is built upon the AAS degree in Radiographic Science. The Division developed two new AS degrees (Business Administration and Entrepreneurship) and new minors in Marketing and Leadership.
- The Business Division’s newly successful Business Student Organization is providing students with opportunities for internships and funding to attend conferences and scholarships. Examples include the following: The Student Club partnered with faculty to host a premiere fundraising gala “A Night at the Oscars” an annual event that will raise money for business student scholarships. They also volunteer as hosts for the annual Alumni Golf Tournament raising money for club activities. The combined Minority Job Fair and Business Student Job Fair held in April 2007 resulted in regional and national internships for 20 students. Additionally, the student Investment Club received a \$50,000 donation from a local bank which provided business students the opportunity to buy and sell stocks and bonds using real capital.

V. Demonstrated demand for degree/program (limit to 5 items no greater than 300 words total).

- From academic year (AY) 02-03 to AY 06-07, the Business Division experienced an 86.9% increase in credit hour production as well as over 70% growth in head count. The Business Division now has the largest number of declared majors of any division on campus with the highest enrollment in the Business Administration program. Enrollment increases on both the Lewiston and Coeur d’Alene campuses have resulted in the need for a program advisor in both locations to assist in advising, as well as the transfer of faculty positions from other divisions to the Business Division.

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- The online courses affiliated with the Business Administration and Management degrees are in high demand. Both place-bound and traditional students seek online courses, which fill to capacity within two weeks of open registration. From Fall 2002 until Fall 2006, the demand for online business classes has increased by 240%.
- The U.S. Department of Education reports an 11% increase in undergraduate business degrees conferred between 2001 and 2005. Also, according to the Bureau of Labor Statistics, “an increase in the number of businesses, changing financial laws and regulations, and greater scrutiny of company finances will drive faster-than-average growth of accountants and auditors.” Additionally, the professional and business services industry, “which includes some of the fastest growing industries in the U.S. economy, will grow by 27.8 percent and add more than 4.5 million new jobs by 2014.” (*Occupational Outlook Handbook*, www.bls.gov).

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

LCSC’s Business Division adds value to the community and the state in three critical ways:

1) The Division’s programs meet the needs of rural communities and place-bound students; 2) The Division partners with regional groups to promote educational opportunities for minority students; and 3) The Division has built a network between Business students and faculty and the local and regional business community.

- 1) The Business Division’s emphasis on meeting the needs of rural communities and place-bound students is evident through the delivery of online baccalaureate degrees in Business Administration and Management (BA/BS) and online associate degrees in Business Administration and Entrepreneurship (AS). Many of these students must work full time or have limited transportation options and are not free to attend classes on the LCSC campus.
- 2) The Region II ISBDC, located in LCSC’s Business Division, offers training and business consulting to regional companies, assisting with both start-up ventures and fulfillment programs in Latah, Nez Perce, Idaho, Clearwater, and Lewis counties.
- 3) The Business Division’s emphasis on meeting the needs of minority students is demonstrated through increased recruitment and retention of Native American students at LCSC via joint advising and partnership with the Nez Perce Enterprise Consort, the Nez Perce Tribe Adult Education Department, and Northwest Indian College. The Division has appointed an advisor to work directly with the College Assistance Migrant Program (CAMP) to help Hispanic students successfully make the transition from high school to college. Additionally, the LCSC Business Division hosts the annual Minority Job Fair to assist students in acquiring internships and employment with regional, national and international companies. Approximately 20% of Business students are minority students.

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- 4) The Business Division's emphasis on building a network between business students and the local and regional business community is demonstrated by the organization of the Business Division Advisory Board and the regular meetings with Business faculty and students. This board consists of 14 prominent business men and women within the region. Student internships with both the SBDC and other local businesses connect students to their profession, provide assistance to the businesses involved, and allows the Division to obtain feedback used for continuous program improvement.

VII. Areas of commonalities with degrees/programs at other Idaho colleges and universities with rationale as to why (limit to 250 words).

At the graduate level, Idaho State University and Boise State University each offer an MBA, and the University of Idaho and Boise State University each offer an MS in Accounting. The state's graduate programs differ in their areas of focus. Idaho State's program provides formal emphases in areas unique to their mission, such as health care and pharmacy. Because of Boise's metropolitan location, Boise State's College of Business and Economics serves the business community's demand for master's-level professionals prepared in tax accounting.

Idaho State University, Boise State University, and Lewis-Clark State College offer a bachelor's degree in the content area of general business administration. Idaho State University, Boise State University, Lewis-Clark State College, and the University of Idaho offer a bachelor's degree in management. Idaho State University, Boise State University, and the University of Idaho offer bachelors degrees in accounting, information systems, finance, and marketing. In addition, the University of Idaho and Boise State University offer bachelor's level degrees in business economics and operations management.

Perhaps the most compelling reason to have multiple business programs in Idaho is geographic. Regional universities 1) provide expanded access to business education to as many students who have the desire and aptitude to pursue these crucial majors, 2) provide continuing education for business professionals so they can sharpen and advance their knowledge, 3) stimulate partnerships with area business and government agencies, and 4) help market the region to new businesses which expect business education opportunities for their managers and executives.

VIII. Relationship/collaborations with other degrees/programs within the institution and how the courses in the program are used for other degrees (limit to 250 words).

By collaborating with the Humanities, Education, Nursing, and Business Technology and Service divisions, the Business Division has created several interdisciplinary and composite degrees. This offers students the opportunity to gain knowledge and skills in two or more disciplines.

The Business Division supports the liberal arts requirements of the college in an effort to build a common core of courses which strengthens the baccalaureate degrees. It delivers

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an upper division general education class in Leadership, which is available to all LCSC graduates as a core capstone course. Business 101 is offered to any student interested in gaining an understanding of general business practices. In addition, the Bachelor of Science in Computer Science with Computer Information Systems Emphasis requires students to take accounting and upper level business courses.

IX. Summary of findings from the most recent accreditation report including commendations, recommendations. Also include date of last accreditation and when the next accreditation is due.

The International Assembly for Collegiate Business Education (IACBE) provided the following observations after their most recent accreditation visit (2/12/07):

Commendations

LCSC's Business Division excels in:

- Excellent educational technology and support
- A committed and enthusiastic faculty
- A business division that works well together and supports each other's efforts
- Excellent business and industry relations

Recommendations

- The Business Division must clearly distinguish between IACBE accredited degrees within the academic business program and the Business Technology and Service (BTS) degrees in the technical program.
- The Management and Interdisciplinary Bus/Comm BS degrees are low in the coverage of operations management, business law and information systems. Increased coverage is suggested.
- The Division is encouraged to actively recruit doctorally qualified faculty and to assist existing faculty in completing terminal degrees.
- The Division is encouraged to seek additional faculty to reduce class sizes, course preparations and faculty overload.

The next accreditation will be reaffirmed within one year following regional accreditation.

X. Contribution of the degree/program to economic development in the region, state, or the Governor's Science and Technology Initiative (limit 250 words).

The Business Division at LCSC provides quality education to prepare students with the knowledge, competencies and experience necessary to successfully compete in today's economy and offers services to address the business training and consulting needs of the community.

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The Region II ISBDC is part of the Business Division at LCSC. The center provides 1,800 hours of no-cost consulting and low-cost training for small businesses in the five counties of North Central Idaho. Consulting is usually in the following areas: business start-up, management and organization, marketing, financials and growth. Training sessions include business plan writing, customer service, human resource management, managing high growth, selling on e-Bay, Quick-books, cash flow and record keeping, etc.

Our business programs provide avenues for individuals who are pursuing a career change, professional training or entrepreneurial goals. Regional and national companies also seek LCSC business students as interns and employees.

XI. Describe how the various degrees/programs or specializations within the school/college were built or will be built on existing programs, if applicable (limit to 250 words).

In 2006 the Business Division partnered with the Nursing Division and the Business Technology and Service Division (BTS) to develop the Management with Radiography Emphasis degree and the Hospitality Management degrees, respectively. Both degrees are part of a "2+2" plan which requires students to spend their first two years in the BTS or Nursing divisions and finish their final two years with the academic Business Division.

The Business Division, in cooperation with the Humanities Division, is creating the Business and Communication degree in order to expand program offerings and utilize collaborative resources at the LCSC Coeur d'Alene Center. The Business Division is also working with the Education Division to create a Sport Administration degree. This degree is useful to the many student athletes recruited each year due to successive NAIA championships, as well as other student athletes who wish to have a career that blends kinesiology and business knowledge. Also, because 21% of the regional population works for the Nez Perce Tribe, the county, city or state, the Business Division is collaborating with the Social Sciences Division to develop a Public Administration degree.

XII. Future plans and timelines with rationale as to why (limit to 250 words):

LCSC's Business Division created an 8-year Plan in 2004 to outline academic goals with an emphasis toward providing students with a quality program and marketable degrees. The plan outlined below reflects the goals that have been achieved and the degrees the Division is striving to provide for its ever-increasing student enrollment.

2005-2006	BA/BS Hospitality Management	Approved
2006-2007	AS Business Administration	Approved
	AS Entrepreneurship	Approved
	BA/BS Management with Radiographic Emphasis	Approved

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2007- 2008	Minor – Marketing	Approved
	Minor – Human Resource Management	
	BA/BS Public Administration	
	BA/BS Sports Administration	
2008-2009	BA/BS Marketing	

XIII. Fiscal Year Revenues - Current year is defined as the year the report is presented to the Board.

Revenue Received, Various Fiscal Years			
	Past	Current	Next
	Fiscal	Fiscal	Fiscal
	Year	Year	Year
Annual General Account/State Appropriation	368,100	436,600	575,400
Revenue from Endowment Funds	52,200	37,600	
Student Fees	255,500	302,000	
Federal Appropriation	0	0	
Federal Grants & Contracts	393,100	448,200	
State Grants & Contracts	0	0	
Private Gifts, Grants & Contracts	0	0	
Sales & Serv of Educ Activities	21,000	18,700	
Sales & Serv of Aux Enterprises	0	0	
Other (please identify)			
Donations/Contributions	100	0	
Miscellaneous	600	1,600	
Indirect Costs	<u>33,700</u>	<u>29,100</u>	
Total, All Fund Sources	<u>1,124,300</u>	<u>1,273,800</u>	
This report displays revenue received during			
the fiscal year, not expenditures made.			
Rounded to nearest \$100.			

Prepared by: LCSC Budget Office, 7/12/2007

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

BACKGROUND

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

SCOPE OF WORK

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

School/College	Board Meeting
Engineering	October 2006 – <i>Moved to Nov/Dec 2006</i>
Education	June 2007
Business	October 2007
Health Sciences (selected areas TBA)	February 2008

PROCESS

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

Date: August 18, 2007

Institution: College of Southern Idaho

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

Department of Business and Economics

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

The Business Department seeks to provide a quality educational experience designed to prepare students for transfer to four-year institutions or productive roles in business and related fields. Both the College and the Department have a goal “to provide University parallel curriculum.” CSI provides the first two years of core business classes. Articulation agreements with Boise State University, Idaho State University, University of Idaho, and Lewis Clark State College allow students completing our programs to transfer as juniors to state institutions.

The College of Southern Idaho represents a shared vision and a collaborative effort of the citizens of the Magic Valley. This vision began to take form as early as 1952 when a Stanford

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doctoral student wrote his dissertation, "A Junior College Survey of Twin Falls County, Idaho." Several years later (1960) the Twin Falls Chamber of Commerce established a junior college committee to actively pursue financial support to make this vision a reality.

In 1963, the Idaho legislature passed the Junior College Act which provided for the establishment of junior college districts. Twin Falls County voted to form a junior college district in November 1964. The following year Jerome County citizens voted to join the junior college district.

The College of Southern Idaho offers a variety of educational opportunities to the people of South Central Idaho. Eighty-five percent of the student body comes from the eight Magic Valley counties the College is charged with serving.

II. Degrees offered by school/college or program(s) within disciplinary area under review:

Degree name	Level	Specializations within the discipline (to reflect a national perspective)	Specializations offered within the degree at the institution
General Business	AA		Online Delivery Most Courses
Economics	AA		Online Delivery Most Courses
Business Management Entrepreneurship	AAS		
Hospitality Management	AAS		

III. Enrollment and Graduates – Last three years beginning with the current year and the 2 previous years

	Enrollment			Number of Graduates		
	Current Year 2006/2007	Previous Year 2005/2006	Previous Year 2004/2005	Current	Previous Year	Previous Year
Degree						
General Business						
Full-time	117	107	106			
Part-time	238	240	233			
Total Students	355	347	339	46	43	42
Economics						
Full-time	4	2	3			
Part-time	6	3	5			
Total Student	10	5	8	2	0	3

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The numbers listed above represent Declared Majors. Full-time status at CSI is 12 or more credits. Due to the course taking behavior of our students (for example - students may take 18 credits one semester and 6 the next) the following criteria was used to determine a student's Full-time status: Credits were combined for Fall and Spring semester, students who completed 24 or more credits were considered full time .

Time to Complete

	Since First Enrollment			Since First Business Class		
	2006/2007	2005/2006	2004/2005	2006/2007	2005/2006	2004-2005
Degree						
General Business	4.99	7.11	4.29	2.55	2.34	2.48
Economics	3.05		2.5	1.67		.53

Many CSI students start and stop taking courses over several years. For example, in the graduates listed above several students have been taking courses over a period of 20 years. Because of this, it is difficult to define the parameters that best reflect the average time to complete. To provide a broader picture we have provided data that reflects years to complete after a students first declares themselves a business major and after they have actually taken their first business class.

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

- The Department has standardized, departmental outcome assessment (OA) forms. The college as a whole developed an OA training which was held January 2007. The training had generalized information on OA and allowed for breakout sessions with department chairs and faculty. As a result of OA, CSI is developing a stronger international program, to increase the quality of programs and student recruitment
- The Department has started to use statistical methods to study issues and to research ideas which come up in the course of group discussions and departmental planning. The department recently piloted a survey with the Chamber Leadership Program group to determine the business community's awareness of the rigor of our program and of the General Business curriculum. Early results indicated a need to talk to business about the value of our General Business degree.
- Concurrent enrollment has become a large part of the student body and the Business Department has worked hard to develop mentorship programs where lead instructors travel to high schools to work with instructors to ensure that students are receiving a college level educational experience while taking business courses. The Business Department is making progress with the quality and rigor of our dual-credit offerings.
- The Department has strengthened curriculum to include Brief Calculus and two semesters of Business Statistics.

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- The Department wrote and received a Mini Grant to explore the possibility of creating an international experience for all business students. The study will represent a college wide effort to develop international travel experiences for students across the curriculum.

V. Demonstrated demand for degree/program (limit to 5 items no greater than 300 words total).

CSI Business majors number the third highest on campus behind only Health Sciences and Liberal Arts. CSI's unique partnership with BSU enables students to complete their BA without leaving Twin Falls. The program started in 1995, and in recent years, the program graduates approximately 25-30 Business majors a year. The majority of these students completed their AA in General Business at CSI.

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

The Business Department has a unique partnership with the Idaho Small Business Development Center (ISBDC). The programs work closely to provide business students unique learning opportunities. The ISBDC has business clients that work with student groups to develop Marketing Plans and use Statistics Analysis for decision making processes. Instructors work closely with students throughout the semester to ensure projects are completed. Students then make presentations to the businesses. The program has been well received by both students and small business owners. Students rave about the effectiveness of "real life" learning often commenting they would never have fully understood the subject without the experience.

VII. Areas of commonalities with degrees/programs at other Idaho colleges and universities with rationale as to why (limit to 250 words).

It is the role and mission of the academic Business Department to provide university parallel curriculum and promote the transfer of our students to the states four year colleges and universities. To that end, we have articulation agreements with Idaho State University, Boise State University, University of Idaho, and Lewis Clark State College. The Business Department only offers a degree in General Business. The program of study provides thirty-six credits of general education and the core business courses found throughout all business curriculums in the state. CSI has purposely aligned the curriculum to achieve maximum credit transfer to each of these institutions. Accordingly, the General Business Degree is accepted by all. See Attachment 1 for a list of common courses.

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VIII. Relationship/collaborations with other degrees/programs within the institution and how the courses in the program are used for other degrees (limit to 250 words)

Business courses are found throughout the curriculum in other departments.

- Accounting, Marketing, Management, Finance and Economics - are found in programs ranging from Agri-business, Business Education, Entrepreneurship, Hospitality Management, Equine Business Management, Business Computer Science, and Farm Management.

In addition, the Business Department teaches a course, Introduction to Information Science that is used by students across campus to prepare for the college's Computer Literacy Exam.

Two General Education classes are provided by the department – Principles of Macroeconomics and Principles of Microeconomics.

IX. Summary of findings from the most recent accreditation report including commendations, recommendations. Also include date of last accreditation and when the next accreditation is due.

The Business Department is not accredited by an agency other than the Northwest Commission on Colleges and Universities. The Northwest Commission completed a 10-year institutional evaluation of CSI in April 2005. As a result of the Evaluation Committee's findings, CSI received six commendations and five recommendations. Of the recommendations, only one directly applied to the Business Department.

The committee recommends that the College of Southern Idaho develop and implement a unified, college-wide, systematic educational assessment program. While much progress has been made, the College has not yet created nor institutionalized a unified and systematic college-wide understanding, application, and documentation of a coherent educational assessment system that stresses outcome assessment measures.

In preparation for a focused institutional visit in April of 2007, the Business Department completed a thorough review of its educational assessment system as directed by the Executive Vice President/Chief Academic Officer at the College of Southern Idaho.

Toward this end, the department revised the syllabus format to be consistent among classes, to include class objectives, and to align with departmental goals. At the end of each semester, each faculty evaluates his/her classes for effectiveness, using the class objectives to determine the outcomes. Each faculty then creates an OA document for each class. A departmental OA is conducted, and documented as well.

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Progress:

The Business Department has made substantial progress this year. There is a common understanding of the department goals, how to formulate class objectives, and how to measure the outcomes. Specifically:

- There are standardized departmentalized outcome assessment forms.
- All of the full-time faculty have revised syllabi to include course objectives tied to departmental goals. Syllabi are now essentially consistent for different sections of the same class.
- Class outcomes are being measured against objectives and plans for improvement are formulated.
- Documentation is available beginning with the OA reports for fall semester 2006, and are stored in the appropriate “Yellow Book.”
- The department has started to use statistical methods to study issues and to research ideas which come up in the course of our group discussions and departmental planning. Amber Power did a survey assessing student interest in a mentoring program. The next step involved assessing business interest as well. The PFI has a goal related to develop a mentoring program. In addition, we recently piloted a survey with the Chamber Leadership Program group to determine if the business community has a good idea about what is required of our General Business curriculum, in other words, the rigor of our program. Early results lead us to believe we need to talk to business about the value of our GB degree.
- Our adjunct faculty have begun to understand and “get on board” with us regarding OA. The training which administration held in January was a real help, allowing several hours to explain and illicit some changes in syllabi and OA.
- Department is making progress with the quality and rigor of our dual-credit offerings.
- As a result of OA, we are developing a stronger international program, for the quality of our programs and student recruitment

In April of 2007 the focused interim visited was completed and CSI received five commendations, one for each of the prior recommendations.

X. Contribution of the degree/program to economic development in the region, state, or the Governor’s Science and Technology Initiative (limit 250 words).

The Business Department works closely with the Idaho Small Business Development Center to provide services to a number of the Regions Small Business owners. Each semester the center facilitates partnerships with local business owners who receive assistance with Marketing Plans and Statistical analysis.

The Department also works closely with our local Chamber of Commerce. Last year one of our faculty participated in the Chamber’s Leadership Program and conducted a survey among participants concerning a Mentoring Program with Business Students, the response was encouraging. In the departments PFI (Plan for Improvement) we ask for

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seed money to develop a pilot Mentoring Program and received the budget to proceed. During the 2007/2008 school year the pilot will be launched.

The College of Southern Idaho also maintains three Off-Campus centers; one in Burley, Gooding, and Hailey. Many Business classes are taught at the centers providing access to education for students in more rural settings.

XI. Describe how the various degrees/programs or specializations within the school/college were built or will be built on existing programs, if applicable (limit to 250 words).

The Business Department has very little specialization. At one point, degrees were offered in Accounting, Marketing, Management, Finance, and General Business. The department found this model was a disservice to the student. After taking the required thirty-six credits of General Education, there was only room for eight additional courses. Five of which are required by all Idaho's colleges and universities as core business courses; two courses in accounting, two courses in statistics and a legal environment course. In order for any student to major in a specific field, they would have to leave out core courses and or math which subsequently did not allow them to transfer as juniors. The Department made the decision to offer the required courses including Calculus and Statistics and offer the single General Business Degree.

XII. Future plans and timelines with rationale as to why (limit to 250 words):

Over the next five years, the Business Department plans to make the General Business curriculum available 100 percent online. CSI provides the only access to education in approximately 120 miles to the east and west and much further to the north and south. By expanding the number of online courses available, the college can expand the access to education for the rural populations of Idaho. Lewis Clark State College currently provides the second two years of the General Business degree online. Upon the completion of the online expansion, students in CSI's region will be able to complete their entire degree online.

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**XIII. Fiscal Year Revenues - Current year is defined as the year the report is
presented to the Board**

Revenue Received, Various Fiscal Years					
		Past	Current		Next
		Fiscal	Fiscal		Fiscal
		Year	Year		Year
Annual General Account/State Appropriation					
Revenue from Endowment Funds					
Student Fees					
Federal Appropriation					
Federal Grants & Contracts					
State Grants & Contracts					
Private Gifts, Grants & Contracts					
Sales & Serv of Educ Activities					
Sales & Serv of Aux Enterprises					
Other (please identify) Institutional Funding		456,709	425,509		431,241
Indirect Costs					
Total, All Fund Sources		456,709	425,509		431,241
Notes:					
This report displays revenue received during the fiscal year, not expenditures made.					

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Attachment 1

			Course Titles by Institution			8/07
Course Content	College of Southern Idaho	Idaho State University	Boise State University	University of Idaho	Lewis & Clark State College	North Idaho College
Intro to Business	BUSA 101	MGT 101	GB 101	Bus 101	Bus 101	BUSA 101
Business Communication	BUSA 201	MGT 345	BusComm 201	ENG 313	BUS 220	ENG 272
Business Statistics 1	BUSA 207	MGT 216	BusStat 207	STATS 251	BUS 271	BUSA 271
Business Statistics 2	BUSA 208	MGT 217	BusStat 208	STATS 262		
Intro to Information Science	BUSA 215	CIS 300	CIS 310	BUS 350	BUS 271	BUSA 240
Marketing	BUSA 250	MKTG 325	MKGT 301	BUS 321	BUS 321	BUSA 221
Management	BUSA 255	MGT 312	MGMT 301	BUS 311	BUS 311	BUSA 211
International Business	BUSA 256				BUS 380	BUSA 250
Legal Environment	BUSA 265	MGT 261	GB 202	BLaw 265	BUS 365	BUSA 265
Intro to Financial Acct	ACCT 201	ACCT 201	ACCT 205	ACCT 201	AC 231	ACCT 201
Intro to Managerial Acct	ACCT 202	ACCT 202	ACCT 206	ACCT 202/205	AC 232	ACCT 202

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

BACKGROUND

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

SCOPE OF WORK

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

School/College	Board Meeting
Engineering	October 2006 – <i>Moved to Nov/Dec 2006</i>
Education	June 2007
Business	October 2007
Health Sciences (selected areas TBA)	February 2008

PROCESS

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

Date: September 12, 2007

Institution: North Idaho College

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

Department of Business

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

Founded in 1933, North Idaho College is a regional community college that embraces an open door policy for all citizens. As a comprehensive community college, it provides the first two years of undergraduate education for academic transfer students as well as professional-technical education, workforce training, continuing education and developmental education.

North Idaho College offers associate degrees in more than 35 transferable academic major and associate of applied science degrees or certificates of completion in 27 professional-technical programs. Credit courses are offered in the day, in the evenings,

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and during the summer on the NIC campus and at outreach sites located in Sandpoint, Bonners Ferry, the Silver Valley and the Coeur d'Alene Tribal Center.

North Idaho College was first accredited by the Northwest Association of Schools and Colleges in 1950. Accreditation continues on scheduled basis with the most recent progress report submitted to the Commission by the college in April 2005.

NIC provides a spectrum of coursework to guide individuals in making a career choice and provides opportunities to examine careers in business and business education. NIC ensures students interested in a career in business identify the university they are planning to transfer to so the NIC core curriculum and educational requirements have a smooth transition. Our sister institutions work closely with NIC personnel.

II. Degrees offered by school/college or program(s) within disciplinary area under review:

Degree name	Level	Specializations within the discipline (to reflect a national perspective)	Specializations offered within the degree at the institution
Business Administration	Associate of Science	N/A	N/A
Business Administration	Associate of Arts	N/A	N/A
Business Education	Associate of Science	N/A	N/A

III. Enrollment and Graduates – Last three years beginning with the current year and the 2 previous years

Degree	Enrollment Unduplicated Headcount (majors)			Number of Graduates		
	FY 2006-07	FY 2005-06	FY 2004-05	FY 2006-07 (thru 05/07)	FY 2005-06	FY 2004-05
Business Administration	333	277	271	33	56	29
Business Education	26	25	23	1	0	0

Graduation rates at NIC increases to 28 % four years after students start programs.

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	Enrollment			Number of Graduates/Transfers		
	FY 07	FY 06	FY 05	FY 07	FY06	FY05
Business Administration AS Degree						
Full-Time	N/A	N/A	N/A	6	30	8
Part-Time	N/A	N/A	N/A	2	4	2
Total	333	277	271	8	34	10
Business Administration AA Degree						
Full-Time	N/A	N/A	N/A	21	13	13
Part-Time	N/A	N/A	N/A	12	19	6
Total	N/A	N/A	N/A	33	32	19
Business Education AS Degree						
Full-Time	N/A	N/A	N/A	0	1	0
Part-Time	N/A	N/A	N/A	0	0	0
Total	26	25	23	0	1	0
Average Time To Graduation or Transfer				N/A	N/A	N/A

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

All business courses at the undergraduate level, except for Inferential Statistics, needed for academic transfer to Idaho colleges and universities are offered in traditional on-campus day, and evening classes as well as through non-traditional means via the Internet, compressed video to outreach sites, and through dual enrollment with area

**INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
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high schools. This has increased the program offerings and opportunities for business students at outlying sites.

North Idaho College has established close relationships with the University of Idaho, Lewis-Clark State College and Gonzaga University. Annual and semi-annual coordination visits with these schools provided the opportunity for faculty at each institution to acquaint each other with other faculty and to discuss issues related to the transfer of students from North Idaho College to the respective 4-year schools. These visits have increased collaboration with the major schools to which North Idaho College students transfer and have resulted in the addition or revision of course offerings to better provide the undergraduate core for academic transfer students.

V. Demonstrated demand for degree/program (limit to 5 items no greater than 300 words total).

The Office of Idaho State Labor and Commerce record the 2002 population of Kootenai County as 113,954 jumping to 127, 668 in 2005 and 130,000 in 2007. This represents a 13% increase within the last five years. A conservative estimate would indicate that Kootenai county population will grow by approximately 4,000 per year bringing a projected county population of 162,000 by 2015. However, the long-range projections are only that, and actual population growth will be significantly affected by social, economic, educational, and political developments over the next 25 years.

NIC seeks to position itself to address not only the increased numbers of our population base, but also seeks to provide the education necessary to attract new business and support current business in our service area; to work with our educational partners to leverage finances and build capacity; and to support transfer and articulation functions with 4-year institutions in order to expand and assure degree pathways to train the future business leaders of North Idaho.

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

The Business Administration Department offers academic transfer courses applicable to degree programs and elective transfer courses that meet core requirements in social science, mathematics, general education, and computer literacy for the Associate of Arts and Associate of Science Business Degrees and the Associate of Science degree in Business Education. The department also serves the needs of the community by providing additional elective business courses for entry-level to mid-managerial employees in the business community.

Courses such as Accounting, Legal Environment of Business, Computer Literacy, Economics, General Business, Management, Marketing, and Statistics are offered in traditional on-campus day and evening classes. In addition, students may enroll in some courses delivered via the Internet, attend classes

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offered by the department in the Sandpoint Center, Bonners Ferry, the Silver Valley Center or the Coeur d'Alene Tribal Center as well as participate in the dual enrollment program with area high schools.

The Business Administration associate degree program is designed to meet requirements for students transferring to four-year institutions in Business Administration, Accounting, or Economics. Students who earn an associate's degree meet the general core requirements at all Idaho public universities. Course selection is tailored with close collaboration with transfer institutions to meet requirements as defined by four-year schools to which our students transfer. To ensure appropriate courses are taken, those students intending to transfer to Idaho colleges work closely with a business advisor to ensure requirements are met.

The Business Education Associate Degree prepares students to transfer to institutions pursuing degrees in Business education, management information systems and related fields.

VII. Areas of commonalities with degrees/programs at other Idaho colleges and universities with rationale as to why (limit to 250 words).

The courses included in the suggested Business Administration degree curricula generally transfer to the colleges of Business Administration without difficulty. These courses include Introduction to Computers, Computer Systems-Business Applications, Statistical Inference and Decision Analysis, Legal Environment of Business, Principles and Accounting, Managerial Accounting, and Principles of Economics (Macro and Micro).

Specific transfer agreements which specify the course equivalencies between NIC courses and Idaho Colleges' and Universities' courses are in place. These transfer agreements are used to tailor specific course requirements depending upon where the student intends to transfer.

VIII. Relationship/collaborations with other degrees/programs within the institution and how the courses in the program are used for other degrees (limit to 250 words)

The degrees within the Business Administration and Business Education programs require students to complete 36 credits in general education for an associate degree.

IX. Summary of findings from the most recent accreditation report including commendations, recommendations. Also include date of last accreditation and when the next accreditation is due.

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Excerpted from the Northwest Association of Schools and of Colleges and Universities Commission on Colleges and Universities April 2003 Report:

Across the Division, program curricula are coherent. The College's Curriculum Council and Vice President for Instruction approve all program curriculum initiatives. All degree curricula are required to contain essential general education requirements.

Excerpted from the Northwest Commission on Colleges and Universities June, 2003 Report

Educational Assessment

The college has made significant progress in evaluating the effectiveness of its educational programs. Program reviews are regularly conducted for all educational programs. The data collected are consistent, valuable, and standardized. Student performance outcomes have been identified and included in programs and courses. However, the college is encouraged to pursue assessment tools to effectively and consistently assess student-learning outcomes and general education abilities to improve the teaching-learning process across programs and divisions.

Next Accreditation: The five-year interim visit is scheduled for 2008.

X. Contribution of the degree/program to economic development in the region, state, or the Governor's Science and Technology Initiative (limit 250 words).

As the population of NIC's service area grows, so does the need for education-related services. As a result, these services have an effect on the economic development in the region. The preparation of individuals to enter into a variety of educational service areas has an indirect impact on the economy in the sense that these programs prepare students to fill replacement and new positions in the region and across the state.

XI. Describe how the various degrees/programs or specializations within the school/college were built or will be built on existing programs, if applicable (limit to 250 words).

At the core of all of NIC's emphasis areas is the general education core curriculum which supports not only Business Administration programs, but also other programs that are developed in response to local and regional needs.

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XII. Future plans and timelines with rationale as to why (limit to 250 words):

All programs undergo periodic and systematic review as part of the continuous improvement process. Programs are scheduled for review on a regular cycle.

XIII. Fiscal Year Revenues - Current year is defined as the year the report is presented to the Board

XIV.

Revenue Received, Various Fiscal Years					
	Past	Current		Next	
	Fiscal	Fiscal		Fiscal	
	Year	Year		Year	
	FY 06	FY 07		FY 08	
Annual General Account/State Appropriation					
Revenue from Endowment Funds					
Student Fees					
Federal Appropriation					
Federal Grants & Contracts					
State Grants & Contracts					
Private Gifts, Grants & Contracts					
Sales & Serv of Educ Activities					
Sales & Serv of Aux Enterprises					
Other (please identify) (Institutional Funding)	548,678	532,924		516,789	
Indirect Costs					
Total, All Fund Sources	548,678	532,924		516,789	
Notes:					
This report displays revenue received during the fiscal year, not expenditures made.					
Round to nearest \$100.00.					

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

BACKGROUND

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

SCOPE OF WORK

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

School/College	Board Meeting
Engineering	October 2006 – <i>Moved to Nov/Dec 2006</i>
Education	June 2007
Business	October 2007
Health Sciences (selected areas TBA)	February 2008

PROCESS

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

Date: September 7, 2007

Institution: Eastern Idaho Technical College

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

Business and Office Division

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

Eastern Idaho Technical College was established by the Idaho State Legislature in 1969 as Eastern Idaho Vocational School to offer vocational and technical courses in a nine-county (9) service area covering 23,000 square miles. The primary focus at the time was to provide workforce training to the largest employer group in the area, the Idaho National Engineering Laboratory and the various contractors located there. In 1972 the name of the school was changed to Eastern Idaho Vocational-Technical School and new programs in health care and business were added to the mix of offerings, and in 1989 became a two-year, AAS Degree granting institution and was renamed Eastern Idaho Technical College. In 1987, EITC had its first accreditation by the Northwest

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Commission on Colleges and Universities, again in 1997, and just completed its third full accreditation visit by the NCCU in April 2007.

Our mission and vision is to provide superior educational services in a positive learning environment that supports student success and regional workforce needs and to be a superior quality professional-technical college.

The College currently offers 27 AAS Degrees, 6 Advanced Technical Certificates, and 10 Technical Certificates in 18 professional-technical program majors. The College reported to the NCCU in its last annual report a total of 1673 unduplicated enrollment in its AAS, ATC, and TC options for all the areas served by the College. The workforce training and community education department reported in excess of 10,100 students who took classes during 2006-07.

II. Degrees offered by school/college or program(s) within disciplinary area under review:

Degree name	Level	Specializations within the discipline (to reflect a national perspective)	Specializations offered within the degree at the institution
Accounting Paraprofessional	AAS & Tech Cert		
Marketing and Management	AAS & Tech Cert		
Legal Assistant	AAS & Tech Cert		
Office Professional	AAS & Tech Cert		

III. Enrollment and Graduates – Last three years beginning with the current year and the 2 previous years

	Enrollment			Number of Graduates		
	Current 2006- 2007	Previous Year 2005- 2006	Previous Year 2004- 2005	Current 2006- 2007	Previous Year 2005- 2006	Previous Year 2004- 2005
Degree						
Accounting Technologies	47	40	31	7	8	7
Business Technologies	47	53	56	10	4	13
Legal Technologies	27	28	28	6	3	5
Office Technologies*	38	56*	53*	7	6*	9*
Web Development	22			8		

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Technologies						

****Web Technologies included**

Degree	Overall Graduation Rates*
Accounting Technologies	2001 cohort 62% 2002 cohort 25% 2003 cohort 50%
Business Technologies	2001 cohort 17% 2002 cohort 40% 2003 cohort 33%
Legal Technologies	2001 cohort 30% 2002 cohort 50% 2003 cohort 0%
Office Technologies	2001 cohort 33% 2002 cohort 50% 2003 cohort 67%

*Graduation rates are calculated using fall cohort of first-time, full-time students graduating within 1 ½ times length of program. The fall 2004 cohort graduation rates will be available in October 2007.

Degree	Graduation rate by Certification				
	FY02	FY03	FY04	FY05	FY06

Degree	Placement Rates	Where Placed (in-state vs. Out of State)
Accounting Technologies	2003-2004 83% 2004-2005 100% 2005-2006 67%	100% placed in-state 100% placed in-state 100% placed in-state
Business Technologies	2003-2004 100% 2004-2005 77% 2005-2006 75%	100% placed in-state 100% placed in-state 100% placed in-state
Legal Technologies	2003-2004 40% 2004-2005 67% 2005-2006 100%	100% placed in-state 100% placed in-state 100% placed in-state
Office Technologies	2003-2004 60% 2004-2005 78% 2005-2006 100%	100% placed in-state 100% placed in-state 100% placed in-state

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

The Business and Office Division has created a retention and graduation tracking system that begins with the student as he or she enters into a degree or certificate program and follows through with that student until he or she completes, graduates, or leaves the college. Further follow up for employment, employer satisfaction, and wage and benefits for graduates is also being tracked. This will allow the individual programs to have hands-on data about the success of their graduates and the reasons student do not complete the program.

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In addition, the Division has been able to institute on-line IC3 and MOS testing to give students actual skill certifications in various computer applications from a recognizable certification board.

The Division has worked very closely with the Tech Prep system available in our area for articulation of many college courses in the various participating high schools. Annually, the faculty in the Division meet with the area high school teachers to insure that the material and subject matter being taught are at a college level.

Every program in the Division has been involved in free consulting with area residents and businesses, either through referral from the area Chambers of Commerce or other means, to assist these individuals in such areas as business development, marketing, financial information, and/or skills development. This gives students the opportunity to work in a real-world setting and at the same time demonstrates to the community the level of competence achieved by our students.

V. Demonstrated demand for degree/program (limit to 5 items no greater than 300 words total).

According to the Departments of Commerce and Labor, the nine-county service area of EITC had a population in 2002 of 208,547 and in 2005, a population of 235,867, a growth rate in excess of 13%. In addition, in 2002 there were 5350 business establishments reported in the same nine-county service area and in 2005 a total of 6474 businesses were reported, a growth rate in excess of 21%. The long-range growth pattern is projected to continue upwards at a similar rate and by 2010 the population of these nine counties could exceed 267,000 people.

EITC has as its mission to provide superior educational services to allow students success and provide for the regional workforce needs as a professional-technical college. EITC has consistently shown it is well suited for that task by its response to industry needs and employment demands over the past 30 plus years.

CCBenefits report for 2006 showed employment in the occupations covered by the programs in the Business and Office Division as 15,425 with an average salary of \$12.31 per hour. The high end of the pay range was in the Marketing and Management area with an average of \$23.76 and the low end of the pay range was in the Legal Secretary area with an average of \$9.80 per hour. CCBenefits estimates that by 2011 the number of jobs in this occupational cluster will be 17,427, a 13.04% increase with a corresponding increase in hourly wages based on the regional and state economy.

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

The most important value to the community and the state has been employable graduates with current and in-demand skill sets. Many of the students who enter the Business and Office Division's programs have few, if any, technical skills. Many are single parents with minor children and many have been reliant on state and local assistance or employed in minimum wage jobs.

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Most graduates of the various programs in the Business and Office Division's programs are able to secure employment with adequate wages, pay taxes, and reduce their reliance on state or local support. Most are able to become productive members of the working world.

Many of the courses offered by the various programs in the Division have been made available, either by distance learning or adjunct faculty, in the outlying areas in an outreach program. This has enabled many of the smaller communities in our service area to take advantage of courses the college and division has to offer and plans are for this to continue and expand.

Students in all the Business and Office Programs are required to participate either in a 'service-learning' or leadership development activity as part of their educational experience. This provides the community with many activities free-of-charge and volunteers from the college to assist them in their activities. The various student organizations such as Business Professionals of American and Delta Epsilon Chi are involved in this service learning and leadership requirement.

VII. Areas of commonalities with degrees/programs at other Idaho colleges and universities with rational as to why (limit to 250 words).

Most every Idaho College and University offers a degree or certificate in some area of Business, from Office to Accounting to Marketing and/or Legal. The skills in these areas are in high demand and require specific technical skills. Most of the students who attend our college consider themselves to be place bound and are reluctant to leave their family and home to move to another college to complete their education. Even though there are similar programs in place throughout the state, we serve different communities, businesses, and regions.

BYU-Idaho and EITC have signed an articulation agreement to accept many of the accounting courses offered by both institutions. This allows EITC's courses to satisfy the University's graduation requirements and vice versa. Doing so allows students from both institutions to take advantage of various course offerings from both institutions.

As per Board policy, students who obtain an AAS Degree may transfer to an BAT or BAS degree in junior standing at any college or university in Idaho that offers such a degree.

VIII. Relationship/collaborations with other degrees/programs within the institution and how the courses in the program are used for other degrees (limit to 250 words)

All students, whether degree or certificate seeking, are expected to take common core classes in such areas as communications, computation, and human relations. For the AAS Degrees offered at EITC, all programs require a minimum of 16 credits of general education courses in areas such as English Composition, Fundamentals of Speech, Introduction to Psychology, Introduction to Sociology, and either Mathematics in Modern Society or College Algebra.

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The Business and Office Division offers a course, CIS 101 Computer Information System, which is used by most programs across campus as the introductory course in computer usage.

In addition, many of the courses taught in one discipline are used by other disciplines in assuring a student's well-rounded educational experience. The following courses are taught across inter-disciplinary areas of the college: Accounting I, Business Law, Business Machines, Business Presentations, Business Spreadsheets, Human Resource Management, Keyboarding, Introduction to Marketing, Quickbooks for the Office, and Microsoft Word and Advanced Word.

IX. Summary of findings from the most recent accreditation report including commendations, recommendations. Also include date of last accreditation and when the next accreditation is due.

The Business and Office Division is not accredited by any agency other than the Northwest Commission on Colleges and Universities. They Commission just completed a 10-year institutional evaluation of EITC in April 2007. The Evaluation Committee issued a report that included six Commendations and six Recommendations. The Division was lauded for many of the positive steps it takes to ensure student success and the follow through it takes in making sure students are on track to complete their training. The facilities, budget, equipment, and maintenance of the area were praised.

The Evaluation Committee Commended the faculty for their dedication and commitment to offering quality programs and services that meet the needs of community and doing so with limited human and financial capital.

The Evaluation Committee also Commended the faculty for being clearly focused on student success and seamless placement of students into the workforce and that the College can be justifiably proud of its high placement rate.

There were two Recommendations that directly applied to the Business and Office Division. The first was that every program identify and publish the expected learning outcomes for each of its degrees and certificate programs, and through regular and systematic assessment it demonstrate that students who complete their programs have achieved these outcomes.

The second was that a recognizable body of instruction in program-related areas of communications, computation, and human relations be clearly identified in all certificate programs.

The Business and Office Division has started a formal process to make certain these recommendations from the Evaluation Committee will be implemented before their next focused visit in two years.

X. Contribution of the degree/program to economic development in the region, state, or the Governor's Science and Technology Initiative (limit 250 words).

**INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
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Many of the programs in the Business and Office Division have been very involved in assisting with economic development over the years. Many businesses have utilized the partnership training grants that were available from the Idaho Department of Commerce and had the Division offer specific classes on their premises to increase productivity among their employees.

In addition, by providing employment training to a large number of students who would not normally be able to take advantage of the opportunities offered at EITC, individuals who were previously on state or local assistance have been able to enter the labor market and earn livable wages and pay taxes. This also allows employers to have a trained employment pool from which to choose their employees, a very important issue in today's low unemployment market.

XI. Describe how the various degrees/programs or specializations within the school/college were built or will be built on existing programs, if applicable (limit to 250 words).

From the very early stages of the College (then a School), the Marketing and Management Option and the Office Occupations Option were offered. The focus of the Marketing and Management in the early stages was retail and support for that industry while the Office Occupations Option served mostly secretarial demands at the Idaho National Engineering Laboratory. Over the years the needs have changed. Beginning in 1976 a need for trained Accounting clerical personnel was evident, so an additional option to the Office Occupations program was started. Eventually this became its own program, separate from the Office Occupations option. In addition, a separate Legal Secretary option was started in the early 1970s and it has eventually become its own program as well with the Legal Assistant AAS Degree. The Marketing and Management Program has changed focus from the retail industry to an entry-level management program with an emphasis on entrepreneurship and professional sales careers. The Office Occupations program has become much more focused over the years and is now the Office Technologies Program with an emphasis on computer operations, desktop publishing, and database management. It still has a very strong tie to the industries surrounding the Idaho National Laboratory.

XII. Future plans and timelines with rationale as to why (limit to 250 words):

The expansion of our distance learning offerings to outlying areas is paramount. In addition, the Division to continue to support any program changes or expansions as recommended by the individual program advisory committees.

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**XIII. Fiscal Year Revenues - Current year is defined as the year the report is
presented to the Board**

Revenue Received, Various Fiscal Years				
	Past	Current	Next	
	Fiscal Year	Fiscal Year	Fiscal Year	
Annual General Account/State Appropriation	392,600	437,500	449,900	
Revenue from Endowment Funds				
Student Fees				
Federal Appropriation				
Federal Grants & Contracts				
State Grants & Contracts				
Private Gifts, Grants & Contracts				
Sales & Serv of Educ Activities				
Sales & Serv of Aux Enterprises				
Other (please identify) EITC Program Allocations				
Indirect Costs				
Total, All Fund Sources	392,600	437,500	449,900	

* Note: This report displays revenue received during the fiscal year, not expenditures made.
Round to the nearest \$100.00

INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
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SUBJECT

Overview of Idaho Student Aid Programs

REFERENCE

N/A

APPLICABLE STATUTE, RULE, OR POLICY

N/A

BACKGROUND

At the August 2007 Board Meeting, members of the Board asked that an update of the Scholarship programs managed by the Office of the State Board of Education be presented at the October Board meeting.

DISCUSSION

The State Board of Education manages over \$9.7 million in funding for student aid. Programs include merit scholarships, state work-study, loan forgiveness, federal scholarships, need-based grants and the new Idaho Opportunity Scholarship. Attachment 1 provides an overview of each program with funding amounts and the numbers of student served.

Programs vary from centralized programs managed directly by Board staff and decentralized programs managed in partnership with participating institutions. In 2005, an online application process and database were developed to improve management of the centralized scholarships managed by the Board. This change significantly improved many aspects of the scholarship process for students, high school, staff, and board staff. Attachments on the application process are included to provide more details on the changes and benefits which resulted from the new online application process.

Legislative changes during the 2007 session resulted in changes in the Promise A scholarship, the Freedom Scholarship, and the creation of the new need-based Opportunity scholarship. The changes to statute on Promise A allow for the inclusion of students who are home-schooled and removed class rank as part of the selection criteria. This change will result in significantly increasing the number of students who are eligible to apply for this scholarship. Since the statutory changes necessitated changes to rules, the rules governing the Promise scholarship program were revised, and reorganized to make the rules easier to use. The Board reviewed and approved the rule changes at the August Board meeting.

The change to the Freedom Scholarship (POW/MIA) permits Idaho high school graduates who were dependents of service personnel killed in action while stationed in Idaho at the time of their death to be eligible for this scholarship.

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The Opportunity Scholarship is a need-based program enacted into law during the 2007 legislative session. This scholarship became effective for the 2007 academic year and the first students were selected in September. While this program will be centralized, partnerships between the Board office, institutions, and the federal government will continue to be important. The program had a very fast implementation which created some interesting challenges for Board staff. During the transition year, student applicant data were provided by institutions. In subsequent years, the initial student identification will be made from federal student aid records. Initial data on this scholarship is tentative at this time. While the Board approved temporary and proposed rules for this program at the June 2007 board meeting, changes will be recommended to improve the selection process as soon as all of the data can be reviewed. An additional presentation to the Board will be necessary at a subsequent Board meeting.

IMPACT

N/A

ATTACHMENTS

Attachment 1 – Scholarship Overview	Page 3
Attachment 2 – Scholarships Managed by OSBE	Page 7
Attachment 3 – Online Application Increase Chart	Page 9

STAFF COMMENTS AND RECOMMENDATIONS

Staff has no comments or recommendations.

BOARD ACTION

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

Special Programs

Agency Profile

	SCHOLARSHIP or GRANT PROGRAM	FUND SOURCE	FY 2008 Original Appropriation*	FY 2009 Budget Request*
1.	Idaho Robert R. Lee Promise Scholarship – Category A	General	\$331,300	\$581,300
2.	Idaho Robert R. Lee Promise Scholarship – Category B	General	\$4,446,700	\$4,446,700
3.	Atwell Parry Work Study Program	General	\$1,344,500	\$1,370,000
4.	Minority / "At Risk" Scholarship	General	\$111,000	\$111,000
5.	Teachers/Nurses Loan Forgiveness Program	General	\$168,600	\$215,300
6.	Freedom Scholarship (fee waiver)	General	\$0	\$13,000
7.	Public Safety Officer Scholarship (fee waiver)	General	\$57,200	\$37,500
8.	"Grow Your Own" Teacher Corp Scholarship	General	\$366,500	\$366,500
9.	Leveraging Education Assistance Program (LEAP/SLEAP)	General	\$711,700	\$711,700
10.	Leveraging Education Assistance Program (LEAP/SLEAP)	Federal	\$189,300	\$189,300
11.	Byrd Honors Scholarship Program	Federal	\$207,500	\$207,500
12.	Opportunity Scholarship Endowment	General	\$10,000,000	\$10,000,000
13.	Opportunity Scholarship	General	\$1,925,000	\$1,925,000
13.	Unallocated Federal Spending Authority	Federal	\$43,200	\$43,200
14.	Idaho GEAR UP		N/A	N/A
	Total		\$19,902,500	\$20,218,000

* FY 2008 appropriation and FY 2009 request includes \$43,200 in unallocated federal spending authority.

Idaho Robert R. Lee Promise Scholarship – Category A(33-4303; IDAPA 08.01.05): Provides approximately 100 renewable scholarships each year to outstanding Idaho high school seniors who plan to pursue postsecondary academic or professional-technical studies at one of Idaho's public or private institutions of higher education. Awardees are selected on the basis of, unweighted GPA and ACT scores. The award amount is \$3,000 per year, renewable up to four years for academic programs or for the term of the professional-technical program (up to three years). For the 2006-2007 academic year, 40 new scholarships were awarded to freshmen. In total, 110 recipients will receive an annual award of \$3,000. The budget request for FY08 includes a substantial increase to Idaho's premier merit aid program. During the past application cycle, there were a total of 180 academic applicants who met or exceeded scholarship criteria. After awarding 43 new scholarships there were still 137 highly qualified applicants that did not receive a scholarship. The Idaho Code allows for a total of no greater than 400 and no more than 100 new awards a year. This request of \$250,000 of General Funds will allow the state to award 83 additional Promise Category A scholarships or a total of 193 awards per year. This is a 75% increase over current funding. This is requested due to the fact that for the past several years, we have had many qualified applicants who were not funded for the Promise A scholarship.

Idaho Robert R. Lee Promise Scholarship – Category B(33-4303; IDAPA 08.01.05): Provides up to \$600 per year, including any 1:1 match amounts from participating institutions, for all Idaho students with a grade point average of at least 3.0 or an ACT score of at least 20. The actual award amount is determined by the State Board of Education and is subject to available funding. These scholarships are limited to two years (four semesters) and to students younger than 22 years of age. Awardees must maintain at least a 2.5 GPA to remain eligible. An average of 8,012 students will qualify for this scholarship for the 2007-2008 academic year.

Atwell Parry Work Study Program (33-4401; IDAPA 08.01.10): An employment program designed to allow resident students with financial or educational need to earn funds to assist in attending accredited institutions of higher education in Idaho. Institutions provide a 20-percent match for on-campus jobs, off-campus employers provide a 50% match. This program provides an average award of \$952 to approximately 1,546 students.

Special Programs

Agency Profile

Minority / "At Risk" Student Scholarship Program (33-4301; 08.01.12): Provided 37 scholarships per year to Idaho students who are at-risk of failing to achieve their educational goals because of cultural, economic, social or physical circumstances (e.g. disabilities). The award can be up to \$3,000 per year for four years. To qualify, an Idaho graduate must meet three of the following five criteria: (1) be a first-generation college student, (2) be handicapped, (3) be a migrant farm worker or the dependent of a migrant farm worker, (4) have a substantial financial need, (5) be a member of an ethnic minority historically under-represented in higher education. A total of 37 students are currently receiving the \$3,000 scholarship for the 2007-2008 academic year.

Teachers/Nurses Loan Forgiveness Program (33-37-22): Provides loans equal to full-time student fees for selected nursing and teacher education students. Loans are forgiven if the recipient teaches or practices in Idaho for two years after graduation. The law allows up to 16 new awards per year for teachers and 13 for nurses.

Freedom Scholarship (fee waiver) (33-4302): Formerly known as the POW/MIA scholarship, this provides tuition and fees, on-campus housing and subsistence, plus up to \$500 per semester for books to children of Idaho citizens determined to have been prisoners of war, missing in action, or killed in action in any armed conflict of which the United States was a party. Awardees must attend an Idaho public college or university.

Public Safety Officer Scholarship (fee waiver) (33-4302A): Provides tuition and fees, on-campus housing and meals, plus up to \$500 for books per semester to children of Idaho citizens who have been killed or disabled in the line of duty while employed in Idaho as a public safety officer. Awardees must attend an Idaho public college or university. There are approximately 15 dependents that may be eligible for the scholarship within the next 10 years.

"Grow Your Own" Teacher Corp Scholarship: Provides scholarships for instructional assistants employed by local school districts or school volunteers through programs leading to an AA/AS or BA/BS degree in education with an emphasis on bilingual education or an English as a Second Language (ESL) endorsement. The Colleges of Education will work with local school districts and instructional assistants to achieve teacher certification, thereby providing a career ladder for minorities to become certified teachers while they remain on the job. This program was designed to address the growing population of non-English speaking children in Idaho public schools. Recipients receive up to 90% of the cost of their student fees per year.

Leveraging Educational Assistance Program (LEAP/SLEAP)(IDAPA 08.01.06): A federal grant program with a state match requirement that is available to students with demonstrable financial need. Students may attend any public or private institution of higher education in Idaho. Although more than 95% of the recipients are Idaho residents, there is no residency requirement. In the 2005-2006 academic year, 1,584 recipients received an average LEAP award of \$449. The SLEAP program provides approximately 282 awards of \$531.

Byrd Honors Scholarship Program: A federally funded, state-administered program awarded on the basis of merit. The award ranges up to \$1,500 per year to support a maximum of four years of study to outstanding high school seniors who show promise of continued academic achievement in postsecondary education. A total of 135 students received the scholarship in the 2007-2008 academic year, 59 of whom attend Idaho institutions.

Opportunity Scholarship (33-5601; IDAPA 08.01.12): The demand for a well qualified, well educated workforce was just one of the driving forces behind the creation of the Opportunity Scholarship during the 2007 Legislative session. This need-based scholarship is designed on a shared responsibility model with state dollars being the "last dollars". This means that a student must apply for federal aid, have a self or family contribution element before they would be eligible for the Opportunity Scholarship. FY08 is the first year for this program. \$10 million dollars was put into an endowment fund and \$1.925 million was designated to fund scholarships for the 2007-2008 academic year. \$10 million is requested each year for the endowment with \$1.925 million requested to fund annual scholarship until the endowment reaches a level that will support annual scholarships.

Special Programs

Agency Profile

GEAR UP: Gaining Early Awareness and Readiness for Undergraduate Program is a new six year federally and locally funded grant awarded to Idaho in 2006. GEAR UP will provide low income students early intervention services to assist them in becoming better prepared for postsecondary education and they will be eligible for GEAR UP scholarships at the conclusion of the program. Scholarships are \$4,000 dollars, per year, renewable for four years. Key to Idaho's GEAR UP grant is that 50% of funding must be reserved in trust for each year of the grant to be used for need-based scholarships.

FY11 is the first year scholarships funds will be distributed. Each year, 2011-2015, one thousand students will be eligible for scholarships. Scholarships will be based on financial need, academic performance, and successful completion of program requirements. Total funding for program is \$18 million of which \$9.2 is restricted to scholarships.

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Scholarships Managed by the Office of the State Board of Education

* The federal Robert Byrd Grant is for one year, but allows funds to be expended over a two year period.

	Robert R. Lee Promise A	Robert R. Lee Promise B	Robert C. Byrd Honors Scholarship	Idaho Governor's Cup Scholarship	Tschudy Family Scholarship
Source of Funding	Legislative Appropriation – Idaho Legislature	Legislative Appropriation – Idaho Legislature	Federal Funds	Private Funds – Golf Tournament	Private Funds
FY08 Funding Amount	\$331,3000	\$4,446,700	\$202,000*	Information not available	\$65,000
Number of Scholarships FY08	*A – 28 **PT – 9	Approximately 8000	39	Information not available	10
Scholarship Amount	\$3000/year	\$600/year maximum	\$1500/year	\$3000/year	\$2500/year
Renewable?	Yes A – 4 years PT – 3 years	Yes Maximum of 4 semesters	Yes Maximum of 4 years	Yes A – 4 years PT – 3 years	Yes According to terms of the gift
Must be Idaho Schools?	Yes	Yes	No	Yes	BSU, ISU, LCSC, and UI only
Grade Point Average	A – 3.5 or above PT – 2.8 or above	3.0 or above	None – Most awards go to 4.0 students	2.8 or above	No minimum is stipulated for application – final ranking is a factor
ACT scores	A – 28 or above PT – Compass scores for math and algebra	20 or above	No	No	No
Application Process	Online http://www.boardofed.idaho.gov	None	Online http://www.boardofed.idaho.gov	Online http://www.boardofed.idaho.gov	Online http://www.boardofed.idaho.gov
Application Deadline	January 15	None	January 15	January 15	January 15
Other	Legislative changes in 2007 allow home schooled students to be considered for this scholarship.	CSI, ISU, and NNU have some matching funds available		Name Change beginning this year. High consideration for selection will be based on a demonstrated commitment to public service. Requires a personal essay and letters of recommendation.	Must be a graduate from Emmett High School within the past seven years. Requires a personal essay and letters of recommendation.

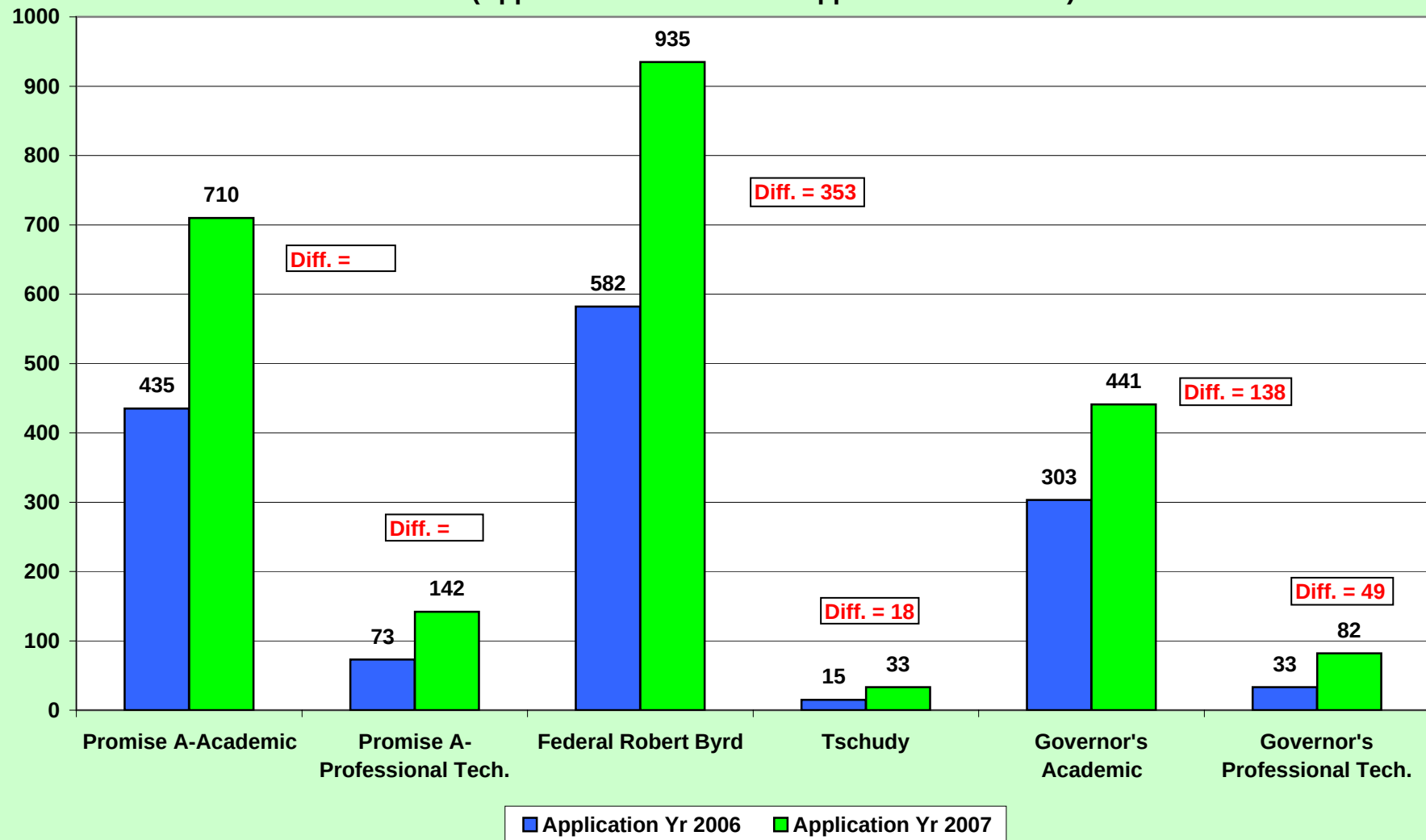
* Academic

** Professional-Technical

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Online Application Increase Chart

Chart 1: Number of Applications Received for Various Scholarships Available to Idaho HS Seniors (Application Year 2006 vs. Application Year 2007)



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**UNIVERSITY OF IDAHO-COLLEGE OF LAW
INFORMATION ITEM AGENDA**

SUBJECT

Strategic planning process on how best to fulfill the University of Idaho's statewide mission in legal education during the "second century" of the College of Law

APPLICABLE STATUTE, RULE, OR POLICY

Idaho Board of Education Policies & Procedures Section III.Z. Roles and Missions: Delivery of Post-Secondary Education

BACKGROUND

The University of Idaho is charged with the statewide mission for legal education. The University fulfills that mission through the College of Law, which will mark its centennial in 2009. Throughout 2007, the College has been engaged in a strategic planning process to determine how best to fulfill this statewide mission in the College's "second century."

DISCUSSION

This information item is intended to provide the Board an update on the current status of the strategic planning process. In July, 2007, the College co-sponsored with the Idaho State Bar a "Conclave on Idaho Legal Education in the 21st Century." A background document developed for that Conclave is accessible on the College's website at:

<http://www.law.uidaho.edu/documents/Conclave%20Document.pdf&pid=101948&doc=1>

During the fall of 2007, the law faculty, administration, and senior leadership of the University of Idaho, began developing, in consultation with the Board, a plan for delivery of legal education in Idaho. This plan will address regional population growth and legal needs.

The plan will also address a potential opportunity for collaboration with the Idaho Supreme Court through the development of an "Idaho Law Learning Center" in Boise.

IMPACT

No fiscal impact until a proposal is developed for Board consideration.

ATTACHMENTS

Attachment 1 – Strategic Planning Summary and Timeline	Page 3
Attachment 2 – Bar Journal Article - University of Idaho Weighs Future Options in Statewide Legal Education	Page 5

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STAFF COMMENTS AND RECOMMENDATIONS

Staff has no comments or recommendations.

BOARD ACTION

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

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Attachment 1

University of Idaho College of Law
Strategic Planning Summary and Approximate Timeline
(last updated August 31, 2007)

- College of Law, which will mark its centennial in 2009, carries out the University's statewide mission in legal education as prescribed by Board of Regents/State Board of Education
- Location of the College has been an academic, historical, political and legal issue for decades. Issue was raised in 1960s; but was resolved when the Menard Law Building was constructed on the UI Moscow campus in 1972-73
- Strategic planning events since 1999-2000:
 - o "Special panel" was convened in 1999; panel report and faculty report were issued in 2000; College outreach office was created at UI/Boise, followed by state-imposed budget cuts of 2002-03
 - o Law faculty generated a "statement of strategic direction" (2003)
 - o Self-study was conducted during favorable accreditation review (2005-06)
 - o Faculty strategic planning efforts re-focused on statewide mission throughout spring and summer, 2007
 - o Law Advisory Council met on strategic planning (April, 2007)
 - o College of Law/Idaho State Bar "Conclave on Idaho Legal Education in the 21st Century" (July, 2007), was attended by 108 bench/bar leaders, faculty, and administrators, including general counsel of UI, BSU, and ISU
 - o Consultants have been engaged for academic "supply" side analysis, for market "demand" side analysis, and for eventual drafting of business plan
- Broad strategic approaches currently under consideration:
 - o Enlarging the law program at Moscow to meet statewide needs, with possible enhancement of research/outreach in Boise but relatively little change in instructional activities (externships, "semester in practice") currently administered at Boise
 - o Relocating law instruction to Boise while retaining an interdisciplinary research/outreach presence at Moscow (this approach might raise legal issues)
 - o Undertaking a phased dual location approach in which law instruction eventually would be delivered, and research and outreach would be conducted, by the University of Idaho College of Law at both Moscow and Boise
- Future planning approximate timeline
 - o College of law strategic planning committee will continue its weekly (Wednesday) subcommittee meetings on academic "supply" side and market "demand" side issues in September and October; with full faculty involved in regular and/or special faculty meetings; President, Provost and other senior University leaders will join discussions at key points; State Board will be kept informed personally/individually
 - o [Permanent Building Fund Advisory Committee will meet on October 2; agenda will include a planning funds request from Idaho Supreme Court and Administrative Office of the Courts for proposed relocation of state law library and creation of an "Idaho Law Learning Center"]
 - o Planning process report (information item) will be on agenda of State Board meeting in Lewiston on October 10-11
 - o Market "demand" side data should be received by October 15
 - o Faculty, senior university administrators, "supply" side (and possibly "demand" side) consultant will meet with Law Advisory Council in Moscow on October 22
 - o Definitive plan to be formulated by faculty and university administration, in ongoing consultation with members of State Board, during November
 - o Faculty and administration to approve a plan and submit it as a proposal to the State Board in December
 - o State Board action in due course, to be followed by focused fundraising in 2008
 - o Legislative action and start of early implementation steps in 2009 ("centennial year")

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Attachment 2

[August 6, 2007 For "The Advocate" – Official Publication of the Idaho State Bar]

**UNIVERSITY OF IDAHO WEIGHS FUTURE OPTIONS
IN STATEWIDE LEGAL EDUCATION**

Don Burnett*

The University of Idaho is weighing the options on how best to fulfill its statewide mission in legal education, as prescribed by the Idaho State Board of Education (also the University's Board of Regents). The University's College of Law will mark its centennial in 2009. The College is engaged in strategic planning for a "second century" of statewide legal education.

A Quick History of the Planning Process

The College's planning for the future has attracted media attention recently, but in fact the process and the issues have been unfolding for many years. During the 1960s, when the College began to outgrow its quarters in the University's historic Administration Building, there were voices calling for the state's law school to be located in the state capital. The location issue was settled for a generation, however, when the "new" law school facility, the Menard Law Building, was constructed at Moscow in 1972-73.

In 1999 the University convened a panel of consultants whose report, "Strategic Directions in Legal Education for Idaho," was published in the June, 2000, edition of *The Advocate*. Two months later *The Advocate* carried the "Report and Recommendations of the Faculty of the University of Idaho College of Law," which laid the foundation for establishing the College's current Boise office, hiring a law instructor and director of external programs, and creating the semester-in-practice program.

In 2003 the faculty adopted a "Statement of Strategic Direction" outlining subject areas – natural resources and environmental law, business law and entrepreneurship, and advocacy and dispute resolution, as well as international and comparative law, law and technology, and ethics and civic leadership -- deemed to be strategically important for the future. In 2005 the faculty revisited strategic issues as part of a regular, periodic accreditation self-study. In 2006 and 2007 the Association of American Law Schools and the American Bar Association reaffirmed the College's accreditation, enabling the College to return its strategic focus to the programs necessary to meet Idaho's statewide legal education needs.

During 2007 a law school strategic planning committee, chaired by Professor Maureen Laflin, has met regularly to define future issues, engaging the full faculty in special meetings while gathering input from the law school staff and student leaders. In April,

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2007, the committee explored future issues in a two-day meeting with the Law Advisory Council, a national group of distinguished alumni and friends of the College. On July 16-18, the College and the Idaho State Bar cosponsored a “Conclave on Idaho Legal Education in the 21st Century,” held in conjunction with the Bar’s annual meeting.

The Conclave necessarily was limited in size in order to promote a thoughtful “workshop” approach to complex issues. It attracted 108 leaders of the state judiciary, legal profession, and business community, as well as the law faculty. University of Idaho president Timothy White and State Board of Education/Board of Regents member Laird Stone also participated, along with other administrators including general counsel for the University of Idaho and counsel for Boise State University and Idaho State University. A booklet thoroughly describing the Conclave’s participants, purpose, and issues is available at a link on the College of Law website: www.law.uidaho.edu.

The Importance of Public Legal Education

As explained in the booklet and discussed in the Conclave, Idaho has a stake in both the excellence and affordability of public legal education. The excellence issue is framed by a realization that the quality of law teaching, research and service at Idaho’s public law school will determine the reputations and career opportunities available to Idaho law students. Quality also will influence the economic competitiveness of our state as well as the depth of our state’s commitment to the fair and effective administration of justice.

The affordability issue is underscored by the fact that legal education is increasingly financed by student debt; at some private schools, the debt load approaches that of a home mortgage.ⁱ Student debt is a major factor determining whether students can afford to take public sector jobs or to work in private practice settings representing Idaho families and small businesses. Thus, if the growing demand for legal education in Idaho, particularly in the Treasure Valley, were supplied by a private entity, many of the students emerging with private school-level debt loads would have difficulty taking Idaho jobs.ⁱⁱ

Moreover, a public law school has a special calling to serve its state by creating leaders of the judiciary, the legal profession, and the business community; by providing scholarship in support of sound public policy and economic development; by engaging in service and outreach that enhance the performance of legal institutions; and by inculcating a culture of ethics and civic responsibility. Although all worthy law schools address these needs to some extent, the expectations for a state’s public law school are especially (and appropriately) high. They represent a valuable return on the state’s investment in higher education.

Approaches to the Future

The challenges of excellence and affordability are combined in Idaho with the need to serve a vast and diverse state. The Conclave examined location issues relating to

instruction in the J.D. program as well as legal and interdisciplinary scholarship, service, and outreach. As noted during the Conclave, the College enjoys the benefits of the University's supportive infrastructure, and interdisciplinary connections with other programs, at the Moscow location. At the same time, the Boise metropolitan area offers additional opportunities for law students and faculty in a center of population, business, and government.

Participants in the Conclave reached a broad consensus that there are no easy or simplistic answers to the challenge of fulfilling the College's future statewide responsibilities with respect to legal education and the scholarship, service and outreach activities associated with it. There was also broad agreement also that the College must advance beyond the status quo in meeting the needs for legal education throughout the state. Changes in legal education itself – globalization, specialization, and the need for more "practice-ready" graduates – also require the College of Law to advance beyond the status quo.

The Conclave considered three broad approaches for the future:

- A "Moscow plus" approach -- expanding the College's Juris Doctor program on the Moscow campus while retaining the "semester-in-practice" and externships in the Treasure Valley and establishing specialized research and outreach institutes in Boise.
- A "relocation" approach – moving the Juris Doctor program to Boise in addition to the specialized research and outreach institutes, while retaining administration by the University of Idaho and continuing the interdisciplinary research connections with the Moscow campus.
- A "phased dual-location" approach – maintaining the Moscow location while expanding the "semester in practice" to a full third year, establishing the specialized research and outreach institutes, and then broadening the J.D. instruction in Boise to a full three-year branch program (possibly including a part-time course of study).

Each of these approaches would increase the College's presence in Boise, albeit in varying degrees and in differing time frames. Each could provide a unique opportunity for collaboration with the Idaho Supreme Court, which recently has developed a proposal to move the Idaho State Law Library (now contained within the Supreme Court) to a new, adjacent building that could also serve as an "Idaho Law Learning Center."

Next Steps in the Strategic Planning Process

No decision has been made regarding these approaches. Indeed, the Conclave did not "vote" on the approaches; rather, working groups within the Conclave explored the strengths and weaknesses of all of the approaches and variations of them. There was a

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consensus, however, that expansion of the College's presence in Boise is necessary, and that all of the approaches will require substantial new resources. These resources might come from a combination of legislative appropriation support, student tuition and fees, and private giving.

Any major future initiative must be developed in close collaboration with, and will be subject to approval by, the State Board of Education/Board of Regents. University President Timothy White noted during the Conclave that the "paramount consideration is what is best for our students – in terms of depth and breadth of the curriculum and preparation for practice, along with cost and access considerations - and best for the citizens of Idaho in terms of the number, quality and skills of graduates from our program." State Board and Regent member Laird Stone told the Conclave that the Board is very interested in the quality and accessibility of legal education in Idaho, and will give strong consideration to the well-informed, thoughtful judgments of legal educators, senior University administrators, and the Idaho bench and bar.

During the remainder of this summer and fall, the faculty and administration of the College of Law will work with consultants, with senior University leadership, and with the State Board to develop a strategic plan that fulfills the College's statewide mission and embodies the insights developed during the Conclave. Updates on the plan will be presented during the Idaho State Bar "road show" meetings with the district bar associations. Questions concerning the College's strategic planning process may be addressed to Don Burnett, Dean of the College of Law, dburnett@uidaho.edu, direct dial telephone 208-885-6305.

* Don Burnett, a Pocatello native, is the Dean of the University of Idaho College of Law, a former member of the Idaho Court of Appeals, and a former President of the Idaho State Bar.

REFERENCE: APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: III. POSTSECONDARY AFFAIRS SUBSECTION:

Z. Delivery of Postsecondary Education

April 2005

Z. Delivery of Postsecondary Education – Planning and Coordination of Academic Programs and Courses

The purpose of this policy is to ensure that Idaho postsecondary institutions meet the educational and workforce needs of the state through academic planning, alignment of programs and courses, collaboration and coordination. It is the intent of the State Board of Education (the “Board”) to optimize the delivery of academic programs while allowing institutions to grow and develop consistent with an appropriate alignment of strengths and sharing of resources. This policy anticipates the use of academic plans to advise and inform the Board in its work to plan and coordinate educational programs in a manner that enhances access to quality programs and courses, while concurrently increasing efficiency, avoiding duplication and maximizing the cost-effective use of educational resources. As part of this process, the Board intends to more clearly identify, reinforce and strengthen the respective statewide missions of the institutions governed by the Board. The provisions set forth herein are intended to serve as fundamental principles underlying the delivery of postsecondary education pursuant to collaborative and cooperative agreements, or memorandums of understanding, between and among the institutions.

The Board acknowledges and supports the role of oversight and advisory councils to assist in coordinating, on an ongoing basis, the operational aspects of delivering postsecondary education within a service region in accordance with the terms of the memorandums of understanding entered into between the institutions and consistent with this policy.

This policy is not applicable to programs or courses offered at a distance through electronic means, correspondence or continuing education courses, or dual enrollment courses for secondary education.

1. Definitions

a. Statewide Mission

A statewide mission denotes that the institution is assigned by the Board to offer and deliver a program in order to meet a particular educational and workforce need in all regions of the state. A statewide mission describes an institution’s responsibility for instructional programs that are unique with regard to academic focus. A unique program or course is defined as an academic or vocational program or course, which is offered by and available at only one of the institutions under the governance of the Board. Statewide missions are assigned to institutions by the Board through the role and mission statements.

b. Regional Mission

A regional mission describes an institution’s responsibility for instructional programs pertaining to identified educational and workforce needs of primary service regions (identified in Section III, Subsection L. of the Idaho State Board of Education Governing Policies and Procedures).

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Because similar educational and workforce needs may exist in multiple service regions, programs that are part of an institution's regional mission may be duplicated by other institutions within other service regions.

2. Responsibilities Related to Statewide Missions

It is the responsibility of each institution assigned a statewide mission by the Board to assess and ensure the delivery of all statewide mission programs and courses necessary to meet the educational and workforce needs associated with the statewide mission throughout the state.

3. Responsibilities Related to Regional Missions

It is the responsibility of each designated institution within a primary service region (identified in Section III, Subsection L. of the Idaho State Board of Education Governing Policies and Procedures) (a "designated institution") to assess and ensure the delivery of all educational programs, courses and services necessary to meet the educational and workforce needs within its primary service region. Delivery of educational programs and services will include the provision of programs and courses that are regional in nature by the designated institution and partnering institutions and the provision of programs and courses that are identified as statewide missions by institutions assigned a statewide mission responsibility.

4. Academic Planning Process

a. General Provisions

(1) Each institution will create and maintain an eight (8) year rolling, academic plan that describes the programs, courses and services to be offered by the institution and by other public, postsecondary institutions governed by the Board to respond to the educational and workforce needs of the state, or a service region, as appropriate (with respect to each institution, the "Plan"). Plans should be developed pursuant to a process of collaboration and communication with and among the other institutions within the state.

(2) Plans will be submitted to the Office of the Idaho State Board of Education ("OSBE") for review and approval by the Idaho State Board of Education (the "Board") in accordance with a schedule to be developed by the Chief Academic Officer of the Board (the "CAO"). Plans will be submitted first to the Council for Academic Affairs and Programs ("CAAP") at least sixty (60) days prior to submission to OSBE for review, discussion and coordination among CAAP members. Upon submission of the Plans to OSBE, the CAO will review the Plans for the purpose of optimizing through collaboration and coordination among the institutions the cost-effective delivery of quality programs and courses, access to such programs and courses, the avoidance of duplication of programs and courses and the efficient use of resources. The CAO will provide recommendations to the Board for enhancements, if any, to the Plans, no later than thirty (30) days prior to approval by the Board. The Plans will be used to advise and inform the Board in its work to plan and coordinate educational programs throughout the state. Each institution will be responsible for updating its Plan as follows:

- (a) Plans pertaining to the delivery of programs and courses for baccalaureate degrees and postgraduate degrees will be updated and submitted to CAAP and OSBE every

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two (2) years in accordance with a schedule to be developed by the CAO and in accordance with the timelines set forth above.

- (b) Plans pertaining to the delivery of programs and courses for associate level degrees or professional-technical degrees or certificates may be updated and submitted to CAAP and OSBE on an as needed basis in accordance with a schedule to be developed by the CAO. Plans for these programs and courses will be approved by the CAO.

(3) The CAO will develop an academic plan form to be used by institutions as a guide for providing the information requested herein.

b. Statewide Mission Planning Process

(1) Statewide Mission Plan

Each institution assigned a statewide mission will create and maintain a Plan that describes the programs and services to be offered to respond to the workforce and educational needs of the state relating to the institution's statewide mission. Each plan will include at least the following:

- (a) A needs assessment that identifies the ongoing and future workforce and educational needs of the state relating to the institution's statewide mission.
- (b) A description of the statewide mission programs and courses to be delivered throughout the state by the mission owning institution and the resources to be employed.
- (c) A description of the statewide mission programs and courses offered, or to be offered, by institutions not assigned the statewide mission.
- (d) A summary of the terms of memorandums of understanding (MOU's), if any, entered into between the statewide mission owning institution and partnering institutions pursuant to Section 4 below. If it is anticipated that the program or course will be offered within three (3) years of approval of the Plan, the description will include a summary of the anticipated costs of delivery and the resources and support required for delivery of the programs and courses, including facility needs and costs.

(2) Statewide Mission Program or Course in a Service Region

If a statewide mission owning institution identifies a need for the delivery of a statewide mission program or course within a service region, and that program or course is not identified, or anticipated to be identified, by the designated institution in its Plan, the statewide mission owning institution will communicate with the designated institution (in accordance with a schedule to be determined by the CAO) for the purpose of including the same in the designated institution's Plan. It is intended that statewide mission programs or courses be included in the designated institution's Plan, as updated, and that the statewide mission owning institution and the designated institution collaborate and coordinate during the planning process. To facilitate this process, the statewide mission owning institution will deliver to the Chief Academic Officer of the designated institution and OSBE a description of the program or course intended to be delivered, including a plan for the delivery of the program or course, a timeline for delivery of the program or course, the anticipated costs of delivery and the resources and support required for delivery, including facilities needs and costs.

(3) MOU with Designated Institution

If an institution having a statewide mission program or course has submitted the information set forth in Subsection 2 above to a designated institution and OSBE in a timely manner (in accordance with a schedule determined by the CAO) for inclusion in the designated institution's Plan, then the designated institution will identify the program or course in its Plan and enter into an MOU with the

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statewide mission owning institution for the delivery of such program or course in accordance with this policy. If, prior to the submission of an updated Plan by the designated institution, it is determined by the Board that an emergency need has arisen for such program or course in the service region, then upon Board approval the statewide mission owning institution and the designated institution will enter into an MOU for the delivery of such program or course in accordance with the provisions of this policy.

c. Regional Planning Process

(1) Designated Institution Plan

The designated institution in a primary service region (identified in Section III, Subsection L. of the Idaho State Board of Education Governing Policies and Procedures) will create and maintain a Plan that describes the programs and courses to be offered to respond to the educational and workforce needs of its primary service region. It is intended that designated institutions communicate and collaborate with other institutions located outside of the service region in developing its Plan. If, in the course of developing or updating its Plan, the designated institution identifies a need for the delivery of a program or course within its service region, and the designated institution is unable to provide the program or course, the designated institution will coordinate with an institution located outside of the service region (a “partnering institution”) to deliver the program or course in the service region. This will be done pursuant to an MOU to be entered into between the designated institution and the partnering institution in accordance with Section 4 below. Each Plan developed by a designated institution will include at least the following:

- (a) A needs assessment that identifies the ongoing and future workforce and educational needs of the region.
- (b) A description of the academic programs and courses to be delivered in the service region, or outside of the service region, by the designated institution and the resources to be employed.
- (c) A description of regional mission programs and courses offered, or to be offered, in the service region by partnering institutions, including any anticipated transition of programs or courses to the designated institution.
- (d) A description of statewide mission programs and courses to be offered in the service region by the statewide mission owning institution or by the designated institution.
- (e) A summary of the terms of MOU’s, if any, entered into between the designated institution and partnering institutions pursuant to Section 4 below. If it is anticipated that the program or course will be offered within three (3) years of approval of the Plan, the description will include a summary of the anticipated costs of delivery and the resources and support required for delivery of the programs and courses, including facility needs and costs.

(2) Program and Course Offerings by Partnering Institutions

If a partnering institution identifies a regional mission program or course not identified, or anticipated to be identified, in the designated institution’s Plan, and the partnering institution wishes to offer such program or course in the service region, the partnering institution may communicate

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with the designated institution for the purpose of including the program or course in the designated institution's Plan. In order to include the program or course in the designated institution's Plan, the partnering institution must demonstrate the need within the service region for delivery of the program or course, as determined by the Board (or by the CAO in the case of associate level or professional-technical level programs or courses). In order to demonstrate the need for the delivery of a program or course in a service region, the partnering institution will complete and submit to the Chief Academic Officer of the designated institution, to CAAP and to OSBE, in accordance with a schedule to be developed by the CAO, the following:

- (a) A study of business and work force trends in the service region indicating anticipated, ongoing demand for the educational program or course to be provided.
- (b) A survey of potential students evidencing demand by prospective students and attendance sufficient to justify the short-term and long-term costs of delivery of such program or course.
- (c) A complete description of the program or course requested to be delivered, including a plan for the delivery of the program or course, a timeline for delivery of the program or course, the anticipated costs of delivery, the resources and support required for delivery (including facilities needs and costs), and program or course syllabuses.

(3) Designated Institution's Opportunity to First Offer a Program or Course if,

- (a) (i) the partnering institution has submitted the information set forth in Subsection 2 above to the Chief Academic Officer of the designated institution in a timely manner (in accordance with a schedule to be determined by the CAO) for inclusion in the designated institution's Plan, (ii) a need is demonstrated by the partnering institution for such program or course in the service region, as determined by the Board (or by the CAO in the case of associate level or professional-technical level programs or courses); or
- (b) Prior to the submission of an updated Plan by the designated institution, it is determined by the Board that an emergency need has arisen for such program or course in the service region, then, the designated institution must within six (6) months (three (3) months in the case of associate level or professional-technical level programs or courses) determine whether it will deliver such program on substantially the same terms (qualitatively and quantitatively) described by the partnering institution. In the event the designated institution determines not to offer the program or course, the partnering institution may offer the program or course according to the terms stated, pursuant to an MOU to be entered into with the designated institution. If the partnering institution materially changes the terms and manner in which the program or course is to be delivered, the partnering institution will provide notice to the Chief Academic Officer of the designated institution and to the CAO of such changes and the designated institution will be afforded the opportunity again to review the terms of delivery and determine within three (3) months of the date of notice whether it will deliver such program on substantially the same terms.

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d. Program Transitions

In order to appropriately balance (i) the ability of institutions to grow and develop programs and courses in accordance with their statewide mission or according to their service region mission, (ii) the desire that programs and courses be delivered to meet workforce and educational needs, and (iii) the reduction of costs and alignment of educational resources, it is the intent of the Board that, to the extent possible, designated institutions, partnering institutions and statewide mission owning institutions plan and coordinate the delivery of programs and courses anticipated to be offered by such institutions, but not currently identified in the designated institution's, partnering institution's or statewide mission owning institution's Plans. This should be achieved first in the process of developing an institution's Plan.

In the event (i) a statewide mission owning institution intends to develop the capacity to offer a statewide mission program or course within a service region currently being offered by the designated institution or a partnering institution, or (ii) a designated institution intends to develop the capacity to offer a program or course that is being offered within its service region by a partnering institution (other than a program or course offered by a statewide mission owning institution), the statewide mission owning institution or designated institution, respectively, will identify its intent to develop the program or course in the next update of its eight (8) year Plan.

- (1) In order for the statewide mission owning institution, or the designated institution, to offer a program or course that is currently offered by another institution (the "withdrawing institution"), the statewide mission owning institution, or the designated institution, must demonstrate its ability to offer the program or course.
- (2) Except as otherwise agreed between the institutions pursuant to an MOU, the statewide mission owning institution, or the designated institution, will allow the withdrawing institution a minimum three (3) year transition period (thus creating three (3) to five (5) years' notice pursuant to a two (2) year update process) to allow the withdrawing institution to withdraw its program or course. If, upon notice from the statewide mission owning institution, or the designated institution, the withdrawing institution wishes to withdraw its program or course region prior to the end of the three (3) year transition period, the withdrawing institution will seek to enter into a transition MOU with the statewide mission owning institution, or the designated institution, as appropriate, to begin delivery by the statewide mission owning institution or designated institution at a date prior to the end of the three (3) year transition period, but in no event earlier than two (2) years from the date of notice (unless otherwise agreed by the statewide mission owning institution or designated institution). Included within the transition MOU will be an admissions plan between the institutions providing for continuity in student enrollment during the transition period.

e. Discontinuance of Offerings

Unless otherwise agreed between a statewide mission owning institution and the designated institution pursuant to an MOU, if, for any reason, a designated institution offering programs or courses in its service region that supports a statewide mission

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program of another institution, wishes to discontinue the offering(s), the designated institution will use its best efforts to provide the statewide mission owning institution at least one (1) year's written notice of withdrawal. The designated institution will also submit the same written notice to the State Board of Education and to oversight and advisory councils. In such case, the statewide mission owning institution will carefully evaluate the workforce need associated with such program or course and determine whether it is appropriate pursuant to its regional mission to provide such program or course. In no event will the statewide mission owning institution be required to provide such offering(s).

Unless otherwise agreed between the partnering institution (whether statewide mission owning, or otherwise) and the designated institution pursuant to an MOU, if, for any reason, a partnering institution offering programs or courses in a service region wishes to discontinue the offering(s), the partnering institution will use its best efforts to provide the designated institution at least one (1) year's written notice of withdrawal. The partnering institution will also submit the same written notice to the State Board of Education and to oversight and advisory councils. In such case, the designated institution will carefully evaluate the workforce need associated with such program or course and determine whether it is appropriate pursuant to its regional mission to provide such program or course. In no event will the designated institution be required to provide such offering(s).

f. Existing Programs

Programs and courses being offered by a partnering institution (whether statewide mission owning, or otherwise) in a service region prior to July 1, 2003, may continue to be offered pursuant to an MOU between the designated institution and the partnering institution, subject to the transition and notice periods and requirements set forth above.

g. Applicability of Section III. G. – Instructional Program Approval and Discontinuance

The requirements of this Subsection 4. Academic Planning Process relating to the approval and discontinuance of programs and courses are intended to apply in addition to the requirements of Section III. G. – Instructional Program Approval and Discontinuance. To the extent the provisions of Section III. G. – Instructional Program Approval and Discontinuance are not inconsistent with the provisions of this Subsection 4. Academic Planning Process, such provisions will remain in full force and effect. In the event of conflict, the provisions set forth herein will apply.

5. Memorandums of Understanding

- a. A memorandum of understanding ("MOU") is an agreement between two or more institutions offering programs or courses within the same service region that details how such programs and courses will be delivered in a collaborative manner. An MOU is intended to provide specific, practical details that build upon what has been provided in each institution's eight (8) year, academic plan. When a service region is served by more than one institution, an MOU will be developed between such institutions as provided herein and submitted to OSBE for review and approval by the Board.
- b. Each MOU is to be entered into based on the following guidelines, unless otherwise approved by the Board:

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- (1) For programs and courses offered by a partnering institution (whether a statewide mission owning institution, or otherwise) within a municipal or metropolitan area that encompasses the campus of a designated institution:
- (a) Offerings will be conducted in facilities located on the campus of the designated institution to the extent the designated institution is able to provide adequate and appropriate facilities (taking into account financial, resource, and programmatic considerations), or in facilities immediately adjacent to the campus of the designated institution. Renting or building additional facilities will be allowed only upon Board approval, based on the following: (i) the educational and workforce needs of the local community demand a separate facility as demonstrated in a manner similar to that set forth in Subsection 4.c.(2) above, and (ii) the use or development of such facilities are not inconsistent with the designated institution's eight (8) year plan.
 - (b) Facilities rented or built by a partnering institution (whether a statewide mission owning institution, or otherwise) on, or immediately adjacent to, the "main" campus of a designated institution may be identified (by name) as a facility of the partnering institution, or, if the facility is rented or built jointly by such institutions, as the joint facility of the partnering institution and the designated institution. Otherwise, facilities utilized and programs offered by one or more partnering institutions within a service region will be designated as "University Place at (name of municipality)."
 - (c) Program or course offerings will not duplicate those currently offered at the campus of the designated institution. If courses necessary to complete a program are offered by the designated institution, they will be used and articulated into the program.
 - (d) For programs and courses offered by a partnering institution (whether a statewide mission owning institution, or otherwise) within a municipality or metropolitan area encompassing a campus of a designated institution, to the extent programmatically possible, auxiliary services (including, but not limited to, bookstore, conference and other auxiliary enterprise services) and student services (including, but not limited to, library, information technology, and other auxiliary student services) will be provided by the designated institution. To the extent programmatically appropriate, registration services will also be provided by the designated institution. It is the goal of the Board that a uniform system of registration ultimately be developed for all institutions governed by the Board. The designated institution will offer these services to students who are enrolled in programs or courses offered by the partnering institution in the same manner, or at an increased level of service, where appropriate, as such services are offered to the designated institution's students. The MOU between the designated institution and the partnering institution will outline how costs for these services will be allocated.

6. Oversight and Advisory Councils

The Board acknowledges and supports the role of oversight and advisory councils to assist in coordinating, on an ongoing basis, the operational aspects of delivering programs and courses among multiple institutions in a service region, including necessary resources and support and facility services, and the role of such councils in interacting and coordinating with local and regional advisory committees to address and communicate educational needs indicated by such committees.

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Such interactions and coordination, however, are subject to the terms of the MOU's entered into between the institutions and the policies set forth in this Section III, Subsection Z.

7. Resolutions

All disputes relating to items addressed in this policy will be forwarded to the CAO for review. The CAO will prescribe the method for resolution. The CAO may forward disputes to CAAP and if necessary make recommendation regarding resolution to the Board. The Board will serve as the final arbiter of all disputes.

8. Reporting

Once annually, OSBE, with appropriate input from the each institution, will develop a report of programs offered at all sites throughout the state by Board governed institutions, along with a summary of academic plans and MOU's.

9. Exceptions

This policy does not apply to courses and programs specifically contracted to be offered to a private, corporate entity. However, in the event that an institution plans to contract with a corporate entity outside of their designated regional assignment, the contracting institution will notify the designated institutions in the service region and institutions holding a statewide mission, as appropriate. If the corporate entity is located in a municipality that encompasses the campus of a designated institution, the Board encourages the contracting institution to include and draw upon the resources of the designated institution insomuch as is possible.

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- I. **ⁱ Among law students graduating in 2006, the national average debt – just for legal education (excluding other educational or personal debt) – was \$54,509 for students who attended public law schools and \$83,181 for those who attended private law schools. The average for University of Idaho College of Law graduates in 2006 was \$51,582. (Source: American Bar Association.)**

ⁱⁱ For the University of Idaho College of Law graduating class of 2005, the median starting salary at all jobs in the public and private sectors was \$40,000 with a 25th/75th percentile range of \$37,000 to \$48,000. The national median salary for all jobs that year was \$60,000. The national median salary for jobs at firms with 2-10 attorneys was \$50,000. The median salary for the Mountain Region (Arizona, Colorado, Idaho, Montana, New Mexico, Nevada, Utah, Wyoming) was \$52,000. (Sources: National Association of Law Placement and UI College of Law Career Development Office.)

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SUBJECT

HERC One-Time \$550k Grant Program FY 2008 – Funding Recommendation

APPLICABLE STATUTE, RULE, OR POLICY

Board Policy Section V.N. Grants and Contracts

BACKGROUND

The Higher Education Research Council (HERC) was allocated \$1,440,000 for FY 2008 through the colleges and universities appropriation. During the 2007 legislative session, Governor Otter recommended “a one-time increase of \$15 million for the Higher Education Research Council for research projects that facilitate economic development. That includes research being conducted by our three universities and the Idaho National Laboratory.”

In an effort to partially comply with that request, the Legislature recommended that a one-time increase of \$1,560,000 be awarded to the Higher Education Research Council for competitive research grants.

DISCUSSION

HERC, Vice Presidents for Research (VPRs) from each institution, and Board staff participated in meetings held in May to discuss potential options for those one-time monies. It was determined that the process needed to be competitive and involve economic development.

At their May 9, 2007 meeting, HERC agreed upon a dual strategy for the one-time funds to include having two calls for proposals:

- One in July that would award two proposals up to \$550,000 each
- One in October that would award six smaller proposals up to \$75,000 each

The Vice Presidents for Research worked on a Request for Proposals for the One-Time \$550k Grant Program, which was vetted by HERC at their June 5, 2007 meeting. The research grant program review consisted of a Notice of Intent (NOI) process and a Full Proposal process. In the first process, the NOIs were submitted to the Board office through the Research offices and were evaluated by the private industry members of HERC with input from the Vice Presidents for Research on July 10, 2007. HERC agreed that no more than two NOIs would be selected from each institution to advance to the full proposal stage for review.

The review process consisted of two university research administrators from out-of-state, which were recruited by Board staff and approved by HERC. In determining the individuals who can best determine the potential for economic benefit to the State of Idaho, staff felt that ideally those reviewers should be from Idaho. Therefore, one private industry representative from Idaho was recruited as a referral from Idaho Techconnect and was also approved by HERC. Reviewers were asked to provide a numerical rating and comments based on specific criteria outlined in the Request for Proposals. The average of those reviewer

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scores assisted HERC in making their funding recommendation to the Board. These reviewer results were provided to HERC at a special conference call held on September 27, 2007.

The two finalists were:

University of Idaho *Sustainable Transportation Fuel and Engine Systems*

Idaho State University *The Development of an Oral Delivery System for DNA Vaccines in Aquatic Species*

IMPACT

If funded, the project director of each project funded will be required to submit a feasibility report to the Board office that will address the outcomes and economic development of the project on January 2, 2008. Thereafter, the project director must prepare a summary progress report for HERC due on January 2 of each subsequent year and provide accountability information as described in Section V. Grant Programs -General Guidelines of HERC's policies and by-laws.

ATTACHMENTS

N/A

STAFF COMMENTS AND RECOMMENDATIONS

HERC and Board staff recommends approval of the finalists from the One-Time \$550k Grant Program competition identified above.

BOARD ACTION

A motion to approve the UI and ISU finalists of the One-Time \$550k Grant Program at \$550,000 each for a total of \$1.1 million as presented.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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SUBJECT

South Central Local Operations Committee – Summary Report

REFERENCE

N/A

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies and Procedures

- Section III.G. Program Approval and Discontinuance
- Section III.Z. Delivery of Postsecondary Education

BACKGROUND

Higher education delivery in Idaho has been addressed through a series of academic partnerships with sister institutions. In 1998, Idaho State University and the University of Idaho formalized an agreement to partner and serve Idaho Falls education needs. This agreement established The University Place. Later, Eastern Idaho Technical College joined the partnership agreement. The agreement outlines the delivery of educational services in this area. Two years later, North Idaho College, Lewis-Clark State College, University of Idaho, and Idaho State University entered a similar relationship to serve baccalaureate to post-graduate needs in North Idaho.

DISCUSSION

As collaborative centers were established in various regions across the state, a Local Operations Committee (LOC), a Community Advisory Board, and an Oversight Council were created for each area. LOC includes responsibility for the day to day coordination, development of policy, and program recommendations to the Oversight Council. In the past, the Oversight Council was comprised of the institutional presidents. In the spring of 2006, the institutional presidents delegated this responsibility to the provosts. This body provides oversight for local operations, policy direction, and approval. A coordinated schedule for these Oversight Council Meetings is distributed annually.

Higher Education Center Building on the CSI Campus

Over the years there have been efforts to fund a Higher Education Center building on the College of Southern Idaho campus that would house the Twin Falls Centers for Idaho State University, University of Idaho, and Boise State University. As it became clear that funding for the university's own building would not be possible, other options were considered. With the College of Southern Idaho obtaining financing to build a new Health Sciences and Human Services (HSHS) building, the Aspen building (where the HSHS are currently housed) became an option to accommodate the universities. When construction of the new Health Sciences and Human Services building is complete, plans are in place to remodel the Aspen Building to suit the needs of a Higher Education Center including a common reception area with offices for each of the universities. The College of Southern Idaho Foundation has pledged to support

the remodeling of the Aspen Building with a goal of having the project completed in 2009.

Establishment of a Magic Valley Local Operations Committee

The University of Idaho, Idaho State University, Boise State University, and the College of Southern Idaho have partnered on the CSI campus for over a decade. In 2004 the south central Idaho operations committee was formed. A formal memorandum of agreement is in place and was signed on January 31, 2007. This committee meets monthly and includes representatives who have a mutual interest in the commitment to the educational programs and services offered throughout the Magic Valley. The committee addresses topics such as academic programs and research opportunities, space needs, shared student services, articulation issues, opportunities for collaboration and resource sharing among and between institutions. The LOC has established operational procedures and guidelines such as voting procedures and chairmanship and will honor each institution's designated role and mission in the region. Membership includes, but is not limited to the following:

Local Program Coordinator – Boise State University
Local Program Coordinator – University of Idaho
Local Program Director – Idaho State University
Administrative Representative – College of Southern Idaho
Administrative Representative – Boise State University
Administrative Representative – University of Idaho
Administrative Representative – Idaho State University

An Executive Committee of the Local Operations Committee made up of the Outreach Vice Presidents, On-Site Directors, and Chief Academic Officers of the local partnership will meet to set agendas, resolve issues, and plan future directions. The Executive Committee, as appropriate, will establish Management Councils and Operating Teams.

IMPACT

N/A

ATTACHMENTS

Attachment 1 – Highlights of CSI, BSU, UI, ISU Collaborative Efforts-Twin Falls
Attachment 2 – Degree Program Highlights – BSU
Attachment 3 – Degree Program Highlights – ISU
Attachment 4 – Degree Program Highlights – UI

STAFF COMMENTS AND RECOMMENDATIONS

Staff has no comments and recommendations.

BOARD ACTION

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

Attachment 1

**HIGHLIGHTS OF
CSI, BSU, UI, ISU
Collaborative Efforts-Twin Falls**

The presence of the senior universities at the College of Southern Idaho in Twin Falls, in a typical semester, touches approximately 425 students in the South Central Idaho area. In the past academic year (2006-2007), over 125 bachelor's and master's degrees have been awarded. These degrees have been earned, for the most part, without the students leaving Twin Falls.

Below is a summary of the cooperative efforts of the senior universities with CSI as well as with each other:

CSI / BSU / ISU / UI:

- There is a seamless transfer of CSI's AA and AS Degrees.
- Financial aid consortium agreements are in place for students enrolled in two or more institutions concurrently.
- Tuition waivers are available for full-time employees and their spouses.
- CSI offers the use of traditional classrooms to BSU/ISU/UI at no cost.
- An effort is made to resolve student issues at the local level.
- The BSU/ISU/UI on-site directors/coordinators maintain a solid working relationship with CSI advising center.
- BSU/ISU/UI students utilize CSI facilities such as the CSI testing center, library, recreation center, and bookstore.
- Students needing lower division coursework are regularly referred to the CSI Advising Center.

BSU / ISU / UI:

- The BSU/ISU/UI on-site directors/coordinators maintain a solid working relationship with each other.
- Room use is shared amongst BSU/ISU/UI.
- There is a collegial student referral system among institutions.
- The universities utilize each other's courses to fulfill degree requirements to best suit the students' needs.
- The graduate student application fee is waived for UI students utilizing ISU courses.
- There is no application fee for non-degree seeking undergraduate students.

BSU / CSI:

- On site transfer center since 1995 with student services that include admissions, academic advising, registration, financial aid information, fee payments, photo ID's, student orientation, and phone, mail, and fax services at no cost to students.
- The \$40 undergraduate admissions application fee is waived for Boise State, Twin Falls students.
- There is a seamless transfer from CSI to BSU as all lower division courses are aligned for transfer.
- Regular attendance of BSU Coordinator at CSI Business Department meetings.
- Shared "2 plus 2" advertising campaigns.
- Waiver of the regulation that only 70 credits from a community college be used toward a bachelor's degree for CSI transfers to Boise State.

ISU / CSI:

- On-site transfer center since 1992
 - ISU office on CSI main campus offers one-stop student services, including admissions and academic advising, registration, photo ID's, 20 station computer lab, new student orientation, financial aid and fee payment advising, phone and mail service to Pocatello at no cost to students, 2 distance learning classrooms. ISU delivers 60+ classes to Twin Falls each semester.
- Commuter bus service between Twin Falls and Pocatello offered Monday-Friday, Fall and Spring semesters.
- Partnership between Nursing Departments
 - Articulation Agreement waives 39 upper division credits for CSI Associate Degree in Nursing (ADN) graduates.
 - CSI transfers can complete Bachelor of Science in Nursing (BSN) in 3 semesters.
 - Students can attend institutions concurrently to accelerate BSN program
 - Early admission process for CSI transfers.
 - Students able to progress from Certified Nursing Assistant (CNA) to a Master of Science in Nursing (MSN) without leaving the Magic Valley.
- Articulation Agreement for Associate of Science Degree in Respiratory Therapy
 - Students can complete RT program without leaving the Magic Valley. General Education courses are offered by CSI; ISU delivers RT classes.
- Partnership between Education Departments

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- o 2+2 Program. CSI Associate Degree in Education completes first 2 years of Bachelor's program.
 - o 2 full-time ISU College of Education faculty assigned to Twin Falls.
 - o Collaborative recruiting and advising: ISU/CSI regularly participate in recruiting and advising functions together.
 - o Students able to progress from Para-Educator program to Doctor of Education in Educational Leadership without leaving the Magic Valley.
 - o Collaboration on Albertsons and National Science Foundation grants.
- TRIO Services
 - o ISU and CSI work together to prepare high school students for success in post-secondary institutions. TRIO is a federally funded student assistance program directed at low-income, first generation college students, or those who are physically disabled. CSI provides office space at no cost to 2 full-time ISU TRIO employees.
- Establishment of ISU office at CSI-Hailey Center in 2006.
- Establishment of ISU office at CSI-Burley Center in 2007.

UI / CSI:

- Onsite transfer center since 1994.
- UI office on the CSI main campus offers one-stop student services including assistance with: admissions and academic advising, registration, student photo ID cards, financial aid, scholarships, student health insurance, and phone, mail and fax service at no cost to students.
- Cooperative classroom agreement, shared classroom and equipment
- Shared CALS/CSI Agricultural department recruitment efforts
- Shared CALS/CSI Agricultural department advising efforts
- Dual course listings for some agriculture courses
- Partnership to provide in-service workshops to secondary agricultural science instructors

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Attachment 2

Degree Program Highlights
Boise State University, Extended Studies
Twin Falls Program

Program Information:

- Classes offered in Twin Falls since 1995
- Three bachelor's degree programs offered:
 - Accountancy (BBA)
 - General Business Management (BBA)
 - Criminal Justice (BS or BA)
- One Graduate Program
 - Courses Toward a Master's Degree in Bilingual Education
- Plans are in place for a Bachelor's in Social Work and Master's in Social Work to optimistically begin in the Fall 2008
- Enrollments--Spring 2007: Total Enrollments---259, Headcount---122
- Graduates 2007: 42 Bachelor's Degree Graduates (13 Accountancy, 17 General Business, 12 CJ)
- Total Bachelor's Degree Graduates since 1998---207
- Total Master's Degree in Bilingual Education Graduates since 2003---23

Student Demographics:

- Average Age: 32
- Female: 62%
- Male: 38%

Course Delivery:

- Courses are delivered to Twin Falls primarily by on-site instruction with tenured faculty of Boise State University or adjunct faculty hired from the College of Southern Idaho or the Twin Falls Community.
- Some courses are offered via 2-way telecommunications or are internet-based.
- All courses are offered in the evenings to allow students to work during the day while attending classes in the evenings.

Facilities:

- Coordinator's office is located in the Taylor Administration Building Room 202 at CSI and is shared with the College of Southern Idaho Community Education Center.
- Classes are held primary in the Shields building with 2-3 classes each evening Mondays-Thursdays.

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Attachment 3

**Degree Program Highlights
Idaho State University
Twin Falls Program**

Programs

- Classes offered in Twin falls since 1960's
- ISU offices established on CSI main campus in 1992
- 78 ISU-Twin Falls students graduated May 2007
- 900+graduates from Twin Falls programs since 1992
- 330+ unduplicated headcount for Fall 2007 classes

Programs available in Twin Falls:

- Education
- Nursing
- Respiratory Therapy
- Human Resource Training and Development
- Psychology
- General Studies

Student demographics

Average age	42
Work full-time	85%
Female	75%
Undergraduate	70%

Course delivery

Courses are delivered via distance learning classrooms, on-site instruction and web-based classes. 15+ ISU faculty teach on-site each semester. Two full-time Education faculty are assigned to Twin Falls.

Facilities

Suite of four rooms for administrative offices
2 Distance Learning Classrooms
20 Station computer lab
Education Faculty Office
2 TRIO offices

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Attachment 4

**Degree Program Highlights
University of Idaho
South Central Idaho Programs**

Program Information

- Classes offered in Twin Falls since the early 1980's.
- Bachelor of Science in **Agricultural Science and Technology** offered on the CSI campus.
- Distance Delivered Programs include:
 - **Psychology** (Bachelor of Science)
 - **Adult & Organizational Learning and Leadership** (Masters, Educational Specialist)
 - **Administrative Endorsement – Principalship, Superintendency**
 - **Business & Marketing Education** (Secondary Teaching Certificate, Masters)
 - **Educational Leadership** (Masters, Educational Specialist)
 - **Education** (Doctorate)
 - **Professional-Technical & Technology Education** (Professional-Technical Education Certification, Masters, Educational Specialist)
 - **Rehabilitation Counseling** (special program for Idaho Division of Vocational Rehabilitation employees)
 - **Environmental Science** (Masters)
 - **Masters of Natural Resources** (MNR)
 - **Fire Ecology Certificate**
 - **Restoration Ecology Certificate**
- Enrollment – Fall 2006: Headcount 38
- Graduates – Academic Year 2007: 8 (4 Bachelors, 3 Master's, 1 Educational Specialist)
- Course Delivery – courses are delivered via distance learning classrooms, on-site instruction and the Internet.

Extension

District III Cooperative Extension offices are located on the College of Southern Idaho campus. Non-formal educational programs that address critical issues identified through local advisory boards in each of the eleven counties are provided. Expertise areas include crop production, horticulture, livestock, farm business management, community development, family and consumer sciences, natural resources, youth development, leadership development and volunteer development.

Research and Facilities

One University institute and two research and extension centers are located in south central Idaho. Plans are underway to establish a dairy research unit and to relocate the Caine Veterinary Center in south central Idaho.

- **Aquaculture Research Institute - Hagerman Fish Culture Experiment Station**

The Hagerman Fish Culture Experiment Station is internationally recognized for its scientific expertise in conservation biology of salmon, fish feed technology and trout breeding for improved performance on grain-based diets. A new 13,000-square-foot building includes six analytical laboratories, 14 offices, eight cubicles for technicians and graduate students and two conference rooms wired for distance learning and video conferencing. More than 45 scientists, faculty and staff are involved in the aquaculture laboratory research programs. Ninety-two percent of the operating funds come from competitive and earmarked federal funds and grants and contracts that scientists are awarded. The station brings in over \$3.5 million a year.

- **Kimberly Research & Extension Center** - The Kimberly Research and Extension Center has approximately 180 acres of irrigated farm, four greenhouses, a dry bean research facility complete with laboratories, a seed cleaning complex, seed warehouse, and a potato storage research facility. In the early 1960's, the USDA Agricultural Research Service established the Snake River Conservation Research Center, now known as the Northwest Irrigation and Soils Research Laboratory, across the road from the University Farm. Many of the research programs evolved into cooperative programs between the ARS research scientists and the UI scientists. Major program emphases include research in dry beans, irrigation and water resources, and potatoes. Additionally, the center is home for the Foundation Seed Program which produces and cleans foundation class seed for the state in cooperation with the other research and extension centers.

- **Twin Falls Research & Extension Center** - The Twin Falls Research and Extension Center is located on the College of Southern Idaho campus in the Evergreen Building. The Twin Falls Research and Extension Center office supports Cooperative Extension System and agricultural research programs in south central Idaho. University of Idaho faculty and staff from Agricultural Economics and Rural Sociology, Animal and Veterinary Science, Biological and Agricultural Engineering, Plant, Soil and Entomological Sciences and the College of Natural Resources are housed in the facility. Major research and extension programs are conducted on agriculture, natural resources, youth, family, community, and environmental issues.

**INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
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SUBJECT

Idaho State University's Mission Statement

REFERENCE

N/A

APPLICABLE, RULE, STATUTE, POLICY

Idaho State Board of Education Governing Policies and Procedures, Section III.I.
Roles and Missions

BACKGROUND

Per policy, the State Board of Education "adopts a formal statement of role and mission for each institution." Any alteration must have Board approval.

Idaho State University (ISU) has developed a mission statement to promote their university. This mission statement and ISU's current Board adopted role and mission statement can be located in Attachment 1.

DISCUSSION

ISU is not proposing a change or alteration to their formal Board approved role and mission statement in Board policy. This promotional mission statement was included as part of their strategic plan, which was approved by the Board at their June 13-14, 2007 meeting.

This statement was shared with the Council on Academic Affairs and Programs committee on September 6, 2007. It was determined at this meeting with IRSA members present that this item is a university mission statement to promote the institution. While different than the formal role and mission statement approved by the Board, ISU's promotional mission statement is consistent with their Board assigned mission. IRSA indicated that the Board may want to review the mission statement to ensure that there is no inconsistency with what the Board approved.

IMPACT

None: Academic programming and planning are conducted toward alignment with the formal role and mission statements approved by the Board.

ATTACHMENTS

Attachment 1 – ISU's Mission Statement

Page 3

STAFF COMMENTS AND RECOMMENDATIONS

This "promotional" mission statement was part of the institution's strategic plan adopted by the Board during the June 13-14, 2007 meeting. IRSA and CAAP reviewed ISU's mission statement and recommended that the statement be shared with the Board for review recognizing that it is not a change in the Board adopted role and mission statement.

INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
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BOARD ACTION

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

Attachment 1

Idaho State University's Mission Statement

"The mission of Idaho State University is to advance scholarly and creative endeavors through the creation of new knowledge, cutting-edge research, innovative artistic pursuits and high-quality academic instruction; to use these qualities to enhance technical, undergraduate, graduate, and professional education, health care, and other services provided to the people of Idaho, the Nation, and the World; and to develop citizens who will learn from the past, think critically about the present, and provide leadership to enrich the future in a diverse, global society."

Idaho State University's Role and Mission Statement Adopted by the Board

1. Type of Institution

Idaho State University is a doctoral university serving a diverse population through research, state and regional public service, undergraduate and graduate programs. The university also has specific responsibilities in delivering programs in the health professions.

Idaho State University will formulate its academic plan and generate programs with primary emphasis on health professions, the related biological and physical sciences, and teacher preparation. Idaho State University will give continuing emphasis in the areas of business, education, engineering, technical training and will maintain basic strengths in the liberal arts and sciences, which provide the core curriculum or general education portion of the curriculum.

2. Programs and Services*

Baccalaureate Education: Offers a wide range of baccalaureate degrees and qualified professional programs.

Graduate: Offers a wide range of masters, doctoral and professional programs consistent with state needs.

Associate Education: Offers a wide range of associate degrees and qualified professional programs

Research: Conducts coordinated and externally funded research studies

Technical and Workforce Training: Offers a wide range of vocational, technical and outreach programs

Certificates/Diplomas: Offers a wide range of certificates, and diplomas

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Continuing Education: Provides a variety of life-long learning opportunities

Distance Learning: Uses a variety of delivery methods to meet the needs of diverse constituencies

3. Constituencies Served

The institution serves students, business and industry, the professions and public sector groups throughout the state and region as well as diverse and special constituencies. Idaho State University works in collaboration with other state and regional postsecondary institutions in serving these constituencies.

* Programs and Services are listed in order of emphasis.

INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
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SUBJECT

Registration of Postsecondary Educational Institutions and Proprietary Schools

REFERENCE

N/A

APPLICABLE STATUTE, RULE, OR POLICY

Section, 33-107, Idaho Code

Sections 33-2401 thru 33-2409 (inclusive), Idaho Code

BACKGROUND

A reorganization of state government prompted changes within the Department of Professional-Technical Education which provided an opportunity to address the entire board registration process to improve protection for students pursuing educational opportunities and enhance the quality of educational opportunities.

The Department of Professional Technical Education contracted with Dr. Jerry Gee to conduct an analysis of registration systems in Idaho and surrounding states, facilitate a series of meetings with stakeholders on issues and opportunities to improve Idaho's registration system, and propose statutory and administrative rule changes.

Efforts to implement the temporary rules on registration of post secondary educational institutions identified educational entities currently offering degrees that do not meet the rule requirements for "fast track" registration, and could not meet the detailed requirements under "full" registration process. This leaves the entities with the choices of petitioning to be registered as a propriety school, to stop offering degrees, or go out of business. The proposed legislation adds a new category of proprietary school: Degree granting Proprietary School. This change will provide a structure that may be equitably administered by rule.

The results were reviewed and compiled into the draft presented today for statutory changes.

DISCUSSION

The current regulatory structure divides registration into two categories; Post secondary educational institutions and Proprietary Schools. The central determinant between these categories is whether or not the entity granted a degree. Any entity granting a degree was required to register as a post secondary educational institution unless the entity petitioned the board to register as a Proprietary School. This structure created a situation in which an entity could provide degrees with no more accountability than a non-degree granting proprietary school. The proposed legislative change creates a third category: Degree granting proprietary school. This category provides a realistic reflection of the work conducted by such entities while setting an achievable level for

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academic quality. Degree granting proprietary schools may petition to be reviewed under the standards set for post secondary educational institutions.

Proprietary Schools Guidelines

This legislation addresses concerns raised by the board and proprietary schools about the registration requirements of proprietary schools in Idaho.

This legislation removes the dollar amount for registration fees from code and establishes it in board rule. It requires all schools registered, licensed, or regulated by other agencies be listed with the State Board so there is one place a person can go to get a list of all schools in the state. It transfers the responsibility for registration of agents from the state to the schools with guidelines established by board rule including criminal history checks. It discontinues the current surety bond that purports to protect the consumer against fraud and discontinues the maintenance of a separate student tuition recovery fund by the state. In their place it requires a new surety bond that provides protection for the consumer against fraud and misrepresentation and also provides financial resources for the reimbursement to students who suffer an economic loss if a school closes without completing its training obligation to the students. It expands the requirement for this surety bond to include those that are registered, licensed, or regulated by other agencies.

IMPACT

The proposed legislative changes will allow the Office of the State Board and Professional-Technical Education to implement new registration procedures for postsecondary educational institutions, degree granting proprietary schools, and proprietary schools beginning with the July 1, 2008 registration year (fiscal year). Lack of approval will lead to current degree granting proprietary schools being forced to meet the same standards as public post secondary educational institutions or stop offering degrees. This will likely cause them to cease operations in Idaho.

Students enrolled in degree granting proprietary and proprietary schools under this change will have greater protection from the impact of school closure than currently exists.

If the proposed legislation is approved by the Board and enacted by the Idaho Legislature, the administrative rules governing registration will need to be revised.

ATTACHMENTS

Attachment 1 – Draft amendments to Section 33-107, Idaho Code	Page 5
Attachment 2 – Draft amendments to Section 33-2401, Idaho Code	Page 7

INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
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STAFF COMMENTS AND RECOMMENDATIONS

Staff from both OSBE and PTE recommends moving the proposed changes forward.

BOARD ACTION

A motion to approve the draft legislation relating to registration of postsecondary educational institutions, degree granting proprietary schools, and proprietary schools, and to direct staff to make revisions as necessary and to continue with the Governor's legislative process.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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Attachment 1

Idaho Statutes

TITLE 33
EDUCATION
CHAPTER 1
STATE BOARD OF EDUCATION

33-107. GENERAL POWERS AND DUTIES OF THE STATE BOARD. The state board shall have power to:

- (1) Perform all duties prescribed for it by the school laws of the state;
- (2) Acquire, hold and dispose of title, rights and interests in real and personal property;
- (3) Have general supervision, through its executive departments and offices, of all entities of public education supported in whole or in part by state funds;
- (4) Delegate to its executive secretary, to its executive officer, or to such other administrators as the board may appoint, such powers as said officers require to carry out the policies, orders and directives of the board;
- (5) Through its executive departments and offices:
 - (a) Enforce the school laws of the state,
 - (b) Study the educational conditions and needs of the state and recommend to the legislature needed changes in existing laws or additional legislation;
- (6) In addition to the powers conferred by chapter 24, title 33, Idaho Code:
 - (a) ~~Maintain a R~~register of postsecondary educational institutions approved to provide programs and courses or courses of study that lead to a degree or which provide, offer ~~and sell or confer~~ degrees, in accordance with the procedures established in chapter 24, title 33, Idaho Code,
 - (b) Determine whether to accept academic credit at public postsecondary educational institutions in Idaho. Academic credit shall not be transferred into any Idaho public postsecondary institution from a postsecondary educational institution or other entity registered as such that is not accredited by an organization recognized by the board,
 - (c) Register degree-granting proprietary schools recognized to provide a course or courses of study that lead to a degree, or which provide, offer or confer degrees, in accordance with the procedures established in chapter 24, title 33, Idaho Code.
 - (ed) ~~Maintain a R~~register of proprietary schools ~~approved to that~~ conduct, provide or offer ~~or sell~~ a course or courses of study, in accordance with the procedures established in chapter 24, title 33, Idaho Code;
- (7) Prescribe the courses and programs of study to be offered at the public institutions of higher education, after consultation with the presidents of the affected institutions;
- (8) Approve new courses and programs of study to be offered at community colleges organized pursuant to chapter 21, title 33, Idaho Code, when the courses or programs of study are academic in nature and the credits derived therefrom are intended to be transferable to other state institutions of higher education for credit toward a baccalaureate degree, and when the courses or programs of study have been authorized by the board of trustees of the community college.

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REVISED

TITLE 33 EDUCATION

CHAPTER 24 PROPRIETARY SCHOOLS

33-2401 DEFINITIONS

33-2402 REGISTRATION OF POSTSECONDARY EDUCATIONAL INSTITUTIONS

33-2403 REGISTRATION OF DEGREE-GRANTING PROPRIETARY SCHOOLS

33-2404 REGISTRATION OF PROPRIETARY SCHOOLS

33-2405 AGENT'S CERTIFICATE OF IDENTIFICATION

33-2406 PURCHASE STATEMENT

33-2407 STUDENT TUITION RECOVERY ACCOUNT -- CONDITIONS FOR
RECOVERY

33-2408 ASSESSMENT FOR STUDENT TUITION RECOVERY ACCOUNT

33-2409 ENFORCEMENT

REVISED IDAHO STATUTE

TITLE 33

EDUCATION

CHAPTER 24

PROPRIETARY SCHOOLS

33-2401. DEFINITIONS.

For the purposes of chapter 24, title 33, Idaho Code, the following words have the following meanings:

INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
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(1) "Agent" means any individual within the state of Idaho who solicits students for or on behalf of a school

(2) "Approved" means that a postsecondary educational institution or a degree-granting proprietary school meets the standards established by an accrediting agency recognized by the board.

(3) "Board" means the state board of education.

(4) "Certificate of identification" means a nontransferable written document issued to an agent by the school that the agent represents.

(5) "Course" means instruction imparted in a series of lessons or class meetings to meet an educational objective.

(6) "Course or courses of study" means either a single course or a set of related courses for which a student enrolls, either for academic credit or otherwise.

(7) "Degree" means any academic, vocational, professional-technical or honorary title or designation, mark, appellation, series of letters, numbers or words such as, but not limited to, "bachelor's," "master's," "doctorate," or "fellow," which signifies, purports, or is generally taken to signify satisfactory completion of the requirements of an academic, vocational, professional-technical, educational or professional program of study beyond the secondary school level or for a recognized title conferred for meritorious recognition and an associate of arts or associate of science degree awarded by a community college or other public or private postsecondary educational institution or other entity which may be used for any purpose whatsoever.

(8) "Degree-granting proprietary school" means an individual, or educational, business or other entity that operates for profit, whether legally constituted or otherwise, and

which maintains a presence within, or which operates or purports to operate from a location within, the state of Idaho, and which provides a course or courses of study that lead to a degree, or which provides, offers or confers degrees.

(9) "Postsecondary educational institution" means a public or other nonprofit entity which maintains a presence within, or which operates or purports to operate from a location within, the state of Idaho, and which provides a course or courses of study that lead to a degree, or which provides, offers, or confers degrees.

(10) "Proprietary school" means an individual, or educational, business or other entity that operates for profit, whether legally constituted or otherwise, and which maintains a presence within, or which operates or purports to operate from a location within, the state of Idaho, and which conducts, provides, or offers a course or courses of study, but which does not provide, or offer degrees.

(11) "Recognized" means that a degree-granting proprietary school meets the standards established by an accrediting agency which is recognized by either the United States Department of Education or the Council for Higher Education Accreditation.

(12) "School" means either a degree granting proprietary school or a proprietary school.

TITLE 33

EDUCATION

CHAPTER 24

PROPRIETARY SCHOOLS

33-2402. REGISTRATION OF POSTSECONDARY EDUCATIONAL INSTITUTIONS.

(1) Unless exempted as provided herein, each postsecondary educational institution which maintains a presence within the state of Idaho, or which operates or purports to, operate from a location within the state of Idaho, shall register annually with, be approved by, and hold a valid certificate of registration issued by, the board. A public postsecondary educational institution or agency supported primarily by taxation from either the state of Idaho or a local source in Idaho shall not be required to register under this section. The board may exempt other postsecondary educational institutions from the registration requirement in accordance with standards and criteria established in rule by the board.

(2) The board shall prescribe by rule the procedure for registration, which shall include, but is not limited to, a description of each degree, and the course or courses of study, for academic credit or otherwise, that a postsecondary educational institution intends to offer. Such rule shall also prescribe the standards and criteria to be utilized by the board for recognition of approved accreditation organizations.

(3) The board may deny the registration of a postsecondary educational institution that does not meet accreditation requirements or other standards and criteria established in rule by the board. The administrative procedure act, chapter 52, title 67, Idaho Code, shall apply to any denial of registration under this section.

(4) The board shall assess an annual registration fee on each postsecondary educational institution required to be registered under this section. Postsecondary educational institutions which intend to provide, offer or confer degrees at, or below, the baccalaureate level will be assessed an annual registration fee of seven hundred fifty dollars (\$750.00). Postsecondary educational institutions which intend to provide, offer or confer degrees at, or below, the master level will be assessed an annual registration fee of one thousand two hundred fifty dollars (\$1,250.00). Postsecondary educational institutions which intend to provide, offer or confer degrees at, or below, the doctoral level will be assessed an annual registration fee of two thousand dollars (\$2,000.00). Such annual registration fee shall be collected by the board, and shall be dedicated for use by the board in connection with its responsibilities under this chapter.

TITLE 33

EDUCATION

CHAPTER 24

PROPRIETARY SCHOOLS

33-2403. REGISTRATION OF DEGREE-GRANTING PROPRIETARY SCHOOLS

(1) Unless exempted as provided herein, each degree-granting proprietary school which maintains a presence within the state of Idaho, or which operates or purports to operate from a location within the state of Idaho, shall register annually with, be recognized by, and hold a valid certificate of registration issued by, the board or its designee. The board may permit a degree-granting proprietary school required to register under this section to instead register as a postsecondary educational institution under section 33-2402, Idaho Code, in accordance with standards and criteria established in rule by the board.

(2) The board shall prescribe by rule the procedure for registration, which shall include, but is not limited to, a description of each degree, and the course or courses of study, for academic credit or otherwise, that a degree-granting proprietary school intends to offer. Such rule shall also prescribe the standards and criteria to be utilized by the board for recognition of recognized accreditation organizations.

(3) The board or its designee may deny the registration of a degree-granting proprietary school that does not meet accreditation requirements or other standards and criteria established in rule by the board. The administrative procedure act, chapter 52, title 67, Idaho Code, shall apply to any denial of registration under this section.

(4) The board shall assess an annual registration fee on each degree-granting proprietary school required to be registered under this section based on the gross tuition generated by the school in the previous fiscal year, or the anticipated tuition for a school that is just starting, as established in rule by the board. Such annual registration fee shall be collected by the board or its designee and shall be designated for use by the board or its designee in connection with its responsibilities under this chapter.

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33-2404. REGISTRATION OF PROPRIETARY SCHOOLS.

(1) Unless exempted as provided in subsection (4) of this section, each proprietary school which maintains a presence within the state of Idaho, or which operates or purports to operate from a location within the state of Idaho, shall register annually with and hold a valid certificate of registration issued by the board or its designee.

(2) The board shall prescribe by rule the procedure for registration, which shall include, but is not limited to, a description of the course or courses of study, for academic credit or otherwise, that a proprietary school intends to conduct, provide, or offer.

(3) The board may deny the registration of a proprietary school that does not meet the standards or criteria established in rule by the board. The administrative procedure act, chapter 52, title 67, Idaho Code, shall apply to any denial of registration under this section.

(4) The following individuals or entities are specifically exempt from the registration provisions required by this section:

(a) An individual or entity that offers instruction or training solely avocational or recreational in nature, as determined by the board.

(b) An individual or entity that offers courses recognized by the board which comply in whole or in part with the compulsory education law.

(c) An individual or entity that offers a course or courses of study sponsored by an employer for the training and preparation of its own employees, and for which no tuition fee is charged to the student.

(d) An individual or entity which is otherwise regulated, licensed or registered with another state agency pursuant to title 54, Idaho Code. These agencies must provide a list of regulated, licensed, or registered schools to the board annually .

(e) Aviation school or instructors approved by and under the supervision of the federal aviation administration.

(f) An individual or entity that offers intensive review courses designed to prepare students for certified public accountancy tests, public accountancy tests, law school aptitude tests, bar examinations or medical college admissions tests, or similar instruction for test preparation.

(g) An individual or entity offering only workshops or seminars lasting no longer than three (3) calendar days.

(h) A parochial or denominational institution providing instruction or training relating solely to religion and for which degrees are not granted.

(i) An individual or entity that offers postsecondary credit through a consortium of public and private colleges and universities under the auspices of the western governors.

(5) The board shall assess an annual registration fee on each proprietary school required to be registered under this section. Such annual registration fee shall be based

on the gross tuition generated by the school in the previous year, or the anticipated tuition for a school that is just starting, as established in rule by the board. Such annual registration fee shall be collected by the board or its designee and shall be dedicated for use by the board in connection with its responsibilities under this chapter.

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33-2405. AGENT'S CERTIFICATE OF IDENTIFICATION.

- (1) No individual may act as an agent of a school required to be registered under the provisions of this chapter unless that individual holds a valid agent's certificate of identification issued by the school that the agent represents.
- (2) Each agent's certificate of identification shall be reissued annually by the school that the agent represents on the first day of July. If courses are solicited or sold by more than one (1) agent, a separate certificate of identification is required for each agent.
- (3) The agent's certificate of identification shall consist of a pocket card and shall bear:
- (a) the name and address of the agent,
 - (b) the name and address of the school that they represent,
 - (c) a statement that the bearer is an authorized agent of the school, and may solicit students for the school.
- (4) The agent shall surrender the agent's certificate of identification to the school upon termination of employment.
- (5) An agent representing more than one (1) school shall obtain a separate agent's certificate of identification for each school represented.
- (6) No individual shall be issued an agent's certificate of identification prior to completing a criminal history check that includes the State Bureau of Identification, Federal Bureau

of Investigation and Statewide Sex Offender Registry and other guidelines established in rule by the board. No agent shall be issued an agent's certificate of identification if he or she has been previously found in any judicial or administrative proceeding to have violated this chapter.

(7) An agent's certificate of identification shall be valid for the state's fiscal year in which it is issued, unless sooner revoked or suspended by the school.

(8) The agent shall carry the agent's certificate of identification with him or her for identification purposes when engaged in the solicitation of students away from the premises of the school, and shall produce the agent's certificate of identification for inspection upon request.

(9) The issuance of an agent's certificate of identification pursuant to this section shall not be interpreted as, and it shall be unlawful for any individual holding any agent's certificate of identification to expressly or impliedly represent by any means whatever, that the board has made any evaluation, recognition, accreditation or endorsement of any school or of any course of study being offered by the agent of any such school. Any oral or written statement, advertisement or solicitation by any school or agent which refers to the board shall state: "(Name of school) is registered with the State Board of Education in accordance with Section 33-2403 or 33-2304, Idaho Code."

(10) It shall be unlawful for any agent holding an agent's certificate of identification under the provisions of this section to expressly or impliedly represent, by any means whatsoever, that the issuance of the agent's certificate of identification constitutes an assurance by the board that any course of study being offered by the agent or school will provide and require of the student a course of education or training necessary to

reach a professional, education, or vocational objective, or will result in employment or personal earning for the student, or that the board has made any evaluation, recognition, accreditation, or endorsement of any course of study being offered by the agent or school.

(11) No agent shall make any untrue or misleading statement or engage in sales, collection, credit, or other practices of any type that are illegal, false, deceptive, misleading or unfair.

(12) The school shall maintain records for five (5) years of each application for an agent's certificates of identification permit, and each issuance, denial, termination, suspension and revocation of an agent's certificate of identification.

(13) The school will provide as part of the annual registration process the names and outcomes of the criminal history check for each agent to whom it has issued a certificate of identification. The criminal history check will be valid for five years.

(14) The board or a student may bring an action pursuant to the Idaho rules of civil procedure for an agent's violation of the provisions of this chapter or any rule promulgated pursuant to this chapter, or any fraud or misrepresentation. The court shall determine which party is the "prevailing party" and the prevailing party shall be entitled to the recovery of damages, reasonable attorney's fees and costs both at trial and on appeal.

(15) Any agent who violates the provisions of this section shall be referred to the attorney general by the board for appropriate action including, but not limited to, injunctive relief.

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33-2406 PURCHASE STATEMENT. At the time of depositing any moneys to

purchase the product of any school, the school shall require the student to execute the following

statement on an appropriate form which shall be maintained on record by the school in the

individual student's file:

"I understand that (Name of school) is registered with the

State Board of Education in accordance with Section 33-2403 or 2404, Idaho Code. I also understand that the State Board of Education has not accredited or endorsed any course of study being offered by (Name of school), and that these courses will not be accepted for transfer into any Idaho public postsecondary institution."

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33-2407. STUDENT TUITION RECOVERY ACCOUNT -- CONDITIONS FOR RECOVERY.

(1) There is hereby created in the state treasury the student tuition recovery account to be administered by the board or its designee for the purpose of relieving or mitigating pecuniary losses suffered by any student of a school registered under provisions of this chapter, or used for the indemnification of any student for any loss suffered as a result of the occurrence, during the period coverage, of any fraud or misrepresentation used in connection with the solicitation for enrollment in a course of study, and who meets either of the following conditions:

- (a) The student was enrolled in a school prior to that school's closure, had prepaid tuition, and suffered loss as a result of:
 - (i) The closure of the school; or
 - (ii) The school's breach or anticipatory breach of the agreement for the course or courses of study.

For the purpose of this section, "closure" includes closure of a branch or satellite campus, the termination of either the correspondence or residence portion of a home study or correspondence course, and the termination of a course of study for some or all of the students enrolled in the course before the time the students have satisfactorily

completed the program, or before a student who has been continuously enrolled in a course of study had been permitted to complete all the educational services and classes that comprise the course.

(b) The student obtained a judgment against the school for any violation of the provisions of this chapter or rules promulgated pursuant to this chapter, and the student certifies that the judgment cannot be collected after diligent collection efforts.

(2) Payments from the account to any student shall be subject to rules and conditions as the board shall prescribe.

(a) The school shall provide to the board or its designee at the time of the school's closure the names and addresses of persons who were students of the school within sixty (60) days prior to its closure, and shall notify these students within thirty (30) days prior to the school's closure, of their rights under the student tuition recovery account and how to apply for payment. Failure to do so shall result in a penalty not exceeding \$1,000.00 .

(b) If the school fails to comply with the provisions of this section, the board or its designee shall attempt to obtain the names and addresses of these students and shall notify them, within ninety (90) days of the school's closure, of their rights under the student tuition recovery account and how to apply for payment. The board or its designee may require the school to reimburse the board or its designee for all reasonable costs and expenses incurred in notifying students.

(c) The board or its designee shall develop a form fully explaining a student's rights, which shall be used by the school or the board or its designee to comply with the notice

requirement. The form shall include or be accompanied by a claim application form and an explanation of how to complete the application.

(d) Students filing for payment from the student tuition recovery account as a result of the closure of a school must submit the claim within one (1) year from the school's or board's service of notice on the student or within two (2) years of the closure of the school, whichever is earlier.

(3) Students entitled to payment shall file with the board or its designee a verified application including, but not limited to each of the following:

- (a) The student's name, address, telephone number and social security number.
- (b) If any portion of the tuition was paid from the proceeds of a loan, the name of the lender and any state or federal agency that guaranteed the loan.
- (c) The amount of the prepaid tuition.
- (d) The dates the student started and ceased attending the school.
- (e) A description of the reasons the student ceased attending the school.
- (f) If the student ceased attending because of a breach or anticipatory breach, a statement describing in detail the nature of the economic loss incurred.

(4) Students entitled to payment based on a judgment shall file with the board or its designee a verified application indicating the student's name, address, telephone number and student identification, the amount of the judgment obtained against the school, a statement that the judgment cannot be collected, and a description of the efforts attempted to enforce the judgment. The application shall be accompanied by a certified copy of the judgment and any other documents indicating the student's efforts made to enforce the judgment.

The application shall be filed with the board or its designee within two (2) years after the date upon which the judgment became final.

(5) If the board or its designee pays the claim, the amount of the payment shall be the total amount of the student's economic loss, although the amount of the payment shall in no event exceed the amount of the student's tuition and cost of equipment and materials related to the course of study plus interest on all student loans used to pay tuition, equipment and materials. Upon payment of the claim, the board or its designee shall be subrogated to all of the student's rights against the school to the extent of the amount of the payment. If the board or its designee receives several claims from students, the payment of which cannot be totally covered by the student tuition recovery account, the claims shall receive a pro rata share of the account.

(6) If the board or its designee denies a claim, the board or its designee shall notify the student of the denial and of the student's right to request a hearing within thirty (30) days. The hearing shall be held pursuant to the administrative procedure act, chapter 52, title 67, Idaho Code. If a hearing is not requested the board's or its designee's decision shall be final.

(7) It is the intent of the legislature that, when a student is enrolled in a school that closes prior to the completion of the student's program, the student shall have the option for a teach-out at another school with a comparable course of study. The board or its designee shall seek to promote teach-out opportunities whenever possible, with the student to be informed by the board or its designee that he or she has the option of either payment from the account or a teach-out which shall be funded from the account.

(8) No liability accrues to the state of Idaho from claims made against the student tuition recovery account.

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33-2408. ASSESSMENT FOR STUDENT TUITION RECOVERY ACCOUNT.

The board or its designee shall assess each registered school which collects any moneys in advance of rendering services, an amount established in rule by the board that utilizes a percentage of the gross tuition for the previous year, or anticipated tuition for a school in its first year of operation. The method of payment will be in the form of a surety bond.

The surety bond is to be issued by an insurer duly authorized to do business in this state in favor of the state of Idaho for the indemnification of any student for any loss suffered as a result of the occurrence, during the period of coverage, of closure of the school or any fraud or misrepresentation used in connection with the solicitation for enrollment in a course of study. The term of the bond shall extend over the period of registration with the board or its designee. The bond shall be supplied by the school.

The bond shall provide for liability in the amount established in rule by the board to fund the student tuition recovery account.

The board or its designee may submit a demand upon the surety on the bond on behalf of a student or students when it is reasonably believed that a loss has occurred due to closure of the school or any fraud or misrepresentation used in connection with the solicitation for enrollment in a course of study or as a result of any violation of the provisions of this chapter or the rules promulgated pursuant to this chapter.

Neither the principal nor surety on the bond may terminate the coverage of the bond, except upon giving one hundred twenty (120) days prior written notice to the board or its designee.

Schools regulated, licensed or registered with another state agency pursuant to title 54, Idaho Code which do not have surety bond requirements under state or federal law shall participate in the student tuition recovery account in accordance with this section and in rules established by the board.

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33-2409. ENFORCEMENT.

Any violation of the provisions of this chapter shall be referred to the attorney general by the board for appropriate action including, but not limited to, injunctive relief.

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**INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
OCTOBER 11-12, 2007**

SUBJECT

Idaho GEAR UP Update

REFERENCE

August 2007 An update on the GEAR UP IDAHO Program was presented to the Board at their August meeting. Staff informed the Board about the obstacles the program has encountered with the one-to-one match requirement. The Board requested that staff provide another update at the October Board meeting regarding the match requirement.

APPLICABLE STATUTE, RULE, OR POLICY

N/A

BACKGROUND

The letter describing the plan to obtain match was sent to the federal program officer on August 31 as required. The Governor called for a September 11, 2007 deadline for finding the entire required match then extended the deadline after reviewing the plan to obtain the required match.

The Governor expects the grant to obtain the required match quickly, without placing state general funds at risk. No new deadline is set at this time.

DISCUSSION

The GEAR UP IDAHO program is running a race against time. Current pledges for match are \$1.1M short of the \$2.9M required for year two. Applications with Wells Fargo, Qwest, Micron Technology Foundation, J.A. and Kathryn Albertson Foundation, and Idaho Community Foundation have not received responses. This delay is due to the combined factors of the complex nature of the Gear Up program and the substantial level of support requested. Several discussions with foundation representatives have been productive. However, final approval must come from the foundations' boards. The boards meet during the months of September and October.

Northwest Nazarene University has established a GEAR UP scholarship at NNU and has pledged \$25,000 each year for the next four years in addition to the in-kind pledges earlier. Other institutions are reviewing this possibility.

IMPACT

Schools began services this fall. The schools are limited to no more than 20% of their contracted funding amounts while forming their program plans for the year. Activity of school teams and the development of the program plans generate in-kind match that effectively offsets funds spent under the contract. Once institutions begin providing the in-kind supports, the in-kind match will offset administrative costs paid under the grant. Since an inability to find matching

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funds for the scholarship portion would only result in returning federal funds, the fiscal risk to any state general funds is decreasing.

ATTACHMENTS

N/A

STAFF COMMENTS AND RECOMMENDATIONS

Staff continues to coordinate with the universities to quantify possible in-kind match and seek out partnerships with other groups. The Interim Executive Director and staff will constantly monitor activity and report the outcome of the requests to private and corporate partners.

BOARD ACTION

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

INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
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SUBJECT

Recognition of schools as Distinguished Schools and for Additional Yearly Growth

APPLICABLE STATUTE, RULE, OR POLICY

- Section 33-105 (1) Rules – Executive Department Idaho Code
- Section 33-1612 Thorough System of Public Schools Idaho Code
- IDAPA 08.02.03.113 Rewards

BACKGROUND

IDAPA 08.02.03.113 requires that schools qualifying in two categories be brought to the October Board meeting for recognition. The two categories of rewards are Distinguished Schools and Additional Yearly Growth. Each state is required to provide both sanctions and rewards resulting from AYP determinations. These awards provide Idaho compliance with this requirement.

DISCUSSION

A school must be in the top five percent of schools making AYP two years in a row and must significantly reduce gaps between subgroups in order to be recognized as a “Distinguished School.”

Being recognized for “Additional Yearly Growth” requires that a school make AYP for two consecutive years and must also have reduced the gap in at least one subgroup by at least ten percent.

IMPACT

Recognition of schools that show significant growth or close achievement gaps can be a great source of encouragement not only to those schools but also to other schools as they see that such growth is possible.

There are eight schools qualifying as “Distinguished Schools”: Webster Elementary School in the Lewiston School District; Grace Junior/Senior High School in the Grace Joint District; Pioneer Elementary School in the Meridian School District; Hillside Junior High School in the Boise District (two subjects); Mount Hall Elementary School in the Boundary County School District; the Harold B. Lee Elementary School in the West Side School District; and Liberty Charter School.

Seven schools qualified for Additional Yearly Growth recognition: Kimberly High School in the Kimberly School District; Timberline High School in the Orofino School District (two subjects); Ashton Elementary School in the Fremont County School District; McCall-Donnelly High School in the McCall-Donnelly School District; Ririe High School in the Ririe School District; and Grangeville High School in the Grangeville Joint School District.

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ATTACHMENTS

Attachment 1 - See attached lists for details about which subgroups
and which subject area tests qualify each school in each category

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STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends that the Board recognize the qualifying schools by the presentation of certificates. The law allows for monetary recognition, but at this time there are no funds available for that purpose.

BOARD ACTION

A motion that the State Board of Education recognize the qualifying schools in the Distinguished Schools and Additional Yearly Growth categories by presenting a framed award certificate to each school.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

District ID	District Name	School ID	School Name	PrevSchYear	CurrSchYear	PrevGrade	CurrGrade	PrevAypStatus	CurrAypStatus	TestType	Category	PrevYrPerc	CurrYrPerc	DiffPerc
414	KIMBERLY DISTRICT	0182	KIMBERLY HIGH SCHOOL	05-06	06-07	10	10	Y	Y	M	White	68.13	89.42	21.29
171	OROFINO JOINT DISTRICT	0087	TIMBERLINE HIGH SCHOOL	05-06	06-07	7,8,10	7,8,10	Y	Y	M	FRL	59.68	74.51	14.83
215	FREMONT COUNTY JOINT	0701	ASHTON ELEMENTARY SCHOOL	05-06	06-07	3,4,5	3,4,5	Y	Y	R	FRL	73.24	87.84	14.6
421	MCCALL-DONNELLY DIST	0189	MC CALL-DONNELLY HIGH SCHOOL	05-06	06-07	10	10	Y	Y	M	White	76	88.1	12.1
252	RIRIE JOINT DISTRICT	0228	RIRIE HIGH SCHOOL	05-06	06-07	10	10	Y	Y	M	White	79.63	90	10.37
241	GRANGEVILLE JOINT DIST	0109	GRANGEVILLE HIGH SCHOOL	05-06	06-07	10	10	Y	Y	R	White	82.35	92.68	10.33
171	OROFINO JOINT DISTRICT	0087	TIMBERLINE HIGH SCHOOL	05-06	06-07	7,8,10	7,8,10	Y	Y	M	White	66.67	76.81	10.14
NOTE: Only 7 Schools made the AYG Category														
292	SOUTH LEMHI DISTRICT	0137	LEADORE SCHOOL	05-06	06-07	3,4,5,6,7,8,10	3,4,5,6,7,8,10	Y	Y	R	White	81.58	91.49	9.91
151	CASSIA COUNTY JOINT DIST	0471	RAFT RIVER ELEMENTARY SCHOOL	05-06	06-07	3,4,5,6	3,4,5,6	Y	Y	R	FRL	78.67	88.52	9.85
340	LEWISTON INDEPENDENT	0793	WEBSTER ELEMENTARY SCHOOL	05-06	06-07	3,4,5,6	3,4,5,6	Y	Y	R	FRL	75.44	85	9.56
241	GRANGEVILLE JOINT DIST	0716	RIGGINS ELEMENTARY SCHOOL	05-06	06-07	3,4,5,6	3,4,5,6	Y	Y	M	White	80	89.47	9.47
272	LAKELAND DISTRICT	0586	TIMBERLAKE SENIOR HIGH SCHOOL	05-06	06-07	7,8,10	10	Y	Y	M	White	79.17	88.51	9.34
002	MERIDIAN JOINT DISTRICT	0331	LAKE HAZEL ELEMENTARY SCHOOL	05-06	06-07	3,4,5	3,4,5	Y	Y	R	FRL	75.71	84.38	8.67
011	MEADOWS VALLEY DISTRICT	0342	MEADOWS VALLEY SCHOOL	05-06	06-07	3,4,5,6,7,8,10	3,4,5,6,7,8,10	Y	Y	R	White	78.26	86.73	8.47
292	SOUTH LEMHI DISTRICT	0137	LEADORE SCHOOL	05-06	06-07	3,4,5,6,7,8,10	3,4,5,6,7,8,10	Y	Y	M	White	76.32	84.78	8.46
171	OROFINO JOINT DISTRICT	0087	TIMBERLINE HIGH SCHOOL	05-06	06-07	7,8,10	7,8,10	Y	Y	R	White	78.57	86.96	8.39
171	OROFINO JOINT DISTRICT	0087	TIMBERLINE HIGH SCHOOL	05-06	06-07	7,8,10	7,8,10	Y	Y	R	FRL	72.58	80.39	7.81
101	BOUNDARY COUNTY DIST	0434	MOUNT HALL ELEMENTARY SCHOOL	05-06	06-07	3,4,5,6	3,4,5,6	Y	Y	R	White	88.06	95.77	7.71
321	MADISON DISTRICT	0780	HIBBARD ELEMENTARY SCHOOL	05-06	06-07	3,4	3,4	Y	Y	R	White	82.43	89.33	6.9
281	MOSCOW DISTRICT	0130	MOSCOW SENIOR HIGH SCHOOL	05-06	06-07	10	10	Y	Y	M	White	87.96	94.67	6.71
272	LAKELAND DISTRICT	0745	SPIRIT LAKE ELEMENTARY SCHOOL	05-06	06-07	3,4,5,6	3,4,5,6	Y	Y	R	FRL	79.81	86.11	6.3
202	WEST SIDE SCHOOL DIST	0223	HAROLD B LEE MIDDLE SCHOOL	05-06	06-07	6,7,8	6,7,8	Y	Y	M	FRL	73.53	79.71	6.18
215	FREMONT COUNTY JOINT	0701	ASHTON ELEMENTARY SCHOOL	05-06	06-07	3,4,5	3,4,5	Y	Y	R	White	77.36	83.49	6.13
101	BOUNDARY COUNTY DIST	0434	MOUNT HALL ELEMENTARY SCHOOL	05-06	06-07	3,4,5,6	3,4,5,6	Y	Y	R	FRL	84.21	90.24	6.03
001	BOISE INDEPENDENT DIST	0003	HILLSIDE JUNIOR HIGH SCHOOL	05-06	06-07	7,8	5,6,7,8	Y	Y	R	FRL	77.36	83.33	5.97
321	MADISON DISTRICT	0777	ADAMS ELEMENTARY SCHOOL	05-06	06-07	3,4	3,4	Y	Y	M	White	91.01	96.94	5.93
101	BOUNDARY COUNTY DIST	0434	MOUNT HALL ELEMENTARY SCHOOL	05-06	06-07	3,4,5,6	3,4,5,6	Y	Y	M	FRL	86.84	92.68	5.84
025	POCATELLO DISTRICT	0358	RULON M ELLIS ELEM SCHOOL	05-06	06-07	3,4,5,6	3,4,5,6	Y	Y	R	FRL	77.78	83.62	5.84
002	MERIDIAN JOINT DISTRICT	0507	PIONEER ELEMENTARY SCHOOL	05-06	06-07	3,4,5	3,4,5	Y	Y	R	Sped	71.43	77.08	5.65
202	WEST SIDE SCHOOL DIST	0987	HAROLD B LEE ELEMENTARY SCH	05-06	06-07	3,4,5	3,4,5	Y	Y	R	FRL	89.33	94.81	5.48
241	GRANGEVILLE JOINT DIST	0109	GRANGEVILLE HIGH SCHOOL	05-06	06-07	10	10	Y	Y	M	White	82.35	87.8	5.45
148	GRACE JOINT DISTRICT	0245	GRACE JR/SR HIGH SCHOOL	05-06	06-07	7,8,10	7,8,10	Y	Y	M	White	89.13	94.25	5.12
151	CASSIA COUNTY JOINT DIST	0471	RAFT RIVER ELEMENTARY SCHOOL	05-06	06-07	3,4,5,6	3,4,5,6	Y	Y	R	White	88.31	93.24	4.93
101	BOUNDARY COUNTY DIST	0434	MOUNT HALL ELEMENTARY SCHOOL	05-06	06-07	3,4,5,6	3,4,5,6	Y	Y	M	White	89.55	94.37	4.82
271	COEUR D'ALENE DISTRICT	0626	COEUR D'ALENE CHARTER ACADEMY	05-06	06-07	6,7,8,10	6,7,8,10	Y	Y	M	White	94.07	98.88	4.81
458	LIBERTY CHARTER SCHOOL	0587	LIBERTY CHARTER SCHOOL	05-06	06-07	3,4,5,6,7,8,10	3,4,5,6,7,8,10	Y	Y	R	FRL	84.62	88.64	4.02
413	FILER DISTRICT	0181	FILER HIGH SCHOOL	05-06	06-07	10	10	Y	Y	M	White	77.06	81.05	3.99
321	MADISON DISTRICT	0777	ADAMS ELEMENTARY SCHOOL	05-06	06-07	3,4	3,4	Y	Y	M	FRL	86.49	90.48	3.99
001	BOISE INDEPENDENT DIST	0315	ADAMS ELEMENTARY SCHOOL	05-06	06-07	3,4,5,6	3,4,5,6	Y	Y	R	White	92.31	96.05	3.74
002	MERIDIAN JOINT DISTRICT	0547	MERIDIAN MEDICAL ARTS CHARTER	05-06	06-07	10	10	Y	Y	R	White	96.49	100	3.51
421	MCCALL-DONNELLY DIST	0189	MC CALL-DONNELLY HIGH SCHOOL	05-06	06-07	10	10	Y	Y	R	White	90.67	94.12	3.45
002	MERIDIAN JOINT DISTRICT	0547	MERIDIAN MEDICAL ARTS CHARTER	05-06	06-07	10	10	Y	Y	M	White	94.74	98.11	3.37
271	COEUR D'ALENE DISTRICT	0514	FERNAN ELEMENTARY SCHOOL	05-06	06-07	3,4,5	3,4,5	Y	Y	R	FRL	75.95	79.17	3.22
001	BOISE INDEPENDENT DIST	0003	HILLSIDE JUNIOR HIGH SCHOOL	05-06	06-07	7,8	5,6,7,8	Y	Y	R	White	88.84	92.02	3.18
084	LAKE PEND OREILLE DIST	0408	WASHINGTON ELEMENTARY SCHOOL	05-06	06-07	3,4,5,6	3,4,5,6	Y	Y	M	FRL	84.91	88	3.09
148	GRACE JOINT DISTRICT	0245	GRACE JR/SR HIGH SCHOOL	05-06	06-07	7,8,10	7,8,10	Y	Y	R	FRL	88.71	91.67	2.96
321	MADISON DISTRICT	0777	ADAMS ELEMENTARY SCHOOL	05-06	06-07	3,4	3,4	Y	Y	R	FRL	75.68	78.57	2.89
302	NEZPERCE JOINT DISTRICT	0272	NEZPERCE SCHOOL	05-06	06-07	3,4,5,6,7,8,10	3,4,5,6,7,8,10	Y	Y	M	White	90.48	93.33	2.85
458	LIBERTY CHARTER SCHOOL	0587	LIBERTY CHARTER SCHOOL	05-06	06-07	3,4,5,6,7,8,10	3,4,5,6,7,8,10	Y	Y	R	White	90	92.82	2.82
281	MOSCOW DISTRICT	0753	J. RUSSELL ELEMENTARY SCHOOL	05-06	06-07	4,5,6	4,5,6	Y	Y	R	FRL	80.52	83.33	2.81
002	MERIDIAN JOINT DISTRICT	0331	LAKE HAZEL ELEMENTARY SCHOOL	05-06	06-07	3,4,5	3,4,5	Y	Y	M	FRL	80	82.81	2.81
071	GARDEN VALLEY DISTRICT	0274	GARDEN VALLEY SCHOOL	05-06	06-07	3,4,5,6,7,8,10	3,4,5,6,7,8,10	Y	Y	R	FRL	88.89	91.67	2.78
148	GRACE JOINT DISTRICT	0462	THATCHER ELEMENTARY SCHOOL	05-06	06-07	3,4,5	3,4,5	Y	Y	R	White	90.24	93.02	2.78
139	VALLIVUE SCHOOL DISTRICT	0559	THOMAS JEFFERSON CHARTER	05-06	06-07	3,4,5,6,7,8	3,4,5,6,7,8	Y	Y	R	White	93.85	96.61	2.76
271	COEUR D'ALENE DISTRICT	0743	WINTON ELEMENTARY SCHOOL	05-06	06-07	3,4,5	3,4,5	Y	Y	M	FRL	84.62	87.27	2.65
340	LEWISTON INDEPENDENT	0793	WEBSTER ELEMENTARY SCHOOL	05-06	06-07	3,4,5,6	3,4,5,6	Y	Y	R	White	87.59	90.14	2.55
151	CASSIA COUNTY JOINT DIST	0083	RAFT RIVER JR-SR HIGH SCHOOL	05-06	06-07	7,8,10	7,8,10	Y	Y	R	White	88.24	90.77	2.53
271	COEUR D'ALENE DISTRICT	0743	WINTON ELEMENTARY SCHOOL	05-06	06-07	3,4,5	3,4,5	Y	Y	M	White	90.83	93.28	2.45
321	MADISON DISTRICT	0775	LINCOLN ELEMENTARY SCHOOL	05-06	06-07	3,4	3,4	Y	Y	M	FRL	88.64	90.91	2.27
272	LAKELAND DISTRICT	0745	SPIRIT LAKE ELEMENTARY SCHOOL	05-06	06-07	3,4,5,6	3,4,5,6	Y	Y	R	White	86.87	89.06	2.19
331	MINIDOKA COUNTY JOINT	0786	ACEQUIA ELEMENTARY SCHOOL	05-06	06-07	3,4,5	3,4,5	Y	Y	M	White	89.47	91.49	2.02
025	POCATELLO DISTRICT	0358	RULON M ELLIS ELEM SCHOOL	05-06	06-07	3,4,5,6	3,4,5,6	Y	Y	R	White	86.31	88.31	2
002	MERIDIAN JOINT DISTRICT	0283	PEPPER RIDGE ELEMENTARY	05-06	06-07	3,4,5	3,4,5	Y	Y	R	FRL	84.13	86.05	1.92
151	CASSIA COUNTY JOINT DIST	0083	RAFT RIVER JR-SR HIGH SCHOOL	05-06	06-07	7,8,10	7,8,10	Y	Y	M	FRL	84.44	86.36	1.92
272	LAKELAND DISTRICT	0124	LAKELAND SENIOR HIGH SCHOOL	05-06	06-07	10	10	Y	Y	M	White	82.26	84.12	1.86
281	MOSCOW DISTRICT	0813	MOSCOW CHARTER SCHOOL	05-06	06-07	3,4,5,6	3,4,5,6	Y	Y	R	White	91.23	92.98	1.75
281	MOSCOW DISTRICT	0756	A.B. MC DONALD ELEMENTARY SCH	05-06	06-07	3,4,5,6	3,4,5,6	Y	Y	R	White	94.29	95.87	1.58
305	HIGHLAND JOINT DISTRICT	0285	HIGHLAND SCHOOL	05-06	06-07	3,4,5,6,7,8,10	3,4,5,6,7,8,10	Y	Y	M	White	84.16	85.71	1.55
001	BOISE INDEPENDENT DIST	0003	HILLSIDE JUNIOR HIGH SCHOOL	05-06	06-07	7,8	5,6,7,8	Y	Y	M	FRL	74.53	76.04	1.51
271	COEUR D'ALENE DISTRICT	0626	COEUR D'ALENE CHARTER ACADEMY	05-06	06-07	6,7,8,10	6,7,8,10	Y	Y	R	White	97.46	98.88	1.42
314	DIETRICH DISTRICT	0143	DIETRICH SCHOOL	05-06	06-07	3,4,5,6,7,8,10	3,4,5,6,7,8,10	Y	Y	M	White	86.36	87.67	1.31

084	LAKE PEND OREILLE DIST	0408	WASHINGTON ELEMENTARY SCHOO	05-06	06-07	3,4,5,6	3,4,5,6	Y	Y	R	FRL	86.79	88	1.21
321	MADISON DISTRICT	0777	ADAMS ELEMENTARY SCHOOL	05-06	06-07	3,4	3,4	Y	Y	R	White	87.64	88.78	1.14
148	GRACE JOINT DISTRICT	0245	GRACE JR/SR HIGH SCHOOL	05-06	06-07	7,8,10	7,8,10	Y	Y	M	FRL	88.71	89.58	0.87
288	WHITEPINE JT SCHOOL D	0794	DEARY SCHOOL	05-06	06-07	4,5,6,7,8,10	4,5,6,7,8,10	Y	Y	M	White	85.11	85.96	0.85
071	GARDEN VALLEY DISTRICT	0274	GARDEN VALLEY SCHOOL	05-06	06-07	3,4,5,6,7,8,10	3,4,5,6,7,8,10	Y	Y	R	White	88.98	89.81	0.83
148	GRACE JOINT DISTRICT	0245	GRACE JR/SR HIGH SCHOOL	05-06	06-07	7,8,10	7,8,10	Y	Y	R	White	93.48	94.25	0.77
151	CASSIA COUNTY JOINT D	0082	OAKLEY JR-SR HIGH SCHOOL	05-06	06-07	7,8,10	7,8,10	Y	Y	M	White	86.57	87.3	0.73
322	SUGAR-SALEM JOINT DIS	0147	SUGAR-SALEM HIGH SCHOOL	05-06	06-07	10	10	Y	Y	M	White	82.42	83.13	0.71
288	WHITEPINE JT SCHOOL D	0794	DEARY SCHOOL	05-06	06-07	4,5,6,7,8,10	4,5,6,7,8,10	Y	Y	M	FRL	84.75	85.42	0.67
001	BOISE INDEPENDENT DIS	0243	TIMBERLINE HIGH SCHOOL	05-06	06-07	10	10	Y	Y	M	White	85.86	86.51	0.65
271	COEUR D'ALENE DISTRICT	0739	DALTON ELEMENTARY SCHOOL	05-06	06-07	3,4,5	3,4,5	Y	Y	R	White	95.36	95.98	0.62
281	MOSCOW DISTRICT	0753	J. RUSSELL ELEMENTARY SCHOOL	05-06	06-07	4,5,6	4,5,6	Y	Y	M	FRL	84.42	85	0.58
458	LIBERTY CHARTER SCHO	0587	LIBERTY CHARTER SCHOOL	05-06	06-07	3,4,5,6,7,8,10	3,4,5,6,7,8,10	Y	Y	M	FRL	90.38	90.91	0.53
001	BOISE INDEPENDENT DIS	0313	OWYHEE ELEMENTARY SCHOOL	05-06	06-07	3,4,5,6	3,4,5,6	Y	Y	M	White	96.7	97.22	0.52
271	COEUR D'ALENE DISTRICT	0739	DALTON ELEMENTARY SCHOOL	05-06	06-07	3,4,5	3,4,5	Y	Y	M	White	96.91	97.32	0.41
281	MOSCOW DISTRICT	0130	MOSCOW SENIOR HIGH SCHOOL	05-06	06-07	10	10	Y	Y	R	White	91.62	92	0.38
302	NEZPERCE JOINT DISTRICT	0272	NEZPERCE SCHOOL	05-06	06-07	3,4,5,6,7,8,10	3,4,5,6,7,8,10	Y	Y	R	White	88.89	89.19	0.3
321	MADISON DISTRICT	0778	ARCHER ELEMENTARY SCHOOL	05-06	06-07	3,4	3,4	Y	Y	R	White	97.22	97.5	0.28
084	LAKE PEND OREILLE DIST	0408	WASHINGTON ELEMENTARY SCHOO	05-06	06-07	3,4,5,6	3,4,5,6	Y	Y	R	White	91.62	91.88	0.26
002	MERIDIAN JOINT DISTRICT	0526	SEVEN OAKS ELEMENTARY	05-06	06-07	3,4,5	3,4,5	Y	Y	R	White	94.29	94.54	0.25
001	BOISE INDEPENDENT DIS	0326	COLLISTER ELEMENTARY SCHOOL	05-06	06-07	3,4,5,6	3,4,5,6	Y	Y	M	FRL	84.78	85	0.22
071	GARDEN VALLEY DISTRICT	0274	GARDEN VALLEY SCHOOL	05-06	06-07	3,4,5,6,7,8,10	3,4,5,6,7,8,10	Y	Y	M	White	83.9	84.11	0.21
421	MCCALL-DONNELLY DIST	0988	DONNELLY ELEMENTARY	05-06	06-07	3,4,5	3,4,5	Y	Y	M	White	87.5	87.69	0.19
001	BOISE INDEPENDENT DIS	0302	HIGHLANDS ELEMENTARY SCHOOL	05-06	06-07	3,4,5,6	3,4,5,6	Y	Y	R	White	93.9	94.05	0.15
417	CASTLEFORD DISTRICT	0185	CASTLEFORD SCHOOL	05-06	06-07	3,4,5,6,7,8,10	3,4,5,6,7,8,10	Y	Y	M	FRL	85.9	86.05	0.15
372	NEW PLYMOUTH DISTRICT	0806	NEW PLYMOUTH ELEMENTARY	05-06	06-07	3,4,5	3,4,5	Y	Y	M	FRL	97.53	97.67	0.14
202	WEST SIDE SCHOOL DIST	0223	HAROLD B LEE MIDDLE SCHOOL	05-06	06-07	6,7,8	6,7,8	Y	Y	R	FRL	91.18	91.3	0.12
321	MADISON DISTRICT	0778	ARCHER ELEMENTARY SCHOOL	05-06	06-07	3,4	3,4	Y	Y	M	White	100	100	0
084	LAKE PEND OREILLE DIST	0049	CLARK FORK JR-SR HIGH SCHOOL	05-06	06-07	7,8,10	7,8,10	Y	Y	M	FRL	89.19	89.19	0
NOTE: Schools not listed if they made NO Growth														

District ID	District Name	School ID	School Name	PrevSchYear	CurrSchYear	PrevGrade	CurrGrade	PrevAypStatus	CurrAypStatus	TestType	Comparison Category	PrevYrPerc	CurrYrPerc	DiffPerc	Comparison Category 2	PrevYrPerc	CurrYrPerc	DiffPerc	Growth Comparison Total
340	LEWISTON INDEPENDENT DISTRICT	0793	WEBSTER ELEMENTARY SCHOOL	05-06	06-07	3,4,5,6	3,4,5,6	Y	Y	R	FRL	75.44	85	9.56	NonFRL	95.74	93.75	-1.99	11.55
148	GRACE JOINT DISTRICT	0245	GRACE JR/SR HIGH SCHOOL	05-06	06-07	7,8,10	7,8,10	Y	Y	R	FRL	88.71	91.67	2.96	NonFRL	97.44	93.33	-4.11	7.07
002	MERIDIAN JOINT DISTRICT	0507	PIONEER ELEMENTARY SCHOOL	05-06	06-07	3,4,5	3,4,5	Y	Y	R	Sped	71.43	77.08	5.65	NonSped	94.91	94.35	-0.56	6.21
001	BOISE INDEPENDENT DISTRICT	0003	HILLSIDE JUNIOR HIGH SCHOOL	05-06	06-07	7,8	5,6,7,8	Y	Y	R	FRL	77.36	83.33	5.97	NonFRL	94.97	95.98	1.01	4.96
001	BOISE INDEPENDENT DISTRICT	0003	HILLSIDE JUNIOR HIGH SCHOOL	05-06	06-07	7,8	5,6,7,8	Y	Y	M	FRL	74.53	76.04	1.51	NonFRL	91.19	87.94	-3.25	4.76
101	BOUNDARY COUNTY DISTRICT	0434	MOUNT HALL ELEMENTARY SCHOOL	05-06	06-07	3,4,5,6	3,4,5,6	Y	Y	M	FRL	86.84	92.68	5.84	NonFRL	94.44	97.37	2.93	2.91
202	WEST SIDE SCHOOL DISTRICT	0987	HAROLD B LEE ELEMENTARY SCH	05-06	06-07	3,4,5	3,4,5	Y	Y	R	FRL	89.33	94.81	5.48	NonFRL	91.3	94	2.7	2.78
458	LIBERTY CHARTER SCHOOL	0587	LIBERTY CHARTER SCHOOL	05-06	06-07	3,4,5,6,7,8,10	3,4,5,6,7,8,10	Y	Y	R	FRL	84.62	88.64	4.02	NonFRL	89.35	92.57	3.22	0.8
NOTE: Only 8 Schools made the Distinguished Category																			

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**INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
OCTOBER 11-12, 2007**

REFERENCE: APPLICABLE STATUTE, RULE, OR POLICY

**TITLE 33
EDUCATION
CHAPTER 1
STATE BOARD OF EDUCATION**

33-105. RULES -- EXECUTIVE DEPARTMENT. (1) The state board shall have power to make rules for its own government and the government of its executive departments and offices; and, upon recommendations of its executive officers, to appoint to said departments and offices such specialists, clerks and other employees as the execution of duties may require, to fix their salaries and assign their duties.

**TITLE 33
EDUCATION
CHAPTER 16
COURSES OF INSTRUCTION**

33-1612. THOROUGH SYSTEM OF PUBLIC SCHOOLS. The constitution of the state of Idaho, section 1, article IX, charges the legislature with the duty to establish and maintain a general, uniform and thorough system of public, free common schools. In fulfillment of this duty, the people of the state of Idaho have long enjoyed the benefits of a public school system, supported by the legislature, which has recognized the value of education to the children of this state.

In continuing recognition of the fundamental duty established by the constitution, the legislature finds it in the public interest to define thoroughness and thereby establish the basic assumptions which govern provision of a thorough system of public schools.

A thorough system of public schools in Idaho is one in which:

1. A safe environment conducive to learning is provided;
2. Educators are empowered to maintain classroom discipline;
3. The basic values of honesty, self-discipline, unselfishness, respect for authority and the central importance of work are emphasized;
4. The skills necessary to communicate effectively are taught;
5. A basic curriculum necessary to enable students to enter academic or professional-technical postsecondary educational programs is provided;
6. The skills necessary for students to enter the work force are taught;
7. The students are introduced to current technology; and
8. The importance of students acquiring the skills to enable them to be responsible citizens of their homes, schools and communities is emphasized.

The state board shall adopt rules, pursuant to the provisions of chapter 52, title 67, Idaho Code, and section 33-105(3), Idaho Code, to establish a thorough system of public schools with uniformity as required by the constitution, but shall not otherwise impinge upon the authority of the board of trustees of the school districts. Authority to govern the school district, vested in the board of trustees of the school district, not delegated to the state board, is reserved to the board of trustees. Fulfillment of the expectations of a thorough system of public schools will continue to depend upon the vigilance of district patrons, the dedication of school trustees and educators, the responsiveness of state rules, and meaningful oversight by the legislature.

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**IDAPA 08
TITLE 02 CHAPTER 03
08.02.03 - RULES GOVERNING THOROUGHNESS**

113.REWARDS.

01. Distinguished Schools. A school may be recognized as a “Distinguished School” if it is in the top five percent (5%) of schools exceeding the Idaho Adequate Yearly Progress (AYP) intermediate targets listed in Subsection 112.02, of this rule, and if it has significantly reduced the gaps between subgroups listed in Subsection 112.03.d. of this rule. (3-30-07)

02. Additional Yearly Growth (AYG) Award. A school demonstrating improved proficiency levels of subpopulations or in the aggregate by greater than ten percent (10%) shall be considered to have achieved AYG. Such school must have achieved Adequate Yearly Progress (AYP) to be eligible for this award. (3-30-07)

03. Determination by State Department of Education. The State Department of Education will determine the schools eligible for the Distinguished School and AYG awards each year based upon the criteria outlined in Subsections 113.01 and 113.02. The State Department of Education will present the schools to be recognized to the State Board of Education no later than the annual October Board Meeting. (3-30-07)

**INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
OCTOBER 11-12 2007**

SUBJECT

Approval of Proposed Rule for Pupil Personnel Services Certificate, Educational Interpreter Endorsement through amendment to IDAPA 08.02.02.027

REFERENCE

N/A

APPLICABLE STATUTE, RULE, OR POLICY

Section 33-1304, Idaho Code - Qualification of Educational Interpreters

BACKGROUND

During the 2006 session, Title 33 Chapter 13, Idaho Code – The Idaho Educational Interpreters Act was passed setting requirements for educational interpreters working in Idaho public schools kindergarten through grade 12 and authorizing the Board to promulgate rules necessary to implement the statute.

DISCUSSION

The amendment to IDAPA 08.02.02.027 will provide the mechanism for implementation of the statute. The amendment adds Educational Interpreter Endorsement and Educational Interpreter -Provisional Endorsement to the Pupil Personnel Services Certificate. The Educational Interpreter Endorsement states the length of endorsement, the requirements that must be met for endorsement and the requirements for renewal. The Educational Interpreter – Provisional Endorsement contains the conditions and timelines under which a candidate may apply for provisional endorsement. The provisional endorsement is non-renewable. The amendment meets the requirements and timelines as put forth in the statute.

IMPACT

This is an Educational Interpreters Endorsement to the Pupil Personnel Certificate which will provide the mechanism for meeting the requirements and timeline set forth in Section 33-1304(2), Idaho Code. If the Board does not adopt this proposed Rule, there will be no mechanism for Educational Interpreters to receive an endorsement.

ATTACHMENTS

Attachment 1 – Proposed Rule Governing Educational Interpreter
Endorsement and Educational Interpreter–Provisional
Endorsement

Page 3

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends approval of the proposed rule amending IDAPA 08.02.02.027 Pupil personnel Services Certificate to include Educational Interpreter Endorsement and Educational Interpreter Provisional Endorsement.

INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
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BOARD ACTION

A motion to approve the proposed rule to amend IDAPA 08.02.02.027 to include Educational Interpreter Endorsement and Educational Interpreter Provisional Endorsement.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
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Attachment 1

IDAPA 08
TITLE 02
CHAPTER 02

08.02.02 - RULES GOVERNING UNIFORMITY

027. PUPIL PERSONNEL SERVICES CERTIFICATE.

Persons who serve as school counselors, school psychologists, speech-language pathologists, school social workers, school nurses, ~~and~~ school audiologists, and educational interpreters are required to hold the Pupil Personnel Services Certificate, with the respective endorsement(s) for which they qualify. (3-16-04)(____)

01. Counselor Endorsement (K-12). To be eligible for a Pupil Personnel Services Certificate endorsed Counselor K-12, a candidate must have satisfied the following requirements. The Pupil Personnel Services Certificate with a Counselor endorsement is valid for five (5) years. Six (6) credits are required every five (5) years in order to renew the endorsement. (3-16-04)

a. Hold a master's degree and provide verification of completion of an approved program of graduate study in school guidance and counseling from a college or university approved by the Idaho State Board of Education or the state educational agency of the state in which the program was completed. The program must include successful completion of seven hundred (700) clock hours of supervised field experience, one-half of which must be in a K-12 school setting. Previous school counseling experience may be considered to help offset the field experience clock hour requirement. (3-16-04)

b. An institutional recommendation is required for a School Counselor K-12 Endorsement. (3-16-04)

02. School Psychologist Endorsement. This endorsement is valid for five (5) years. Six (6) credits are required every five (5) years in order to renew the endorsement. To be eligible for initial endorsement, a candidate must complete a minimum of sixty (60) graduate semester credit hours which must be accomplished through one (1) of the following options: (3-16-04)

a. Completion of an approved thirty (30) semester credit hour, or forty-five (45) quarter credit hours, master's degree in education or psychology and completion of an approved thirty (30) semester credit hour, or forty-five (45) quarter credit hour, School Psychology Specialist Degree program. (3-16-04)

b. Completion of an approved sixty (60) semester credit hour, or ninety (90) quarter credit hour, master's degree program in School Psychology. (3-16-04)

c. Completion of an approved sixty (60) semester credit hour, or ninety (90) quarter credit hour, School Psychology Specialist degree program which did not require a master's degree as a prerequisite, with laboratory experience in a classroom, which may include professional teaching experience, student teaching or special education practicum, and completion of a minimum three hundred (300) clock-hour internship within a school district under the supervision of the training institution and direct supervision of a certificated school psychologist. (3-16-04)

03. School Nurse Endorsement. This endorsement is valid for five (5) years. Six (6) credits are required every five (5) years in order to renew the endorsement. Initial endorsement may be accomplished through completion of the following requirements. (3-16-04)

a. The candidate must possess a valid registered nursing certificate issued by the Idaho State Board of Nursing, and a bachelor's degree in nursing, education, or a health-related field from an accredited institution. (3-16-04)

b. Nine (9) semester credit hours shall be taken for university or college credit in at least three (3) of

**INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
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the following areas: assessment of student health; child and adolescent health issues; counseling, psychology, or social work; methods of education instruction. Additionally, must have two (2) years' full-time (or part-time equivalent) school nursing, community health nursing, or any area of pediatric, adolescent, or family nursing experience. (3-16-04)

04. Provisional Endorsement - School Nurse. This certificate will be granted for those who do not meet the educational requirements but who hold a valid registered nursing certificate in Idaho. An Interim Certificate – School Nurse will be issued for two (2) years while the applicant is meeting the educational requirements, and it is not renewable. (3-16-04)

05. Speech-Language Pathologist Endorsement. This endorsement is valid for five (5) years. Six (6) credits are required every five (5) years in order to renew the endorsement. Initial endorsement will be issued to candidates who possess a master's degree from an accredited college or university in a speech/language pathology program approved by the State Board of Education, and who receive an institutional recommendation from an accredited college or university. (3-16-04)

06. Audiology Endorsement. This endorsement is valid for five (5) years. Six (6) credits are required every five (5) years in order to renew the endorsement. Initial endorsement will be issued to candidates who possess a master's degree from an accredited college or university in an audiology program approved by the State Board of Education, and who receive an institutional recommendation from an accredited college or university. (3-16-04)

07. School Social Worker Endorsement. This endorsement is valid for five (5) years. Six (6) credit hours are required every five (5) years in order to renew the endorsement. Initial endorsement may be accomplished through possession of a social work certificate issued by the Idaho Bureau of Occupational Licenses, an institutional recommendation, and completion of one (1) of the following options: (3-16-04)

a. A master's degree in social work from an Idaho college or university approved by the State Board of Education, or a master's degree in social work from an out-of-state college or university. The program must be currently approved by the state educational agency of the state in which the program was completed. (3-16-04)

b. A master's degree in guidance and counseling, sociology, or psychology plus thirty (30) semester credit hours of graduate work in social work education, including course work in all the following areas: understanding the individual; casework method; field placement; social welfare programs and community resources; and research methods. (3-16-04)

08. Educational Interpreter Endorsement This endorsement is valid for five (5) years. Eighty (80) hours of training in the areas of interpreting or transliterating are required to renew the endorsement. Initial endorsement may be accomplished through completion of one of the following requirements: ()

a. The candidate has achieved a score of three and one-half (3.5) or higher on the Educational Interpreter Performance Assessment; ()

b. The candidate has passed the Cued Speech Proficiency Rating Test or other National Cued Speech Association endorsed state or national transliterator examination or evaluation; or ()

c. The candidate is currently certified by: ()

i. The Registry of Interpreters of the Deaf; ()

ii. The National Association of the Deaf , at level III or higher; or ()

iii. The Registry of Interpreters for the Deaf for oral transliteration, ()

09. Educational Interpreter - Provisional Endorsement. ()

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a. Effective until June 30, 2009. An educational interpreter currently working in an Idaho public school who does not meet the initial endorsement requirements may apply for provisional endorsement as an educational interpreter in Idaho public schools, kindergarten through grade twelve (12), for a period that does not extend beyond June 30, 2009. ()

b. Effective July 1, 2009. A newly-hired educational interpreter, who has not, prior to July 1, 2006, worked in an Idaho public school as an educational interpreter in kindergarten through grade twelve (12) and who does not meet the initial endorsement requirements may apply for provisional endorsement as an educational interpreter in such grades for a period not to exceed two (2) years. If upon the expiration of the provisional endorsement, the candidate has not met the full endorsement requirements, the candidate may, upon showing of good cause, apply for a one-time one (1) year extension of the provisional endorsement. ()

c. A graduate of an interpreter education program may apply for provisional endorsement as an educational interpreter in Idaho public schools, kindergarten through grade twelve (12), for a period of one (1) year following graduation from such program. This interim provisional endorsement is not renewable. ()

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REFERENCE – APPLICABLE STATUTE, RULE OR POLICY

TITLE 33
EDUCATION
CHAPTER 13
EDUCATIONAL INTERPRETERS

33-1304. QUALIFICATION OF EDUCATIONAL INTERPRETERS. (1) Except as provided in this section, no person shall act as an educational interpreter in an Idaho public school unless the person has been qualified to do so. The person shall be qualified if the person:

(a) Has achieved a score of 3.5 or higher on the educational interpreter performance assessment or has achieved a comparable score on an equivalent test as determined by the board; or

(b) Is currently certified by:

- (i) The registry of interpreters for the deaf;
- (ii) The national association of the deaf at a level of III or higher;
- (iii) The registry of interpreters for the deaf, oral transliteration for oral transliterators; or
- (iv) The testing, evaluation, and certification unit for cued language transliterators.

(2) An educational interpreter currently employed in an Idaho public school may continue in the practice of educational interpreting without meeting the requirements of subsection (1) of this section, provided that such requirements are met on or before June 30, 2009.

(3) Effective July 1, 2009, newly-hired educational interpreters, who have not worked in an Idaho public school as an educational interpreter in kindergarten through grade twelve (12) prior to the enactment of this chapter, may apply in writing to the board for emergency authorization to work as an educational interpreter for two (2) years before being required to meet the requirements of subsection (1) of this section. An education interpreter who has received an emergency authorization under this subsection (3) may apply in writing to the board for a one-time, one (1) year extension of the emergency authorization. The board may grant such a one (1) year extension of the emergency authorization for good cause shown.

(4) A graduate of an interpreter education program may serve as an educational interpreter in Idaho public schools, kindergarten through grade twelve (12) before meeting the requirements of subsection (1) of this section for one (1) year following such graduation.

(5) Educational interpreters employed by an Idaho public school in kindergarten through grade twelve (12) must complete a minimum of eighty (80) hours of training in the areas of interpreting or transliterating every five (5) years. This training must be documented and may include home study coursework, seminars, workshops and mentoring programs.

(6) The board is authorized to promulgate rules necessary to implement this chapter.

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SUBJECT

Approval of Pending Temporary and Proposed Rule 08.02.03.004 regarding Standards for the Deaf and Hard of Hearing (DHH)

REFERENCE

December 2005	ISDB Committee recommendations were adopted by the Board
February 2006	Board Approval of ISDB committee recommendations
October 2006	Board approval of recommendations of the workgroup for the Deaf and Hard of Hearing
June 13-14 2007	Board Approval of Standards for the Deaf and Hard of Hearing
August 1-September 12	Public Comment on the standards

APPLICABLE STATUTE, RULE, OR POLICY

Sections 33-105, 33-1612, and 67-5229, Idaho Code

BACKGROUND

A committee appointed by the State Board of Education (SBOE) reviewed research regarding education programs for the Deaf and Hard of Hearing (DHH) students. In 2006-2007, with input from various stakeholder groups, including the Idaho Council for the Deaf and Hard of Hearing, and the State Department of Education, the committee recommended development of standards for the education programs for DHH students as well as development of a service framework for separate state supported programs for each of these populations.

The standards for DHH were approved by the SBOE in the June 13-14 meeting and went out for public comment.

DISCUSSION

Public comment was received, evaluated and incorporated in a manner that is consistent with the intent. The standards writing committee also had an opportunity to review the amendments. The amendments are as follows: **Standard 5**, "by a pediatric or educational audiologist" was added; **Standard 7**, "certified and licensed" was added; **Standard 14** "both sign language based deaf education and oral deaf education" was added; **Standard 23**, "the necessary sign-language based and/or oral" was added; **Standard 33**, "Sign language based and orally based curricula" was added; **Standard 41** "sign-language based or oral" was added. These additions were made to insure that services are provided by recognized qualified personnel and that appropriate curriculum is used. The amendments also respond to the Office of Performance Evaluation (OPE) Follow up Report July 2007 recommendation regarding auditory/oral

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policies which stated "State Board of Education should develop policies and procedures...that address program vision and administration, teacher qualifications and training and curriculum development".

IMPACT

N/A

ATTACHMENTS

Attachment 1 – Temporary and Proposed Rules Governing Thoroughness – Incorporation by Reference	Page 3
Attachment 2 – Summary and Standards for Education of Students that are Deaf and Hard of Hearing	Page 7

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends that the SBOE approve the standards for the BVI and DHH as presented. Staff also recommends that the SBOE approve the standards being incorporated by reference into 08.02.03.

BOARD ACTION

A motion to approve the Pending Rule, IDAPA 08.02.03.004 – Incorporation by Reference of the Standards for the Deaf and Hard of Hearing.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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Attachment 1

Docket No. 08-0203-0701

004. INCORPORATION BY REFERENCE.

The following documents are incorporated into this rule:

(3-30-07)

01. The Idaho Content Standards. The Idaho Content Standards as adopted by the State Board of Education on November 1, 2006. Copies of the document can be found on the State Board of Education website at <http://www.boardofed.idaho.gov/index.asp>. (3-30-07)

02. The Idaho English Language Development Standards. The Idaho English Language Development Standards as adopted by the State Board of Education on August 10, 2006. Copies of the document can be found on the State Board of Education website at <http://www.boardofed.idaho.gov/lep/index.asp>. (3-30-07)

03. The Limited English Proficiency Program Annual Measurable Achievement Objectives (AMAOs) and Accountability Procedures. The Limited English Proficiency Program Annual Measurable Achievement Objectives and Accountability Procedures as adopted by the State Board of Education on August 10, 2006. Copies of the document can be found on the State Board of Education website at <http://www.boardofed.idaho.gov/lep/index.asp>. (3-30-07)

04. The Idaho English Language Assessment (IELA) Achievement Standards. The Idaho English Language Assessment (IELA) Achievement Standards as adopted by the State Board of Education on August 10, 2006. Copies of the document can be found on the State Board of Education website at <http://www.boardofed.idaho.gov/lep/index.asp>. (3-30-07)

05. The Idaho Standards Achievement Tests (ISAT) Achievement Standards. Achievement Standards as adopted by the State Board of Education on ~~August 10, 2006~~ May 30, 2007. Copies of the document can be found on the State Board of Education website at <http://www.boardofed.idaho.gov/index.asp>. (3-30-07)()

06. The Idaho Alternative Assessment Extended Content Standards. The Idaho Alternative Assessment Extended Content Standards as adopted by the State Board of Education on April 20, 2006. Copies of the document can be found at the State Board of Education website at <http://www.boardofed.idaho.gov/index.asp>. (11-1-06)T

07. The Idaho Alternative Assessment Extended Achievement Standards. Alternative Assessment Extended Achievement Standards as adopted by the State Board of Education on April 20, 2006. Copies of the document can be found on the State Board of Education website at <http://www.boardofed.idaho.gov/index.asp>. (11-1-06)T

08. The Idaho Standards for Infants, Toddlers, Children, and Youth who are Deaf or Hard of Hearing. As adopted by the State Board of Education on June 14, 2007. Copies of the document can be found on the State Board of Education website at <http://www.boardofed.idaho.gov/index.asp>. (06-14-07)T

09. The Idaho Standards for Infants, Toddlers, Children, and Youth who are Blind or Visually Impaired. As adopted by the State Board of Education on June 14, 2007. Copies of the document can be found on the State Board of Education website at <http://www.boardofed.idaho.gov/index.asp>. (06-14-07)T

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Program *Standards* for Infants, Toddlers, Children, and Youth who are Deaf or Hard of Hearing

Summary

5 sections:

- 1) Identification and Referral
- 2) Assessment of Child's/Student's Needs
- 3) Organization For Child's/Student's Learning and Support for Instruction
- 4) Curriculum and Instruction to Meet Child's/Student's Academic and Social Needs
- 5) Parent, Family, and Community Involvement

The Educational Program *Standards* for Infants, Toddlers, Children, and Youth Who Are **Deaf or Hard of Hearing** incorporate state and federal law and best practice. The five sections are designed to address not only the student but also:

- The family.
- The state educational program for the deaf and the hard of hearing.
- Professionals providing direct and consultative services.
- The local educational agencies (LEAs).
- Paraeducators.
- Other professionals/teachers.

The *Standards* address, but are not limited to, the following:

- Accountability of the state program.
- Involvement of the parent(s) and parent resources.
- Qualifications/roles of professionals.
- Recognizing the need for increasing the number of specifically trained, certified, and/or licensed service professionals.
- Assessment, screening, and referral for initial services.
- Testing and assessment of students.
- Access to appropriate communication options.
- Delivery of specialized curricula focusing on communication, language, and learning.
- Interactions with peers who are deaf/hard of hearing and hearing.

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The Standards ~~at a Glance~~ for the Deaf and Hard of Hearing

Section One: Identification and Referral

Outcome: Children with hearing loss are identified and referred for assessment as early as possible to enable the best possible language, communication, social and emotional, and achievement outcomes.

Identification and Referral

Standard 1: Procedures exist for locating and referring infants, children, and students who are deaf or hard of hearing who may require early intervention and/or special education.

Resources

Standard 2: An unbiased, comprehensive resource information packet will be given to parents of recently identified children who are deaf or hard of hearing, regardless of child's age.

Collaboration

Standard 3: Programs for infants, children, and students who are deaf or hard of hearing establish collaborative relationships with all health care providers, social services, school districts, and child care programs in order to ensure that infants, toddlers, preschoolers, and school-age children with identified hearing loss are promptly referred to the appropriate services.

Hearing Screening

Standard 4: Qualified personnel conduct hearing screenings to identify children who may have a hearing loss.

Audiological Referral

Standard 5: Children who fail hearing screenings receive an audiological evaluation by a pediatric or educational audiologist.

Vision Screening

Standard 6: Children and students who are deaf or hard of hearing will be screened for visual impairment.

Section Two: Assessment of Child's/Student's Needs

Outcome: An individualized intervention or education plan is developed based on assessment that yields valid and reliable information about the child.

Persons Conducting the Assessment

Standard 7: Each assessment of infants, children, and students who are deaf or hard of hearing, birth – twenty one(21), is conducted by qualified, certified and licensed personnel who understand the unique nature of hearing loss and who are specifically trained to conduct these assessments.

Domains to be Assessed

Standard 8: Qualified professionals assess children/students and collaborate with parents and other professionals on all relevant areas of functioning to provide a comprehensive profile of the child/student with hearing loss.

Test Administration

Standard 9: Assessments are provided and administered, using the student's primary language and preferred mode of communication, by professionals proficient in that approach.

Specialized Services, Materials, and Equipment

Standard 10: An assessment report identifies the unique learning needs of the child/student related to the hearing loss, including needs for specialized services, materials, equipment, and accommodations in the learning environment.

Assessment Team

Standard 11: Children and students who are deaf or hard of hearing are referred to a specialized assessment team developed by the local school district or provided by the state when appropriate.

Eligibility Criteria

Standard 12: Eligibility criteria will be defined by the State of Idaho.

Placement Considerations

Standard 13: A continuum of service/placement options is reviewed with parents and placement is determined by the IFSP/IEP team (including parents) based on valid and reliable assessment data and other information that identifies individual needs across communication, developmental, academic, and social domains.

Section Three: Organization for Child's/Student's Learning and Support for Instruction

Outcome: Infants, children, and students who are deaf or hard of hearing share the same learning opportunities as their hearing peers and benefit from programs that support and provide equal opportunity for communication access.

Statement of Purpose

Standard 14: The program for infants, children, and students who are deaf or hard of hearing has a clear statement of purpose for both sign language based and oral based education and services, including outcomes for expected learning, communication competency, and social/emotional well-being. This statement of purpose addresses the critical need for equal opportunity in each of these areas.

Policy on Language and Communication

Standard 15: The program has a written policy on the central role of language and communication as it relates to the cognitive, academic, social, and emotional development of infants, children, and students who are deaf or hard of hearing.

Instructional Delivery System

Standard 16: The instructional delivery system supports learning in a developmentally appropriate context and focuses on unique communication needs of infants, children, and students who are deaf or hard of hearing in order to support success.

Students with Multiple Disabilities; Deafblindness

Standard 17: Provision is made for appropriate services for infants, children, and students who are deaf or hard of hearing with multiple disabilities.

State Educational Program for the Deaf and the Hard of Hearing

Standard 18: The state educational program for the deaf and the hard of hearing consists of the Idaho State Board of Education and the Program Administration advised and assisted by such entities as a governor-appointed/state regulated advisory agency.

State Oversight

Standard 19: The state educational program for the deaf and the hard of hearing adopts policies that are consistent with the guidelines put forth in this document, delegates implementation of these policies to the administrative staff, and monitors results. These policies support the expected learning outcomes for children/students.

Continuum of Options

Standard 20: The state educational program for the deaf and the hard of hearing provides access to a full continuum of placement, (residential placement to full inclusion mainstream) program, service, and communication options. The state educational program for the deaf and the hard of hearing collaborates with the early intervention and local education agencies, institutes of higher education, and other agencies to ensure provision of appropriate services for infants, children, and students who are deaf or hard of hearing.

Program Administrator

Standard 21: The Program Administrator is an experienced educator of students who are deaf or hard of hearing and appropriately credentialed school administrator, with skills to ensure that students who are deaf or hard of hearing are provided with appropriate instruction and designated services. The Program Administrator has the skills necessary for facilitating participation of staff, parents, and the deaf and hard of hearing community in program development related to a continuum of communication services.

Staff Qualifications

Standard 22: Infants, children, and students who are deaf or hard of hearing, birth – 21, including those with multiple disabilities and blindness, are instructed by early intervention providers and teachers who are certified and/or licensed to teach these individuals.

Other Qualified Personnel

Standard 23: Each program has the necessary specifically trained or certified sign language and/or oral professionals, including paraprofessionals, who have the skills necessary to provide instruction and services that meet the academic, communication, social, emotional, assistive technology and transition needs of infants, children, and students who are deaf or hard of hearing.

Assurance of Pre-Service Training

Standard 24: The Idaho State Board of Education will ensure that programs are provided through public post-secondary institutions to prepare specifically trained, certified, and/or licensed early intervention providers, teachers, paraprofessionals, interpreters, and related service professionals in the continuum of communication options for infants, children, and students who are deaf or hard of hearing.

Workload Management

Standard 25: Class size and workloads of staff support the provision of specialized instruction and services based on the unique educational needs of infants, children, and students who are deaf or hard of hearing.

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Staff Development

Standard 26: The program provides ongoing training and mentoring for all staff to enhance achievement of infants, children, and students who are deaf or hard of hearing across the communication continuum.

Training for Early Intervention, General Education, and Special Education Personnel

Standard 27: The program provides training to early intervention, general education and special education personnel serving infants, children, and students who are deaf or hard of hearing regarding accommodations, modifications of the curriculum, and understanding of the impact of hearing loss on development and learning.

Facilities

Standard 28: Facilities are designed and maintained to enhance the provision of instruction and services to meet the unique communication, education, and safety needs of children/students who are deaf or hard of hearing.

School Safety

Standard 29: Facilities provide a safe and secure environment in which student accommodations can be met.

Program Accountability

Standard 30: The school leadership, program administrators, and staff regularly assess each child's/student's progress toward accomplishing the expected state and school-wide learning results and report progress to the rest of the school community, including parents, the deaf and hard of hearing community, and related agencies and organizations. Program accountability reporting will be organized to assure confidentiality for individual student.

Self-Assessment

Standard 31: The program conducts an annual self-assessment as part of the state monitoring process, using these standards and encompassing all areas of program quality and provides annual written progress reports to parents, staff, and the community.

Compliance

Standard 32: The State Board of Education will adopt an accountability system including corrective action plans and sanctions for programs that are out of compliance.

Section Four: Curriculum and Instruction to Meet Child's/Student's Academic and Social Needs

Outcome: Infants, children, and students who are deaf or hard of hearing thrive in linguistically rich natural/educational environment where language, communication, academics, and social opportunities are fully accessible.

Curriculum and Instruction – Birth to Three

Standard 33: Sign language based and oral curricula Curriculum and instruction for infants, toddlers, and preschoolers who are deaf and hard of hearing, including those with multiple disabilities and visual impairment, are family focused, developmentally appropriate, and focused on the development of communication skills, healthy attachments, and linguistic competence to ensure later academic, social, and vocational success.

Curriculum and Instruction – Three to Twenty-One

Standard 34: School-aged children who are deaf or hard of hearing, including those with multiple disabilities and visual impairment, are provided with a challenging, coherent, and relevant core and specialized curriculum to ensure students' achievement toward expected school-wide learning results. The professional staff implements a variety of engaging learning experiences based on up to date and research-based teaching and learning principles.

Cohesive Team

Standard 35: All persons identified on the IFSP/IEP who provide services will form a cohesive team that works collaboratively and flexibly to meet the infant's/children's/student's needs.

Focus on Communication

Standard 36: Curriculum and instruction are delivered using the communication approach that meets the unique needs of the infant/child/student as defined in his/her Communication Plan.

Equal Access

Standard 37: The program provides equal access for all students in curricular and extracurricular activities and designated and related services.

Natural Environment

Standard 38: The infant/toddler is provided services in the child's natural environment(s) in accordance with the child's IFSP.

Focus on Authentic Peer Interactions

Standard 39: The child/student has authentic peer interactions and is able to participate in social and academic discussions.

District Core Curriculum Standards

Standard 40: Infants, children, and students who are deaf or hard of hearing will be instructed using the early intervention and district core curriculum that are aligned with established state standards.

Supplemental Specialized Curricula

Standard 41: In addition to district and state core standards, infants, children, and students who are deaf or hard of hearing will be provided with supplemental specialized, research-based sign language or oral curricula coordinated among service providers, which contains well-defined and relevant instruction in the areas of need as identified on the IFSP/IEP.

Transitions

Standard 42: Transitions occur periodically throughout a deaf and hard-of-hearing infant's/child's/student's education: Early intervention to school services, preschool to elementary school, elementary school to middle school/high school, and high school to vocational, independent living, and/or post-secondary education. Planning and implementing support services must occur and be documented in a timely manner prior to each transition.

Purpose of Assessment

Standard 43: The program uses appropriate assessment to measure infant's/children's/student's achievement, design effective instruction, and communicate the program's effectiveness. Students who are deaf or hard of hearing are included in statewide and local assessments with the accommodations and adaptations that have been outlined on the IFSP/IEP.

Section Five: Parent, Family, and Community Involvement

Outcome: Family and community members are active, involved participants in the education process of children/students who are deaf or hard of hearing.

Parent Training and Support

Standard 44: The program provides continuous opportunities for parents to acquire the necessary skills and information, especially in communication and language development, to support the implementation of their infant's/child's/student's IFSP/IEP.

Adults who are Deaf or Hard of Hearing and Community Development

Standard 45: The program involves deaf and hard of hearing communities in program development and encourages strong collaboration between school staff, parents, and community members who are deaf or hard of hearing.

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REFERENCE: APPLICABLE STATUTE, RULE, OR POLICY

**TITLE 33
EDUCATION
CHAPTER 1
STATE BOARD OF EDUCATION**

33-105. RULES -- EXECUTIVE DEPARTMENT. (1) The state board shall have power to make rules for its own government and the government of its executive departments and offices; and, upon recommendations of its executive officers, to appoint to said departments and offices such specialists, clerks and other employees as the execution of duties may require, to fix their salaries and assign their duties.

**TITLE 33
EDUCATION
CHAPTER 16
COURSES OF INSTRUCTION**

33-1612. THOROUGH SYSTEM OF PUBLIC SCHOOLS. The constitution of the state of Idaho, section 1, article IX, charges the legislature with the duty to establish and maintain a general, uniform and thorough system of public, free common schools. In fulfillment of this duty, the people of the state of Idaho have long enjoyed the benefits of a public school system, supported by the legislature, which has recognized the value of education to the children of this state.

In continuing recognition of the fundamental duty established by the constitution, the legislature finds it in the public interest to define thoroughness and thereby establish the basic assumptions which govern provision of a thorough system of public schools.

A thorough system of public schools in Idaho is one in which:

1. A safe environment conducive to learning is provided;
2. Educators are empowered to maintain classroom discipline;
3. The basic values of honesty, self-discipline, unselfishness, respect for authority and the central importance of work are emphasized;
4. The skills necessary to communicate effectively are taught;
5. A basic curriculum necessary to enable students to enter academic or professional-technical postsecondary educational programs is provided;
6. The skills necessary for students to enter the work force are taught;
7. The students are introduced to current technology; and
8. The importance of students acquiring the skills to enable them to be responsible citizens of their homes, schools and communities is emphasized.

The state board shall adopt rules, pursuant to the provisions of chapter 52, title 67, Idaho Code, and section 33-105(3), Idaho Code, to establish a thorough system of public schools with uniformity as required by the constitution, but shall not otherwise impinge upon the authority of the board of trustees of the school districts. Authority to govern the school district, vested in the board of trustees of the school district, not delegated to the state board, is reserved to the board of trustees. Fulfillment of the expectations of a thorough system of public schools will continue to depend upon the vigilance of district patrons, the dedication of school trustees and educators, the responsiveness of state rules, and meaningful oversight by the legislature.

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TITLE 67
STATE GOVERNMENT AND STATE AFFAIRS
CHAPTER 52
IDAHO ADMINISTRATIVE PROCEDURE ACT

67-5229. INCORPORATION BY REFERENCE. (1) If the incorporation of its text in the agency rules would be unduly cumbersome, expensive, or otherwise inexpedient an agency may incorporate by reference in its rules and without republication of the incorporated material in full, all or any part of:

- (a) A code, standard or rule adopted by an agency of the United States;
- (b) A code, standard or rule adopted by any nationally recognized organization or association;
- (c) A code or standard adopted by Idaho statute or authorized by Idaho statute for adoption by rule; or
- (d) A final rule of a state agency; provided however, that a state agency shall not adopt a temporary rule incorporating by reference a rule of that agency that is being or has been repealed unless the rule providing for the incorporation has been reviewed and approved by the legislature.

(2) The agency shall, as part of the rulemaking:

- (a) Note where copies of the incorporated material may be obtained or electronically accessed; and
- (b) If otherwise unavailable, provide one (1) copy of the incorporated material to the Idaho supreme court law library.

(3) The incorporated material shall be identified with specificity and shall include the date when the code, standard or rule was published, approved or became effective. If the agency subsequently wishes to adopt amendments to previously incorporated material, it shall comply with the rulemaking procedures of this chapter.

(4) Unless prohibited by other provisions of law, the incorporated material is subject to legislative review in accordance with the provisions of section 67-5291, Idaho Code, and shall have the same force and effect as a rule.

**INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
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SUBJECT

Standards for the Blind and Visually Impaired (BVI)

Approval of Pending Rule, 08.02.03.004 – Incorporation by Reference

REFERENCE

December 2005	ISDB Committee recommendations were adopted by the Board
February 2006	Board Approval of ISDB committee recommendations
October 2006	Board approval of recommendations of the workgroup for the Blind and Visually Impaired
June 2007	Board approval of Temporary and Proposed Rule, 08.02.03.004, Standards for the Blind and Visually Impaired
Aug 2007	Public Comment on the Standards for the Blind and Visually Impaired

APPLICABLE STATUTE, RULE, OR POLICY

Sections 33-105, 33-1612, 67-5229, Idaho Code

BACKGROUND

A committee appointed by the State Board of Education (SBOE) has reviewed research regarding education programs for deaf or hard of hearing (DHH) students and blind or visually impaired (BVI) students. The committee also reviewed the report issued by the Office of Performance Evaluation (OPE), which had been requested by the Joint Legislative Oversight Committee. In 2006, with input from various stakeholder groups, including the Council for the DHH, the Idaho Commission for the Blind and Visually Impaired and the State Department of Education, the committee recommended development of standards for the education programs for DHH and BVI students as well as development of a service framework for separate state supported programs for each of these populations.

Recommendations from the workgroups have been, or are, in the process of being implemented. Transition coordinators for the BVI and the DHH have been hired by the office of the Office of the State Board of Education. Standards for both BVI and DHH were approved as a proposed and temporary Rule at the June 2007 Board meeting.

Comments were received by the Office of the State Board of Education from August 1 – 22 on the Standards for the Education of Students who are Blind or

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Visually Impaired. The comments have been reviewed and incorporated into the Standards. The changes are attached.

DISCUSSION

The following changes were made to the standards based on comments received during the public comment period:

1. Based on comments and recommendations from Robin Greenfield, Director of the Idaho Deafblind Project, deafblind language was incorporated into the document.
2. Other minor changes were made to the document, including grammar changes. The changes are not substantive and do not change the intent of the standards. All changes are shown in red.

IMPACT

N/A

ATTACHMENTS

Attachment 1 – Summary and Standards for Education
of Students who are Blind or Visually
Impaired

Page 3

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends that the SBOE approve the standards for the BVI as presented. Staff also recommends that the SBOE approve the standards being incorporated by reference into 08.02.03.

BOARD ACTION

A motion to approve the Pending Rule, IDAPA 08.02.03.004 – Incorporation by Reference of the Standards for the Blind and Visually Impaired.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

Attachment 1

Program *Standards* for Infants, Toddlers, Children, and Youth who are
Blind or Visually Impaired including those with Additional Disabilities and
Deafblindness
Summary

5 sections:

- 1) Identification and Referral
- 2) Assessment of Child's/Student's Needs
- 3) State Program Design
- 4) Curriculum, Expanded Core Curriculum, and Instruction
- 5) Parent Training and Family and Community Involvement

The Educational Program *Standards* for Infants, Toddlers, Children, and Youth Who Are **Blind or Visually Impaired including those with Additional Disabilities and Deafblindness** incorporate state and federal law and best practice. The five sections are designed to address not only the student but also:

- The family.
- The state program for the blind and visually impaired.
- Professionals providing direct and consultative services.
- The local educational agencies (LEAs).
- Paraeducators.
- Other professionals/teachers.

The *Standards* address, but are not limited to, the following:

- Accountability of the state program.
- Involvement of the parent(s) and parent resources.
- Qualifications/roles of professionals.
- Recognizing the need for increasing the number of specifically trained, certified, and/or licensed service professionals.
- Dissemination/production of materials.
- Assessment, screening and referral for initial services.
- Testing and assessment of students.
- Delivery of Expanded Core Curriculum (curriculum specifically designed for students who are blind or visually impaired, such as specific technology and low vision aids/devices, that is delivered in addition to the regular core curriculum, such as math and reading).
- Interactions with peers who are sighted and blind.

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The Standards ~~at a Glance~~ for the Blind and Visually Impaired

Section One: Identification and Referral

Outcome: Children with vision loss are identified and referred as early as possible to enable the best possible educational, social, emotional, and achievement outcomes.

Identification and Referral

Standard 1: Procedures exist for locating and referring infants, toddlers, children, and youth who are blind or visually impaired, including those with additional disabilities **and or** deafblindness who may require early intervention and/or special education.

Resources

Standard 2: An unbiased, comprehensive resource information packet will be given to parents of recently identified children who are blind or visually impaired regardless of the child's age or other disabilities.

Collaboration

Standard 3: Programs for infants, toddlers, children, and youth, including those with additional disabilities **and or** deafblindness, establish collaborative relationships with health care providers, social services, school districts, child care programs, **and other appropriate agencies (e. g. deafblind project)** in order to ensure that infants, toddlers, preschoolers, and school-age children with identified vision loss receive appropriate referral within two (2) days and are contacted by the appropriate agency within fourteen (14) calendar days.

Vision Screening

Standard 4: Qualified personnel conduct vision screenings to identify children who may have a vision loss.

Assessment Referral

Standard 5: Children who fail vision screenings receive appropriate assessment(s).

Additional Screening

Standard 6: Infants, toddlers, children, and youth, including those with additional disabilities **and or** deafblindness, will be screened for hearing and/or additional impairment(s).

Section Two: Assessment of Child's/Student's Needs

Outcome: An individualized intervention or education plan is developed based on assessment that yields valid and reliable information about the child.

Persons Conducting the Assessment

Standard 7: Each assessment of infants, toddlers, children, and youth, including those with additional disabilities ~~and~~ or deafblindness, birth – 21, is conducted by qualified personnel who understand the unique nature of vision loss and who are specifically trained to conduct these assessments.

Domains to be Assessed

Standard 8: Qualified professionals assess children/students and collaborate with parents and other professionals on all relevant areas of functioning to provide a comprehensive profile of the child/student with vision loss.

Administration of Assessments

Standard 9: Assessments are provided and administered using the student's primary language and in the appropriate medium/media by professionals proficient in that approach.

Specialized Services, Materials, and Equipment

Standard 10: The assessment report identifies the unique learning needs of the infant, toddler, child, or youth who is blind or visually impaired, including those with additional disabilities ~~and~~ or deafblindness, related to the vision loss including needs for specialized services, materials and equipment, and accommodations in the unique developmental and learning environment.

Assessment in the State and District Core Curriculum

Standard 11: Infants, toddlers, children, and youth who are blind or visually impaired, including those with additional disabilities ~~and~~ or deafblindness, will be assessed using early intervention, state and district core curriculum ~~uma~~ that are aligned with established state and district standards.

Assessment in the Expanded Core Curriculum

Standard 12: Infants, toddlers, children, and youth who are blind or visually impaired, including those with additional disabilities ~~and~~ or deafblindness, receive assessment in the expanded core curriculum by qualified personnel. A triennial comprehensive functional vision evaluation and learning media assessment will be conducted by qualified personnel.

**INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
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Assessment Team

Standard 13: Infants, toddlers, children, and youth, including those with additional disabilities ~~and~~ or deafblindness, are referred to a specialized assessment team approved by the State Educational Program for the Blind and Visually Impaired and developed by the local school district or provided by the state program when appropriate.

Eligibility Criteria

Standard 14: Eligibility criteria will be defined by the State of Idaho.

Service/Placement Considerations

Standard 15: A continuum of service/placement options is reviewed with parents and placement is determined by the Individualized Family Service Plan (IFSP)/IEP team (including parents) based on valid and reliable assessment data and other information that identifies individual needs across developmental, academic, and social domains.

Appropriate Placement

Standard 16: Determination of appropriate early intervention or educational setting must be based on the identified needs of infants, toddlers, children, and youth who are blind or visually impaired, including those with additional disabilities ~~and~~ or deafblindness, throughout their developmental and educational experiences. Any appropriate placement option recommended by the IFSP/IEP team must be made available to the infants, toddlers, children, and youth who are blind or visually impaired, including those with additional disabilities ~~and~~ or deafblindness.

Section Three: State Program Design

Outcome: Infants, toddlers, children, and youth, including those with additional disabilities ~~and~~ or deafblindness share the same learning opportunities as their sighted peers and benefit from programs that support and provide equal opportunities.

Policy on Literacy and Communication

Standard 17: The State Educational Program for the Blind and Visually Impaired has a written policy on the central role of literacy and communication as it relates to the cognitive, academic, social, and emotional development of infants, toddlers, children, and youth, including those with additional disabilities ~~and~~ or deafblindness.

Students with Additional Disabilities ~~and~~ Deafblindness

Standard 18: Provision is made for appropriate services for infants, toddlers, children, and youth, including those with additional disabilities ~~and~~ or deafblindness.

State Educational Program for the Blind and Visually Impaired

Standard 19: The State Educational Program for the Blind and Visually Impaired ~~consists will have the oversight~~ of the Idaho State Board of Education and the program administration ~~will be~~ advised and assisted by an advisory council appointed by the Idaho State Board of Education.

State Oversight

Standard 20: The State Educational Program for the Blind and Visually Impaired adopts policies that are consistent with the guidelines put forth in this document, delegates implementation of these policies to the administrative staff, and monitors results. These policies support the expected learning outcomes for children/students. These policies are initially reviewed annually for the first five (5) years and at least every five (5) years thereafter.

Continuum of Options

Standard 21: The State Educational Program for the Blind and Visually Impaired provides access to a full continuum of placement, program, service, and literacy options. The agency collaborates with the early intervention and local educational agencies, institutes of higher education, and other agencies to ensure ~~that provision of~~ appropriate services for infants, toddlers, children, and youth, including those with additional disabilities ~~and~~ or r deafblindness ~~are provided~~.

**INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
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Instructional Delivery System

Standard 22: The instructional delivery system supports infants, toddlers, children and youth, including those with additional disabilities **and or** deafblindness, learning in a developmentally appropriate context and focuses on the unique learning needs and literacy medium/media in order to support success.

Program Administrator

Standard 23: The Program Administrator is an experienced educator of students who are blind or visually impaired, with skills to ensure that infants, toddlers, children and youth, who are blind or visually impaired, including those with additional disabilities **and or** deafblindness, are provided with appropriate instruction and designated services. The Program Administrator has the skills necessary for facilitating participation of staff, parents, and the blind or visually impaired community in program development related to a continuum of services.

Staff Qualifications

Standard 24: Infants, toddlers, children and youth, who are blind or visually impaired, including those with additional disabilities **and or** deafblindness, birth-21, are instructed by early intervention providers, teachers, and/or specialists who are specifically trained, certified, and/or licensed to teach academic, expanded core curriculum, communication, social, emotional, assistive technology, and transition skills to these individuals.

Paraprofessionals

Standard 25: State Educational Program for the Blind and Visually Impaired and local educational agencies will work collaboratively to train and support paraprofessionals who are providing services to infants, toddlers, children, and youth who are blind or visually impaired, including those with additional disabilities **and or** deafblindness.

Professional Preparation

Standard 26: The Idaho State Board of Education will work toward ensuring that programs are provided through state public post-secondary institutions to prepare specifically trained, certified, and/or licensed early intervention providers, teachers, paraprofessionals, and related service professionals in the continuum of educational options for infants, toddlers, children and youth, who are blind or visually impaired, including those with additional disabilities **and or** deafblindness.

Caseload Management

Standard 27: Class size and/or caseloads of staff support the provision of specialized instruction and services based on the unique educational needs of infants, toddlers, children and youth, who are blind or visually impaired, including those with additional disabilities **and or** deafblindness.

**INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
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Staff Development

Standard 28: The State Educational Program for the Blind and Visually Impaired provides ongoing training and mentoring for all staff to enhance achievement of infants, toddlers, children and youth, who are blind or visually impaired, including those with additional disabilities ~~and or~~ deafblindness. Teachers of the blind or visually impaired ~~will provide or~~ ensure ~~that~~ appropriate mentoring and professional development opportunities ~~are available~~ for teachers of the blind or visually impaired and certified orientation and mobility specialists.

Training for Education Personnel

Standard 29: The State Educational Program for the Blind and Visually Impaired provides training to education personnel serving its infants, toddlers, children, and youth who are blind or visually impaired, including those with additional disabilities ~~and or~~ deafblindness regarding accommodations, modifications of the curriculum, and understanding the impact of vision loss on development and learning.

~~New and Existing~~ Facilities

Standard 30: ~~New f~~Facilities are designed and ~~existing facilities are~~ maintained to enhance the provision of instruction and services to meet the unique academic, expanded core curriculum, communication, social, emotional, assistive technology, and transition needs of infants, toddlers, children, and youth who are blind or visually impaired, including those with additional disabilities ~~and or~~ deafblindness.

Safe School Environment

Standard 31: The school environment will be a safe and secure setting in which ~~all~~ accommodations can be met. ~~The school environment includes the home, school, and community in which the education and related services are provided.~~

Program Assessment

Standard 32: The school leadership, program administrators, and staff regularly assess infant's, toddler's, children's, and youth's progress toward accomplishing the expected federal, state, and school-wide learning results, and report program wide progress to the rest of the school community, including parents, and related agencies and organizations.

Program Accountability

Standard 33: As part of the state monitoring process, the program administration conducts a comprehensive ~~triennial~~ assessment for the State Educational Program for the Blind and Visually Impaired using these standards for all areas of program quality, and provides written progress reports to parents, staff, the public, and interested parties.

Compliance

Standard 34: The State Board of Education will adopt an accountability system, including corrective action plans and sanctions for ~~programs LEAs and other agencies~~ that are out of compliance.

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Section Four: Curriculum, Expanded Core Curriculum, and Instruction

Outcome: Infants, toddlers, children, and youth who are blind or visually impaired, including those with additional disabilities ~~and~~ or deafblindness, are provided with equal access to educational opportunities that meet their individual developmental, academic, and social needs.

Curriculum and Instruction—Birth to Three

Standard 35: Curriculum and instruction for infants, toddlers, and preschoolers who are blind or visually impaired, including those with additional disabilities ~~and~~ or deafblindness, are family focused and developmentally appropriate to ensure later academic, social, and vocational success.

Curriculum and Instruction—Three to Twenty One

Standard 36: School-aged children, who are blind or visually impaired, including those with additional disabilities ~~and~~ or deafblindness, are provided with a challenging, coherent, and relevant core curriculum. ~~An~~ The expanded core curriculum for students with visual impairments is necessary and should be provided to ensure an equal opportunity for learning in general education. Infants, toddlers, children and youth who are blind or visually impaired, including those with additional disabilities, receive instruction by qualified personnel in the expanded core curriculum as appropriate in the home, school, and community.

State and District Core Curriculum Standards

Standard 37: Children and youth who are blind or visually impaired, including those with additional disabilities ~~and~~ or deafblindness, will be instructed using the state and district core curriculum that are aligned with established state and district standards. Infants and toddlers will be instructed using early intervention, developmentally appropriate curriculum specially designed for the blind or visually impaired.

Expanded Core Curriculum

Standard 38: In addition to state and district core standards, infants, toddlers, children, and youth who are blind or visually impaired, including those with additional disabilities ~~and~~ or deafblindness, will be provided with the expanded core curriculum for the blind or visually impaired coordinated among service providers, which contains well-defined and relevant instruction in the areas of need as identified on the IFSP/IEP.

Multidisciplinary Team

Standard 39: All persons identified on the IFSP/IEP who provide services, including parents, will form a multidisciplinary team that works collaboratively and flexibly to meet the individual needs of infants, toddlers, children, and youth, recognizing the roles and responsibilities of each team member.

Curricular and Extracurricular Activities

Standard 40: The State Educational Program for the Blind and Visually Impaired, in collaboration with early intervention programs and local educational agencies, seeks to provide equal access to all infants, toddlers, children, and youth who are blind or visually impaired, including those with additional disabilities ~~and~~ or deafblindness, in curricular and extracurricular activities, and designated and related services in the home, school, and community. Educators and early interventionists ensure that children/students receive appropriate opportunities to participate with peers who are blind or visually impaired as well as those who are sighted.

Natural Environment

Standard 41: The infant/toddler who is blind or visually impaired, including those with additional disabilities ~~and~~ or deafblindness, is provided services in the child's natural environment(s) in accordance with the child's IFSP.

Focus on Authentic Peer Interactions

Standard 42: The infant, toddler, child, or youth who is blind or visually impaired, including those with additional disabilities ~~and~~ or deafblindness, has authentic peer interactions and is able to participate in social and academic activities. Educators will teach the child/student social skills to facilitate independence, self-advocacy, and interaction with peers, through direct instruction, modeling, and peer coaching.

Student Achievement Standards

Standard 43: The State Educational Program for the Blind and Visually Impaired will facilitate the development of student achievement standards and expanded core curriculum standards that will be reviewed and revised at least every five (5) years.

Equal Access

Standard 44: Educators must provide equal access to materials and resources to ensure equal education opportunities for infants, toddlers, children, and youth who are blind or visually impaired, including those with additional disabilities ~~and~~ or deafblindness, in a timely manner.

Transitions

Standard 45: Transitions occur periodically throughout a blind or visually impaired infant's, toddler's, child's, or youth's education: early intervention to school services, preschool to elementary school, elementary school to middle school/high school, and high school to vocational, independent living, and/or post-secondary education. Planning and implementing support services must occur and be documented in a timely manner prior to each transition.

Assistive Technology

Standards 46: Early interventionists and educators must ensure the availability and use of assistive technology for infants, toddlers, children, and youth who are blind or visually impaired, including those with additional disabilities ~~and~~ or deafblindness. Trained and qualified personnel will provide training and support to personnel and children/students.

Assessment of Instructional Design

Standard 47: The State Educational Program for the Blind and Visually Impaired uses appropriate assessment to measure the achievement of each individual infants, toddlers, children, or youth to determine the efficacy of instructional design.

Section Five: Parent Training and Family and Community Involvement

Outcome: Family and community members are active, informed, and involved participants in the education process of children and youth who are blind or visually impaired.

Parent Training and Support

Standard 48: The State Educational Program for the Blind and Visually Impaired, local educational agencies, and/or other agencies provide orientation and a continuum of training opportunities for parents to acquire the necessary skills/information to support the implementation of their infant's, toddler's, child's, or youth's developmental, educational, vocational, and social achievement.

Community Involvement

Standard 49: The State Educational Program for the Blind and Visually Impaired has an ongoing process for involving parents and the blind or visually impaired community in program development and encourages strong collaboration between school staff, parents, members of the blind or visually impaired community, and the business community. The program leadership employs a wide range of strategies to ensure that parental and community involvement is integral to the program's established support system for students.

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**BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007**

TAB	DESCRIPTION	ACTION
1	BOISE STATE UNIVERSITY New Positions, Changes to Positions & Deletions of Positions	Motion to approve
2	IDAHO STATE UNIVERSITY New Positions & Changes to Positions	Motion to approve
3	UNIVERSITY OF IDAHO New Positions	Motion to approve
4	LEWIS-CLARK STATE COLLEGE New Position & Deletions of Positions	Motion to approve
5	BOISE STATE UNIVERSITY Amendment to Contract Addendum – Head Football Coach	Motion to approve

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BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY

SUBJECT

A request by Boise State University for new positions, changes in positions, and deletion of positions.

APPLICABLE STATUTE, RULE, OR POLICY

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

BACKGROUND

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

DISCUSSION

Boise State University requests approval to:

- create four (4) new faculty positions (4.0 FTE) supported by state funds
- create two (2) new professional staff positions (2.0 FTE) supported by state funds; create four (4) new professional staff positions (3.6 FTE) supported by local funds; create three (3) new professional staff positions (2.83 FTE) supported by grant funds; and create two (2) new professional staff positions (2.0 FTE) supported by state and grant funds.
- create eight (8) new classified positions (7.25 FTE) supported by local funds
- increase the term on one (1) classified position supported by local funds
- delete one (1) faculty position (1.0 FTE) supported by local funds; delete two (2) professional staff positions (2.0 FTE) supported by local funds

IMPACT

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

STAFF COMMENTS AND RECOMMENDATIONS

This request includes converting adjunct faculty into permanent special lecturer positions, additional positions relating to technology support, grants, employment services, health services and various classified support. There are two positions related to the comprehensive fundraising campaign including a Special Assistant to the President for \$35,000 at .6 FTE. There are two positions related to Energy Research that primarily use appropriated funds with some grant funds. The university has noted that these two positions will become self-supporting through external funding within 3-5 years. Staff has reviewed this request for conformance with Board policy and recommends approval.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY - continued

BOARD ACTION

A motion to approve the request by Boise State for 23 new positions (21.68 FTE) term, salary and FTE changes to 1 position (1.0 FTE), and delete 3 existing positions (3.0 FTE).

Moved by _____ Seconded by _____ Carried Yes____ No____

**BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007**

**INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY - continued**

NEW POSITIONS

Position Title	Special Lecturer
Type of Position	Faculty
FTE	1.0 FTE
Term of Appointment	12 Months
Effective Date	11/1/2007
Salary Range	\$31,500
Funding Source	State Funds
New or Reallocation	Reallocation - temporary to permanent
Area/Department of Assignment	English Department
Duties and Responsibilities	Provide instruction for English courses.
Justification of Position	Ongoing initiative to convert adjunct faculty into permanent special lecturer positions to cover increase in class offerings due to enrollment growth.

Position Title	Special Lecturer
Type of Position	Faculty
FTE	1.0 FTE
Term of Appointment	12 Months
Effective Date	11/1/2007
Salary Range	\$31,500
Funding Source	State Funds
New or Reallocation	Reallocation - temporary to permanent
Area/Department of Assignment	Mathematics
Duties and Responsibilities	Provide instruction for Mathematics courses.
Justification of Position	Ongoing initiative to convert adjunct faculty into permanent special lecturer positions to cover increase in class offerings due to enrollment growth.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007**

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

Position Title	Special Lecturer
Type of Position	Faculty
FTE	1.0 FTE
Term of Appointment	12 Months
Effective Date	11/1/2007
Salary Range	\$31,263
Funding Source	State Funds
New or Reallocation	Reallocation - temporary to permanent
Area/Department of Assignment	Communication Department
Duties and Responsibilities	Provide instruction for Communication courses.
Justification of Position	Ongoing initiative to convert adjunct faculty into permanent special lecturer positions to cover increase in class offerings due to enrollment growth.

Position Title	Special Lecturer
Type of Position	Faculty
FTE	1.0 FTE
Term of Appointment	12 Months
Effective Date	11/1/2007
Salary Range	\$40,000
Funding Source	State Funds
New or Reallocation	Reallocation - temporary to permanent
Area/Department of Assignment	Supply Chain Management - Information Technology
Duties and Responsibilities	Provide instruction for Supply Chain Management - Information Technology courses.
Justification of Position	Ongoing initiative to convert adjunct faculty into permanent special lecturer positions to cover increase in class offerings due to enrollment growth.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007**

**INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY - continued**

Position Title	Assistant Network Administrator
Type of Position	Professional Staff
FTE	1.0 FTE
Term of Appointment	12 Months
Effective Date	11/1/2007
Salary Range	\$40,518
Funding Source	State Funds
New or Reallocation	Reallocation - temporary to permanent
Area/Department of Assignment	College of Education
Duties and Responsibilities	Facilitate a functional working environment for students and instructors in classrooms and computer labs.
Justification of Position	Demand for technology support in the college and increase workload requires moving a part-time temporary appointment to a full-time position.

Position Title	Grants Accountant
Type of Position	Professional Staff
FTE	1.0 FTE
Term of Appointment	12 Months
Effective Date	11/1/2007
Salary Range	\$40,000
Funding Source	State Funds
New or Reallocation	Reallocation
Area/Department of Assignment	College of Arts & Sciences
Duties and Responsibilities	Provide grants/contracts accounting and administration for the Department of Biology.
Justification of Position	Additional position needed to support growth in research infrastructure.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007**

**INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY - continued**

Position Title	Manager, Employment Services
Type of Position	Professional Staff
FTE	1.0 FTE
Term of Appointment	12 Months
Effective Date	11/1/2007
Salary Range	\$46,000
Funding Source	Local Funds
New or Reallocation	New
Area/Department of Assignment	Human Resource Services
Duties and Responsibilities	Develop, implement and manage employment processes for all Classified, Professional and Faculty positions and ensure compliance with all rules and regulations.
Justification of Position	Position needed to handle additional duties due to increased workload.

Position Title	Health Educator
Type of Position	Professional Staff
FTE	1.0 FTE
Term of Appointment	12 Months
Effective Date	11/1/2007
Salary Range	\$45,000
Funding Source	Local Funds
New or Reallocation	New
Area/Department of Assignment	Health, Wellness and Counseling Services
Duties and Responsibilities	Plan, develop, implement and evaluate strategies and other wellness initiatives relating to alcohol, tobacco, and other drugs.
Justification of Position	Additional position needed to effectively implement Wellness Services strategic plan.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007**

**INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY - continued**

Position Title	Director, Corporate/Donor Relations
Type of Position	Professional Staff
FTE	1.0 FTE
Term of Appointment	12 Months
Effective Date	11/1/2007
Salary Range	\$100,000
Funding Source	Local Funds
New or Reallocation	Reallocation - temporary to permanent
Area/Department of Assignment	University Advancement
Duties and Responsibilities	Facilitates relationships, both internally and externally, with corporations, foundations and other philanthropic organizations. Prepares and implements strategies to attain annual and campaign development plans.
Justification of Position	Position needed due to increased workload related to comprehensive campaign.

Position Title	Special Assistant to the President for the Comprehensive Campaign
Type of Position	Professional Staff
FTE	.6 FTE
Term of Appointment	12 Months
Effective Date	11/1/2007
Salary Range	\$35,000
Funding Source	Local Funds
New or Reallocation	New
Area/Department of Assignment	President's Office
Duties and Responsibilities	Orchestrate special events for fundraising; represent the President's Office in planning university events and programs; and coordinate fundraising activities of key university officials
Justification of Position	Position needed to support increased activities and events related to fundraising and the comprehensive campaign.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007**

**INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY - continued**

Position Title	Educational Specialist
Type of Position	Professional Staff
FTE	.83 FTE
Term of Appointment	10 Months
Effective Date	11/1/2007
Salary Range	\$39,000
Funding Source	Grant Funds
New or Reallocation	New
Area/Department of Assignment	Educational Talent Search
Duties and Responsibilities	Provide Upward Board services, including classroom instruction and college preparation, to 50 low-income, first generation, high school youth.
Justification of Position	Position needed to implement grant from the U.S. Department of Education.

Position Title	Post Doctoral Fellow
Type of Position	Professional Staff
FTE	1.0 FTE
Term of Appointment	12 Months
Effective Date	11/1/2007
Salary Range	\$50,000
Funding Source	Grant Funds
New or Reallocation	New
Area/Department of Assignment	Center for School Improvement and Policy Study
Duties and Responsibilities	Gather data, write computer programs, and analyze and compile raw data for the Improving Metacomprehension and Self-regulated Learning from Scientific Texts project.
Justification of Position	Position needed to implement grant from the U.S. Department of Education.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007**

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

Position Title	Coordinator, Scholars/Pride Programs
Type of Position	Professional Staff
FTE	1.0 FTE
Term of Appointment	12 Months
Effective Date	11/1/2007
Salary Range	\$55,254
Funding Source	Grant Funds
New or Reallocation	New
Area/Department of Assignment	School of Social Work, Child Welfare Center
Duties and Responsibilities	Recruit, educate, and retain new child welfare workers and foster/pre-adoption parents.
Justification of Position	Position needed to meet demand of services under grant funded contracts with the Idaho Department of Health & Welfare.
Position Title	Associate Vice President, Energy Research, Policy and Sustainability
Type of Position	Professional Staff
FTE	1.0 FTE
Term of Appointment	12 Months
Effective Date	11/1/2007
Salary Range	\$130,000
Funding Source	.85 State Funds; .15 Grant Funds
New or Reallocation	Reallocation/New
Area/Department of Assignment	President's Office
Duties and Responsibilities	Guide campus conservation efforts; coordinate and promote research related to sustainability; coordinate outreach to state agencies and citizens related to sustainability and energy.
Justification of Position	Position needed to lead institutional commitment to sustainability. It is anticipated that this position will become self-supporting through external funding within 3-5 years.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007**

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

Position Title	Energy Systems and Research Engineer
Type of Position	Professional Staff
FTE	1.0 FTE
Term of Appointment	12 Months
Effective Date	11/1/2007
Salary Range	\$70,000
Funding Source	.50 State Funds; .50 Grant Funds
New or Reallocation	Reallocation/New
Area/Department of Assignment	President's Office
Duties and Responsibilities	Manage day-to-day operations of externally funded research programs; lead off-campus components of Wind for Schools program; indentify and pursue external funding.
Justification of Position	Position needed to support institutional commitment to sustainability. It is anticipated that this position will become self-supporting through external funding within 3-5 years.

Position Title	Office Specialist 1
Type of Position	Classified
FTE	1.0 FTE
Term of Appointment	12 Months
Effective Date	11/1/2007
Salary Range	\$18,720
Funding Source	Local Funds
New or Reallocation	New
Area/Department of Assignment	Intercollegiate Athletics
Duties and Responsibilities	Provide customer service to ticket buyers for Select-a-Seat.
Justification of Position	Increased volume and need for continuity requires converting student appointments to a permanent position.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY – continued

Position Title	Technical Records Specialist 1
Type of Position	Classified
FTE	.75 FTE
Term of Appointment	12 Months
Effective Date	11/1/2007
Salary Range	\$17,222
Funding Source	Local Funds
New or Reallocation	New
Area/Department of Assignment	BSU Radio - KBSU
Duties and Responsibilities	Handle import/export of underwriting traffic; input and write schedules; process lump sum and periodic credit transactions.
Justification of Position	New web-based underwriting system requires additional staff for separation of duties for accountability and security.

Position Title	Financial Technician
Type of Position	Classified
FTE	.5 FTE
Term of Appointment	12 Months
Effective Date	11/1/2007
Salary Range	\$12,116
Funding Source	Local Funds
New or Reallocation	New
Area/Department of Assignment	College of Applied Technology
Duties and Responsibilities	Analyze, research, forecast, and reconcile complex financial documents and ensure compliance with laws, rules, and policies.
Justification of Position	New position needed to handle volume of work due to increase in grant proposals.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007**

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

Position Title	Graphic Design Specialist
Type of Position	Classified
FTE	1.0 FTE
Term of Appointment	12 Months
Effective Date	11/1/2007
Salary Range	\$27,102
New or Reallocation	Reallocation - temporary to permanent
Funding Source	Local Funds
Area/Department of Assignment	Student Union/Student Development
Duties and Responsibilities	Coordinate, prioritize and produce professional graphic design.
Justification of Position	Increase in work load requires converting a temporary appointment to permanent status.

Position Title	Administrative Assistant 1
Type of Position	Classified
FTE	1.0 FTE
Term of Appointment	12 Months
Effective Date	11/1/2007
Salary Range	\$22,963
Funding Source	Local Funds
New or Reallocation	New
Area/Department of Assignment	Sponsored Projects
Duties and Responsibilities	Provide administrative and clerical support for pre-award and non-fiscal post-award grant and contract management.
Justification of Position	New position needed for expanding administrative infrastructure to support growth in research enterprise.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007**

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

Position Title	Human Resource Associate
Type of Position	Classified
FTE	1.0 FTE
Term of Appointment	12 Months
Effective Date	11/1/2007
Salary Range	\$25,605
Funding Source	Local Funds
New or Reallocation	New
Area/Department of Assignment	Human Resource Services
Duties and Responsibilities	Support professional and faculty employment function.
Justification of Position	Position needed to handle additional duties due to increased workload.

Position Title	Technical Records Specialist 1
Type of Position	Classified
FTE	1.0 FTE
Term of Appointment	12 Months
Effective Date	11/1/2007
Salary Range	\$23,546
Funding Source	Local Funds
New or Reallocation	New
Area/Department of Assignment	Human Resource Services
Duties and Responsibilities	Responsible for processing personnel actions for student employees.
Justification of Position	Additional processing staff needed due to overall growth in employee personnel actions.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007**

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

Position Title	Administrative Assistant 2
Type of Position	Classified
FTE	1.0 FTE
Term of Appointment	12 Months
Effective Date	11/1/2007
Salary Range	\$26,605
Funding Source	Local Funds
New or Reallocation	New
Area/Department of Assignment	School of Social Work
Duties and Responsibilities	Perform complex secretarial, office administration, and public relations assignments.
Justification of Position	Additional position needed to support growing number of social work students who are planning and participating in field practicum placements.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007**

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

CHANGE IN POSITIONS

Position Title	University Shop Assistant, Lead
Type of Position	Classified
FTE	1.0 FTE
Term of Appointment	Change from 10 month to 12 month
Effective Date	11/1/2007
Salary Range	Change from \$19,947 to \$23,941
Funding Source	Local Funds
Area/Department of Assignment	College of Applied Technology
Duties and Responsibilities	Organize and oversee maintenance, repair and overhaul of tools; maintain inventory; procure, issue, and secure tools, supplies, and equipment.
Justification of Position	Additional FTE needed to provide support to faculty and students in the program on a year-round basis.

DELETED POSITIONS

Position Title	Senior Instructor/Manager
Type of Position	Faculty
FTE	1.0 FTE
Term of Appointment	12 Months
Effective Date	11/1/2007
Salary Range	Less \$46,904
Funding Source	Local Funds
Area/Department of Assignment	College of Applied Technology
Duties and Responsibilities	Provides instruction for Applied Technology courses.
Justification of Position	Position deleted due to reorganization of unit.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007**

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

Position Title	Teacher/Coordinator, Electrical Apprenticeship
Type of Position	Professional Staff
FTE	1.0 FTE
Term of Appointment	12 Months
Effective Date	11/1/2007
Salary Range	Less \$51,501
Funding Source	Local Funds
Area/Department of Assignment	Center for Workforce Training
Duties and Responsibilities	Teaches courses and coordinates apprenticeship program.
Justification of Position	Position deleted to reorganization of unit.

Position Title	Supply Buyer/Bronco Express Manager
Type of Position	Professional Staff
FTE	1.0 FTE
Term of Appointment	12 Months
Effective Date	6/17/2007
Salary Range	Less \$31,824
Funding Source	Local Funds
Area/Department of Assignment	Bookstore
Duties and Responsibilities	Responsible for selection, purchase and resale of office, academic, lab, and art supplies. Manages Bookstore shipping, packing and web processing store.
Justification of Position	Department reorganization split duties out to several other positions.

REFERENCE – APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: II. HUMAN RESOURCES POLICIES AND PROCEDURES

Subsection: B. Appointment Authority and Procedures

August 2002

B. Appointment Authority and Procedures

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

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

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

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

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

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

REFERENCE – APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: II. HUMAN RESOURCES POLICIES AND PROCEDURES

Subsection: G. Policies Regarding Faculty (Institutional Faculty Only)

October 2002

G. Policies Regarding Faculty (Institutional Faculty Only)

1. Letters of Employment

b. Term of Appointment - All non-tenured faculty employees have fixed terms of employment. No contract of employment with such an employee may exceed one (1) year without the prior approval of the Board. Employment beyond the contract period may not be legally presumed. Reappointment of a faculty employment contract is subject solely to the discretion of the chief executive officer of the institution, and, where applicable, of the Board.

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BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007

INSTITUTION/AGENCY AGENDA
IDAHO STATE UNIVERSITY

SUBJECT

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

BACKGROUND

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

DISCUSSION

Idaho State University requests approval to:

- create four (4) new faculty positions (2.5 FTE) supported by appropriated, local, and grant funds;
- create two (2) new professional staff positions (2.0 FTE) supported by appropriated, local, and grant funds;
- create three (3) new classified positions (2.41 FTE) supported by local and grant funds;
- increase the FTE on one (1) faculty position (1.0 FTE), supported by local funds; increase the term to 12 months and the FTE to 1.0 on one (1) non-classified position, supported by appropriated funds; and decrease the FTE on one (1) classified position to .50 FTE, supported by appropriated funds.

IMPACT

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

STAFF AND COMMENTS AND RECOMMENDATIONS

This request includes several assistant professors and various support positions. Staff has reviewed this request for conformance with Board policy and recommends approval.

BOARD ACTION

A motion to approve the request by Idaho State University for nine (9) new positions (6.91 FTE); to increase the term on one (1) position (1.0 FTE) to 12 month; to increase the FTE on two (2) positions (2.0 FTE); and to decrease the FTE on one (1) position to .50 FTE.

Moved by _____ Seconded by _____ Carried Yes_____ No_____

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**BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007**

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

**NEW POSITIONS
ACADEMIC**

Position Title	Assistant Professor
Type of Position	Faculty
FTE	.50
Term of Appointment	9 month
Effective Date	October 15, 2007
Salary Range	\$24,003.20
Funding Source	Appropriated Funds
Area/Department of Assignment	Anthropology
Duties and Responsibilities	Teach approximately 9 credits per semester; develop and revise course work in specialized field of expertise; advise students.
Justification of Position	To provide additional faculty support.
Position Title	Assistant Professor
Type of Position	Faculty
FTE	1.0
Term of Appointment	9 month
Effective Date	January 2, 2008
Salary Range	\$40,000.00
Funding Source	Grant Funds
Area/Department of Assignment	Geosciences
Duties and Responsibilities	Duties include teaching, research activities, and grant development.
Justification of Position	To provide additional faculty and research support for compliance with grant requirements.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007**

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

Position Title	Assistant Professor (2 positions)
Type of Position	Faculty
FTE	1.0 (2 positions at .5 FTE)
Term of Appointment	12 month
Effective Date	October 15, 2007
Salary Range	\$33,500.00
Funding Source	Local Funds
Area/Department of Assignment	Physician Assistant Studies
Duties and Responsibilities	Assist in development/implementation of satellite program in Boise; teach clinical medicine content; participate in assessment of student academic and clinical performance; academic advising and record keeping; and assist in development of clinical training sites in western Idaho.
Justification of Position	To provide faculty support for the new satellite program in Boise.

OTHER

Position Title	Senior Business Consultant
Type of Position	Non-Classified
FTE	1.0
Term of Appointment	12 month
Effective Date	October 15, 2007
Salary Range	\$55,000.00
Funding Source	Appropriated, Local and Grant Funds
Area/Department of Assignment	College of Business, Idaho Falls Small Business Development Center
Duties and Responsibilities	Responsible for day-to-day management of activities related to business consulting services offered by the ISBDC within a regional area; consult with small business owners and entrepreneurs; analyze business problems, develop solutions, and provide access to resources.
Justification of Position	To provide additional support for the development of a loan program package offering for small business owners.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007**

INSTITUTION / AGENCY
IDAHO STATE UNIVERSITY-continued

Position Title	Technology Support Manager
Type of Position	Non-Classified
FTE	1.0
Term of Appointment	12 month
Effective Date	October 15, 2007
Salary Range	\$40,000.00
Funding Source	Appropriated Funds
Area/Department of Assignment	College of Education
Duties and Responsibilities	Provide technical support to faculty and staff; conduct workshops; upgrade and maintain faculty and staff computers; design and maintain web page.
Justification of Position	To provide technical support and services within the college.
Position Title	Media Equipment Specialist
Type of Position	Classified
FTE	1.0
Term of Appointment	12 month (limited service)
Effective Date	October 15, 2007
Salary Range	\$27,102.00
Funding Source	Grant Funds
Area/Department of Assignment	Educational Technology Services
Duties and Responsibilities	Operate, construct, and modify various audio visual equipment and microcomputers associated with distance learning, broadcast, presentation, and classroom instruction.
Justification of Position	To provide support for the maintenance of equipment associated with distance learning.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007**

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

Position Title	Dental Assistant 1
Type of Position	Classified
FTE	.75
Term of Appointment	12 month
Effective Date	October 15, 2007
Salary Range	\$14,804.00
Funding Source	Local Funds
Area/Department of Assignment	Dental Sciences
Duties and Responsibilities	Retracts patient's cheek, tongue, and other tissue; remove water syringes; take, expose, and develop x-rays of the mouth, gums, jaws, and/or teeth; apply topical medications; place rubber dams in patient's mouth; remove excess cement from and adjacent to crowns, bridges, and orthodontic bands; place matrix bands; perform dietary and salivary analysis; demonstrate oral care procedures and techniques; remove and replace ligature wires; remove sutures; chart patient's mouth; perform infection control procedures; flush evacuation system with chemical cleansers.
Justification of Position	To provide an additional dental assistant for compliance with accreditation requirements.
Position Title	Office Specialist 2
Type of Position	Classified
FTE	.66
Term of Appointment	12 month
Effective Date	October 15, 2007
Salary Range	\$13,813.00
Funding Source	Grant Funds
Area/Department of Assignment	College of Engineering
Duties and Responsibilities	Provide receptionist/clerical duties for Engineering research center, including purchase, receive and distribute equipment; and initiate filing system for grant documents.
Justification of Position	To provide clerical support to faculty and graduate students.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007**

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

CHANGES

Position Title	Service Learning Coordinator/Assistant Professor (PCN 5601)
Type of Position	Faculty
FTE	change from .5 to 1.0
Term of Appointment	12 month
Effective Date	October 15, 2007
Salary Range	change from \$34,778 to \$69,556.00
Funding Source	Local Funds
Area/Department of Assignment	Physician Assistant Studies
Duties and Responsibilities	Establish, organize and monitor student service learning activities; develop the diversity/cultural competence component of the didactic curriculum; lecture; conduct site visits; participate on departmental and university committees; and other duties as assigned.
Justification of Position	To provide additional support for program expansion to the Boise area.
Position Title	Recruiter/Admissions Specialist (PCN 1263)
Type of Position	Non-Classified
FTE	change from .8333 to 1.0
Term of Appointment	change from 10 month to 12 month
Effective Date	October 15, 2007
Salary Range	change from \$34,513.60 to \$37,502.40
Funding Source	Appropriated Funds
Area/Department of Assignment	College of Technology Student Services
Duties and Responsibilities	Admissions counseling and recruiting, both in-state and out-of-state, with the major focus on out-of-state recruiting.
Justification of Position	To provide year-round student counseling services.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007**

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

Position Title	Administrative Assistant I (PCN 3138)
Type of Position	Classified
FTE	change from .75 to .50
Term of Appointment	12 month
Effective Date	October 15, 2007
Salary Range	change from \$18,782.40 to \$25,043.20
Funding Source	Appropriated Funds
Area/Department of Assignment	Health Physics
Duties and Responsibilities	Provide clerical support, with duties to include track and maintain budgets, order supplies, schedule appointments, make travel arrangements, prepare correspondence, answer phones, and greet office visitors.
Justification of Position	To provide full-time clerical support for both Health Physics and Technical Safety.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007

REFERENCE – APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: II. HUMAN RESOURCES POLICIES AND PROCEDURES

Subsection: B. Appointment Authority and Procedures

August 2002

B. Appointment Authority and Procedures

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(1) Any permanent new position, regardless of funding source, requires Board approval. Agenda Item Format: Requests for new position authorizations must include the following information:
 - (a) position title;
 - (b) type of position;
 - (c) FTE
 - (d) Term of appointment;
 - (e) Effective date;
 - (f) approximate salary range;
 - (g) funding source;
 - (h) area or department of assignment;
 - (i) a description of the duties and responsibilities of the position; and
 - (j) a complete justification for the position

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007

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

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

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

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

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

REFERENCE – APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: II. HUMAN RESOURCES POLICIES AND PROCEDURES

Subsection: G. Policies Regarding Faculty (Institutional Faculty Only) October 2002

G. Policies Regarding Faculty (Institutional Faculty Only)

1. Letters of Employment

b. Term of Appointment - All non-tenured faculty employees have fixed terms of employment. No contract of employment with such an employee may exceed one (1) year without the prior approval of the Board. Employment beyond the contract period may not be legally presumed. Reappointment of a faculty employment contract is subject solely to the discretion of the chief executive officer of the institution, and, where applicable, of the Board.

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BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO

SUBJECT

A request by the University of Idaho for the approval of six new positions

APPLICABLE STATUTE, RULE, OR POLICY

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

DISCUSSION

The University of Idaho requests approval for:

- six (6) new positions (6.0 FTE) supported by appropriated and local funds

IMPACT

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

STAFF COMMENTS AND RECOMMENDATIONS

This request includes six new positions including two assistant professors, three classified staff, and a non-exempt faculty exempt science writer. Staff has reviewed this request for conformance with Board policy and recommends approval.

BOARD ACTION

A motion to approve the request by the University of Idaho to establish six (6) new positions supported by appropriated and local funds.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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**BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007**

**INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO - continued**

Position Title	Assistant Professor
Type of Position	Faculty
FTE	1.0 (1,560 hours/year)
Term of Appointment	Academic Year
Effective Date	November 1, 2007
Salary Range	\$55,000.00
Funding Source	Appropriated funds
Area/Department of Assignment	College of Science
Duties	Responsible research and instruction in the Department of Physics
Justification	Additional faculty needed for the Physics program.

Position Title	Assistant Professor
Type of Position	Faculty
FTE	1.0 (2,080 hours/year)
Term of Appointment	Fiscal Year
Effective Date	November 1, 2007
Salary Range	\$37,835.20
Funding Source	Appropriated funds
Area/Department of Assignment	College of Agricultural and Life Science
Duties	Responsible for research and instruction in the District 1 Extension program
Justification	Additional faculty needed for the District 1 Extension program.

Position Title	Advising Specialist
Type of Position	Classified
FTE	1.0 (2,080 hours/year)
Term of Appointment	Fiscal Year
Effective Date	November 1, 2007
Salary Range	\$29,244.80
Funding Source	Local funds
Area/Department of Assignment	College of Business and Economics
Duties	Responsible for providing academic advising services and assisting students and faculty
Justification	Additional position needed due to increase in volume of advising and to increase student retention.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO - continued

Position Title	Custodial Foreperson
Type of Position	Classified
FTE	1.0 (2,080 hours/year)
Term of Appointment	Fiscal Year
Effective Date	November 1, 2007
Salary Range	\$28,641.60
Funding Source	Appropriated funds
Area/Department of Assignment	DFA/Facilities
Duties	Responsible for supervision and workload assignments for Custodial Services
Justification	New position needed to meet custodial needs in the Facilities Operations.
Position Title	Customer Service Representative 2
Type of Position	Classified
FTE	1.0 (2,080 hours/year)
Term of Appointment	Fiscal Year
Effective Date	November 1, 2007
Salary Range	\$28,641.60
Funding Source	Appropriated funds
Area/Department of Assignment	DFA/Facilities
Duties	Responsible for front desk operations
Justification	Increase in workload of Facilities office requires additional staff time.
Position Title	University Science Writer
Type of Position	Non-Faculty Exempt
FTE	1.0 (2,080 hours/year)
Term of Appointment	Fiscal Year
Effective Date	November 1, 2007
Salary Range	\$45,011.20
Funding Source	Local funds
Area/Department of Assignment	University Research Office/University Communications & Marketing
Duties	Responsible for developing and writing hard news and media releases
Justification	Position will provide additional necessary expertise in scientific and grant writing.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007

REFERENCE – APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: II. HUMAN RESOURCES POLICIES AND PROCEDURES

Subsection: B. Appointment Authority and Procedures

August 2002

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 - (e) Effective date;
 - (f) approximate salary range;
 - (g) funding source;
 - (h) area or department of assignment;
 - (i) a description of the duties and responsibilities of the position; and
 - (j) a complete justification for the position

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007

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

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

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

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

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

REFERENCE – APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: II. HUMAN RESOURCES POLICIES AND PROCEDURES

Subsection: G. Policies Regarding Faculty (Institutional Faculty Only) October 2002

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BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007

INSTITUTION / AGENCY AGENDA
LEWIS-CLARK STATE COLLEGE

SUBJECT

A request by Lewis-Clark State College for approval of one (1) new position and two (2) deleted positions.

APPLICABLE STATUTE, RULE, OR POLICY

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

BACKGROUND

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

DISCUSSION

Lewis-Clark State College is requesting approval for:

- one (1) new position (.75 FTE) funded by grant funds; and
- two (2) deleted positions (1.75 FTE) funded by grant funds

IMPACT

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

STAFF COMMENTS AND RECOMMENDATIONS

This request includes a new IT support technician and the removal of grant related positions. Staff has reviewed this request for conformance with Board policy and recommends approval.

BOARD ACTION

A motion to approve the request by Lewis-Clark State College for one (1) new position and two (2) deleted positions.

Moved _____ Seconded _____ Carried Yes _____ No _____

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**BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007**

**INSTITUTION / AGENCY AGENDA
LEWIS-CLARK STATE COLLEGE - continued**

NEW POSITIONS

Position Title	PACE IT Support Technician
Type of Position	Classified
FTE	.75
Term of Appointment	12 months
Effective Date	10/1/2007
Salary Range	\$20,014.08
Funding Source	Grant Funds
Area/Department of Assignment	Education Division
Duties and Responsibilities	Provide technical support for PACE students and other duties as assigned
Justification of Position	PACE distant site students need technical support.

DELETED POSITIONS

Position Title	Activities Coordinator
Type of Position	Professional
FTE	.75
Term of Appointment	9 months
Effective Date	8/31/2007
Salary Range	\$23,525
Funding Source	Grant Funds
Area/Department of Assignment	CAMP, Student Services
Justification of Position	Grant funding terminated

Position Title	Program Advisor
Type of Position	Professional
FTE	1.0
Term of Appointment	11 months
Effective Date	8/31/2007
Salary Range	\$38,244
Funding Source	Grant Funds
Area/Department of Assignment	CAMP, Student Services
Justification of Position	Grant funding terminated

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BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007

REFERENCE – APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: II. HUMAN RESOURCES POLICIES AND PROCEDURES

Subsection: B. Appointment Authority and Procedures

August 2002

B. Appointment Authority and Procedures

1. Nothing herein may be construed to be in limitation of the powers of the Board as defined by Sections 33-3006, 33-3104, 33-2806, and 33-4005, Idaho Code, or as otherwise defined in the Idaho Constitution or Code.
2. **Delegation of Authority**
The Board delegates all authority for personnel management not specifically retained to the executive director and the chief executive officers consistent with the personnel policies and procedures adopted by the Board. In fulfilling this responsibility, the executive director and chief executive officers, or their designees, may exercise their authority consistent with these policies and procedures. Provided, however, that the Board retains the authority for taking final action on any matter so identified anywhere in these policies and procedures.
3. **Specifically Reserved Board Authority**
(Note: This is not an exclusive or exhaustive list and other reservations of Board authority may be found in other areas of these policies and procedures.) Board approval is required for the following:
 - a. **Position Authorizations**
(1) Any permanent new position, regardless of funding source, requires Board approval. Agenda Item Format: Requests for new position authorizations must include the following information:
 - (a) position title;
 - (b) type of position;
 - (c) FTE
 - (d) Term of appointment;
 - (e) Effective date;
 - (f) approximate salary range;
 - (g) funding source;
 - (h) area or department of assignment;
 - (i) a description of the duties and responsibilities of the position; and
 - (j) a complete justification for the position

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

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

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

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

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

REFERENCE – APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: II. HUMAN RESOURCES POLICIES AND PROCEDURES

Subsection: G. Policies Regarding Faculty (Institutional Faculty Only) October 2002

G. Policies Regarding Faculty (Institutional Faculty Only)

1. Letters of Employment

b. Term of Appointment - All non-tenured faculty employees have fixed terms of employment. No contract of employment with such an employee may exceed one (1) year without the prior approval of the Board. Employment beyond the contract period may not be legally presumed. Reappointment of a faculty employment contract is subject solely to the discretion of the chief executive officer of the institution, and, where applicable, of the Board.

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BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY

SUBJECT

Boise State University requests approval of an amendment to the employment contract addendum for head football coach, Chris Petersen.

APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education Governing Policies and Procedures, Sections II.B.3.c. and II.H.

DISCUSSION

In February, 2007, the University requested and received Board approval for a new contract with head football coach Chris Petersen. Addendum No. 1 contained a longevity incentive that needs to be amended. A redline version of the changes is attached.

IMPACT

The longevity incentive was intended by the parties to be a tax deferred payment according to 457(f) or 415(m) of the IRS tax code. However, tax attorneys for the University and Coach Petersen, working together, have determined that such a payment is not allowed under the tax code in conjunction with Idaho's current employment and retirement system. As such, the parties have agreed to re-write the provision to make the payments direct to Coach Petersen rather than to a deferred compensation account.

No other changes are being made with this request.

ATTACHMENTS

Attachment 1 – Original Signed Contract, February, 2007 with Original Signed Addendum	Page 3
Attachment 2 – Proposed Amendment to Addendum Red Line	Page 19
Attachment 3 – Proposed Amendment to Addendum, Signed	Page 25
Attachment 4 – Contract Matrix	Page 29

STAFF AND COMMENTS AND RECOMMENDATIONS

Since the longevity payments into a deferred compensation agreement are not allowed under the tax code, these payments will be made directly to the Coach. Staff recommends approval.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY – continued

BOARD ACTION

A motion to approve the request by Boise State University for an amendment to Addendum Number 1 to Employment Agreement for head football coach Chris Petersen.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

EMPLOYMENT AGREEMENT

This Employment Agreement (Agreement) is entered into by and between Boise State University (University) and Chris Petersen (Coach).

ARTICLE 1

1.1. Employment. Subject to the terms and conditions of this Agreement, the University shall employ Coach as the head coach of its intercollegiate football team (Team). Coach represents and warrants that Coach is fully qualified to serve, and is available for employment, in this capacity.

1.2. Reporting Relationship. Coach shall report and be responsible directly to the University's Director of Athletics (Director) or the Director's designee. Coach shall abide by the reasonable instructions of Director or the Director's designee and shall confer with the Director or the Director's designee on all administrative and technical matters. Coach shall also be under the general supervision of the University's President (President).

1.3. Duties. Coach shall manage and supervise the Team and shall perform such other duties in the University's athletic program as the Director may assign and as may be described elsewhere in this Agreement. Coach shall, to the best of his ability and consistent with University policies, perform all duties and responsibilities customarily associated with a Division I-A head football coach.

ARTICLE 2

2.1. Term. This Agreement is for a fixed-term appointment of five (5) years, commencing on January 1, 2006 and terminating, without further notice to Coach, on December 31, 2010 unless sooner terminated in accordance with other provisions of this Agreement.

2.2. Extension or Renewal. This Agreement is renewable solely upon an offer from the University and an acceptance by Coach, both of which must be in writing and signed by the parties. Any renewal is subject to the prior approval of University's Board of Trustees. This Agreement in no way grants to Coach a claim to tenure in employment, nor shall Coach's service pursuant to this agreement count in any way toward tenure at the University.

ARTICLE 3

3.1 Regular Compensation

3.1.1 In consideration of Coach's services and satisfactory performance of this Agreement, the University shall provide to Coach:

- a) A salary as set forth in the attached Addendum, payable in biweekly installments in accordance with normal University procedures (except as provided in the Addendum), and such salary increases as may be determined appropriate by the Director and President and approved by the University's Board of Trustees;
- b) The opportunity to receive such employee benefits calculated on the "base salary" as the University provides generally to non-faculty exempt employees; and
- c) The opportunity to receive such employee benefits as the University's Department of Athletics (Department) provides generally to its employees of a comparable level. Coach hereby agrees to abide by the terms and conditions, as now existing or hereafter amended, of such employee benefits.

3.2 Supplemental Compensation. As set forth in the attached Addendum

3.2.1 Any such supplemental compensation paid to Coach shall be accompanied with a detailed justification for the supplemental compensation and such justification shall be separately reported to the Board of Trustees as a document available to the public under the Idaho Public Records Act

3.2.2 The Coach may receive the compensation hereunder from the University or the University's designated media outlet(s) or a combination thereof each year during the term of this Agreement in compensation for participation in media programs and public appearances (Programs). Agreements requiring the Coach to participate in Programs related to his duties as an employee of University are the property of the University. The University shall have the exclusive right to negotiate and contract with all producers of media productions and all parties desiring public appearances by the Coach. Coach agrees to cooperate with the University in order for the Programs to be successful and agrees to provide his services to and perform on the Programs and to cooperate in their production, broadcasting, and telecasting. It is understood that neither Coach nor any assistant coaches shall appear without the prior written approval of the Director on any competing radio or television program (including but not limited to a

coach's show, call-in show, or interview show) or a regularly scheduled news segment, except that this prohibition shall not apply to routine news media interviews for which no compensation is received. Without the prior written approval of the Director, Coach shall not appear in any commercial endorsements which are broadcast on radio or television that conflict with those broadcast on the University's designated media outlets.

3 2.3 SUMMER CAMP—OPERATED BY UNIVERSITY. Coach agrees that the University has the exclusive right to operate youth football camps on its campus using University facilities. The University shall allow Coach the opportunity to earn supplemental compensation by assisting with the University's camps in Coach's capacity as a University employee. Coach hereby agrees to assist in the marketing, supervision, and general administration of the University's football camps. Coach also agrees that Coach will perform all obligations mutually agreed upon by the parties. In exchange for Coach's participation in the University's summer football camps, the University shall pay Coach supplemental compensation during each year of his employment as head football coach at the University.

3 2.4 Coach agrees that the University has the exclusive right to select footwear, apparel and/or equipment for the use of its student-athletes and staff, including Coach, during official practices and games and during times when Coach or the Team is being filmed by motion picture or video camera or posing for photographs in their capacity as representatives of University. In order to avoid entering into an agreement with a competitor of any University selected vendors, Coach shall submit all outside consulting agreements to the University for review and approval prior to execution. Coach shall also report such outside income to the University in accordance with NCAA rules. Coach further agrees that Coach will not endorse any athletic footwear, apparel and/or equipment products, and will not participate in any messages or promotional appearances which contain a comparative or qualitative description of athletic footwear, apparel or equipment products.

3 3 General Conditions of Compensation All compensation provided by the University to Coach is subject to deductions and withholdings as required by law or the terms and conditions of any fringe benefit in which Coach participates. However, if any fringe benefit is based in whole or in part upon the compensation provided by the University to Coach, such fringe benefit shall be based only on the compensation provided pursuant to section 3.1.1 and paid from the University to Coach, except to the extent required by the terms and conditions of a specific fringe benefit program.

ARTICLE 4

4 1. Coach's Specific Duties and Responsibilities In consideration of the compensation specified in this Agreement, Coach, in addition to the obligations set forth elsewhere in this Agreement, shall:

4.1.1. Devote Coach's full time and best efforts to the performance of Coach's duties under this Agreement;

4.1.2. Develop and implement programs and procedures with respect to the evaluation, recruitment, training, and coaching of Team members which enable them to compete successfully and reasonably protect their health, safety, and well-being;

4.1.3. Observe and uphold all academic standards, requirements, and policies of the University and encourage Team members to perform to their highest academic potential and to graduate in a timely manner; and

4.1.4. Know, recognize, and comply with all applicable laws and the policies, rules and regulations of the University, the University's governing board, the conference, and the NCAA; supervise and take appropriate steps to ensure that Coach's assistant coaches, any other employees for whom Coach is administratively responsible, and the members of the Team know, recognize, and comply with all such laws, policies, rules and regulations; and immediately report to the Director and to the Department's Director of Compliance if Coach has reasonable cause to believe that any person or entity, including without limitation representatives of the University's athletic interests, has violated or is likely to violate any such laws, policies, rules or regulations. Coach shall cooperate fully with the University and Department at all times. The names or titles of employees whom Coach supervises are attached as Exhibit C. The applicable laws, policies, rules, and regulations include: (a) State Board of Education and Board of Regents of the University of Idaho Governing Policies and Procedures and Rule Manual; (b) University's Policy Handbook; (c) University's Administrative Procedures Manual; (d) the policies of the Department; (e) NCAA rules and regulations; and (f) the rules and regulations of the football conference of which the University is a member

4.2 Outside Activities. Coach shall not undertake any business, professional or personal activities, or pursuits that would prevent Coach from devoting Coach's full time and best efforts to the performance of Coach's duties under this Agreement, that would otherwise detract from those duties in any manner, or that, in the opinion of the University, would reflect adversely upon the University or its athletic program. Subject to the terms and conditions of this Agreement, Coach may, with the prior written approval of the Director, who may consult with the President, enter into separate arrangements for outside activities and endorsements which are consistent with Coach's obligations under this Agreement. Coach may not use the University's name, logos, or trademarks in connection with any such arrangements without the prior written approval of the Director and the President

4.3 NCAA Rules. In accordance with NCAA rules, Coach shall obtain prior written approval from the University's President for all athletically related income and benefits from sources outside the University and shall report the source and amount of all such income and benefits to the University's President whenever reasonably requested, but in no event less than annually before the close of business on June 30th of each year or the last regular University work day preceding June 30th. The report shall be in a

format reasonably satisfactory to University. In no event shall Coach accept or receive directly or indirectly any monies, benefits, or gratuities whatsoever from any person, association, corporation, University booster club, University alumni association, University foundation, or other benefactor, if the acceptance or receipt of the monies, benefits, or gratuities would violate applicable law or the policies, rules, and regulations of the University, the University's governing board, the conference, or the NCAA

4.4 Hiring Authority. Coach shall have the responsibility and the sole authority to recommend to the Director the hiring and termination of assistant coaches for the Team, but the decision to hire or terminate an assistant coach shall be made by the Director and shall, when necessary or appropriate, be subject to the approval of President and the University's Board of Trustees.

4.5 Scheduling. Coach shall consult with, and may make recommendations to, the Director or the Director's designee with respect to the scheduling of Team competitions, but the final decision shall be made by the Director or the Director's designee.

4.7 Other Coaching Opportunities. Coach shall not, under any circumstances, interview for, negotiate for, or accept employment as a coach at any other institution of higher education or with any professional sports team requiring performance of duties set forth herein prior to the expiration of this Agreement, without the prior approval of the Director. Such approval shall not unreasonably be withheld. Coach shall not negotiate for or accept employment, under any circumstances, as a coach at any other institution of higher education or with any professional sports team requiring the performance of the duties set forth herein without first giving ten (10) days prior written notice to the Director.

ARTICLE 5

5.1 Termination of Coach for Cause. The University may, in its discretion, suspend Coach from some or all of Coach's duties, temporarily or permanently, and with or without pay; reassign Coach to other duties; or terminate this Agreement at any time for good or adequate cause, as those terms are defined in applicable rules and regulations.

5.1.1 In addition to the definitions contained in applicable rules and policies, University and Coach hereby specifically agree that the following shall constitute good or adequate cause for suspension or termination of this Agreement:

- a) A deliberate or major violation of Coach's duties under this agreement or the refusal or unwillingness of Coach to perform such duties in good faith and to the best of Coach's abilities;

- b) The failure of Coach to remedy any violation of any of the terms of this agreement within 30 days after written notice from the University;
- c) A deliberate or major violation by Coach of any applicable law or the policies, rules or regulations of the University, the University's governing board, the conference or the NCAA, including but not limited to any such violation which may have occurred during the employment of Coach at another NCAA or NAIA member institution;
- d) Ten (10) working days' absence of Coach from duty without the University's consent;
- e) Any conduct of Coach that constitutes moral turpitude or that would, in the University's judgment, reflect adversely on the University or its athletic programs;
- f) The failure of Coach to represent the University and its athletic programs positively in public and private forums;
- g) The failure of Coach to fully and promptly cooperate with the NCAA or the University in any investigation of possible violations of any applicable law or the policies, rules or regulations of the University, the University's governing board, the conference, or the NCAA;
- h) The failure of Coach to report a known violation of any applicable law or the policies, rules or regulations of the University, the University's governing board, the conference, or the NCAA, by one of Coach's assistant coaches, any other employees for whom Coach is administratively responsible, or a member of the Team; or
- i) A violation of any applicable law or the policies, rules or regulations of the University, the University's governing board, the conference, or the NCAA, by one of Coach's assistant coaches, any other employees for whom Coach is administratively responsible, or a member of the Team if Coach knew or should have known by ordinary supervision of the violation and could have prevented it by such ordinary supervision.

5.1.2 Suspension or termination for good or adequate cause shall be effectuated by the University as follows: before the effective date of the suspension, reassignment, or termination, the Director or his designee shall provide Coach with notice, which notice shall be accomplished in the manner provided for in this Agreement

and shall include the reason(s) for the contemplated action. Coach shall then have an opportunity to respond. After Coach responds or fails to respond, University shall notify Coach whether, and if so when, the action will be effective.

5.1.3 In the event of any termination for good or adequate cause, the University's obligation to provide compensation and benefits to Coach, whether direct, indirect, supplemental or collateral, shall cease as of the date of such termination, and the University shall not be liable for the loss of any collateral business opportunities or other benefits, perquisites, or income resulting from outside activities or from any other sources.

5.1.4 If found in violation of NCAA regulations, Coach shall, in addition to the provisions of Section 5.1, be subject to disciplinary or corrective action as set forth in the provisions of the NCAA enforcement procedures. This section applies to violations occurring at the University or at previous institutions at which the Coach was employed.

5.2 Termination of Coach for Convenience of University

5.2.1 At any time after commencement of this Agreement, University, for its own convenience, may terminate this Agreement by giving ten (10) days prior written notice to Coach.

5.2.2 In the event that University terminates this Agreement for its own convenience, University shall be obligated to pay Coach, as liquidated damages and not a penalty, the "total salary" set forth in section 3.1.1, excluding all deductions required by law, on the regular paydays of University until the term of this Agreement ends or until Coach obtains reasonably comparable employment, whichever occurs first. In addition, Coach will be entitled to continue his health insurance plan and group life insurance as if he remained a University employee until the term of this Agreement ends or until Coach obtains reasonably comparable employment, whichever occurs first. Coach shall be entitled to no other compensation or fringe benefits, except as otherwise provided herein or required by law.

5.2.3 The parties have both been represented by, or had the opportunity to consult with, legal counsel in the contract negotiations and have bargained for and agreed to the foregoing liquidated damages provision, giving consideration to the fact that the Coach may lose certain benefits, supplemental compensation, or outside compensation relating to his employment with University, which damages are extremely difficult to determine with certainty. The parties further agree that the payment of such liquidated damages by University and the acceptance thereof by Coach shall constitute adequate and reasonable compensation to Coach for the damages and injury suffered by Coach because of such termination by University. The liquidated damages are not, and shall not be construed to be, a penalty.

5.3 Termination by Coach for Convenience

5.3.1 The Coach recognizes that his promise to work for University for the entire term of this Agreement is of the essence of this Agreement. The Coach also recognizes that the University is making a highly valuable investment in his employment by entering into this Agreement and that its investment would be lost were he to resign or otherwise terminate his employment with the University before the end of the contract term.

5.3.2 The Coach, for his own convenience, may terminate this Agreement during its term by giving prior written notice to the University. Termination shall be effective ten (10) days after written notice is given to the University. Such termination must occur at a time outside the football playing season (including bowl game season) so as to minimize the impact on the program.

5.3.3 If the Coach terminates this Agreement for convenience at any time, all obligations of the University shall cease as of the effective date of the termination. If the Coach terminates this Agreement for his convenience and pursues employment in football, coaching or any capacity in sports he shall pay to the University, as liquidated damages and not a penalty, for the breach of this Agreement the following sum: (a) if the Agreement is terminated before the final game of the 2007 football season (including a bowl game), the sum of \$750,000.00; (b) if the Agreement is terminated after the final game of the 2007 football season (including a bowl game) but before the final game of the 2008 football season (including a bowl game), the sum of \$650,000.00; (b) if the Agreement is terminated after the final game of the 2008 football season (including a bowl game) but before the final game of the 2009 football season (including a bowl game), the sum of \$550,000.00. The liquidated damages shall be due and payable within ten (10) days of the effective date of the termination, and any unpaid amount shall bear simple interest at a rate twelve (12) percent per annum until paid.

5.3.4 The parties have both been represented by, or had the opportunity to consult with, legal counsel in the contract negotiations and have bargained for and agreed to the foregoing liquidated damages provision, giving consideration to the fact that the University will incur administrative and recruiting costs in obtaining a replacement for Coach and lose the benefit of its investment in the Coach, in addition to potentially increased compensation costs if Coach terminates this Agreement for convenience, which damages are extremely difficult to determine with certainty. The parties further agree that the payment of such liquidated damages by Coach and the acceptance thereof by University shall constitute adequate and reasonable compensation to University for the damages and injury suffered by it because of such termination by Coach. The liquidated damages are not, and shall not be construed to be, a penalty.

5.3.5 Except as provide elsewhere in this Agreement, if Coach terminates this Agreement for convenience, he shall forfeit to the extent permitted by law his right to receive all supplemental compensation and other payments.

5.4 Termination due to Disability or Death of Coach

5.4.1 Notwithstanding any other provision of this Agreement, this Agreement shall terminate automatically if Coach becomes totally or permanently disabled as defined by the University's disability insurance carrier, becomes unable to perform the essential functions of the position of head coach, or dies.

5.4.2 If this Agreement is terminated because of Coach's death, Coach's salary and all other benefits shall terminate as of the last day worked, except that the Coach's personal representative or other designated beneficiary shall be paid all compensation due or unpaid and death benefits, if any, as may be contained in any fringe benefit plan now in force or hereafter adopted by the University and due to the Coach's estate or beneficiaries hereunder.

5.4.3 If this Agreement is terminated because the Coach becomes totally or permanently disabled as defined by the University's disability insurance carrier, or becomes unable to perform the essential functions of the position of head coach, all salary and other benefits shall terminate, except that the Coach shall be entitled to receive any compensation due or unpaid and any disability-related benefits to which he is entitled by virtue of employment with the University.

5.5 Interference by Coach In the event of termination or suspension, Coach agrees that Coach will not interfere with the University's student-athletes or otherwise obstruct the University's ability to transact business or operate its intercollegiate athletics program.

5.7 No Liability The University shall not be liable to Coach for the loss of any collateral business opportunities or any other benefits, perquisites or income from any sources that may ensue as a result of any termination of this Agreement by either party or due to death or disability or the suspension or reassignment of Coach, regardless of the circumstances.

5.8 Waiver of Rights Because the Coach is receiving a multi-year contract and the opportunity to receive supplemental compensation and because such contracts and opportunities are not customarily afforded to University employees, if the University suspends or reassigns Coach, or terminates this Agreement for good or adequate cause or for convenience, Coach shall have all the rights provided for in this Agreement but hereby releases the University from compliance with the notice, appeal, and similar employment-related rights provide for in the State Board of Education and Board or Regents of the University of Idaho Rule Manual (IDAPA 08) and Governing Policies and Procedures Manual, and the University Policies or Faculty-Staff Handbook.

ARTICLE 6

6.1 Board Approval This Agreement shall not be effective until and unless approved of the University's Board of Trustees and executed by both parties as set forth below. In addition, the payment of any compensation pursuant to this agreement shall be subject to the approval of the University's Board of Trustees, the President, and the Director; the sufficiency of legislative appropriations; the receipt of sufficient funds in the account from which such compensation is paid; and the Board of Trustees and University's rules or policies regarding financial exigency.

6.2 University Property All personal property (excluding vehicle(s) provided through the football program), material, and articles of information, including, without limitation, keys, credit cards, personnel records, recruiting records, team information, films, statistics or any other personal property, material, or data, furnished to Coach by the University or developed by Coach on behalf of the University or at the University's direction or for the University's use or otherwise in connection with Coach's employment hereunder are and shall remain the sole property of the University. Within twenty-four (24) hours of the expiration of the term of this agreement or its earlier termination as provided herein, Coach shall immediately cause any such personal property, materials, and articles of information in Coach's possession or control to be delivered to the Director.

6.3 Assignment Neither party may assign its rights or delegate its obligations under this Agreement without the prior written consent of the other party.

6.4 Waiver No waiver of any default in the performance of this Agreement shall be effective unless in writing and signed by the waiving party. The waiver of a particular breach in the performance of this Agreement shall not constitute a waiver of any other or subsequent breach. The resort to a particular remedy upon a breach shall not constitute a waiver of any other available remedies.

6.5 Severability If any provision of this Agreement is determined to be invalid or unenforceable, the remainder of the Agreement shall not be affected and shall remain in effect.

6.6 Governing Law This Agreement shall be subject to and construed in accordance with the laws of the state of Idaho as an agreement to be performed in Idaho. Any action based in whole or in part on this Agreement shall be brought in the courts of the state of Idaho.

6.7 Oral Promises Oral promises of an increase in annual salary or of any supplemental or other compensation shall not be binding upon the University.

6.8 Force Majeure Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefore, governmental restrictions, governmental regulations, governmental controls, enemy or hostile governmental action, civil commotion, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform

(including financial inability), shall excuse the performance by such party for a period equal to any such prevention, delay or stoppage

6.9 Non-Confidentiality The Coach hereby consents and agrees that this document may be released and made available to the public after it is signed by the Coach. The Coach further agrees that all documents and reports he is required to produce under this Agreement may be released and made available to the public at the University's sole discretion.

6.10 Notices Any notice under this Agreement shall be in writing and be delivered in person or by public or private courier service (including U.S. Postal Service Express Mail) or certified mail with return receipt requested or by facsimile. All notices shall be addressed to the parties at the following addresses or at such other addresses as the parties may from time to time direct in writing:

the University: Director of Athletics
1910 University Drive
Boise, Idaho 83725-1020

with a copy to: President
1910 University Drive
Boise, Idaho 83725-1000

the Coach: Chris Petersen
Last known address on file with
University's Human Resource Services

Any notice shall be deemed to have been given on the earlier of: (a) actual delivery or refusal to accept delivery, (b) the date of mailing by certified mail, or (c) the day facsimile delivery is verified. Actual notice, however and from whomever received, shall always be effective.

6.11 Headings The headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation hereof.

6.12 Binding Effect This Agreement is for the benefit only of the parties hereto and shall inure to the benefit of and bind the parties and their respective heirs, legal representatives, successors and assigns.

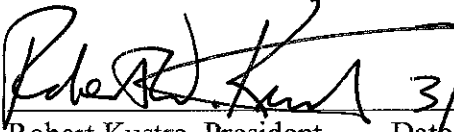
6.13 Non-Use of Names and Trademarks The Coach shall not, without the University's prior written consent in each case, use any name, trade name, trademark, or other designation of the University (including contraction, abbreviation or simulation), except in the course and scope of his official University duties.

6.14 No Third Party Beneficiaries There are no intended or unintended third party beneficiaries to this Agreement.

6.15 Entire Agreement; Amendments. This Agreement constitutes the entire agreement of the parties and supersedes all prior agreements and understandings with respect to the same subject matter. No amendment or modification of this Agreement shall be effective unless in writing, signed by both parties, and approved by University's Board of Trustees.

6.16 Opportunity to Consult with Attorney. The Coach acknowledges that he has had the opportunity to consult and review this Agreement with an attorney. Accordingly, in all cases, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any party.

UNIVERSITY

 3/30/06
Robert Kustra, President Date

COACH

 3-15-06
Chris Petersen Date

Approved by the Board on the ____ day of _____, 2006.

ADDENDUM NO. 1 TO EMPLOYMENT AGREEMENT

1. This is an Addendum to the Employment Agreement (Agreement) between BOISE STATE UNIVERSITY (BSU) and Chris Petersen (COACH) dated and effective the 1st day of January, 2006, subject to the approval of the State Board of Education.
2. The COACH is being hired for the position of Head Football Coach.
3. Accordingly, the following terms as used in the Agreement will be defined as indicated:
 - a. "Position" will mean the position described in paragraph 2, above.
 - b. "Relevant season" will mean the Football season commencing on the first day of fall practice and ending with the last game of the season, including any bowl game, of the Boise State University Broncos.
 - c. "Program" shall mean the Football program.
 - d. "Applicable conference" as of the date of this Addendum means the Western Athletic Conference.
 - e. "NCAA" means the National Collegiate Athletic Association.
 1. "APR" means Academic Progress Rate as used by the NCAA to track academic progress of NCAA eligible student athletes and NCAA athletic programs.
 - f. "Athletic Director" means the BSU Director of Athletics or his designee.
 - g. "Coaching" means to direct and supervise the athletes participating in the program.
 - h. "BAA" means the Bronco Athletic Association.
 - i. "Post-season" means participation in a Bowl game.
 - j. "BCS" mean the Bowl Championship Series organization.
 - k. "Total Salary" means the total of the base salary and supplemental salary as described in sections 7.a and 7.b in any one year period.
4. The term of this Agreement (as set forth in Section 2.1 of the Agreement) shall commence January 1st, 2006 and shall continue until the Agreement terminates on the 31st day of December, 2010; provided, however, that this provision is subject to the terms and conditions of Article IV of the Agreement concerning termination. Neither

party shall have the right to terminate the Agreement prior to its date of expiration except as provided therein.

5. Specific duties and responsibilities of COACH. In addition to those set forth in the Agreement, the COACH is expected to devote full-time to coaching and recruitment involving the Football team as the Head Coach. Additional duties and responsibilities not listed will be those customarily attendant to the position of a Head Football Coach at a Division 1-A university. If COACH is required to perform any such additional duties that are not defined in the contract, COACH will be notified of his responsibility to perform these duties within a reasonable time frame.

COACH will attend all staff meetings, public relation functions, dinners, awards banquets and make appearances as directed by the Director of Athletics unless excused by the Director of Athletics. The Athletic Director shall not unreasonably withhold approval for non-attendance. Such functions shall include, but are not limited to the following:

- ◆ The annual BAA Bar-b-que
- ◆ The weekly BAA noon luncheons during the relevant season
- ◆ The annual BAA Endowment Dinner
- ◆ The BSU Athletic Hall of Fame Dinner
- ◆ The BAA Bronze Bronco Award Banquet
- ◆ The BAA/Alumni Auction Dinner
- ◆ All Athletic Department staff meetings called by the Director of Athletics
- ◆ Athletic Department Graduation Reception
- ◆ Bronco Golf Series Tournaments

6. COACH agrees to supervise any staff serving under COACH and to insure, to the maximum extent possible, that all staff persons follow all applicable University policies, NCAA, or applicable conference rules and regulations at all times.

7. Compensation: COACH will be compensated for services under the Agreement more specifically as follows:

a. Base salary (state appropriated funds) as referred to in paragraph 3.1 of the Agreement shall be as follows:

<u>YEAR</u>	<u>COMPENSATION</u>
January 1, 2006 – December 31, 2006	\$141,744

b. Additional salary (from media/public appearance/non-state funds) shall be as follows:

<u>YEAR</u>	<u>COMPENSATION</u>
January 1, 2006 – December 31, 2006	\$358,256

c. Total Salary (total of a. and b. above) is \$500,000.

The Total Salary outlined above may be paid to the COACH by the UNIVERSITY or by radio or television stations that own the rights to UNIVERSITY broadcasts, or by other third party sources, or by any combination of the UNIVERSITY, radio station, television station and other sources. COACH understands this potential for payment from multiple sources and that the fringe benefits are not paid or based on sources of payment other than the direct payment from the UNIVERSITY.

d. Merit raises: Merit increases shall be made to COACH'S Total Salary annually, based upon performance in the last immediate regular and post season as follows:

- ◆ 6 wins = 5% increase in total salary
- ◆ 8 wins = 10% increase in total salary
- ◆ 10 wins = 15% increase in total salary

c. Shoe, Apparel and Equipment Contracts: Consistent with section 3.2.4 of the Agreement, compensation to the COACH shall be negotiated on a contract-by-contract basis and shall require prior express approval by the Athletic Director.

8. Supplemental pay based upon performance (Agreement section 3.2).

a. Supplemental pay relating to post-season national rank shall be the greater of the following:

- (i) $1/12^{\text{th}}$ of Total Salary if the football team is ranked in the top 25 of either of the final two polls (used by the BCS to determine BCS rankings) at the conclusion of all the bowl games played. Currently, these polls are the Harris Poll and the USA Today Coach's Poll; or,
- (ii) $1/12^{\text{th}}$ of Total Salary plus \$25,000 if the football team is ranked in the top 10 of either poll referenced in (i) above.

b. Supplemental pay relating to regular season and post season competition shall be based on one of the following:

- (i) $1/12^{\text{th}}$ of Total Salary for winning the conference championship; or,
- (ii) 5% of Total Salary for a post season bowl appearance without a conference championship; or,
- (iii) \$100,000 if the football team participates in any one of the five BCS bowl games.

Any supplemental pay earned pursuant to this paragraph shall be paid on February 1st following the football season in which earned.

9. Academic Incentive Pay may be earned as follows (Agreement section 3.2):

- a. \$20,000 if the annual football team APR rating (for the previous fall and spring semesters) equals 955 or higher.

Any supplemental pay earned pursuant to this paragraph shall be paid on October 1st each year.

10. Employee shall have a "public relations" account of \$2,500 per year to be used for reimbursement for meals and other acceptable and appropriate activities relating to the furtherance of the business of the University and such funds shall be expended only in accordance with University and State Board of Education policies.

11. Liquidated damages: Shall be as provided for in section 5.3.3. of the Agreement.

COACH

Chris Petersen
Chris Petersen
Head Football Coach

4-5-06
Date

BOISE STATE UNIVERSITY

By: Robert Kustra
Robert Kustra
President

3/30/06
Date

ADDENDUM NO. 1 TO EMPLOYMENT AGREEMENT - AMENDMENT

1. This is an Addendum to the Employment Agreement (Agreement) between BOISE STATE UNIVERSITY (BSU) and Chris Petersen (COACH) dated and effective the 1st day of February, 2007, subject to the approval of the State Board of Education.
2. The COACH is being hired for the position of Head Football Coach.
3. Accordingly, the following terms as used in the Agreement will be defined as indicated:
 - a. "Position" will mean the position described in paragraph 2, above.
 - b. "Relevant season" will mean the Football season commencing on the first day of fall practice and ending with the last game of the season, including any bowl game, of the Boise State University Broncos.
 - c. "Program" shall mean the Football program.
 - d. "Applicable conference" as of the date of this Addendum means the Western Athletic Conference.
 - e. "NCAA" means the National Collegiate Athletic Association.
 1. "APR" means Academic Progress Rate as used by the NCAA to track academic progress of NCAA eligible student athletes and NCAA athletic programs.
 - f. "Athletic Director" means the BSU Director of Athletics or his designee.
 - g. "Coaching" means to direct and supervise the athletes participating in the program.
 - h. "BAA" means the Bronco Athletic Association.
 - i. "Post-season" means participation in a Bowl game.
 - j. "BCS" mean the Bowl Championship Series organization.
 - k. "Total Salary" means the total of the base salary and supplemental compensation as described in sections 7.a, 7.b and 7.c in any one year period.
4. The term of this Agreement (as set forth in Section 2.1 of the Agreement) shall commence February 1st, 2007 and shall continue until the Agreement terminates on the 31st day of January, 2012; provided, however, that this provision is subject to the terms

and conditions of Article IV of the Agreement concerning termination. Neither party shall have the right to terminate the Agreement prior to its date of expiration except as provided therein.

5. Specific duties and responsibilities of COACH. In addition to those set forth in the Agreement, the COACH is expected to devote full-time to coaching and recruitment involving the Football team as the Head Coach. Additional duties and responsibilities not listed will be those customarily attendant to the position of a Head Football Coach at a Division 1-A university. If COACH is required to perform any such additional duties that are not defined in the contract, COACH will be notified of his responsibility to perform these duties within a reasonable time frame.

COACH will attend all staff meetings, public relation functions, dinners, awards banquets and make appearances as directed by the Director of Athletics unless excused by the Director of Athletics. The Athletic Director shall not unreasonably withhold approval for non-attendance. Such functions shall include, but are not limited to the following:

- ◆ The annual BAA Bar-b-que
- ◆ The weekly BAA noon luncheons during the relevant season
- ◆ The annual BAA Endowment Dinner
- ◆ The BSU Athletic Hall of Fame Dinner
- ◆ The BAA Bronze Bronco Award Banquet
- ◆ The BAA/Alumni Auction Dinner
- ◆ All Athletic Department staff meetings called by the Director of Athletics
- ◆ Athletic Department Graduation Reception
- ◆ Bronco Golf Series Tournaments

6. COACH agrees to supervise any staff serving under COACH and to insure, to the maximum extent possible, that all staff persons follow all applicable University policies, NCAA, or applicable conference rules and regulations at all times.

7. Compensation: COACH will be compensated for services under the Agreement more specifically as follows:

a. Regular Compensation. A base salary (state appropriated funds) as referred to in section 3.1 of the Agreement shall be as follows:

<u>YEAR</u>	<u>COMPENSATION</u>
February 1, 2007 – January 31, 2008	\$150,000

b. Supplemental Compensation. Additional compensation (from media/public appearance/non-state funds) as referred to in section 3.2.2 of the Agreement shall be as follows:

<u>YEAR</u>	<u>COMPENSATION</u>
February 1, 2007 – January 31, 2008	\$700,000

c. Total Salary (total of a. and b. above) is \$850,000.

The Total Salary outlined above may be paid to the COACH by the UNIVERSITY or by radio or television stations that own the rights to UNIVERSITY broadcasts, or by other third party sources, or by any combination of the UNIVERSITY, radio station, television station and other sources. COACH understands this potential for payment from multiple sources and that the fringe benefits are not paid or based on sources of payment other than the direct payment from the UNIVERSITY (as referred to in section 3.3 of the Agreement).

d. Merit raises: Merit increases shall be made to COACH'S Total Salary annually, based upon performance in the last immediate regular and post season as follows:

- ◆ 8 wins = 5% increase in total salary
- ◆ 10 wins = 10% increase in total salary
- ◆ 12 wins = 19% increase in total salary

Such increases shall be paid as additional Supplemental Compensation under section 7.b of this Addendum and section 3.2.2 of the Agreement.

e. Shoe, Apparel and Equipment Contracts: Consistent with section 3.2.4 of the Agreement, compensation to the COACH shall be negotiated on a contract-by-contract basis and shall require prior express approval by the Athletic Director.

8. Supplemental pay based upon performance (Agreement section 3.2).

a. Supplemental pay relating to post-season national rank shall be the greater of the following:

- (i) 1/12th of Total Salary if the football team is ranked in the top 25 of either of the final two polls (used by the BCS to determine BCS rankings) at the conclusion of all the bowl games played. Currently, these polls are the Harris Poll and the USA Today Coach's Poll; or,
- (ii) 1/12th of Total Salary plus \$25,000 if the football team is ranked in the top 10 of either poll referenced in (i) above.

b. Supplemental pay relating to regular season and post season competition shall be based on one of the following:

- (i) 1/12th of Total Salary for winning the conference championship; or,

- (ii) 5% of Total Salary for a post season bowl appearance without a conference championship; or,
- (iii) \$100,000 if the football team participates in any one of the five BCS bowl games.

Any supplemental pay earned pursuant to this section shall be paid on February 1st following the football season in which earned.

9. Academic Incentive Pay may be earned as follows (Agreement section 3.2):

- a. \$20,000 if the annual football team APR rating (for the previous fall and spring semesters) equals 955 or higher.

Any supplemental pay earned pursuant to this section shall be paid on October 1st each year.

10. COACH shall have a "public relations" account of \$7,500 per year to be used for reimbursement for meals and other acceptable and appropriate activities relating to the furtherance of the business of the University and such funds shall be expended only in accordance with University and State Board of Education policies.

11. Liquidated damages: Shall be as provided for in section 5.3.3. of the Agreement.

12. Longevity Incentive: The University will pay to COACH longevity incentives if the following conditions are met~~will set forth a deferred compensation agreement under section 457(f), 415(m) or other similar provisions of the IRS Code that meets the following criteria:~~

- a. If COACH stays employed in the position until August 1, 2009, and thus completes the first two and one-half years of this Agreement without being in material breach, the University will ~~pay~~place the sum of \$250,000 ~~to the~~in the deferred compensation agreement on COACH's behalf.
- b. If COACH stays employed in the position until after the final game of the 2011 football season (including a bowl game), and thus completes the second two and one-half years of this Agreement without being in material breach, the University will ~~pay~~place the sum of \$250,000 ~~to the~~in the deferred compensation agreement on COACH's behalf.
- c.~~The payment of any sums placed in the deferred compensation agreement will be payable to the COACH on terms set forth in such plan. The deferred compensation agreement will be brought to the State Board of Education for approval upon its completion.~~

COACH

Chris Petersen
Head Football Coach

Date

BOISE STATE UNIVERSITY

By: _____
Robert Kustra
President

Date

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ADDENDUM NO. 1 TO EMPLOYMENT AGREEMENT

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 - c. "Program" shall mean the Football program.
 - d. "Applicable conference" as of the date of this Addendum means the Western Athletic Conference.
 - e. "NCAA" means the National Collegiate Athletic Association.
 1. "APR" means Academic Progress Rate as used by the NCAA to track academic progress of NCAA eligible student athletes and NCAA athletic programs.
 - f. "Athletic Director" means the BSU Director of Athletics or his designee.
 - g. "Coaching" means to direct and supervise the athletes participating in the program.
 - h. "BAA" means the Bronco Athletic Association.
 - i. "Post-season" means participation in a Bowl game.
 - j. "BCS" mean the Bowl Championship Series organization.
 - k. "Total Salary" means the total of the base salary and supplemental compensation as described in sections 7.a, 7.b and 7.c in any one year period.
4. The term of this Agreement (as set forth in Section 2.1 of the Agreement) shall commence February 1st, 2007 and shall continue until the Agreement terminates on the 31st day of January, 2012; provided, however, that this provision is subject to the terms and conditions of Article IV of the Agreement concerning termination. Neither party

shall have the right to terminate the Agreement prior to its date of expiration except as provided therein.

5. Specific duties and responsibilities of COACH. In addition to those set forth in the Agreement, the COACH is expected to devote full-time to coaching and recruitment involving the Football team as the Head Coach. Additional duties and responsibilities not listed will be those customarily attendant to the position of a Head Football Coach at a Division 1-A university. If COACH is required to perform any such additional duties that are not defined in the contract, COACH will be notified of his responsibility to perform these duties within a reasonable time frame.

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Such increases shall be paid as additional Supplemental Compensation under section 7.b of this Addendum and section 3.2.2 of the Agreement.

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- (ii) $1/12^{\text{th}}$ of Total Salary plus \$25,000 if the football team is ranked in the top 10 of either poll referenced in (i) above.

b. Supplemental pay relating to regular season and post season competition shall be based on one of the following:

- (i) $1/12^{\text{th}}$ of Total Salary for winning the conference championship; or,
- (ii) 5% of Total Salary for a post season bowl appearance without a conference championship; or,
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12. Longevity Incentive: The University will pay to COACH longevity incentives if the following conditions are met:

- a. If COACH stays employed in the position until August 1, 2009, and thus completes the first two and one-half years of this Agreement without being in material breach, the University will pay the sum of \$250,000 to the COACH.
- b. If COACH stays employed in the position until after the final game of the 2011 football season (including a bowl game), and thus completes the second two and one-half years of this Agreement without being in material breach, the University will pay the sum of \$250,000 to the COACH.

COACH



Chris Petersen
Head Football Coach

9-14-07
Date

BOISE STATE UNIVERSITY

By: 

Robert Kustra
President

9/24/07
Date

Approved by the State Board of Education on the ____ day of _____, 2007.

Chris Petersen, Boise State University, Head Football Coach – 2007 – Addendum change

	Prior Addendum Contract Section	Contract Section	Justification for Modification
12	Longevity Incentive	The prior version paid the longevity incentive to an IRS approved tax deferred plan under section 457 or 415 of the IRS Code. The new version makes the longevity incentives as direct payments, non-deferred, to the employee.	The IRS code does not allow the 457 or 415 deferred payments in conjunction with the current State of Idaho retirement programs.

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REFERENCE – APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: II. HUMAN RESOURCES POLICIES AND PROCEDURES

Subsection: B. Appointment Authority and Procedures

January 2005

3. Specifically Reserved Board Authority

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

a. Position Authorizations

- (1) Any permanent new position (including any reactivated position that requires a new “set-up” action), regardless of funding source, requires Board approval.

Agenda Item Format: Requests for new position authorizations must include the following information:

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

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

- b. The initial appointment of all employees to any type of position at a salary that is equal to or higher than 75% of the chief executive officer’s annual salary.
- c. The employment agreement of any head coach or athletic director (at the institutions only) longer than one year, and all amendments thereto.
- d. The criteria established by the institutions for initial appointment to faculty rank and for promotion in rank, as well as any additional faculty ranks and criteria as may be established by an institution other than those provided for in these

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007

policies (see subsection G.) Any exceptions to the approved criteria also require Board approval.

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

REFERENCE – APPLICABLE STATUTE, RULE OR POLICY - continued

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: II. HUMAN RESOURCES POLICIES AND PROCEDURES

Subsection: H. Policies Regarding Coaching Personnel and Athletic Directors

January 2005

H. Policies Regarding Coaching Personnel and Athletic Directors (Institution Employees Only)

1. Agreements Longer Than One Year

The chief executive officer of an institution is authorized to enter into a contract for the services of a head coach or athletic director with that institution for a term of more than one (1) year, but not more than five (5) years, subject to approval by the Board as to the terms, conditions, and compensation thereunder, and subject further to the condition that the contract of employment carries terms and conditions of future obligations of the coach or athletic director to the institution for the performance of such contracts. Each contract for the services shall follow the general form approved by the Board as a model contract. Such contract shall define the entire employment relationship between the Board and the coach or athletic director and may incorporate by reference applicable Board and institutional policies and rules, and applicable law.

2. Agreements For One Year Or Less

The chief executive officer of an institution is authorized to enter into a contract for the services of a head coach or athletic director with that institution for a term of one (1) year or less without Board approval. Each contract shall follow the general form approved by the Board as a model contract. Such contract shall define the entire employment relationship between the Board and the coach or athletic director and may incorporate by reference applicable Board and institutional policies and rules, and applicable law.

3. Academic Incentives

Each contract for a head coach shall include incentives, separate from any other incentives, based upon the academic performance of the student athletes whom the coach supervises. The chief executive officer of the institution shall determine such incentives. Each institution shall report to the Board annually concerning each coach's performance relative to the academic incentives of the coach's contract.

4. Part-time Coaches Excepted

The chief executive officer of an institution is authorized to hire part-time head coaches as provided in the policies of the institution. Applicable Board policies shall be followed.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007

5. Assistant Coaches

The chief executive officer of the institution is authorized to hire assistant coaches as provided in the policies of the institution. Applicable Board policies shall be followed.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007**

TAB	DESCRIPTION	ACTION
1	UNIVERSITY of IDAHO TKE Purchase/Sales Agreement	Motion to approve
2	UNIVERSITY of IDAHO ESCO Project Approval	Motion to approve
3	UNIVERSITY of IDAHO Bond Refinancing	Motion to approve
4	UNIVERSITY of IDAHO Wells Fargo Bank Loan Extension	Motion to approve
5	UNIVERSITY of IDAHO Naming/Memorializing of Buildings – McClure Center	Motion to approve
6	UNIVERSITY of IDAHO Retiree Health Benefits Trust	Motion to approve
7	UNIVERSITY of IDAHO Employee Insurance Policies	Information item
8	FY 2007 CARRYOVER FUNDS	Motion to approve
9	IDAHO PROMISE SCHOLARSHIP – CATEGORY B AWARD	Motion to approve
10	2009 BUDGET REQUEST REVISIONS Scholarships and Grants – Opportunity Scholarship	Motion to approve
11	2009 BUDGET REQUEST REVISIONS Office of the State Board of Education – Gear Up FTP	Motion to approve
12	IDAHO ENGLISH LANGUAGE ASSESSMENT	Information item

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BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO

SUBJECT

Sale of former fraternity house and ground lease of property to Idaho Alumni Association of Alpha Gamma Rho, Inc.

REFERENCE

December, 2004

Acquisition approved (page 2)

APPLICABLE STATUTE, RULE, OR POLICY

Section 58-335, Idaho Code

Idaho State Board of Education Policies and Procedures, Section V.I.5.b.1 & 3.

BACKGROUND

In 2005 the University of Idaho Board of Regents (Regents) acquired the former Tau Kappa Epsilon House on Nez Perce drive in Moscow for \$400,102. The acquisition of the vacated house was required by the terms of a 1962 "Site Agreement" between the Regents and the Tau Kappa Iota Corporation. Since acquisition in 2005, the house has remained vacant and secured against unlawful entry. Major capital improvements are required to make the building useable for any purpose beyond storage.

DISCUSSION

The house sits amidst a series of Greek houses on Nez Perce Drive in an area that the University is committed to keep in student housing. The Alpha Gamma Rho Fraternity has proposed to acquire the existing building for \$400,000 under the terms of the attached purchase agreement. At the time of Regents' purchase the house was appraised at \$400,102. Since that time there have been no improvements made to the house.

Additionally, the Alpha Gamma Rho (which currently is leasing another private house near the UI Bookstore), is proposing to ground lease the 0.81 acres of land that the Regents has formerly leased to Tau Kappa Iota. The attached site lease has been prepared to ensure that the fraternity will make substantial improvements to the building for purposes of student housing. The Regents are not obligated in the future to acquire the house, although its re-sale for uses other than student housing is prohibited without university consent. The ground lease effectively assigns operational and financial risks to the fraternity, and it recovers a rent fee that acknowledges the value of providing on campus housing for students, while compensating the University for those administrative costs associated with providing public property for private use.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO - continued

IMPACT

Aside from routine real estate transaction costs, disposal of the building will not impose costs on the University of Idaho and will allow the University to recoup all but \$100 of its purchase price, while saving the University the cost of the upkeep of the boarded building. The annual rent for the ground lease will be \$1,500 for the first 40 year term; if the option for the second 40 year term is exercised the annual rent will increase to \$2,500 for duration of that term. The high costs of remodeling and altering the building for university program or administrative use make university occupation impractical.

ATTACHMENTS

Attachment 1 – Proposed Purchase and Sale Agreement	Page 3
Attachment 2 – Proposed Ground Lease	Page 19

STAFF COMMENTS AND RECOMMENDATIONS

Staff inquired of the University whether an appraisal is available and whether the property has appreciated in value since 2005 even though it has been boarded up since its purchase. The University determined the market value of a mothballed fraternity house did not warrant a re-appraisal because the comparable sales and income approach used to reset value for such a property were not subject to much change during that time period.

Staff recommends approval.

BOARD ACTION

A motion to authorize the sale of former TKE house and ground lease of property to Idaho Alumni Association of Alpha Gamma Rho, Inc., and to authorize the University's Vice President for Finance and Administration to execute the purchase agreement and ground lease in substantial consistency with the drafts submitted as part of this request.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("**Agreement**") is entered into on _____, 2007, between **The Board of Regents of the University of Idaho**, a state educational institution and body politic and corporate organized and existing under the constitution and laws of the State of Idaho ("**Seller**") and **The Idaho Alumni Association of Alpha Gamma Rho, Inc.** an Idaho non-profit corporation ("**Buyer**").

1. Purchase.

Seller shall sell and Buyer shall purchase all improvements and personal property (excluding any fire detection or security devices installed on the premises by or at the request of Buyer) on that certain real property located at 745 Nez Perce Drive, Moscow, Idaho ("**Property**"). Property is described as the real property improvements and personal property located at that certain parcel of land within the north half of Section 18, Township 39 North, Range 5 West, Boise Meridian, Latah County, Idaho, described as follows: Commencing at the center quarter corner of Section 18, Township 39 North, Range 5 West, BM, from which the south quarter corner of said Section 18 bears South 00°04'37" East, 2624.48 feet; Thence North 24°08'37" East, 69.38 feet to the Point of Beginning; Thence South 77°08'30" West 226.60 feet; Thence North 01°50'46" West, 202.42 feet to a point in the southerly curb along Nez Perce Drive; Thence 143.19 feet along said curb, being a curve to the left with a radius of 514.86 feet and a chord which bears North 80°12'26" East, 142.73 feet; Thence leaving Nez Perce Drive, South 26°13'40" East, 196.38 feet to the Point of Beginning. Property

does not include the land described above, only the real property improvements and personal property.

2. License For Entry.

Seller grants to Buyer a license to enter upon the Property for all purposes reasonably related to a full and adequate determination of the suitability of the Property, including, without limitation, the right to conduct evaluations, engineering studies, and environmental tests and audits.

3. Purchase Price.

The purchase price of the Property is the sum of Four Hundred Thousand Dollars (\$400,000) ("**Purchase Price**").

4. Additional Terms and/or Conditions.

Notwithstanding anything to the contrary in this Agreement, Buyer shall not be obligated to purchase the Property unless at or prior to closing each of the following conditions has been met or Buyer has waived said condition in writing. Seller shall cooperate with Buyer to execute any documents necessary or convenient to the performance of these conditions:

(a) Buyer's satisfaction with the condition and marketability of title to Property. Seller agrees that a commitment for title insurance (including a commitment for Buyer's potential leasehold interest in the land) issued by a title insurance company authorized to do business in the State of Idaho may be ordered by Buyer at any time following execution of this Agreement. In the event the transaction terminates or otherwise does not close, Buyer shall be responsible for the payment of the premium or

ATTACHMENT 1

cancellation fee for such commitment, unless Seller desires to utilize commitment for subsequent transaction. Seller agrees that from the date of execution of this Agreement through closing or the Termination Date, Seller will not permit, suffer, do, create or make any encumbrances, liens, reservations, or impediments of any kind that adversely affect Seller's right, title, or interest in and to the Property;

(b) Completion to Buyer's satisfaction of such environmental assessment as Buyer may deem necessary and Buyer's approval of estimates for mitigation of any environmental or hazardous conditions on the Property and Buyer's acceptance of the physical and environmental condition of the Property. Buyer will bear the responsibility for test cost and replacing the Property to substantially the same condition prior to testing, reasonable wear and tear excepted. Before conducting any environmental tests on the Property, Buyer shall notify Seller and allow Seller to observe testing operations. Buyer shall make available to Seller copies of any and all environmental reports conducted by or for Buyer. Buyer shall not communicate with any governmental agency regarding the environmental condition of the Property without the prior consent of Seller. Seller agrees to provide Buyer all information regarding the condition of the land and buildings as is in Seller's possession or is reasonably available to Seller. Buyer acknowledges that Property and improvements constructed prior to 1978 may contain lead based paint or lead based paint hazards;

(c) Buyer's satisfaction with the condition of the buildings and other improvements on the Property and their suitability for Buyer's intended purpose of operating a fraternity. Before conducting any building inspections, Buyer shall notify

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Seller and allow Seller to observe the inspections. Any building inspection costs shall be the responsibility of Buyer;

(d) Buyer's satisfaction as to the condition and availability of all utilities and services that may exist or are deemed necessary by Buyer to serve Property;

(e) Buyer and Seller's execution of a ground lease for the parcel described in Section 1 of this Agreement. Such execution of the ground lease shall be simultaneous with execution of the purchase agreement, as Seller shall not be obligated to sell Property and Buyer shall not be obligated to purchase Property without simultaneous execution of a ground lease acceptable to both parties.

5. Escrow Holder.

Prior to closing, the parties shall open an escrow with Latah County Title Company, 106 E 2nd St, Moscow ID 83843 ("**Escrow Holder**"). Seller shall deposit into escrow a duly executed and acknowledged Quitclaim Deed ("**Deed**"), attached as **Exhibit A**, conveying all of Seller's right, title and interest in Property to Buyer, subject to any permitted exceptions, together with instructions to deliver and record the Deed when Escrow Holder is in a position to pay Purchase Price to Seller. Upon the date of execution of this Agreement, Buyer shall pay Seller earnest money in the sum of \$40,000 (Forty Thousand Dollars).

6. Closing and Termination Date.

(a) The payment of earnest money shall be applied to the Purchase Price at Closing. Subject only to the terms of this Agreement, said sum shall be fully refundable

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from Seller to Buyer in the event the transaction contemplated fails to close. Seller shall deliver to the Escrow Holder on or before September 30, 2008, the Deed conveying all of Seller's right, title and interest in Property to Buyer, together with instructions to deliver and record the Deed when Buyer deposits the remaining balance of the Purchase Price (\$360,000) ("**Balance**") with the Escrow Holder. Prior to Closing, Buyer shall notify Seller and Escrow Holder, in writing that Buyer is satisfied with the conditions of Closing as set forth in Section 4 of this Agreement. Upon such notification that all of the conditions of Closing as set forth in Section 4 have been met, Buyer shall deposit Balance with the Escrow Holder with instructions to disburse Balance to Seller upon recordation of the Deed. Upon request of the Buyer, Seller shall provide Buyer with a bill of sale as evidence of the conveyance of Property from the Seller to Buyer. Closing shall be completed when the Deed to Buyer is recorded which shall be as soon as practicable after deposit of the Balance with the Escrow Holder. Possession passes to Buyer on closing.

(b) Termination of this Agreement for reasons other than Default as described in Section 14 of this Agreement shall occur upon (i) the mutual written consent of the Buyer and Seller, (ii) upon written notification by the Buyer to the Seller (which notice shall be given prior to June 30, 2008), that the terms and conditions of Section 4 of this Agreement have not been met to the satisfaction of the Buyer, or (iii) the Buyer has not submitted written notification of its satisfaction with the terms and conditions of Section 4 of this Agreement on or before June 30, 2008 (or at such other date as Buyer and Seller mutually agree), and/or Buyer has not deposited Balance with the Escrow Holder

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on or before September 30, 2008 (or at such other date as Buyer and Seller mutually agree). In the instance of the Buyer failing to provide timely written notice to the Seller of Buyer's satisfaction or dissatisfaction with the terms and conditions of Section 4 of this Agreement, or Buyer fails to deposit Balance with the Escrow Holder by September 30, 2008 (or at such other date as Buyer and Seller mutually agree), Seller shall retain the earnest money provided in Section 5 of this Agreement and this Agreement shall be terminated. The date on which this occurs is the Termination Date. In the event the earnest money is retained by Seller pursuant to this paragraph, such remittance shall be deemed liquidated damages.

7. Costs.

Buyer shall pay the cost of recording the Deed. Any escrow fees shall be paid equally by both parties. Buyer shall pay all other costs not specifically assigned to Seller in this Agreement.

8. Commissions.

Each party represents and warrants that it has not dealt with or contracted with any broker, agent or finder to act in their behalf in connection with this transaction. Each party agrees, subject to the laws of the State of Idaho, to indemnify, defend and hold harmless the other party from all Claims arising from any misrepresentation by the indemnifying party pursuant to this Section 8.

9. Seller's Representations And Warranties.

(a) Seller represents and warrants that Seller has authority to enter into this Agreement and to grant the license granted in Section 2.

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(b) Seller represents and warrants that execution, delivery and performance of this Agreement and Deed have been duly authorized and approved by all actions necessary by Seller, on the part of Seller, and that the this Agreement and Deed constitute valid and binding agreements of Seller in accordance with their terms.

10. Casualty.

Should the Property be damaged or destroyed by fire or other casualty prior to the time of closing, Buyer, at Buyer's sole option, may terminate Buyer's obligation to purchase the Property by giving written notice to Seller at any time prior to the time of closing. Seller agrees to maintain Property in its current condition, reasonable wear and tear for a vacant building excepted, through and including the day of closing.

11. Condemnation.

Should any entity having the power of condemnation bring an action or otherwise indicate an intent prior to the time of closing to acquire all or any portion of, or any interest in, the Property, Buyer, at Buyer's sole option, may elect to terminate Buyer's obligation to purchase the Property by giving written notice to Seller at any time prior to the time of closing. Seller agrees to provide Buyer, within ten (10) days after Seller's receipt of same but in no event later than the time of closing, written notice of any actual or threatened condemnation proceeding.

12. Successors.

This Agreement shall be binding on the heirs, successors, assigns and personal representatives of the parties hereto.

13. Attorneys' Fees.

In the event either party initiates or defends any legal action or proceeding in any way connected with this Agreement, the prevailing party in any such 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 action its reasonable costs and attorneys' fees (including, without limitation, its reasonable costs and attorneys' fees on any appeal). All such costs and attorneys' fees shall be deemed to have accrued on commencement of any legal action or proceeding and shall be enforceable whether or not such legal action or proceeding is prosecuted to judgment.

14. Default.

(a) Neither party shall be deemed to be in default of this Agreement except upon the expiration of thirty (30) days from receipt of written notice from the other party specifying the particulars in which such party has failed to perform its obligations (or breached any of its representations or warranties) under this Agreement unless such party, prior to expiration of said thirty (30) day period, has rectified the particulars specified in said notice of default.

(b) In the event of a default, the nondefaulting party may:

(i) Terminate this Agreement upon written notice to the defaulting party, and recover from the defaulting party all damages incurred by the nondefaulting party;

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(ii) Seek specific performance of this Agreement, and, in addition, recover all damages incurred by the nondefaulting party. The parties declare it to be their intent that this Agreement may be specifically enforced;

(iii) Perform or pay any obligation or encumbrance necessary to cure the default and offset the cost thereof from monies otherwise due the defaulting party or recover said monies from the defaulting party; and

(iv) Pursue all other remedies available at law, it being the intent of the parties that remedies be cumulative and liberally enforced so as to adequately and completely compensate the nondefaulting party.

15. Notices.

(a) All notices given pursuant to this Agreement shall be in writing and shall be given by personal service, 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 appropriate party at the address set forth below:

Seller: Lloyd E Mues
Vice President for Finance Administration
University of Idaho
PO Box 443168
Moscow ID 83844-3168

Buyer: Idaho Alumni Assoc of Alpha Gamma Rho, Inc.
PO Box 3472
Moscow ID 83843

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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 Agreement shall be deemed given upon receipt.

(b) For the purpose of this Agreement, 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 subparagraph (a) above 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 subparagraph (a) above, 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.

16. Captions And Headings.

The captions and headings in this Agreement 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.

17. Entire Agreement.

This Agreement 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 Agreement shall be construed as a whole and not strictly for or against any party.

18. Construction.

In construing the provisions of this Agreement 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.

19. Joint And Several Obligations.

In the event any party hereto is composed of more than one person, the obligations of said party shall be joint and several.

20. Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute a single instrument, and shall be effective upon execution of one or more of such counterparts by each of the parties hereto.

21. Time Period Computation.

All time periods in this Agreement shall be deemed to refer to calendar days unless the time period specifically references business days; provided that if the last date on which to perform any act or give any notice under this Agreement shall fall on a Saturday, Sunday or local, state or national holiday, such act or notice shall be deemed timely if performed or given on the next succeeding business day.

22. Survival.

All of the representations and warranties set forth in this Agreement shall constitute continuing representations and warranties, shall be deemed to be true and correct as of the date of closing of Buyer's purchase of the Property from Seller, and

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shall (along with all indemnification, defense and hold harmless obligations related thereto) survive the closing of Buyer's purchase of the Property from Seller.

23. No Third Party Beneficiary Rights.

This Contract is not intended to create, nor shall it in any way be interpreted or construed to create, any third party beneficiary rights in any person not a party hereto unless otherwise expressly provided herein.

EXECUTED as of the date first above written.

BUYER:

Idaho Alumni Association of Alpha
Gamma Rho, Inc.

SELLER:

Board of Regents of the University of
Idaho

President, Alpha Gamma Rho

Lloyd E. Mues
Vice President, Finance & Administration

List of Exhibits

Exhibit "A" – Quitclaim Deed

QUITCLAIM DEED

THIS QUITCLAIM DEED made this ____ day of _____, 2008, between THE BOARD OF REGENTS OF THE UNIVERSITY OF IDAHO, a body politic and corporate organized and existing under the laws and Constitution of the State of Idaho, whose address is Moscow, Idaho 83844-3168, herein referred to as "**Grantor**," and IDAHO ALUMNI ASSOCIATION OF ALPHA GAMMA RHO, INC., an Idaho non-profit corporation herein referred to as "**Grantee**":

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, all of Grantor's right title, and interest in and to the real property improvements and personal property located within the north half of Section 18, Township 39 North, Range 5 West, Boise Meridian, Latah County, Idaho described as follows:

Commencing at the center quarter corner of section 18, Township 39 North, Range 5 West, BM, from which the south quarter corner of said section 18 bears South 00°04'37" East, 2624.48 feet; Thence North 24°08'37" East, 69.38 feet to the **Point of Beginning**; Thence South 77°08'30" West, 226.60 feet; Thence North 01°50'46" West, 202.42 feet to a point in the southerly curb along Nez Perce Drive; Thence 143.19 feet along said curb, being a curve to the left with a radius of 514.86 feet and a chord which bears North 80°12'26" East, 142.73 feet; Thence leaving Nez Perce Drive, South 26°13'40" East, 196.38 feet to the **Point of Beginning**. Property does not include the land described above, only the real property improvements and personal property.

Together with all estate, right, title, interest, property, possession, claim and demand whatsoever, as well as in law 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
University of Idaho

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STATE OF IDAHO)
) ss.
County of Latah)

On this ____ day of _____, 2008, 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: _____

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GROUND LEASE

THIS GROUND LEASE ("**Ground Lease**") is made as of the _____ day of _____, 2008, by and between **Idaho Alumni Association of Alpha Gamma Rho, Inc.**, an Idaho non-profit corporation, and **The Board of Regents of the University of Idaho**, a state educational institution and body politic and corporate organized and existing under the constitution and 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 Board of Regents of the University of Idaho, a state educational institution and body politic and corporate organized and existing under the constitution and 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, except those buildings and improvements owned by Tenant, 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": Idaho Alumni Association of Alpha Gamma Rho, Inc., an Idaho non-profit corporation.

2. Term.

2.1 Initial Term: Landlord leases and Tenant rents the Leased Premises for a term of forty (40) consecutive years commencing on July 1, 2008, and terminating on June 30, 2048.

2.2 Option Term: Upon Tenant's submission to Landlord of plans for remodeling, alteration, and improvement of Tenant's building (as such submission and approval are provided for in Section 5.2 of this Ground Lease), and upon written request to Landlord to exercise the option provided in this section, Tenant shall have one option to extend the term of this Ground Lease to June 30, 2088. However, to be eligible for such option term, the proposed remodeling, alteration, and improvement of Tenant's building shall be of sufficient magnitude to extend the useful life of Tenant's building for a corresponding period. In the event Landlord concludes the submitted remodeling, alteration, or improvement plans for Tenant's building are insufficient to demonstrate the proposed work will effectively extend the useful life of the building for the corresponding option period, Landlord shall identify its concerns relating to the insufficiency of those plans in writing and submit those written concerns to Tenant. Tenant shall then provide Landlord with its plans to address Landlord's concerns. All plans will be evaluated in accordance with the procedures in Section 5.2 of this Ground Lease and the standard established in this Section 2.2. Tenant shall not be eligible for such option, except for work (which may be completed in phases) performed after July 1, 2028 and prior to termination of Initial Term.

2.3 Tenant's Early Termination Option: Upon at least one year's prior notice to Landlord, Tenant may at any time during the Initial or Option Term terminate this Ground Lease, so long as Leased Premises and any existing improvements on

Leased Premises are surrendered to Landlord in a condition free of any liens, conditions or encumbrances at the time of early termination. Surrender of Tenant's property interests to Landlord by this early termination option shall be subject to Section 16.2 of this Ground Lease.

3. Rent.

3.1 Amount. Tenant shall pay during the Initial Term of this Ground Lease from and after July 1, 2008 an annual rent in the amount of One Thousand Five Hundred Dollars (\$1500) per year and, in the event Tenant exercises its Option Term as provided in Section 2.2 of this Lease, the amount of Two Thousand Five Hundred Dollars (\$2500) per year during that Option Term ("**Annual Rent**"). Any other amounts due and payable to Landlord from Tenant under this Ground Lease shall be considered rent.

3.2 Delivery and Date of Rent Payments. Annual Rent to Landlord shall be made payable to "Bursar, University of Idaho", and mailed to the attention of "Budget Office, University of Idaho, Moscow ID 83844-3156" or such different address as Landlord shall provide to Tenant by written notice. The initial Annual Rent shall be payable and received on or before July 1, 2008, and each subsequent years' Annual Rent shall be payable and received on or before July 1 of each subsequent year during the terms of this Ground Lease.

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 and which are active members of the Alpha Gamma

Rho Fraternity. Notwithstanding the foregoing sentence, house directors, resident advisors, caretakers, janitors, and other personnel of a character and number 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. Parking shall only be permitted on the Leased Premises in parking areas developed with, and accessible from, paved surfaces of asphalt or concrete. Parking desired by Tenant's occupants or other personnel that is off the Leased Premises, but on adjoining UI property and nearby public or private streets shall be permitted in accordance with the Landlord's "Campus Parking Regulations" as they exist at the time of Ground Lease and as those regulations may be amended from time to time. After remodeling of the student housing building as described in Section 5.1 (Remodeling) and issuance of a "certificate of occupancy" therefore, Tenant shall operate the Leased Premises for the housing of University of Idaho students and active members of Alpha Gamma Rho Fraternity and shall not permit the Leased Premises to be vacated or abandoned, except during university observed holidays or breaks, university closures 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 to active members of the Alpha Gamma Rho Fraternity on the Leased Premises during all periods of operation. Failure to have at least twenty members residing on the premises at any given time during spring or fall academic sessions (except in instances of casualty, condemnation or approved remodel or reconstruction requiring temporary cessation of use), may be deemed a Default and subject to the provisions of Article 14 (Default) of this Ground Lease.

5. Remodeling, Alterations and Improvements.

5.1 Initial Remodeling. Tenant, at Tenant's sole cost and expense, shall commence initial remodeling of the Tenant's building on the Leased Premises, according to plans and specifications approved by Landlord (pursuant to Section 5.2 below), on or before September 30, 2008. The Tenant's building shall receive a certificate of occupancy for use as multi-tenant housing from the City of Moscow by no later than August 1, 2009.

5.2 Approval Procedure. Before any construction, alteration (including, without limitation, color changes and landscaping) or improvement (including, without limitation parking areas and 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, grounds or any other improvement on or to be located on the Leased Premises is commenced, Tenant shall obtain Landlord's prior written approval from the respective directors of University of Idaho Facilities' Architectural and Engineering Services and, if applicable, Information Technology Services (or functional equivalent of either at the time of construction, alteration or improvement planning). Such approval shall not be unreasonably withheld. Tenant and Landlord hereby agree that Landlord may reasonably withhold approval of any proposed construction, alteration or improvement in order to preserve the architectural character of the campus and neighborhood located on Landlord's nearby property, and that it is reasonable for the Landlord to withhold approval for construction and alterations that are inconsistent with the architectural style existing in similarly used buildings in the neighborhood at the time of Tenant's submission. It shall not be

reasonable for Landlord to withhold approval in order to initiate an architectural style not existing in similarly used buildings in the neighborhood at the time of Tenant's submission. When obtaining Landlord's approval, sufficient information shall be sent to Landlord to enable Landlord to make a reasonable decision as to the proposal. Failure of Tenant to receive approval from University of Idaho's Information Technology Services ("ITS"), shall not singularly constitute Landlord's denial of approval to proposed construction, so long as Tenant acknowledges in writing to Landlord that Tenant's failure to receive approval from ITS may result in ITS functions being unavailable for Tenant's improvements to Leased Premises and that certain standards, as specified by ITS, may be required for any installation of information technology infrastructure.

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, including but not limited to any construction during Initial Remodeling. All construction shall comply with all applicable federal, state and local laws, rules and regulations and shall comply with the Landlord's design standards as determined by the University of Idaho Facilities' Architectural and Engineering Services. In the event Tenant intends to be eligible for connection to Landlord's telecommunications and network infrastructure, Tenant shall also comply with Landlord's relevant infrastructure standards as defined by ITS at the time of construction. All construction staging shall occur on the Leased Premises, unless a separate license agreement is granted by Landlord specifying the precise location that staging may occur on the Landlord's nearby property.

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) as necessary in good working condition, reasonable wear and tear excepted, all buildings, structures, and improvements (including but not limited to parking areas) on the Leased Premises and maintain, repair and replace as necessary all above and below ground utilities, exclusively serving Tenant's property on the Leased Premises and the extension from the Tenant's property on the Leased Premises to such utility's connection at the main line serving the Tenant's property. 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 (including replacement of dead or damaged plants) and Tenant shall replace and maintain such landscaping so as to enhance the overall appearance of the surrounding neighborhood. Any planned changes to landscaping beyond maintenance and replacement of existing plants or materials with the same species or materials, shall be submitted in writing for approval to the Director of the University of Idaho Landscape and Exterior Services (or functional equivalent at the time of the proposed landscaping).

6.2 Maintenance and Repair by Landlord. Landlord shall not be responsible for any maintenance, repair or replacement of any building, structure, landscaping, or 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 exclusively serving Tenant's property, graded the Leased Premises in such a manner that drainage from the Leased Premises does not adversely affect the surrounding properties, installed an automatic sprinkler system for that portion of the Leased Premises formerly occupied by Tenant's property and which is equivalent to and ties in with Landlord's sprinkler system for the remainder of the Leased Premises, and covered that portion of the Leased Premises formerly occupied by Tenant's property with sod of an equivalent type used by Landlord on the remaining portion of the leased premises (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, and/or to receive payment directly from Tenant if the casualty is caused by an uninsured event.

(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.

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 unreasonable 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 to Tenant 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. However, Landlord will make available for Tenant those reports, data and inspections Landlord is aware of related to the purposes of this section and which are in the possession of the Landlord's Real Estate Office at the time of Landlord's signature to this Ground Lease.

7.4 Landlord's Reservations. At Landlord's sole expense, or as separately agreed to by the affected parties, 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. At the present time, because of Landlord's tax status, there are no taxes levied against the Leased Premises. Should property taxes be levied or assessed against the Leased Premises, 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. 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, sewer, water, telecommunication infrastructure system, television cable, waste disposal and all other utility services provided for the exclusive use of 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, nor does Landlord warrant that any of the utilities mentioned above are available from various utility providers including the Landlord. In the event Landlord provides such services, Tenant shall make separate arrangements with the appropriate university service department and shall pay separately for such services as directed by that department. These service charges are not included in Annual Rent and provision of services is not an obligation of Landlord under the terms of this Ground Lease.

10. Indemnification and Insurance.

10.1 Tenant's Indemnity. Tenant 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 attorneys' fees and 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 during Tenant's tenancy or arising out of Tenant's use or occupancy of the Leased Premises unless caused by a willful or negligent act taken by Landlord on the property.

10.2 Liability Insurance. Tenant, at Tenant's sole cost and expense, 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 (including demolition and increased cost of construction) 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, as Landlord's interests may appear under the terms of this Ground Lease, 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. For any Vehicles owned by Tenant, 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.

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. 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 a reasonable manner. Failure of Landlord to demand such certificate or other evidence of full compliance with these insurance requirements or failure of Landlord to identify a deficiency from evidence that is provided shall not be construed as a waiver of Tenant's obligation to maintain such insurance. By requiring insurance herein, Landlord does not represent that coverage and limits will necessarily be adequate to protect Tenant, and such coverage and limits shall not be deemed as a limitation on Tenant's liability under the indemnities granted to Landlord in this Ground Lease.

10.7 Noncontribution. The insurance carried by Tenant hereunder shall be primary and not contributory with any other insurance that 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 Two Hundred Fifty Thousand Dollars (\$250,000) during the term of this Ground Lease, but such net worth shall in no way limit Tenant's liabilities under this Ground Lease. 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.

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. Tenant shall not be entitled to any awards or payments made in the condemnation proceedings as compensation for the loss of its leasehold interests in the Leased Premises. Tenant shall only be entitled to any and all awards or payments made in the condemnation proceedings with respect to any damage to tenant's owned property 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. 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 any portion 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 and Landlord Rules. During the term of this Ground Lease, Tenant's obligations and performance under this Ground Lease shall be consistent with all Landlord regulations and policies and comply with all applicable codes, laws, orders, statutes and regulations of any federal, state, county and municipal authorities that have jurisdiction over the Leased Premises.

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 (which thirty [30] days may overlap with the thirty [30] days in Section 14.1), (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: Idaho Alumni Assoc of Alpha Gamma Rho, Inc.
PO Box 3472
Moscow ID 83843

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.

15.2Receipt. 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.

15.3Additional 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.

16.1Holdover. 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.

16.2Surrender. Tenant agrees that upon termination of this Ground Lease, Tenant shall surrender Leased Premises to Landlord as provided by this Section. Tenant may (i)remove the improvements on the Leased Premises, cap all utilities exclusively serving Tenant's property, grade the Leased Premises in such a

manner that drainage from the Leased Premises does not adversely affect the surrounding properties or create hazards at the site, and cover that portion of Leased Premises that is without lawn or adequate landscaping with sod of an equivalent type used by Landlord elsewhere on Landlord's nearby property. This option to undertake such removal shall only be available to Tenant in the event Tenant is not in default and when such action is preceded by written notice to Landlord provided on or before February 1 of the year in which Tenant seeks to surrender Leased Premises. All removal or demolition work described above in this section shall be initiated after June 1 and be completed prior to August 15 of the year in which notice of such surrender is given by Tenant, unless another schedule is approved in writing by Landlord. Or (ii), if Tenant chooses not to proceed with demolition or removal of improvements as provided above, 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. Except as provided by this Section 16.2(i), Tenant shall not remove from the Leased Premises any improvements, fixtures or equipment affixed to the Leased Premises, unless removal is requested by Landlord in writing prior to the date of termination.

16.3 Survival. The obligations of Landlord and Tenant as set forth in this Section 16 (End of Term) and in Section 10 (Indemnification and Insurance) 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. Recordation of Ground Lease. This Ground Lease shall be recorded in Latah County, Idaho by Tenant and at Tenant's sole cost. A certified copy of the recorded document or the original document with recording information shall be returned to Landlord at the address given in Section 15 (Notices), but to the attention of the "Real Estate Officer". Any subsequent amendment to this Ground Lease (as provided by Section 23.11 of this Ground Lease) shall also be recorded by Tenant in accordance with the provisions in this Section 19.

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 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.

22. Conveyance by Landlord. Landlord may sell, assign or otherwise transfer the Leased Premises without the consent of Tenant. Landlord and Tenant agree that the sale of the property to a buyer not in an equivalent tax status with the University, would materially affect the parties' rights under the Ground Lease and each party hereby agrees that prior to any sale to such an entity, Landlord and Tenant will, in good faith, renegotiate paragraph 8, Taxes, and paragraph 3, Rent, prior to such sale. 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 Board of 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).

23. General Provisions.

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.

23.7Venue. 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.

23.8Joint 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.

23.9Relationship. 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.

23.11 Amendment. No amendment, modification, release, discharge, or waiver of any provisions hereof shall be of any force, effect, or value unless in writing and signed by Landlord and Tenant.

EXECUTED as of the date first above written.

LANDLORD:

The Regents of the University of Idaho,

**a state educational institution and
body politic and corporate organized
and existing under the constitution
and laws of the state of Idaho**

TENANT:

**Idaho Alumni Association of Alpha
Gamma Rho, Inc.,
an Idaho non-profit corporation**

By: _____
Lloyd E. Mues
Vice President,
Finance and Administration

By: _____
President

ATTEST:

By: _____
Secretary

STATE OF IDAHO)
) ss.
County of _____)

On this ____ day of _____, 2007, before me, _____, a Notary Public in and for said State, personally appeared _____ and _____, known to me to be the President and Secretary, respectively, of Idaho Alumni Association of Alpha Gamma Rho, 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)

On this ____ day of _____, 2007, before me, _____, a Notary Public in and for said State, personally appeared Lloyd E. Mues known to me to be Vice President, Finance and Administration of **The Board of Regents of the University of Idaho**, a state educational institution and body politic and corporate organized and existing under the constitution and 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 _____

List of Schedules:

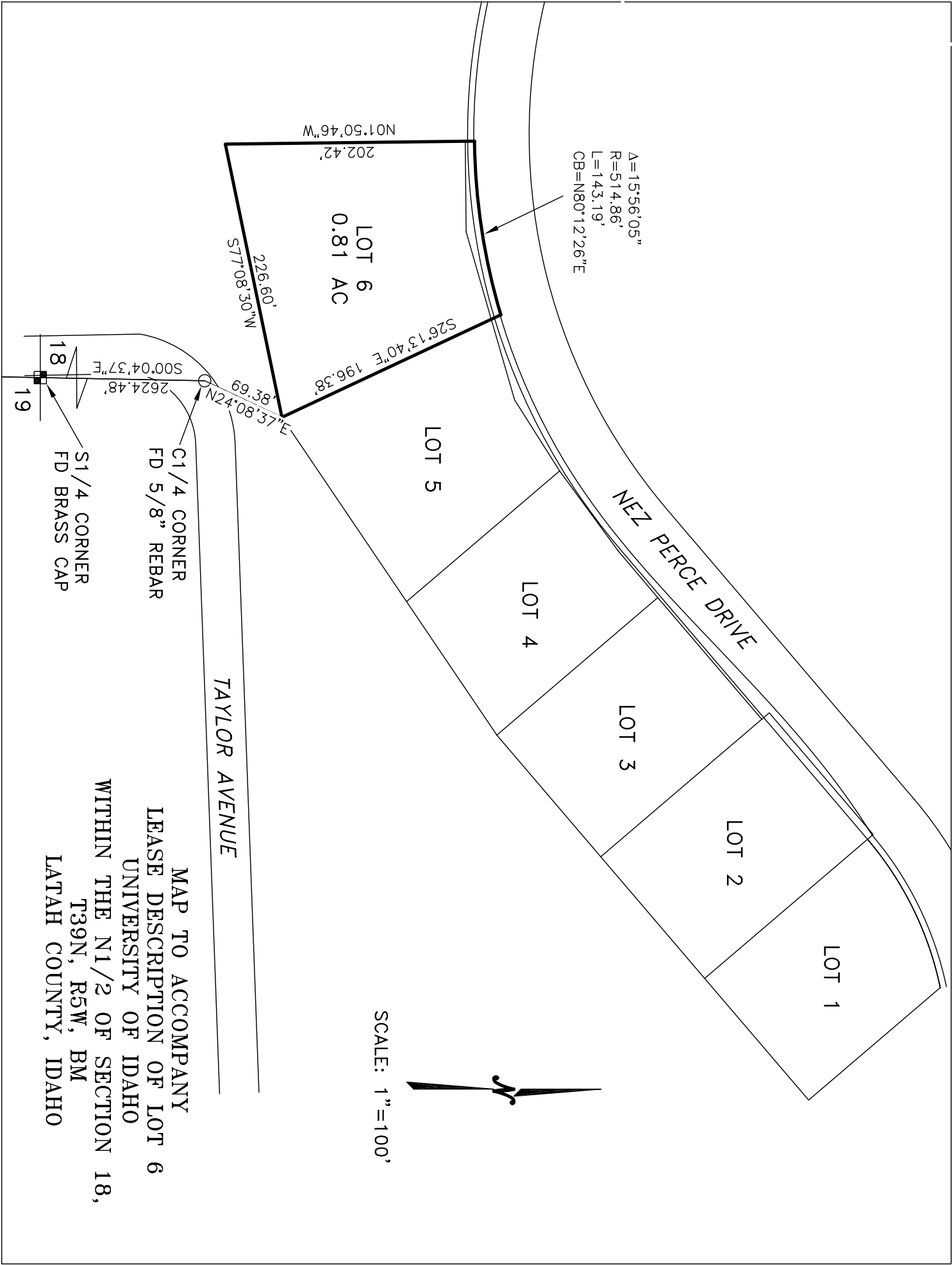
Schedule I – Description of Leased Premises

Schedule I

Property is described as the real property located in the north half of Section 18, Township 39 North, Range 5 West, Boise Meridian, Latah County, Idaho, described as follows: Commencing at the center quarter corner of Section 18, Township 39 North, Range 5 West, BM, from which the south quarter corner of said Section 18 bears South 00°04'37" East, 2624.48 feet; Thence North 24°08'37" East, 69.38 feet to the Point of Beginning; Thence South 77°08'30" West 226.60 feet; Thence North 01°50'46" West, 202.42 feet to a point in the southerly curb along Nez Perce Drive; Thence 143.19 feet along said curb, being a curve to the left with a radius of 514.86 feet and a chord which bears North 80°12'26" East, 142.73 feet; Thence leaving Nez Perce Drive, South 26°13'40" East, 196.38 feet to the Point of Beginning.

Insert MAP Exhibit

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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

April 2002

I. Real and Personal Property and Services

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.

REFERENCE – APPLICABLE STATUTE, RULE OR POLICY - continued

**IDAHO CODE STATUTES ANNOTATED
GENERAL LAWS
TITLE 58. PUBLIC LANDS
CHAPTER 3. APPRAISEMENT, LEASE, AND SALE OF LANDS**

Idaho Code § 58-335 (2007)

§ 58-335. Lands exempt from act

This act shall not be construed as applying to any lands or properties acquired under the act of congress, known as the Idaho Admission Act, or in the subsequent operations of the various endowment funds of the state. Nor shall this act apply to any lands or properties in the custody of the board of regents of the University of Idaho in its corporate capacity: provided, however, that the board of regents, desiring to avail itself of the facilities of this act, for the sale, exchange or transfer of any such properties, may proceed to negotiate a sale, transfer or exchange with the state board of land commissioners as would any other tax-supported agency. If the board of regents of the University of Idaho does not avail itself of the facilities of this act, the board of regents shall use a process for disposal of real property that includes, at a minimum, a required appraisal and public notice of the proposed real property disposal prior to disposal; and for property disposals that are not part of an exchange or transfer, consideration given to granting a first option to purchase to local, state and federal governmental entities.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO

SUBJECT

Capital Project Authorization Request, Energy Services Performance Contract

REFERENCE

February, 2006

SBOE Executive Director Approval, Base Technical Assessments, \$315,000. Allowed the University to proceed with baseline technical assessment of buildings for potential lighting, HVAC, and control system upgrades.

June, 2007

SBOE approval for the University of Idaho to proceed with the energy performance contract concept and to pursue financing for a planned \$35M Energy Services Performance Contract.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.K.1 and Section V.K.2
Section 67-5711D, Idaho Code

BACKGROUND

This is a follow up request for Regent's authorization to enter into an Energy Services Performance Contract with McKinstry Co. for a maximum of \$35,000,000. University staff will present the detailed financing program with repayment utilizing energy savings and general revenues as a companion Board agenda item. The university intends initially to proceed with construction of the projects identified in the Base Technical Assessments (TA) and complete an Expanded Scope of Technical Assessments. Upon completion of the Expanded Scope Technical Assessments, the university will contract with McKinstry Co. to construct those additional projects which meet the cost, engineering, and savings goals of the university.

DISCUSSION

On March 28, 2001 the legislature passed the State of Idaho Performance Contracting Bill 251, which amends and adds to existing State law to provide for energy saving performance contracts. In the Spring of 2006, The University of Idaho obtained Executive Director approval and initiated technical assessments of its Moscow campus buildings and infrastructure for lighting, HVAC, and control

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO - continued

system energy savings at a projected cost of \$315,000. In February 2007, the University of Idaho authorized an additional \$175,000 to McKinstry Co. to conduct a feasibility study of an expanded scope of infrastructure systems in order to identify additional projects that would offer additional savings payback and/or are necessary for the ongoing operation of these critical campus systems.

McKinstry Co. submitted the following estimated costs of the proposed Base TA Energy Upgrades with their corresponding estimated energy savings.

<u>PROJECT</u>	<u>EST. COST</u>	<u>ANNUAL SAVINGS</u>
Lighting Retrofits	\$3,971,845	\$249,353
Controls Upgrades	\$4,974,985	\$375,535
HVAC Upgrades	\$4,498,358	\$298,076

McKinstry Co. also recently completed the feasibility studies of the expanded scope of potential projects and developed the following rough estimates of cost and energy savings. More detailed cost and savings estimates will be available at the completion of Expanded Scope Technical Assessments for these projects.

2M Gallon Chilled Water Storage Tank & Campus Chilled Water System	\$9M-\$11M	\$121,000
Wood Chip Storage Facilities & Campus Steam System	\$10M-\$14M	\$300,000

In addition to the Annual Energy Savings anticipated, the local commercial power provider, Avista Utilities, offers rebate incentives for performing energy saving upgrades which are estimated at \$1,340,454.

A detailed financial analysis outlining the bonding costs and payback schedules is being presented as a separate board agenda item.

These projects will also provide other direct benefits to the university by completing or removing the need for some projects on the current deferred maintenance list, and removing or delaying the need for some Capital Project Improvements to support campus operations. The current estimate of deferred maintenance costs either removed or avoided, as well as capital costs avoided, is approximately \$11M.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
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**INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO - continued**

Scheduled milestones for delivery and implementation include:

Milestone	Date
SBOE Authorization for \$35M Energy Services Performance Contract	Oct, 2007
UI Funding/Bonding Process Complete	Oct, 2007
Performance Contract for Baseline Scope and Authorize Expanded Technical Analysis	Oct, 2007
Expanded Scope Technical Analysis completed	May , 2008
Performance Contract for Expanded Scope	June , 2008
Estimated Completion of all Construction	Fall 2011

The project is fully consistent with the university's Strategic Plan, Long Range Campus Development Plan (LRCDP), and the Campus Infrastructure Master Plan.

IMPACT

<u>Funding</u>		<u>Estimate Budget</u>	
State	\$ 0	Construction	\$30,000,000
Federal (Grant):	\$ 0	A/E & Consultant Fees	\$ 3,000,000
Other (UI/Bond)	<u>\$ 35,000,000</u>	Contingency	<u>\$ 2,000,000</u>
Total	\$ 35,000,000	Total	\$35,000,000

ATTACHMENTS

Attachment 1 – McKinstry Executive Summary	Page 5
Attachment 2 – Base Technical Audit Measures	Page 7
Attachment 3 – Expanded Technical Audit Measures	Page 19
Attachment 4 – Capital Project Tracking Sheet	Page 21

STAFF COMMENTS AND RECOMMENDATIONS

Approval of this agenda item is contingent upon the approval of the Bond Funding agenda item immediately following. Approval of this agenda item would allow the University to complete the technical audits and to execute construction contracts for the ESCO projects in the amount of \$35,000,000. General Revenue Bonds in the amount of \$38,380,000 would be used to pay for this project, as outlined in agenda Tab 3. Staff has provided analysis of the bonds in Tab 3 but notes here that the University estimates its debt service ratio as a percentage of operating budget to stay below 4.0% and including this project with additional anticipated projects in 2008 and 2010 results in a debt service ratio not more than 4.25%. This is achieved by raising student fees and resulting energy savings.

BUSINESS AFFAIRS AND HUMAN RESOURCES
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Staff calculated the payback period for this project is approximately 21 years. According to the University, ESCO payback benchmarks vary with the type of projects being analyzed. Below is a quick recap of what the University understood to be reasonable paybacks for ESCO improvements:

Lighting projects: 7-12 years
Controls and HVAC projects: 10-15 years
Expanded Technical Audit projects: 25+ years
Projects, like utilidors, tunnels, chilled water tanks, etc: N/A

The \$40 per semester fee approved by the Board in April will be added to the existing Student Facility Fee. This represented 2% of the total 5% increase in full-time fees. For this project, the University anticipates raising semester fees \$50 in FY09, \$60 in FY10, \$70 in FY11 and \$80 in FY12. The annual increase of \$100 in FY09 would equal a 2.3% increase in full-time fees.

The Board approved similar ESCO projects for Idaho State University (ISU) and Boise State University (BSU) in 2002 and 2003, respectively. Both projects contained a guarantee that the cost of the project would be paid by the annual savings from energy conservation measures. The estimated pay back period for ISU was 16 years and for BSU 16-18 years. Staff has inquired of BSU and ISU whether the energy savings to-date have been adequate to cover their ESCO costs.

Staff suggests the Board determine the need to use student fees to fund part of the costs of the UI ESCO project.

BOARD ACTION

A motion to approve the request by the University of Idaho to complete the technical audits as described in the expanded scope feasibility study and to execute all necessary construction contracts in support of an Energy Services Performance Contract to include the base and expanded scope projects. This approval is contingent upon approval of the Bond Funding strategy presented in a separate board agenda item.

Moved by _____ Seconded by _____ Carried Yes _____ No _____



August 30, 2007

Joseph Kline
Director, FMO Utilities & Eng
University of Idaho
Facilities Services
875 Perimeter Drive
Moscow, ID 83844-2281

Subject: Executive Summary – University of Idaho Energy Performance Contract (EPC)

A. OVERVIEW

McKinstry Co. has completed an extensive and holistic study focused on identifying campus wide opportunities for reducing energy consumption and increasing efficiency of campus systems and buildings. A key component of our approach and proposed solutions has been to identify opportunities for assisting the University of Idaho with their continued commitment and efforts towards developing and maintaining a Sustainable campus that is "Carbon Neutral".

McKinstry will detail through our Technical Audit Report and the Energy Performance Contract all the services being provided for design, construction, and system verification, including initial commissioning of the installed equipment and systems. Our process includes documenting operation and performance to prove the ability to realize the projected savings and includes post project measure and verification.

B. PROJECT DESCRIPTION

McKinstry has identified and prioritized with the University of Idaho projects totaling \$35,000,000 (inclusive of all fees and owner contingency). The Technical Audit provides information related to specific project financials for the proposed project. The project includes University prioritized Lighting, Controls, and HVAC upgrades in 72 buildings within the core of the University of Idaho campus, Central Chilled Water system improvements including a new CHW Thermal Storage Tank and campus Chilled Water Infrastructure improvements, Biomass Steam Boiler system Fuel Storage and Drying measures and campus Steam Infrastructure improvements.

C. SUMMARY OF BENEFITS

University of Idaho will achieve the following benefits through implementation of your Energy Performance Contract (EPC) project;

- **Energy Savings** Project is projected to produce over \$1,371,769 of annual utility cost avoided savings from the combination of Lighting, Controls, and HVAC and campus Chilled Water and Steam improvement measures.
- **Utility Rebates** The projected rebate incentives available from Avista for this project based on the total kWh energy savings is \$1,340,454.
- **Carbon Reductions** Greenhouse gas emissions produced by power plants will diminish as a result of this project with a net reduction of carbon estimated to be 12.2 million tons of carbon saved annually, positively impacting the University's goal to be Carbon Neutral.
- **Capital Cost Avoidance** Several of the proposed measures will directly offset future planned or proposed capital project costs including elimination of a capital request for the new East Campus Chilled Water Production plant.
- **Campus Sustainability** Enhancements to both the campus biomass heating plant through improved fuel storage and drying and more efficient chilled water production and storage contribute towards the development of a sustainable campus.
- **Deferred Maintenance** Approximately 25% of the total proposed measures address existing campus deferred maintenance issues.
- **Campus Standardization** The Lighting, Controls, and HVAC measures provide equipment standardization which helps in the reduction and management of material inventory and associated system maintenance costs.
- **Lighting Improvements** Beyond providing energy reduction and lighting standardization, buildings will have an improved quality of light and lighting levels producing a better working and learning environment.
- **Campus Energy Management** The controls measures expand UI's existing Energy Management Control System (EMCS) providing better building and energy control, adding the capacity for further pursuing future control and energy measures.
- **HVAC Improvements** HVAC system and equipment will function more efficiently providing more comfortable and reliable operation, with hours of operation being modified to match building use.
- **Campus Master Plan** Proposed central campus heating and cooling and infrastructure measures align with University of Idaho's Long Range Campus Development Plan (LRCDP) and Utility and Infrastructure Master Plan (UIMP).

D. CONCLUSION

Through this collaborative effort with the University of Idaho, McKinstry has completed an extensive study of campus wide energy usage and efficiency upgrade opportunities. Together we have developed an energy project that will significantly improve campus systems, buildings, and infrastructure to help towards achieving long term energy efficiency, conservation, and sustainability goals.

McKinstry is looking forward to working with University of Idaho to make their energy project a success.



University of Idaho - Base Technical Audit (TA)
Base TA FIM Matrix

Bld #	Building Name	FIM Name	Detailed Description	Budget *	Annual Utility Savings	Potential Utility Rebate**	Net Customer Cost (including Utility Rebate)	Simple Payback (including Utility Rebate)
001	Administration	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$137,262	\$10,276	\$32,435	\$104,827	10.2
001	Administration	1-ADM	Building HVAC Optimization	\$34,104	\$2,572	\$0	\$34,104	13.3
003	Art & Architecture North	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$78,355	\$6,588	\$20,794	\$57,561	8.7
003	Art & Architecture North	1-AAN	H&V-1 Optimization	\$65,726	\$1,715	\$1,835	\$63,891	37.3
003	Art & Architecture North	2-AAN	H&V-2 Optimization	\$53,654	\$2,221	\$2,209	\$51,446	23.2
003	Art & Architecture North	3-AAN	H&V-3 Optimization	\$53,654	\$2,548	\$2,443	\$51,211	20.1
003	Art & Architecture North	4-AAN	H&V-4 Optimization	\$53,654	\$2,965	\$2,866	\$50,788	17.1
004	Phinney Hall (Archie)	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$60,959	\$2,708	\$8,546	\$52,413	19.4
004	Phinney Hall (Archie)	1-PHA	Building HVAC Optimization	\$35,832	\$3,547	\$0	\$35,832	10.1
004	Phinney Hall (Archie)	2-PHA	Math Lab and Office HVAC Optimization	\$2,396	\$532	\$1,367	\$1,029	1.9
005	Food Research Center	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$34,914	\$2,725	\$8,600	\$26,314	9.7
005	Food Research Center	4-FRC	AHU for Rm 103 HVAC Optimization	\$8,379	\$799	\$318	\$8,061	10.1
005	Food Research Center	5-FRC	AHU for Rm 106 HVAC Optimization	\$5,889	\$680	\$158	\$5,731	8.4
005	Food Research Center	6-FRC	AHU for Rm 204 HVAC Optimization	\$5,889	\$778	\$225	\$5,664	7.3
005	Food Research Center	8-FRC	Building Controls	\$39,342	\$1,138	\$0	\$39,342	34.6
006	Graduate Art (GAS House)	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$19,402	\$962	\$3,037	\$16,365	17.0
006	Graduate Art (GAS House)	1-GAS	Building HVAC Optimization	\$32,975	\$791	\$73	\$32,901	41.6
007	Continuing Education	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$39,700	\$2,811	\$8,873	\$30,827	11.0
007	Continuing Education	3-CED	Building Controls	\$34,357	\$6,069	\$0	\$34,357	5.7
009	Life Science North (Gibb Hall)	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$60,556	\$8,274	\$26,114	\$34,442	4.2
009	Life Science North (Gibb Hall)	3-LSN	Building Air Handlers - Install VFD's on Supply and Exhaust Fans	\$157,318	\$10,094	\$25,943	\$131,376	13.0
009	Life Science North (Gibb Hall)	1-LSN	LARF Air Handlers - Clean Heat Recovery Coils & Rebalance Both Air Handlers	\$35,166	\$10,171	\$3,375	\$31,791	3.1



University of Idaho - Base Technical Audit (TA)
Base TA FIM Matrix

Bld #	Building Name	FIM Name	Detailed Description	Budget *	Annual Utility Savings	Potential Utility Rebate**	Net Customer Cost (including Utility Rebate)	Simple Payback (including Utility Rebate)
009	Life Science North (Gibb Hall)	2-LSN	Building Air Handlers - Rebalance Both Air Handlers	\$8,607	\$2,388	\$6,137	\$2,470	1.0
010	Alumni Center	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$23,124	\$1,200	\$3,787	\$19,336	16.1
010	Alumni Center	1-ACE	Fan Coil HVAC Optimization	\$61,833	\$2,179	\$3,425	\$58,408	26.8
010	Alumni Center	3-ACE	Building Controls	\$29,305	\$2,318	\$0	\$29,305	12.6
011	Power Plant	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$53,083	\$3,041	\$9,600	\$43,484	14.3
011	Power Plant	2-PPL	Building Controls	\$25,383	\$3,638	\$9,352	\$16,032	4.4
012	Health Center	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$37,677	\$3,449	\$10,886	\$26,792	7.8
012	Health Center	2-HCE	Fan Coil HVAC Optimization	\$8,396	\$2,684	\$658	\$7,738	2.9
012	Health Center	3-HCE	Roof Top Unit HVAC Optimization	\$38,790	\$2,632	\$358	\$38,431	14.6
012	Health Center	4-HCE	Building Controls	\$32,621	\$1,379	\$133	\$32,488	23.6
014	Menard Law Building	2-MLB	CHW Modifications Within Building	\$125,870	\$21,229	\$54,562	\$71,308	3.4
014	Menard Law Building	3-MLB	Heating and Domestic Hot Water Modifications Within Building	\$252,023	\$61,118	\$0	\$252,023	4.1
014	Menard Law Building	4-MLB	Optimize Damper Operation and Sequencing of Main AHU	\$57,181	\$5,360	\$13,775	\$43,406	8.1
014	Menard Law Building	5-MLB	Main AHU Scheduling and Control	\$362,997	\$21,439	\$55,101	\$307,896	14.4
015	Memorial Gym	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$110,886	\$6,937	\$21,895	\$88,991	12.8
015	Memorial Gym	1-MGM	Rifle Range HVAC Optimization	\$81,513	\$2,367	\$6,085	\$75,427	31.9
015	Memorial Gym	2-MGM	Multipurpose Room HVAC Optimization	\$55,649	\$1,146	\$0	\$55,649	48.6
015	Memorial Gym	4-MGM	AHU-4 HVAC Optimization	\$53,892	\$1,252	\$0	\$53,892	43.1
015	Memorial Gym	5-MGM	AHU-3 HVAC optimization	\$62,079	\$1,130	\$0	\$62,079	54.9
015	Memorial Gym	10-MGM	Building Controls	\$31,716	\$10,052	\$0	\$31,716	3.2
015	Memorial Gym	6-MGM	Main Gym HVAC Optimization	\$27,906	\$5,136	\$348	\$27,558	5.4
016	Art & Arch. (old Psychology)	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$26,430	\$1,708	\$5,392	\$21,038	12.3
016	Art & Arch. (old Psychology)	1-AAO	Building HVAC Optimization	\$8,190	\$2,424	\$1,081	\$7,109	2.9
016	Art & Arch. (old Psychology)	2-AAO	Building Controls	\$31,062	\$2,553	\$0	\$31,062	12.2
017	Morrill Hall	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$35,360	\$1,908	\$6,022	\$29,338	15.4
017	Morrill Hall	1-MHA	1st, 2nd and 3rd Floor HVAC Optimization	\$41,745	\$1,527	\$755	\$40,990	26.8
017	Morrill Hall	3-MHA	Restroom Exhaust HVAC Optimization	\$30,568	\$440	\$780	\$29,789	67.7
017	Morrill Hall	4-MHA	Building Controls	\$40,742	\$3,365	\$0	\$40,742	12.1
018	Ridenbaugh	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$3,964	\$253	\$799	\$3,165	12.5
018	Ridenbaugh	2-RID	Building Controls	\$32,975	\$2,337	\$0	\$32,975	14.1



University of Idaho - Base Technical Audit (TA)
Base TA FIM Matrix

Bld #	Building Name	FIM Name	Detailed Description	Budget *	Annual Utility Savings	Potential Utility Rebate**	Net Customer Cost (including Utility Rebate)	Simple Payback (including Utility Rebate)
019	Life Science South	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$46,905	\$3,861	\$12,187	\$34,718	9.0
019	Life Science South	1-LSS	AHU-5	\$131,064	\$3,753	\$9,646	\$121,418	32.4
019	Life Science South	2-LSS	AHU-6, AHU-7, AHU-8	\$10,662	\$3,702	\$7,009	\$3,653	1.0
019	Life Science South	4-LSS	AHU-10	\$58,210	\$2,267	\$3,438	\$54,772	24.2
020	Student Union	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$77,060	\$7,178	\$22,656	\$54,403	7.6
020	Student Union	5-SUN	Old AH-1 Optimization	\$90,037	\$2,713	\$6,973	\$83,064	30.6
020	Student Union	6-SUN	Old AH-2 Optimization	\$62,340	\$1,857	\$4,774	\$57,567	31.0
020	Student Union	8-SUN	AH-9 Optimization	\$51,329	\$1,041	\$2,675	\$48,654	46.7
020	Student Union	9-SUN	AH-10/11 Optimization	\$106,246	\$583	\$1,499	\$104,746	179.6
020	Student Union	10-SUN	AH-12 Optimization	\$106,246	\$1,130	\$2,904	\$103,341	91.5
020	Student Union	11-SUN	AH-13 Optimization	\$47,811	\$988	\$2,540	\$45,271	45.8
020	Student Union	15-SUN	Building Chiller (Small Unit)	\$154,507	\$7,613	\$19,567	\$134,939	17.7
021	Brink Hall (Carol Ryrie)	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$93,321	\$4,447	\$14,038	\$79,284	17.8
021	Brink Hall (Carol Ryrie)	3-BHA	Building Controls	\$38,768	\$5,005	\$0	\$38,768	7.7
022	Art & Arch. South	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$26,538	\$1,840	\$5,807	\$20,731	11.3
022	Art & Arch. South	1-AAS	AHU-1 (First Floor) HVAC Optimization	\$60,498	\$1,261	\$258	\$60,240	47.8
022	Art & Arch. South	2-AAS	AHU-2 (First Floor) HVAC Optimization	\$50,931	\$1,289	\$268	\$50,664	39.3
022	Art & Arch. South	3-AAS	AHU-3 (Second Floor) HVAC Optimization	\$51,078	\$1,503	\$415	\$50,663	33.7
022	Art & Arch. South	4-AAS	AHU-4 (Third Floor) HVAC Optimization	\$51,078	\$2,347	\$671	\$50,407	21.5
022	Art & Arch. South	5-AAS	AHU-5 (Third Floor) HVAC Optimization	\$50,931	\$561	\$206	\$50,726	90.5
025	Ag. Science	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$249,690	\$12,563	\$39,654	\$210,037	16.7
025	Agricultural Science	1-AGS	Food Renovation AH-8 and AH-9 Optimization	\$42,694	\$3,087	\$4,424	\$38,270	12.4
025	Agricultural Science	4-AGS	Old Wing - AH-3	\$31,581	\$2,006	\$3,012	\$28,569	14.2
025	Agricultural Science	5-AGS	Old Wing - Exhaust Fans	\$14,462	\$640	\$1,644	\$12,818	20.0
025	Agricultural Science	10-AGS	New Wing - AH-2 Optimization	\$6,740	\$2,714	\$3,953	\$2,787	1.0
025	Agricultural Science	11-AGS	New Wing - AH-3 and AH-4 Optimization	\$121,279	\$2,533	\$4,463	\$116,817	46.1
025	Agricultural Science	2-AGS	Old Wing - AH-1	\$50,004	\$2,036	\$2,796	\$47,209	23.2
025	Agricultural Science	12-AGS	Building Fan Coil Units	\$296,533	\$3,358	\$3,171	\$293,362	87.4
026	Hampton Music Building	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$63,811	\$2,300	\$7,258	\$56,553	24.6
026	Hampton Music Building	6-HMB	Building Controls	\$40,836	\$1,574	\$0	\$40,836	25.9



University of Idaho - Base Technical Audit (TA)
Base TA FIM Matrix

Bld #	Building Name	FIM Name	Detailed Description	Budget *	Annual Utility Savings	Potential Utility Rebate**	Net Customer Cost (including Utility Rebate)	Simple Payback (including Utility Rebate)
028	Janssen Engr. Building	2-JEB	AH-3 HVAC Optimization	\$11,465	\$5,874	\$4,159	\$7,306	1.2
028	Janssen Engr. Building	3-JEB	Building Steam Optimization	\$40,125	\$1,973	\$0	\$40,125	20.3
030	Niccolls Hall (Home Economics)	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$75,759	\$2,011	\$6,349	\$69,410	34.5
030	Niccolls Hall (Home Economics)	2-NHA	Small Split System HVAC Optimization	\$22,366	\$1,138	\$858	\$21,508	18.9
030	Niccolls Hall (Home Economics)	3-NHA	Building Controls	\$30,560	\$2,350	\$0	\$30,560	13.0
032	Library	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$36,046	\$2,660	\$8,397	\$27,649	10.4
032	Library	1-LIB	Building AHU-1 through AHU-7 HVAC Optimization	\$12,132	\$11,190	\$7,806	\$4,325	0.4
032	Library	2-LIB	Basement AC-1 HVAC Optimization	\$55,365	\$2,857	\$2,225	\$53,140	18.6
033	Holm Research Ct (Vet Science)	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$42,119	\$3,778	\$11,926	\$30,193	8.0
033	Holm Research Ct (Vet Science)	2-HRC	MZ-2 and MZ-4 HVAC Optimization	\$12,876	\$3,322	\$1,850	\$11,025	3.3
034	Steel House	2-SHO	Building Controls	\$32,975	\$1,886	\$0	\$32,975	17.5
035	Martin, J.W. Lab (Ag. Engineering)	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$39,024	\$3,883	\$12,256	\$26,768	6.9
035	Martin, J.W. Lab (Ag. Engineering)	1-MJW	SF-1 Optimization	\$71,381	\$8,059	\$7,200	\$64,181	8.0
035	Martin, J.W. Lab (Ag. Engineering)	2-MJW	SF-2 Optimization	\$51,983	\$4,103	\$3,876	\$48,107	11.7
035	Martin, J.W. Lab (Ag. Engineering)	3-MJW	SF-3 Optimization	\$51,983	\$3,611	\$3,262	\$48,721	13.5
035	Martin, J.W. Lab (Ag. Engineering)	4-MJW	Radiological Lab Optimization	\$60,256	\$5,009	\$4,607	\$55,649	11.1
036	Radio/TV	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$10,768	\$952	\$3,006	\$7,762	8.1
036	Radio/TV	1-RTV	Radio Addition HVAC Optimization	\$44,289	\$1,084	\$86	\$44,202	40.8
036	Radio/TV	2-RTV	TV Unit (North) HVAC Optimization	\$34,978	\$1,331	\$379	\$34,599	26.0
036	Radio/TV	3-RTV	TV Unit (South) HVAC Optimization.	\$34,978	\$2,015	\$1,250	\$33,728	16.7
038	College of Mines	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$103,821	\$4,224	\$13,333	\$90,488	21.4
038	College of Mines	1-COM	AHU-1 (Ground Floor) HVAC Optimization	\$64,471	\$6,114	\$648	\$63,823	10.4
038	College of Mines	2-COM	AHU-2 (First Floor) HVAC Optimization	\$52,104	\$6,469	\$675	\$51,429	7.9
038	College of Mines	3-COM	AHU-3 (Second Floor) HVAC Optimization	\$51,664	\$6,498	\$636	\$51,029	7.9
038	College of Mines	4-COM	Building Controls	\$30,560	\$6,463	\$0	\$30,560	4.7
039	McConnell Hall	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$13,984	\$1,145	\$3,614	\$10,369	9.1
039	McConnell Hall	2-MCH	Computer Room HVAC Optimization	\$7,977	\$843	\$216	\$7,761	9.2
039	McConnell Hall	3-MCH	Restroom HVAC Optimization	\$2,344	\$1,264	\$324	\$2,020	1.6



University of Idaho - Base Technical Audit (TA)
Base TA FIM Matrix

Bld #	Building Name	FIM Name	Detailed Description	Budget *	Annual Utility Savings	Potential Utility Rebate**	Net Customer Cost (including Utility Rebate)	Simple Payback (including Utility Rebate)
039	McConnell Hall	4-MCH	AC-2 HVAC Optimization	\$2,344	\$1,594	\$588	\$1,756	1.1
041	Shoup Hall	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$21,715	\$1,617	\$5,105	\$16,610	10.3



University of Idaho - Base Technical Audit (TA)
Base TA FIM Matrix

Bld #	Building Name	FIM Name	Detailed Description	Budget *	Annual Utility Savings	Potential Utility Rebate**	Net Customer Cost (including Utility Rebate)	Simple Payback (including Utility Rebate)
042	Targhee Hall	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$25,865	\$1,563	\$4,934	\$20,930	13.4
043	College of Education	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$87,606	\$9,664	\$30,504	\$57,102	5.9
043	College of Education	2-COE	Schedule AHU-1	\$84,312	\$32,398	\$28,293	\$56,019	1.7
043	College of Education	3-COE	AHU-1 Dampers	\$47,265	\$3,643	\$9,364	\$37,901	10.4
044	Industrial Education	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$13,307	\$469	\$1,481	\$11,826	25.2
044	Industrial Education	2-IED	DH-1 HVAC Optimization	\$4,297	\$1,202	\$351	\$3,946	3.3
044	Industrial Education	3-IED	Unit Heater HVAC Optimization	\$13,395	\$1,202	\$351	\$13,044	10.8
044	Industrial Education	1-IED	CF-1 and CF-2 HVAC Optimization	\$64,161	\$3,464	\$693	\$63,468	18.3
046	Campus Police Substation	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$1,952	\$296	\$933	\$1,018	3.4
046	Campus Police Substation	1-CPS	Building HVAC Optimization	\$18,248	\$473	\$913	\$17,335	36.6
047	Renfrew Hall	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$110,490	\$10,323	\$32,582	\$77,908	7.5
047	Renfrew Hall	1-REH	AHU-1	\$25,990	\$21,190	\$4,963	\$21,027	1.0
047	Renfrew Hall	2-REH	AHU-2	\$27,782	\$2,414	\$720	\$27,062	11.2
047	Renfrew Hall	3-REH	AHU-3	\$28,670	\$1,555	\$785	\$27,885	17.9
047	Renfrew Hall	4-REH	AHU-4	\$26,900	\$2,606	\$1,490	\$25,410	9.8
047	Renfrew Hall	6-REH	AHU-7	\$25,291	\$1,913	\$645	\$24,647	12.9
047	Renfrew Hall	7-REH	AHU-8	\$27,074	\$1,532	\$645	\$26,429	17.2
047	Renfrew Hall	8-REH	AHU-9	\$27,074	\$1,530	\$671	\$26,403	17.3
047	Renfrew Hall	9-REH	AHU-10	\$6,432	\$1,864	\$684	\$5,747	3.1
047	Renfrew Hall	10-REH	AHU-11	\$26,383	\$1,829	\$770	\$25,613	14.0
047	Renfrew Hall	11-REH	AHU-12	\$27,074	\$1,221	\$659	\$26,415	21.6
047	Renfrew Hall	12-REH	AHU-13	\$2,573	\$1,163	\$685	\$1,888	1.6
047	Renfrew Hall	13-REH	AHU-14	\$28,954	\$1,522	\$754	\$28,201	18.5
048	UI Foundation Office of Dev	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$3,896	\$239	\$755	\$3,141	13.1
048	UI Foundation Office of Dev	1-FOD	Building HVAC Optimization	\$21,962	\$219	\$270	\$21,692	99.1
049	Engr. Isotopes Lab	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$4,086	\$139	\$439	\$3,647	26.2
052	Theophilous Tower	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$129,210	\$6,064	\$19,139	\$110,071	18.2



University of Idaho - Base Technical Audit (TA)
Base TA FIM Matrix

Bld #	Building Name	FIM Name	Detailed Description	Budget *	Annual Utility Savings	Potential Utility Rebate**	Net Customer Cost (including Utility Rebate)	Simple Payback (including Utility Rebate)
052	Theophilous Tower	2-TTO	Heating Hot Water Controls	\$35,327	\$998	\$0	\$35,327	35.4



University of Idaho - Base Technical Audit (TA)
Base TA FIM Matrix

Bld #	Building Name	FIM Name	Detailed Description	Budget *	Annual Utility Savings	Potential Utility Rebate**	Net Customer Cost (including Utility Rebate)	Simple Payback (including Utility Rebate)
052	Theophilous Tower	1-TTO	Heating Hot Water Converter Replacement	\$96,195	\$2,731	\$0	\$96,195	35.2
053	Swimming Center	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$9,113	\$304	\$958	\$8,155	26.9
053	Swimming Center	2-SCE	AHU-4 Optimization - Retrofit Existing Unit	\$61,905	\$1,667	\$4,285	\$57,619	34.6
054	Buchanan Eng. Lab	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$173,110	\$11,978	\$37,807	\$135,304	11.3
054	Buchanan Eng. Lab	1-BEL	AHU-1 HVAC Optimization	\$121,515	\$7,228	\$18,577	\$102,938	14.2
054	Buchanan Eng. Lab	3-BEL	AHU-2 CHW	\$36,444	\$775	\$1,992	\$34,451	44.4
055	College of Natural Resources (Forestry)	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$164,518	\$21,944	\$69,262	\$95,255	4.3
055	Forestry	3-FOR	AHU-1 Heat Recovery	\$29,290	\$42,273	\$0	\$29,290	0.7
056	PE Building	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$83,624	\$4,607	\$14,540	\$69,084	15.0
056	PE Building	1-PEB	Fan 1 and 2 HVAC Optimization	\$105,331	\$4,619	\$3,457	\$101,875	22.1
056	PE Building	3-PEB	Fans 8 and 9 HVAC Optimization	\$99,932	\$3,188	\$1,680	\$98,252	30.8
056	PE Building	4-PEB	Fans 10 and 11 HVAC Optimization	\$96,919	\$1,732	\$1,040	\$95,879	55.3
056	PE Building	6-PEB	Fans 15 and 16 HVAC Optimization	\$96,919	\$2,497	\$1,298	\$95,621	38.3
056	PE Building	2-PEB	Fans 4, 5, and 6 HVAC optimization	\$235,547	\$5,021	\$3,887	\$231,660	46.1
058	Animal Pavilion	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$12,255	\$560	\$1,768	\$10,487	18.7
061	Environ. Health / Safety	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$2,808	\$144	\$454	\$2,354	16.4
063	Aquaculture Wet Lab	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$29,498	\$1,923	\$6,071	\$23,427	12.2
065	Hartung (Performing Arts)	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$10,219	\$764	\$2,411	\$7,808	10.2
065	Hartung (Performing Arts)	3-HPA	Basement H&V Unit HVAC Optimization	\$53,290	\$192	\$493	\$52,798	275.4
065	Hartung (Performing Arts)	4-HPA	Greenroom Unit HVAC Optimization	\$69,383	\$192	\$493	\$68,890	359.3
065	Hartung (Performing Arts)	5-HPA	Lobby Unit HVAC Optimization	\$64,277	\$338	\$869	\$63,408	187.5
065	Hartung (Performing Arts)	6-HPA	Costume Unit HVAC Optimization	\$66,681	\$550	\$1,414	\$65,268	118.7
065	Hartung (Performing Arts)	7-HPA	Auditorium Unit HVAC Optimization	\$68,819	\$925	\$2,378	\$66,441	71.8
065	Hartung (Performing Arts)	8-HPA	Building Controls	\$17,360	\$1,411	\$3,626	\$13,734	9.7
065	Hartung (Performing Arts)	1-HPA	Building CHW Upgrade	\$158,865	\$1,219	\$3,132	\$155,733	127.8



University of Idaho - Base Technical Audit (TA)
Base TA FIM Matrix

Bld #	Building Name	FIM Name	Detailed Description	Budget *	Annual Utility Savings	Potential Utility Rebate**	Net Customer Cost (including Utility Rebate)	Simple Payback (including Utility Rebate)
065	Hartung (Performing Arts)	2-HPA	Building Hot Water Upgrade	\$172,353	\$9,224	\$38,427	\$133,927	14.5
085	Arboretum Barn	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$653	\$49	\$155	\$498	10.1
090	Agricultural Publications	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$3,821	\$325	\$1,026	\$2,796	8.6
094	Early Childhood Learning Center	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$9,765	\$606	\$1,912	\$7,853	13.0
094	Early Childhood Learning Center	1-CLC	Building HVAC Optimization	\$70,970	\$3,506	\$707	\$70,263	20.0
097	Commons	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$100,480	\$5,740	\$18,119	\$82,361	14.3
097	Idaho Commons	2-IDC	SF-2 Optimization	\$67,517	\$18,916	\$8,528	\$58,989	3.1
097	Idaho Commons	3-IDC	SF-3 Optimization and KEF 1-4 Heat Recovery	\$7,919	\$26,548	\$2,979	\$4,940	0.2
097	Idaho Commons	5-IDC	Building Controls	\$2,290	\$210	\$540	\$1,750	8.3
097	Idaho Commons	1-IDC	SF-1 Optimization	\$195,633	\$16,930	\$6,152	\$189,481	11.2
099	Greenhouse 6th Street	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$917	\$28	\$88	\$829	29.8
100	Golf Clubhouse	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$3,149	\$312	\$986	\$2,163	6.9
104	Career Services	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$10,558	\$624	\$1,970	\$8,588	13.8
106	Art & Architecture Interior Design	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$2,350	\$104	\$329	\$2,021	19.4
106	Art & Architecture Interior Design	2-AAI	Building Controls	\$34,993	\$605	\$0	\$34,993	57.8
107	Navy Bldg	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$24,234	\$626	\$1,975	\$22,259	35.6
110	McClure Hall (ERB)	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$85,841	\$8,038	\$25,372	\$60,469	7.5
110	McClure Hall (ERB)	1-ERB	Supply Fan-1 Through Supply Fan-4 Optimization	\$86,807	\$6,440	\$16,551	\$70,256	10.9
110	McClure Hall (ERB)	2-ERB	Fume Exhaust Fan-1 Through Fume Exhaust Fan-4 Optimization	\$65,933	\$4,133	\$10,623	\$55,310	13.4
110	McClure Hall (ERB)	3-ERB	Return Fan-1 Through Return Fan-4 Optimization	\$54,359	\$1,835	\$4,716	\$49,642	27.1
110	McClure Hall (ERB)	6-ERB	Building Controls (Night Setback)	\$5,860	\$4,278	\$4,624	\$1,236	0.3
110	McClure Hall (ERB)	5-ERB	Process Cooling from Heat Recovery System	\$79,198	\$971	\$1,201	\$77,997	80.3
111	Engineering/ Physics	1-EPH	Schedule AC-1	\$39,610	\$3,115	\$4,703	\$34,907	11.2



University of Idaho - Base Technical Audit (TA)
Base TA FIM Matrix

Bld #	Building Name	FIM Name	Detailed Description	Budget *	Annual Utility Savings	Potential Utility Rebate**	Net Customer Cost (including Utility Rebate)	Simple Payback (including Utility Rebate)
111	Engineering/ Physics	2-EPH	Add VFD to AC-1	\$18,872	\$442	\$1,137	\$17,734	40.1
111	Engineering/ Physics	3-EPH	Schedule SF-1/RF-1	\$13,805	\$20,386	\$4,841	\$8,964	0.4
111	Engineering/ Physics	5-EPH	Add VFD to Heating Hot Water Pumps	\$13,805	\$854	\$2,196	\$11,609	13.6
111	Engineering/ Physics	7-EPH	Install Digital Control on Existing Manual Snow Melt System	\$11,404	\$1,261	\$3,240	\$8,164	6.5
111	Engineering/ Physics	4-EPH	Schedule SF-2/EF-1	\$157,276	\$23,573	\$3,667	\$153,609	6.5
113	Manis Ent. Res. Lab	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$4,722	\$403	\$1,272	\$3,450	8.6
113	Manis Ent. Res. Lab	1-MRL	Head house HVAC Optimization	\$50,436	\$2,458	\$6,318	\$44,118	17.9
114	Kibbie Activity Center	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$615,654	\$21,502	\$67,868	\$547,786	25.5
114	Kibbie Dome	1-KBD	Install Digital Control on (4) Existing Air Handlers	\$137,259	\$1,000	\$0	\$137,259	137.3
118	North Campus Center	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$24,412	\$1,093	\$3,451	\$20,961	19.2
143	Student Rec Center	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$58,773	\$3,384	\$10,680	\$48,093	14.2
143	Student Rec Center	1-SRC	AHU-1 Optimization	\$16,430	\$4,233	\$4,825	\$11,605	2.7
143	Student Rec Center	2-SRC	AHU-2 Optimization	\$5,394	\$911	\$1,680	\$3,714	4.1
143	Student Rec Center	3-SRC	AHU-3, 5, and 6 Optimization	\$35,653	\$4,186	\$5,532	\$30,121	7.2
275	Bookstore	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$29,837	\$1,953	\$6,166	\$23,671	12.1
421	Art & Arch east (327 W 8th St)	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$10,855	\$655	\$2,069	\$8,786	13.4
423	Gauss-Johnson	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$76,877	\$4,429	\$13,980	\$62,897	14.2
550	Wallace Center	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$71,684	\$6,961	\$21,971	\$49,713	7.1
550	Wallace Center	5-WCE	Central Core HVAC Optimization	\$12,216	\$13,870	\$5,211	\$7,005	0.5
550	Wallace Center	8-WCE	Building Controls	\$100,292	\$1,437	\$3,694	\$96,598	67.2
550	Wallace Center	1-WCE	Dorm Wing Heating Hot Water Pumps and Controls (Wiley, Ballard, Gooding, Stevenson)	\$1,325,736	\$12,708	\$0	\$1,325,736	104.3
550	Wallace Center	7-WCE	Building Cooling	\$19,066	\$1,528	\$3,928	\$15,138	9.9
551	Wallace Dorms (Stevenson Hall)	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$44,635	\$1,567	\$4,947	\$39,688	25.3



University of Idaho - Base Technical Audit (TA)
Base TA FIM Matrix

Bld #	Building Name	FIM Name	Detailed Description	Budget *	Annual Utility Savings	Potential Utility Rebate**	Net Customer Cost (including Utility Rebate)	Simple Payback (including Utility Rebate)
552	Wallace Dorms (Ballard Hall)	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$44,535	\$1,597	\$5,039	\$39,496	24.7
553	Wallace Dorms (Wiley Hall)	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$77,263	\$2,407	\$7,598	\$69,665	28.9
554	Wallace Dorms (Gooding)	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$72,255	\$2,609	\$8,235	\$64,020	24.5
569	Elmwood Apartments	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$3,053	\$150	\$475	\$2,578	17.1
570	Graduate Student Residence	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$26,424	\$929	\$2,932	\$23,492	25.3
689	Facilities Services Center (FSC)	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$71,734	\$1,796	\$5,670	\$66,064	36.8
690	Perimeter Drive Greenhouse	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$734	\$39	\$124	\$610	15.5
691	FMO Garage/Storage	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$10,964	\$164	\$518	\$10,446	63.6
CMCP	Central Mall Chiller Plant	Lighting Upgrade	Upgrade existing lighting system to electronic ballasts, T-8 lamps, compact fluorescent lamps, and new fixtures as specified in the building lighting audit. See 'Scope of Work' section for further detail.	\$1,878	\$148	\$466	\$1,412	9.6
Totals for Selected FIMs				\$13,445,188	\$937,899	\$1,340,454	\$12,104,734	12.9

* Project costs for Sections B, C, and E of Table 4.1 are divided among individual FIMs proportional to each FIM's Section A cost. Therefore the budget prices shown for individual FIMs are approximate and shown for reference only. If individual FIMs are dropped from or added to the project, the project cost will not decrease or increase by exactly the dollar amount shown in this table.

** Utility rebate is contingent on utility company funding and final approval and is shown for reference only.

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Project Summary - Table 4.2 FIM Matrix									
University of Idaho Phase TBD - Expanded TA April 24, 2007									
Project Composition				ROM Cost and Savings Opinion					
Building	FIM #	FIM Name	Detailed Description	Preliminary Cost			Annual Utility Savings		
University of Idaho HVAC Control and Mechanical Upgrade									
Campus CHW System	1	Campus CHW Thermal Storage Tank System	The chilled water thermal storage tank project consists of a 2,000,000 gallon thermal storage tank, which will be located on the “I-Tank” hill east of the existing “I-Tank” and adjacent to the existing satellite dishes. It will also include the construction of a pumphouse.	\$5,171,000	-	\$6,463,000	\$0	-	\$0
Campus CHW and Steam Infrastructure	2a	East Campus Chilled Water Infrastructure Improvements	The East Campus chilled water infrastructure improvements project consists of a piping to improve chilled water, distribution, piping cross and loop connections.	\$470,000	-	\$587,000	\$0	-	\$0
Campus CHW and Steam Infrastructure	2b	West Campus Chilled Water Infrastructure Improvements	The West Campus chilled water infrastructure improvements project consists of a piping to improve chilled water, distribution, piping cross and loop connections.	\$228,000	-	\$284,000	\$0	-	\$0
Campus CHW and Steam Infrastructure	2c	East Campus Steam Infrastructure Improvements	The East Campus steam infrastructure improvements project consists of utilidors expansion and piping to improve steam, and condensate distribution, piping cross and loop connections.	\$1,320,000	-	\$1,650,000	\$0	-	\$0
Campus CHW and Steam Infrastructure	2d	West Campus Steam Infrastructure Improvements	The West Campus steam infrastructure improvements project consists of utilidoors expansion and piping to improve steam, and condensate distribution, piping cross and loop connections.	\$1,401,000	-	\$1,751,000	\$0	-	\$0
Steam Plant Fuel Storage Facility	3	Biomass Fuel Storage and Drying	The biomass fuel storage project consists of a new wood fuel handling, drying, and storage building at the Steam Plant for wet wood processing and storage, and a covered storage building for dry wood west of the Facilities Operations building.	\$8,944,000	-	\$11,180,000	\$75,000	-	\$75,000
Natural Gas Energy Savings		Natural Gas Energy Savings	Account for 75% of the natural gas savings from the base scope of work	\$0	-	\$0	\$225,000	-	\$225,000
North Chiller Plant	5	Install VFD on NCCP Chiller #4	The north chiller plant project consists of retrofitting the existing # 4 4,160 volt, 1,200 ton chiller to a 480 volt variable speed drive chiller.	\$548,000	-	\$685,000	\$92,000	-	\$92,000
Central Mall Chiller Plant	6	Replace Absorption Chillers 1 & 2 with VFD Centrifugal Chillers	The central mall chiller plant project consists of replacing two of the existing absorption chillers with a variable speed drive controlled centrifugal chiller sized to the capacity of the cooling towers.	\$1,951,000	-	\$2,439,000	\$29,000	-	\$29,000
	Totals for Expanded TA			\$20,033,000		\$25,039,000	\$421,000		\$421,000

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Office of the Idaho State Board of Education
Capital Project Tracking Sheet
As of May 2, 2007

History Narrative

- 1 **Institution/Agency:** University of Idaho **Project:** Capital Project Authorization Request, Energy Services Company Performance Contract, University of Idaho, Moscow, Idaho
- 2 **Project Description:** Engineering and construction effort to identify and implement energy saving projects on the campus of the University of Idaho, Moscow, Idaho.
- 3 **Project Use:** Project scope includes upgrades and improvements to the lighting, HVAC and building controls within many of the buildings on campus. In addition, steam and chilled water generation and distribution systems on campus will be evaluated for improvement.
- 4 **Project Size:** N/A

	Sources of Funds				Use of Funds			
	PBF	ISBA	Other	Total Sources	Planning	Use of Funds* Const	Other**	Total Uses
9 Feasibility Study	\$ -	\$ -	\$ 490,000	\$ 490,000	\$ 490,000			\$ 490,000
10 Initial Cost of Project	\$ -	\$ -	\$ 35,000,000	\$ 35,000,000	\$ 3,000,000	\$ 30,000,000	\$ 2,000,000	\$ 35,000,000
13 Total Project Costs	\$ -	\$ -	\$ 35,490,000	\$ 35,490,000	\$ 3,490,000	\$ 30,000,000	\$ 2,000,000	\$ 35,490,000

History of Funding:	* Other Sources of Funds-----						
	PBF	ISBA	Institutional Funds (Gifts/Grants)	Student Revenue	Other	Total Other	Total Funding
18 Original Authorization (SBOE Exec Director), Feb 06	\$ -		\$ 315,000			\$ 315,000	\$ 315,000
19 Additional Authorization (UI), Feb 07			\$ 175,000			\$ 175,000	\$ 175,000
20 SBOE Approval, Jun 07			\$35,000,000			\$ 35,000,000	\$ 35,000,000
22 Total	\$ -	\$ -	\$ 35,490,000	\$ -	\$ -	\$ 35,490,000	\$ 35,490,000

25 * Overall project cost estimate will be refined and improved as part of this planning process; UI will report back to the Board of Regents any resulting revisions to the project estimate and seek additional project authorization as may be required.

26 ** Project Contingency

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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

V.K.1 Major Project Approvals – Proposed Plans

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

V.K.2 Project Approvals

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

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REFERENCE – APPLICABLE STATUTE, RULE OR POLICY - continued

Idaho Statutes
TITLE 67
STATE GOVERNMENT AND STATE AFFAIRS
CHAPTER 57
DEPARTMENT OF ADMINISTRATION
67-5711D. ENERGY SAVINGS PERFORMANCE CONTRACTS.

(1) Definitions. As used in this section:

(a) "Cost-savings measure" means any facility improvement, repair or alteration, or any equipment, fixture or furnishing to be added or used in any facility that is designed to reduce energy consumption and energy operating costs or increase the energy efficiency of facilities for their appointed functions that are cost effective. "Cost-savings measure" includes, but is not limited to, one (1) or more of the following:

- (i) Procurement of low-cost energy supplies of all types, including electricity, natural gas and water;
- (ii) Insulating the building structure or systems in the building;
- (iii) Storm windows or doors, caulking or weather stripping, multiglazed windows or door systems, heat-absorbing or heat-reflective glazed and coated window and door systems, additional glazing, reductions in glass area or other window and door system modifications that reduce energy consumption;
- (iv) Automated or computerized energy control systems;
- (v) Heating, ventilation or air conditioning system modifications or replacements;
- (vi) Replacing or modifying lighting fixtures to increase the energy efficiency of the lighting system;
- (vii) Energy recovery systems;
- (viii) Cogeneration systems that produce steam or forms of energy such as heat, as well as electricity, for use primarily within a building or complex of buildings;
- (ix) Installing new or modifying existing day lighting systems;
- (x) Installing or modifying renewable energy and alternate energy technologies;
- (xi) Building operation programs that reduce energy costs including, but not limited to, computerized programs, training and other similar activities;
- (xii) Steam trap improvement programs that reduce energy costs;
- (xiii) Devices that reduce water consumption; and
- (xiv) Any additional building infrastructure improvements that produce energy cost savings, significantly reduce energy consumption or increase the energy efficiency of the facilities for their appointed functions and are in compliance with all applicable state building codes.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007

(b) "Director" means the director of the department of administration or the director's designee.

(c) "Energy cost savings" means any expenses that are eliminated or avoided on a long-term basis as a result of equipment installed or modified, or services performed by a qualified energy service company or qualified provider, but does not include merely shifting personnel costs or similar short-term cost savings.

(d) "Financial grade energy audit" means a comprehensive building energy systems audit performed by a professional engineer licensed in the state of Idaho for the purpose of identifying and documenting feasible energy and resource conservation measures and cost-savings factors.

(e) "Performance contract" means a contract between the director or the public entity and a qualified provider or a qualified energy service company for evaluation, recommendation and implementation of one (1) or more cost-savings measures. A performance contract may be structured as either:

(i) A guaranteed energy savings performance contract, which shall include, at a minimum, the design and installation of equipment and, if applicable, operation and maintenance of any of the measures implemented. Guaranteed annual savings must meet or exceed the total annual contract payments made by the director or the user agency or the public entity for such contract, including financing charges to be incurred over the life of the contract; or

(ii) A shared savings contract, which shall include provisions mutually agreed upon by the director and the qualified provider or qualified energy service company as to the rate of payments based upon energy cost savings and a stipulated maximum energy consumption level over the life of the contract.

(f) "Person" means an individual, corporation, partnership, firm, association, limited liability company, limited liability partnership or other such entity as recognized by the state of Idaho.

(g) "Public entity" means the cities, counties and school districts or any political subdivision within the state of Idaho.

(h) "Qualified energy service company" means a person with a record of established projects or with demonstrated technical, operational, financial and managerial capabilities to implement performance contracts and who currently holds an Idaho public works contractor license.

(i) "Qualified provider" means a person who is experienced in the design, implementation and installation of energy efficiency and facility improvement measures, who has the ability to secure necessary financial measures to support energy savings guarantees and the technical capabilities to ensure such measures generate energy cost savings, and who currently holds an Idaho public works contractor license.

(2) Performance contracts. The director of the department of administration, subject to the approval of the permanent building fund advisory council, or any Idaho public entity may enter into a performance contract with a qualified provider or qualified energy service company to reduce energy consumption or energy operating costs. Cost-savings measures implemented under such contracts shall comply with all applicable state and local building codes.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007

(3) Requests for qualifications. The director of the department of administration or the public entity shall request qualifications from qualified providers and qualified energy service companies inviting them to submit information describing their capabilities in the areas of:

- (a) Design, engineering, installation, maintenance and repairs associated with performance contracts;
- (b) Experience in conversions to a different energy or fuel source, so long as it is associated with a comprehensive energy efficiency retrofit;
- (c) Post installation project monitoring, data collection and reporting of savings;
- (d) Overall project experience and qualifications;
- (e) Management capability;
- (f) Ability to assess the availability of long-term financing;
- (g) Experience with projects of similar size and scope; and
- (h) Other factors determined by the director or the public entity to be relevant and appropriate relating to the ability of the qualified provider or qualified energy service company to perform the project.

(4) Notice. Adequate public notice of the request for qualifications shall be given at least fourteen (14) days prior to the date set forth therein for the opening of the responses to the request for qualifications. Such notice may be provided electronically or by publication in a newspaper of general circulation in the area where the work is located.

(5) Public inspection. All records of the department or an agency or the public entity relating to the award of a performance contract shall be open to public inspection in accordance with the provisions of sections 9-337 through 9-347 and 67-5725, Idaho Code.

(6) Award of performance contract.

(a) The director or public entity shall select up to three (3) qualified providers or qualified energy service companies who have responded to the request for qualifications. Factors to be considered in selecting the successful qualified provider or qualified energy service company shall include, but not be limited to:

- (i) Fee structure;
- (ii) Contract terms;
- (iii) Comprehensiveness of the proposal and cost-savings measures;
- (iv) Experience of the qualified provider or qualified energy service company;
- (v) Quality of the technical approach of the qualified provider or qualified energy service company; and
- (vi) Overall benefits to the state or the public entity.

(b) Notwithstanding the provisions of section 67-5711C, Idaho Code, the director or the public entity may, following the request for qualifications and the expiration of the specified notice period, award the performance contract to the qualified provider or qualified energy service company which best meets the needs of the project and whose proposal may or may not represent the lowest cost among the proposals submitted pursuant to this section.

(c) Upon award of the performance contract, the successful qualified provider or qualified energy service company shall prepare a financial grade energy audit which,

upon acceptance by the director or the public entity, shall become a part of the final performance contract.

(7) Installment payment and lease-purchase agreements. Pursuant to this section, the director or the public entity may enter into a performance contract, payments for which shall be made by the user agency or public entity. Such performance contracts may be financed as installment payment contracts or lease-purchase agreements for the purchase and installation of cost-savings measures. Financing implemented through another person other than the qualified provider or qualified energy service company is authorized.

(8) Terms of performance contract.

(a) Each performance contract shall provide that all payments between parties, except obligations upon termination of the contract before its expiration, shall be made over time and that the objective of such performance contract is the implementation of cost-savings measures and energy cost savings.

(b) A performance contract, and payments provided hereunder, may extend beyond the fiscal year in which the performance contract becomes effective, subject to appropriation by the legislature or by the public entity, for costs incurred in future fiscal years. The performance contract may extend for a term not to exceed twenty-five (25) years. The permissible length of the contract may also reflect the useful life of the cost-savings measures.

(c) Performance contracts may provide for payments over a period of time not to exceed deadlines specified in the performance contract from the date of the final installation of the cost-savings measures.

(d) Performance contracts entered pursuant to this section may be amended or modified, upon agreement by the director or the public entity and the qualified provider or qualified energy service company, on an annual basis.

(9) Monitoring and reports. During the term of each performance contract, the qualified provider or qualified energy service company shall monitor the reductions in energy consumption and cost savings attributable to the cost-savings measures installed pursuant to the performance contract and shall annually prepare and provide a report to the director or the public entity documenting the performance of the cost-savings measures.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO

SUBJECT

Authorization for issuance of tax-exempt refunding and general revenue bonds to refund certain outstanding bonds of the University and to construct ESCO project.

REFERENCE

April 2007	Future Financing Plan Under a Single Bond System
June 2007	Capital Project Authorization Request, Energy Services Performance Contract
August 2007	Selection of Bond Counsel and Investment Banker

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 requests Regents approval to issue up to \$70,000,000 in tax-exempt general refunding bonds (Series 2007A) to refund selected maturities of the following Student Fee Revenue Bonds: Series 1999, Recreation Center Project; Series 1999A, Elmwood Apartments Acquisition Project; Series 1999B, Sweet Avenue and University Campus Improvement Projects; and Series 2001, University Housing Improvement Project; and, approval to issue up to \$40,000,000 in tax-exempt general revenue bonds (Series 2007B) to construct energy savings improvements (ESCO Project). The Series 2007A refunding will result in net present value (NPV) savings of approximately \$5,700,000. The cost of issuance will be paid from the bond proceeds.

DISCUSSION

Refunding

The University, with the assistance of its bond underwriter, periodically reviews outstanding bond issues to assess when it is advisable to refinance bonds to take advantage of savings that may be available due to lower interest rates. In the event market conditions do not result in substantial savings, the University will not issue the refunding bonds.

Discussions and analysis with UI's bond underwriter has indicated significant savings of approximately \$5,700,000 in net present value (NPV) savings and an average NPV savings as a percentage of refunded par (bond value) of about 9.5%.

**INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO - continued**

Project

The energy savings improvements project (ESCO Project) will produce several positive outcomes for UI. These include: estimated annual energy operational savings of about \$920,000 for the base Technical Audit (TA) and an additional \$420,000 for the expanded TA; net carbon reductions of about 12.2 million tons; capital avoidance of about \$5.5 million, addressing about \$5.7 million in deferred maintenance and capital repairs; improvement in occupant comfort related to lighting and HVAC retrofits; and standardization of campus system related to lighting, HVAC, and controls.

The University expects to start construction in the spring of 2008 with all construction completed by fall 2011. Times to completion vary by the sub-project: the lighting improvements will be installed in about 6 to 9 months, the building level HVAC and controls about 12 to 18 months, and the central plant and distribution improvements up to 36 months. Significant savings will be realized within the first year of the project as they relate primarily to the building level lighting, HVAC, and controls portion (base TA) of the project.

Bonds

The University will issue two bond series: the Revenue Refunding Bonds, Series 2007A for up to \$70,000,000 and Revenue Bonds, Series 2007B for up to \$40,000,000. The bonds will be insured to "AAA" by FSA and Dexia will provide the liquidity facility.

Rate and Term

The University is issuing multi-modal bonds for Series 2007. The Series 2007A will have an initial fixed term of 4.5 years and the Series 2007B will have an initial fixed term of 10.5 years. At the end of the respective terms, each series of the Series 2007 Bonds will be subject to mandatory tender for purchase and may be converted to a weekly interest rate or a different term interest rate period.

The University's Investment Banker will monitor interest rates so that the University may select the mode that affords the greatest balance between interest rate savings and interest rate risk. It should be noted that in the unlikely event interest rates did raise over a sustained period of time, thus increasing University debt expense, the University's cash and shorter term fixed-income investments would also enjoy higher yields that could partially offset such an exposure to future interest rates. This is what is termed a "natural hedge", which the University would enjoy by virtue of its investments.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007**

**INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO - continued**

Maturities

Final maturities for the Series 2007 Bonds are set for 2041(33.5 years).

Security

Both bond series will be issued as part of the General Revenue Bond System and secured by pledged revenues to include student fees, sales and service revenues from auxiliary enterprises and educational activities, revenues received for facility and administrative cost recovery in conjunction with grants and contracts, various miscellaneous revenues, and certain investment income.

Ratings

Moody's Investors Service and Standard & Poor's each have affirmed UI's ratings of "A1" and "A+" respectively with stable outlook.

IMPACT

The University is anticipating lower interest rates, depending on market conditions, resulting in net present value and nominal value savings for the Series 2007A bonds. The exact amount of savings will be determined when the bonds are priced. The Series 2007B bonds will result in increased debt service. The University has an approved student fee for FY08 which includes a \$40 per semester facility fee for the purposes of maintaining excellent debt service fundamentals. The ratings agencies have reaffirmed the University's ability to issue this debt by maintaining UI's A1/A+ rating for both Bond Series.

ATTACHMENTS

Attachment 1 – Ten Year Debt Projection	Page 7
Attachment 2 – Ten Year Debt Projection Series 2007 Only	Page 9
Attachment 3 – Preliminary Official Statement	Page 11
Attachment 4 – Supplemental Resolution	Page 123
Attachment 5 – Bond Purchase Agreement	Page 193
Attachment 6 – Remarketing Agreement	Page 215
Attachment 7 – Continuing Disclosure Agreement	Page 227
Attachment 8 – Standby Bond Purchase Agreement	Page 233
Attachment 9 – Escrow Agreement	Page 291
Attachments 10a & 10b – Opinions of Bond Counsel	Page 321
Attachments 11a & 11b – Rating Agency Reports	Page 329

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO - continued

STAFF COMMENTS AND RECOMMENDATIONS

On Page 9, the University presents its 10 year debt projection including other capital projects starting in 2008 and 2010. On Page 11, the University presents its 10 year debt projection for the Series 2007A bonds (Refunding Bonds) and the Series 2007B bonds (ESCO project). Both projections show the debt service from new bonds plus the existing debt service resulting in a total projected debt service. The projections also show the balance of the Facilities Fee Reserve with reductions for paying debt service and increases from the Student Facility Fee over the next four years, pledges for debt service and energy savings.

Both projections require a new student facility fee of \$40 in FY08, \$50 in FY09, \$60 in FY10, \$70 in FY11, and \$80 in FY12 per semester. The \$100 in FY09 would be a 2.3% increase.

The University estimates its debt service ratio as a percentage of operating budget to stay below 4.0% and including this project with additional anticipated projects in 2008 and 2010 results in a debt service ratio not more than 4.30%.

Staff recommends approval of the bonds provided the Board supports the ESCO project in Tab 2.

BOARD ACTION

A motion to approve a Supplemental Resolution for the Series 2007A Bonds, the title is of which is as follows:

A SUPPLEMENTAL RESOLUTION of the Regents of the University of Idaho authorizing the issuance and sale of Adjustable Rate General Revenue Refunding Bonds, Series 2007A, in the principal amount of up to \$70,000,000 (the "Series 2007A Bonds"), 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 2007A Bonds.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

[Roll call vote required.]

**BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007**

**INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO - continued**

A motion to approve a Supplemental Resolution for the Series 2007B Bonds, the title is of which is as follows:

A SUPPLEMENTAL RESOLUTION of the Regents of the University of Idaho authorizing the issuance and sale of Adjustable Rate General Revenue Bonds, Series 2007B, in the principal amount of up to \$40,000,000 (the "Series 2007B Bonds"), authorizing the execution and delivery of a Bond Purchase Agreement and providing for other matters relating to the authorization, issuance, sale and payment of the Series 2007B Bonds.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

[Roll call vote required.]

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University of Idaho
10 Year Debt Projection
30-Aug-2007

	Project Cost	Est Debt Financed	FY2008 Est	FY2009 Est	FY2010 Est	FY2011 Est	FY2012 Est	FY2013 Est	FY2014 Est	FY2015 Est	FY2016 Est	FY2017 Est	Total
Annual Debt Service													
1 New Projects & Issues													
2 Refunding Bonds Series 2007A		\$ 67,560,000	\$ 1,239,722	\$ 3,420,750	\$ 4,345,406	\$ 4,348,718	\$ 4,507,191	\$ 4,513,353	\$ 4,526,362	\$ 4,540,847	\$ 4,556,621	\$ 4,568,500	\$ 40,567,470
3 ESCO	\$35,000,000	\$ 35,000,000											
4 General Revenue Bonds Series 2007B		\$ 38,380,000	\$ 764,668	\$ 1,823,050	\$ 1,823,050	\$ 1,823,050	\$ 1,823,050	\$ 1,823,050	\$ 1,823,050	\$ 2,023,050	\$ 2,013,550	\$ 2,004,050	\$ 17,743,618
5 Kibbie Dome Life Safety	\$14,000,000	\$ 14,000,000											
6 Wallace Residence Center Improvements	\$20,000,000	\$ 20,000,000											
7 General Revenue Bonds Series 2008		\$ 34,000,000		\$ 917,975	\$ 1,835,951	\$ 1,835,951	\$ 1,835,951	\$ 1,835,951	\$ 1,835,951	\$ 1,835,951	\$ 2,035,951	\$ 2,025,951	\$ 15,995,583
8 Brink/Phinney Renovations	\$25,000,000	\$ 25,000,000											
9 Research Infrastructure Improvements	\$20,000,000	\$ 20,000,000											
10 General Revenue Bonds Series 2010		\$ 45,000,000				\$ 1,225,757	\$ 2,451,515	\$ 2,451,515	\$ 2,451,515	\$ 2,451,515	\$ 2,451,515	\$ 2,451,515	\$ 15,934,847
11 Total New Issues		\$ 184,940,000	\$ 2,004,390	\$ 6,161,775	\$ 8,004,407	\$ 9,233,476	\$ 10,617,707	\$ 10,623,869	\$ 10,636,878	\$ 10,851,363	\$ 11,057,637	\$ 11,050,016	\$ 90,241,518
12 Existing Debt Service			\$8,225,628	\$8,219,380	\$7,301,061	\$6,804,949	\$5,545,954	\$5,546,774	\$5,539,394	\$5,540,324	\$5,537,891	\$3,394,076	
13 Total Projected Debt Service			\$ 10,230,018	\$ 14,381,155	\$ 15,305,468	\$ 16,038,425	\$ 16,163,661	\$ 16,170,643	\$ 16,176,272	\$ 16,391,687	\$ 16,595,528	\$ 14,444,092	
14 Beginning Facilities Fee Reserve			\$0	\$2,379,065	\$2,421,999	\$3,029,879	\$3,574,496	\$5,511,179	\$8,274,101	\$11,872,047	\$15,745,407	\$19,835,448	\$0
15 Debt Service			-\$10,230,018	-\$14,381,155	-\$15,305,468	-\$16,038,425	-\$16,163,661	-\$16,170,643	-\$16,176,272	-\$16,391,687	-\$16,595,528	-\$14,444,092	-\$151,896,949
16 Student Facility Fee (SFF) Revenue - New			\$689,040	\$1,558,092	\$2,609,804	\$3,846,851	\$5,271,934	\$6,004,733	\$6,744,728	\$7,135,212	\$8,425,793	\$9,008,428	\$51,294,612
17 Student Facility Fee (SFF) Revenue - Prior			\$4,655,327	\$4,678,603	\$4,701,996	\$4,725,506	\$4,749,134	\$4,772,879	\$4,796,744	\$4,820,727	\$3,858,834	\$3,788,044	\$45,547,794
18 Pledges for Debt Service			\$7,264,716	\$7,264,538	\$7,257,548	\$6,599,486	\$6,597,516	\$6,600,106	\$6,599,106	\$6,593,786	\$6,599,853	\$4,448,788	\$65,825,443
19 Energy Savings - ESCO Project			\$0	\$922,857	\$1,344,000	\$1,411,200	\$1,481,760	\$1,555,848	\$1,633,640	\$1,715,322	\$1,801,088	\$1,891,143	\$13,756,858
20 Ending Facilities Fee Reserve			\$2,379,065	\$2,421,999	\$3,029,879	\$3,574,496	\$5,511,179	\$8,274,101	\$11,872,047	\$15,745,407	\$19,835,448	\$24,527,758	\$24,527,758
21 Operating Budget			\$351,530,078	\$358,560,679	\$365,731,893	\$373,046,531	\$380,507,461	\$388,117,610	\$395,879,963	\$403,797,562	\$411,873,513	\$420,110,983	
22 Debt Service as % of Operating Budget			2.91%	4.01%	4.18%	4.30%	4.25%	4.17%	4.09%	4.06%	4.03%	3.44%	

23 Assumptions:

- 24 1. Average annual operating budget growth of 2%
 25 2. No new state funding for academic buildings
 26 3. Student enrollment growth of about .5% annually
 27 4. New per semester SFF fee of \$40 in FY08, \$50 in FY09, \$60 in FY10, \$70 in FY11, \$80 in FY12

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University of Idaho
10 Year Debt Projection - 2007A & B Only
30-Aug-2007

			FY2008 Est	FY2009 Est	FY2010 Est	FY2011 Est	FY2012 Est	FY2013 Est	FY2014 Est	FY2015 Est	FY2016 Est	FY2017 Est	Total
	Project Cost	Est Debt Financed	Annual Debt Service										
1 Series 2007 Bonds Only													
2 Refunding Bonds Series 2007A		\$ 67,560,000	\$ 1,239,722	\$ 3,420,750	\$ 4,345,406	\$ 4,348,718	\$ 4,507,191	\$ 4,513,353	\$ 4,526,362	\$ 4,540,847	\$ 4,556,621	\$ 4,568,500	\$ 40,567,470
4 General Revenue Bonds Series 2007B		\$ 38,380,000	\$ 764,668	\$ 1,823,050	\$ 1,823,050	\$ 1,823,050	\$ 1,823,050	\$ 1,823,050	\$ 1,823,050	\$ 2,023,050	\$ 2,013,550	\$ 2,004,050	\$ 17,743,618
11 Total New Issues		\$ 105,940,000	\$ 2,004,390	\$ 5,243,800	\$ 6,168,456	\$ 6,171,768	\$ 6,330,241	\$ 6,336,403	\$ 6,349,412	\$ 6,563,897	\$ 6,570,171	\$ 6,572,550	\$ 58,311,088
12 Existing Debt Service			\$8,225,628	\$8,219,380	\$7,301,061	\$6,804,949	\$5,545,954	\$5,546,774	\$5,539,394	\$5,540,324	\$5,537,891	\$3,394,076	
13 Total Projected Debt Service			\$10,230,018	\$13,463,180	\$13,469,517	\$12,976,717	\$11,876,195	\$11,883,177	\$11,888,806	\$12,104,221	\$12,108,062	\$9,966,626	
14 Beginning Facilities Fee Reserve			\$0	\$2,379,065	\$2,470,923	\$2,993,990	\$3,442,505	\$5,083,759	\$6,818,455	\$8,648,179	\$10,362,834	\$12,151,017	\$0
15 Debt Service			-\$10,230,018	-\$13,463,180	-\$13,469,517	-\$12,976,717	-\$11,876,195	-\$11,883,177	-\$11,888,806	-\$12,104,221	-\$12,108,062	-\$9,966,626	-\$119,966,519
16 Student Facility Fee (SFF) Revenue - New			\$689,040	\$689,040	\$689,040	\$689,040	\$689,040	\$689,040	\$689,040	\$689,040	\$1,636,470	\$1,722,600	\$8,871,390
17 Student Facility Fee (SFF) Revenue - Prior			\$4,655,327	\$4,678,603	\$4,701,996	\$4,725,506	\$4,749,134	\$4,772,879	\$4,796,744	\$4,820,727	\$3,858,834	\$3,788,044	\$45,547,794
18 Pledges for Debt Service			\$7,264,716	\$7,264,538	\$7,257,548	\$6,599,486	\$6,597,516	\$6,600,106	\$6,599,106	\$6,593,786	\$6,599,853	\$4,448,788	\$65,825,443
19 Energy Savings - ESCO Project			\$0	\$922,857	\$1,344,000	\$1,411,200	\$1,481,760	\$1,555,848	\$1,633,640	\$1,715,322	\$1,801,088	\$1,891,143	\$13,756,858
20 Ending Facilities Fee Reserve			\$2,379,065	\$2,470,923	\$2,993,990	\$3,442,505	\$5,083,759	\$6,818,455	\$8,648,179	\$10,362,834	\$12,151,017	\$14,034,966	\$14,034,966
21 Operating Budget			\$351,530,078	\$351,530,078	\$351,530,078	\$351,530,078	\$351,530,078	\$351,530,078	\$351,530,078	\$351,530,078	\$351,530,078	\$351,530,078	
22 Debt Service as % of Operating Budget			2.91%	3.83%	3.83%	3.69%	3.38%	3.38%	3.38%	3.44%	3.44%	2.84%	

23 Assumptions:

- 24 1. Average annual operating budget growth of 0%
 25 2. No new state funding for academic buildings
 26 3. Student enrollment growth of about 0% annually
 27 4. New per semester SFF fee of \$40

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PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER __, 2007

NEW ISSUE – BOOK ENTRY ONLY

Ratings: _____
Underlying Rating: S&P: "A+"
Moody's: "A1"
Insured by: Financial Security
Assurances Inc.
See "RATINGS" herein

In the opinion of Skinner Fawcett, Boise, Idaho, and Ballard Spahr Andrews & Ingersoll, LLP, Salt Lake City, Utah, as Co-Bond Counsel to the Regents, 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. Co-Bond Counsel are also of the opinion that, under currently existing law, interest on the Series 2007 Bonds is exempt from State of Idaho income taxes. Co-Bond Counsel 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. See "TAX EXEMPTION" herein.

\$ _____ *

[LOGO]

THE REGENTS OF THE UNIVERSITY OF IDAHO
Adjustable Rate General Revenue Bonds

consisting of

\$ _____ *

Revenue Refunding Bonds, Series 2007A

Initial Term Interest Rate Period Ending: April 1, 2011
Initial Term Interest Rate: _____ %
Due: April 1, 2041
CUSIP: †

\$ _____ *

Revenue Bonds, Series 2007B

Initial Term Interest Rate Period Ending: April 1, 2018
Initial Term Interest Rate: _____ %
Due: April 1, 2041
CUSIP: †

Dated: Date of Delivery

Price: 100%

Denominations: \$5,000 and integral multiples thereof during the Initial Term Interest Rate Periods, and thereafter as described herein.

Registration/Book-Entry: The Regents of the University of Idaho Adjustable Rate General Revenue Refunding Bonds, Series 2007A (the "**Series 2007A Bonds**") and Adjustable Rate General Revenue Bonds, Series 2007B (the "**Series 2007B Bonds**") and, together with the Series 2007A Bonds, 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. 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.

Initial Term Interest Rates: Each Series of the Series 2007 Bonds will initially bear interest at a Term Interest Rate (as shown above) during the Initial Term Interest Rate Period (as shown above). The interest on each Series of the Series 2007 Bonds during the Initial Term Interest Rate Period will be payable on each April 1 and October 1, commencing April 1, 2008. Each Series of the Series 2007 Bonds will be subject to mandatory tender

for purchase on the last day of the respective Initial Term Interest Rate Period, and, upon mandatory tender, may be converted to a Weekly Interest Rate Period or another Term Interest Rate Period as more fully described herein.

This Official Statement provides certain information concerning each Series of the Series 2007 Bonds prior to conversion to a Weekly Interest Rate Period or another Term Interest Rate Period. Owners and prospective purchasers of a Series of the Series 2007 Bonds should not rely on this Official Statement for information concerning such Series of the Series 2007 Bonds in connection with any conversion of such Series to a Weekly Interest Rate Period or another Term Interest Rate Period but should look solely to the Official Statement or remarketing circular used in connection with any such conversion.

Payment: Principal, premium, if any, and interest due with respect to the Series 2007 Bonds will be payable by Wells Fargo Bank, N.A., Boise, Idaho, as Trustee (the "**Trustee**"), to DTC, which will, in turn, remit such principal, premium, if any, and interest due with respect to the Series 2007 Bonds.

Redemption and Tender: During the respective Initial Term Interest Rate Period, the Series 2007 Bonds will not be subject to optional redemption. The Series 2007 Bonds are subject to mandatory sinking fund redemption prior to maturity as more fully described herein. The Series 2007 Bonds of each Series are also subject to mandatory tender for purchase prior to maturity on the last day of the respective Initial Term Interest Rate Period.

Authority: Article IX, Section 10 of the Constitution of the State of Idaho confirmed the Regents of the University of Idaho (the "**Regents**") as the governing body for the University of Idaho (the "**University**"). Under Idaho law, the Regents are a body politic and corporate and an independent instrumentality of the State of Idaho. The Series 2007 Bonds are being issued as "Additional Bonds" pursuant to a Resolution adopted by the Regents on November 22, 1991, providing for the issuance of revenue bonds (the "**Original Resolution**"). The Original Resolution provided for the issuance of an initial series of facility revenue bonds and authorized the issuance of additional series of revenue bonds pursuant to Supplemental Resolutions, if certain conditions are met. The Series 2007 Bonds are being issued under a supplemental resolution (the "**2007 Supplemental Resolution**") adopted by the Regents on [October 11, 2007]. The Original Resolution, as previously restated, amended and supplemented and as amended and supplemented by the 2007 Supplemental Resolution, is referred to herein as the "**Resolution**." The revenue bonds issued pursuant to the Resolution, including the Series 2007 Bonds, are referred to herein as the "**Bonds**."

Purpose: The Series 2007 Bonds are being issued to provide funds to refund certain outstanding bonds issued by the Regents, to finance certain capital improvements at the University's Moscow campus, and to pay costs of issuance associated with the Series 2007 Bonds. *[Note: A Debt Service Reserve Account for the Series 2007 Bonds will be funded with the Series 2007 Bonds proceeds if, prior to the issuance of the Series 2007 Bonds, consents to the amendments of certain existing covenants contained in the Resolution are not obtained from insurance companies insuring Outstanding Bonds which were issued prior to certain Series 2005A Bonds, as described herein.]*

Security: The Series 2007 Bonds are being issued as part of the General Revenue Bond System created by the Regents in 2005 and are secured by "**Pledged Revenues**" as defined herein. The lien of the Series 2007 Bonds on the Pledged Revenues is on a parity with certain Bonds previously issued by the Regents under the Resolution which, following the issuance of the Series 2007 Bonds, will be Outstanding in the aggregate principal amount of \$54,770,000* and is subordinate to a prior lien on certain Pledged Revenues granted in favor of certain bonds of the Regents which, following the issuance of the Series 2007 Bonds, will be Outstanding in the aggregate principal amount of \$5,830,000*, as more specifically described herein. The Pledged Revenues include student fees, sales and service revenues from auxiliary enterprises and educational activities, revenues received for facility and administrative cost recovery in conjunction with grants and contracts, various miscellaneous revenues, and certain investment income. **The Series 2007 Bonds are limited**

obligations of the Regents 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 Regents to the extent herein described. The Regents are not authorized to levy or collect any taxes or assessments other than the fees described herein to pay the Series 2007 Bonds. The Regents have no taxing power.

Bond Insurance: The scheduled payment of principal of and interest on the Series 2007 Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Series 2007 Bonds by FINANCIAL SECURITY ASSURANCE INC.

[FSA LOGO]

Initial Liquidity Facility: Payment of the purchase price for each Series of the Series 2007 Bonds tendered for purchase on a mandatory tender date and not remarketed will be supported by a standby bond purchase agreement provided by Dexia Credit Local, acting through its New York Branch (the "**Initial Liquidity Facility Provider**") with respect to each such Series of the Series 2007 Bonds (collectively, the "**Initial Liquidity Facility**"). Each Initial Liquidity Facility is scheduled to expire on October __, 2019 unless extended or terminated earlier as described herein. Upon the occurrence of certain events, the obligation of the Initial Liquidity Facility Provider to pay the purchase price may be terminated or suspended. Owners of the Series 2007 Bonds may have no opportunity to tender for purchase the Series 2007 Bonds as a result of such termination. The Initial Liquidity Facility does not provide security for the payment of principal, premium, if any, and interest with respect to the Series 2007 Bonds, and the funds drawn thereunder may not be used for such purposes.

Legal Matters: 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 Skinner Fawcett, Boise, Idaho and Ballard Spahr Andrews & Ingersoll, LLP, Salt Lake City, Utah, as Co-Bond Counsel, and to other conditions. Certain legal matters will be passed upon for the Regents and the University by the University's Counsel, Kent E. Nelson, Esq., Moscow, Idaho; for the Initial Liquidity Facility Provider by Sidley Austin, LLP, Los Angeles, California, and for the Underwriter by Hogan & Hartson LLP, Denver, Colorado. It is expected that the Series 2007 Bonds will be available for delivery on or about October __, 2007.

GEORGE K. BAUM & COMPANY

Dated: October __, 2007

* Preliminary, subject to change

† The Regents take no responsibility for the accuracy of the CUSIP numbers, which are being provided solely for the convenience of the owners of the Series 2007 Bonds.

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE REGENTS, BY THE UNDERWRITER OR BY THE INITIAL LIQUIDITY FACILITY PROVIDER 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 REGENTS, THE UNDERWRITER OR THE INITIAL LIQUIDITY FACILITY PROVIDER. 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 REGENTS, THE UNIVERSITY, DTC, FINANCIAL SECURITY, INITIAL LIQUIDITY FACILITY PROVIDER 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. THE DELIVERY OF THIS OFFICIAL STATEMENT AND ANY SALE MADE HEREUNDER WILL NOT, UNDER ANY CIRCUMSTANCES, CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE REGENTS, THE UNIVERSITY, OR THE INITIAL LIQUIDITY FACILITY PROVIDER SINCE THE DATE HEREOF. ANY STATEMENTS MADE IN THIS OFFICIAL STATEMENT INVOLVING MATTERS OF OPINION OR ESTIMATES, WHETHER OR NOT SO EXPRESSLY STATED, ARE SET FORTH AS SUCH AND NOT AS REPRESENTATIONS OF FACT OR REPRESENTATIONS THAT ESTIMATES WILL BE REALIZED.

OTHER THAN WITH RESPECT TO INFORMATION CONCERNING FINANCIAL SECURITY ASSURANCE INC. ("**FINANCIAL SECURITY**") CONTAINED UNDER THE CAPTION "BOND INSURANCE" AND "APPENDIX F – MUNICIPAL BOND INSURANCE POLICY" HEREIN, NONE OF THE INFORMATION IN THIS OFFICIAL STATEMENT HAS BEEN SUPPLIED OR VERIFIED BY FINANCIAL SECURITY AND FINANCIAL SECURITY MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO (I) THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION; (II) THE VALIDITY OF THE SERIES 2007 BONDS; OR (III) THE TAX EXEMPT STATUS OF THE INTEREST ON THE SERIES 2007 BONDS.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2007 BONDS AT LEVELS ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THIS OFFICIAL STATEMENT IS NOT TO BE CONSTRUED AS A CONTRACT WITH THE PURCHASERS OF THE SERIES 2007 BONDS.

THE UNDERWRITER HAS INCLUDED 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.

THE REGENTS OF THE UNIVERSITY OF IDAHO

AND

THE STATE BOARD OF EDUCATION

Milford Terrell – President
Paul C. Agidius – Vice President
Sue Thilo – Secretary
Blake G. Hall
Roderic W. Lewis
Tom Luna
Laird Stone
Richard Westerberg

UNIVERSITY OFFICIALS

Timothy White – President
Douglas D. Baker – Provost
Lloyd Mues – Vice President for Finance and Administration and Bursar
John Tracy – Interim Vice President for Research, Graduate Studies and Outreach
Christopher D. Murray – Vice President for University Advancement
Kent E. Nelson – University Counsel

Finance and Administration
Administration Building, Room 213
Moscow, Idaho 83844-3166
(208) 885-6530

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OFFICIAL STATEMENT

\$ _____ *

THE REGENTS OF THE UNIVERSITY OF IDAHO
Adjustable Rate General Revenue Bonds

consisting of

\$ _____ *

Revenue Refunding Bonds, Series 2007A

\$ _____ *

Revenue Bonds, Series 2007B

INTRODUCTION

This Official Statement, which includes the front cover page and the Appendices hereto, provides certain information in connection with the offer and sale by the Regents of the University of Idaho (the "**Regents**") of their Adjustable Rate General Revenue Refunding Bonds, Series 2007A (the "**Series 2007A Bonds**") and Adjustable Rate General Revenue Bonds, Series 2007B (the "**Series 2007B Bonds**" and, together with the Series 2007A Bonds, the "**Series 2007 Bonds**"). The Series 2007 Bonds are being issued pursuant to the supplemental resolution (the "**2007 Supplemental Resolution**") adopted by the Regents on [October 11, 2007.] The Series 2007 Bonds are being issued as "Additional Bonds" under a bond resolution adopted November 22, 1991 (the "**Original Resolution**"). The Original Resolution, together with the 2007 Supplemental Resolution and previous supplemental resolutions amending, supplementing and restating the Original Resolution and authorizing the issuance of Additional Bonds, are referred to collectively herein as the "**Resolution**," and the Series 2007 Bonds together with all other bonds heretofore or hereafter issued under the Resolution are referred to collectively herein as the "**Bonds**." See "THE SERIES 2007 BONDS."

*This introduction is not a summary of this Official Statement. It is only a summary description of and guide to, and is qualified by, more complete and detailed information contained in, the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Series 2007 Bonds to potential investors is made only by means of the entire Official Statement. See **APPENDIX C** for definitions of certain words and terms used herein. See **APPENDIX D** for a summary of the Resolution.*

The Regents and the University of Idaho

A comprehensive land-grant institution, the University of Idaho (the "**University**") is the State's oldest institution of higher learning. Its main campus is located in Moscow, Idaho. With an enrollment of approximately 11,400 full and part-time students, the University has been charged with the primary responsibility in the State for advanced research and graduate education. The University was established in Moscow in 1889 by the Territorial Legislature, and provisions of the University's Charter as a territorial university are incorporated into the Idaho State Constitution. Policy direction of the University

* Preliminary, subject to change

is vested in the Regents of the University of Idaho (the "**Regents**"), whose members also serve as the Idaho State Board of Education. See "THE UNIVERSITY" and the audited financial statements of the University in **APPENDIX A** for financial and other information as to the University and the Regents.

Authority for Issuance

The Regents are 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 Regents are also authorized to issue refunding bonds pursuant to the Act and Title 57, chapter 5, Idaho Code. The Series 2007 Bonds are being issued pursuant to such statutory authorization and pursuant to the Resolution.

Purpose of the Series 2007 Bonds

The Series 2007 Bonds are being issued to provide funds to (i) advance refund certain Outstanding Bonds of the Regents as further described in "PLAN OF FINANCE – The Refunding Project" (collectively, the "**Refunded Bonds**"), (ii) fund certain capital improvements on the University campus in Moscow, Idaho (as further described herein, the "**Series 2007B Project**"), and (iii) pay costs of issuance associated with the Series 2007 Bonds. See "PLAN OF FINANCE." *[Note – The Debt Service Reserve Account for the Series 2007 Bonds will be funded with the Series 2007 Bonds proceeds if, prior to the issuance of the Series 2007 Bonds, consents to the amendments of certain existing covenants contained in the Resolution are not obtained from bond insurers insuring Outstanding Bonds which were issued prior to certain Series 2005A Bonds.]* See "SECURITY FOR THE SERIES 2007 BONDS – No Debt Service Reserve Fund" herein.

Terms of the Series 2007 Bonds

Denominations

During the Initial Term Rate Periods, the Series 2007 Bonds are issuable only as fully registered Bonds without coupons in denominations of \$5,000, and any integral multiples thereof. See "THE SERIES 2007 BONDS – General."

Interest Rates and Payments

The Series 2007 Bonds will initially bear interest at Term Interest Rates (as shown on the front cover page of this Official Statement) during the respective Initial Term Interest Rate Periods. The interest on each Series of the Series 2007 Bonds during the respective Initial Term Interest Rate Period will be payable on each April 1 and October 1, commencing April 1, 2008. Each Series of the Series 2007 Bonds shall be subject to mandatory tender for purchase on the last day of the respective Initial Term Interest Rate Period, and, upon mandatory tender, may be converted to a Weekly Interest Rate Period or another Term Interest Rate Period as more fully described herein. Payment of the purchase price for each Series of the Series 2007 Bonds tendered for purchase on such mandatory tender date and not remarketed will be supported by a standby bond purchase agreement provided by Dexia Credit Local, acting through its New York Branch (the "**Initial Liquidity Facility Provider**") with respect to such Series of the Series 2007 Bonds. See "THE SERIES 2007 BONDS – Interest Rate Periods," "– Payment of Interest" and "– Interest Rate Determination Methods." Principal of the Series 2007 Bonds of each Series is payable in the amounts and on the dates shown on the front cover hereof, subject to prior redemption or purchase.

Redemption and Tender

During the respective Initial Term Interest Rate Periods, the Series 2007 Bonds will not be subject to optional redemption. The Series 2007 Bonds of each Series will be subject to mandatory sinking fund redemption as described herein. The Series 2007 Bonds of each Series are also subject to mandatory tender for purchase prior to maturity on the last day of the respective Initial Term Interest Rate Period. See "THE SERIES 2007 BONDS – Mandatory Tender for Purchase" and "– Redemption Prior to Maturity."

Book-Entry System

The Depository Trust Company, New York, New York ("**DTC**") is acting as securities depository for the Series 2007 Bonds through its nominee, Cede & Co., to which principal and interest payments on the Series 2007 Bonds are to be made. One or more fully registered bonds in denominations in the aggregate equal to the principal amount per maturity of the Series 2007 Bonds will be registered in the name of Cede & Co. Individual purchases will be made in book-entry form only and purchasers of the Series 2007 Bonds will not receive physical delivery of bond certificates, all as more fully described herein. Upon receipt of payments of principal and interest, DTC is to remit such payments to the DTC Participants for subsequent disbursement to the beneficial owners of the Series 2007 Bonds. For a more complete description of the book-entry system, see "THE SERIES 2007 BONDS – Generally."

For a more complete description of the Series 2007 Bonds and the Resolution and other documents pursuant to which such Series 2007 Bonds are being issued, see "THE SERIES 2007 BONDS" and "APPENDIX D – SUMMARY OF THE RESOLUTION" hereto.

Payment and Security for the Series 2007 Bonds

In connection with issuance of the Regents' General Revenue Refunding Bonds, Series 2005A (the "**Series 2005A Bonds**"), the Regents began the process of creating a single bond system (the "**General Revenue Bond System**") pursuant to a supplemental resolution adopted in connection with the Series 2005A Bonds (the "**2005A Supplemental Resolution**") by combining the revenues previously pledged under the Original Resolution with the student fees and revenues it then pledged as security on a stand-alone basis to other bond systems and certain previously unpledged student fees and revenues. The Regents' strategy in creating the General Revenue Bond System was to enhance the security and source of payment for all of its bondholders, while increasing its financial flexibility, but still maintaining accountability for individual enterprises through internal financial policies. To facilitate the creation of the General Revenue Bond System, the Regents covenanted in the 2005A Supplemental Resolution that it would not issue bonds under its other existing bond systems. The Series 2007 Bonds are being issued as part of the General Revenue Bond System and under the Resolution. See "SECURITY FOR THE SERIES 2007 BONDS."

The Series 2007 Bonds are secured by the Pledged Revenues as defined in the Resolution (as further described herein, the "**Pledged Revenues**"). The lien of the Series 2007 Bonds on the Pledged Revenues is on a parity with certain Bonds (the "**Parity Bonds**") previously issued by the Regents under the Resolution which, following the issuance of the Series 2007 Bonds, will be Outstanding in the aggregate principal amount of \$54,770,000*. In connection with the creation of the General Revenue Bond System, the 2005A Supplemental Resolution amended the Resolution to add to the Pledged Revenues University revenues which were the subject of a prior pledge to the Regents' Activity Center

* Preliminary, subject to change.

Bonds and Recreation Center Bonds. See "SECURITY FOR THE SERIES 2007 BONDS – Pledged Revenues" for a definition of the Activity Center Bonds and Recreation Center Bonds. Therefore, the lien of the Series 2007 Bonds on certain of the Pledged Revenues is subordinate to this prior pledge until all Activity Center Bonds and Recreation Center Bonds are paid. See "SOURCES OF FUNDING FOR THE UNIVERSITY – Schedule of Outstanding Indebtedness" for the list of Outstanding Bonds as of June 30, 2007, including the Parity Bonds, Activity Center Bonds and Recreation Center Bonds. Under the Resolution, the University has covenanted to establish and collect in each Fiscal Year Pledged Revenues equal to not less than 100% of the Maximum Annual Debt Service on any Outstanding Bonds and any Additional Bonds that may hereafter be issued. See "SECURITY FOR THE SERIES 2007 BONDS."

The Regents have appointed Wells Fargo Bank, N.A., to serve as Trustee, bond registrar, authenticating agent, paying agent and transfer agent (the "**Trustee**") with respect to the Series 2007 Bonds.

Bond Insurance

Payment of the principal and interest on the Series 2007 Bonds when due will be insured by a municipal bond insurance policy (the "**Insurance Policy**" or the "**Policy**") to be issued by Financial Security Assurance Inc. (the "**Insurer**") simultaneously with the delivery of the Series 2007 Bonds. See "BOND INSURANCE." A specimen of the policy is included as **APPENDIX F** hereto.

Initial Liquidity Facility

The Regents are required to maintain a Liquidity Facility with respect to the Series 2007 Bonds that bear interest at a Weekly Interest Rate or a Term Interest Rate (unless it is fixed to maturity). Such Liquidity Facility is to provide for the payment of the purchase price of Series 2007 Bonds tendered for purchase pursuant to mandatory or optional tender provisions of the Resolution (the "**Tendered Series 2007 Bonds**") that are not remarketed by the Remarketing Agent. Upon delivery of the Series 2007 Bonds, the Regents will enter into a Standby Bond Purchase Agreement for each Series of the Series 2007 Bonds to establish a liquidity facility for each Series of the Series 2007 Bonds (collectively, the "**Initial Liquidity Facility**") with the Initial Liquidity Facility Provider. See "APPENDIX G-1 – CERTAIN TERMS OF THE INITIAL LIQUIDITY FACILITY" and "APPENDIX G-2 – THE INITIAL LIQUIDITY PROVIDER."

The Liquidity Facility is scheduled to termination on _____, unless extended or terminated earlier as described herein. Upon the occurrence of certain events, the obligation of the Initial Liquidity Provider to purchase Tendered Series 2007 Bonds may be terminated or suspended. Owners of the Series 2007 Bonds may have no opportunity to tender for purchase Tendered Series 2007 Bonds as a result of such termination, and sufficient funds may not be available to purchase such Tendered Series 2007 Bonds. The Initial Liquidity Facility does not provide security for the payment of principal, premium, if any, and interest with respect to the Series 2007 Bonds, and the funds drawn thereunder may not be used for such purposes.

Availability of Continuing Disclosure

Upon delivery of the Series 2007 Bonds, the Regents and the Trustee will enter into a Continuing Disclosure Agreement in which the Regents will agree, for the benefit of the owners of the Series 2007 Bonds, to file with each of the nationally recognized municipal securities information repositories such ongoing information regarding the University as described in "CONTINUING DISCLOSURE."

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change without notice.

This Official Statement and the Appendices hereto contain brief descriptions of, among other matters, the Regents, the University, the Series 2007 Bonds, the Refunded Bonds, the Series 2007B Project, the Resolution, the Continuing Disclosure Agreement, the Initial Liquidity Facility, the Policy and the security and sources of payment for the Series 2007 Bonds. Such descriptions and information do not purport to be comprehensive or definitive. The summaries of various constitutional provisions and statutes, such contracts, and other documents are intended as summaries only and are qualified in their entirety by reference to such laws and documents, and references herein to the Series 2007 Bonds are qualified in their entirety to the form thereof included in the Resolution. Copies of such contracts and other documents and information are available, upon request and upon payment to the Trustee of a charge for copying, mailing and handling, from the Trustee at 877 W. Main Street, 3rd Floor, MAC U1858-033, Boise, ID 83702, Attention: Corporate Trust, telephone: (208) 393-5491. During the period of offering of the Series 2007 Bonds copies of such documents are available, upon request and upon payment to George K. Baum & Company of a charge for copying, mailing and handling, from 717 17th Street, Suite 2500, Denver, CO 80202, telephone: (800) 722-1670.

FORWARD-LOOKING STATEMENTS

This Official Statement contains statements relating to future results that are "forward-looking statements." When used in this Official Statement, the words "estimate," "forecast," "intend," "expect," "project," "intend," "budget," "plan" and similar expressions identify forward-looking statements. Such forward-looking statements include, but are not limited to, certain statements contained in the information under the caption "PRO FORMA AND HISTORICAL PLEDGED REVENUES."

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE REGENTS DO NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

THE SERIES 2007 BONDS

This Official Statement provides certain information concerning the Series 2007 Bonds during the Initial Term Interest Rate Periods. Each Series of the Series 2007 Bonds will be subject to mandatory tender for purchase on the last day of the applicable Initial Term Interest Rate Period, and, upon mandatory tender, may be Converted to a Weekly Interest Rate Period or another Term Interest Rate Period. Holders and prospective purchasers of the Series 2007 Bonds should not rely on this Official Statement for information concerning the Series 2007 Bonds in connection with any Conversion of a Series of the Series 2007 Bonds to a different Interest Rate Period, but should look solely to the Official Statement or remarketing circular used in connection with any such Conversion.

General

General information describing the Series 2007 Bonds appears elsewhere in this Official Statement. That information should be read in conjunction with this summary, which is qualified in its entirety by reference to the Resolution and the form of Series 2007 Bond included in the 2007 Supplemental Resolution. See "APPENDIX D – SUMMARY OF THE RESOLUTION" hereto.

Each Series of the Series 2007 Bonds will initially be issued as fully registered bonds without coupons in denominations of \$5,000 or any integral multiple thereof. Each Series of the Series 2007 Bonds will be dated as of its delivery date, will bear interest initially at a Term Interest Rate for a Term Interest Rate Period (the "**Initial Term Interest Rate Periods**") and will mature, subject to prior redemption, as shown on the front cover of this Official Statement.

The Series 2007 Bonds, when issued, will be registered in the name of Cede & Co., as nominee for DTC. Payment of the principal of and interest on the Series 2007 Bonds will be made directly to DTC or its nominee, Cede & Co., by the Trustee. For a description of the method of payment of principal, premium, if any, and interest on the Series 2007 Bonds and matters pertaining to transfers and exchanges while registered in the name of Cede & Co., see "**APPENDIX E – DEPOSITORY TRUST COMPANY INFORMATION.**" **So long as the Series 2007 Bonds are registered in the name of Cede & Co., as nominee for DTC, notices or communications to Bondholders with respect to matters described under this caption "THE SERIES 2007 BONDS" will be delivered to DTC or its nominee as registered owner of such Series 2007 Bonds. DTC is responsible for notifying Participants, and Participants (and direct participants in DTC) are responsible for notifying Beneficial Owners of the Series 2007 Bonds. Neither the Trustee nor the Regents is responsible for sending notices to Beneficial Owners. See "APPENDIX E – DEPOSITORY TRUST COMPANY INFORMATION."**

Interest Rate Periods

The term of each Series of the Series 2007 Bonds will be divided into consecutive Interest Rate Periods, during which each Series of the Series 2007 Bonds will bear interest at a Weekly Interest Rate or a Term Interest Rate. The Series 2007 Bonds will initially bear interest at Term Interest Rates during the respective Initial Term Interest Rate Periods shown on the cover page hereof. Upon expiration of their respective Initial Term Interest Rate Periods, each Series of the Series 2007 Bonds will be subject to mandatory tender for purchase and may be Converted to a Weekly Interest Rate or a different Term Interest Rate Period at the Regent's discretion. **The Series 2007 Bonds may not be Converted to a Weekly Interest Rate or a different Term Interest Rate Period prior to the expiration of their respective Initial Term Interest Rate Periods.**

Payment of Interest

Each Series 2007 Bond will bear interest from and including the delivery date thereof until payment of the principal or redemption price thereof has been made or provided for on the due date thereof in accordance with the provisions of the Resolution, whether at maturity, upon redemption or acceleration or otherwise. Interest on Series 2007 Bonds with respect to the immediately preceding Interest Rate Period will be paid on each Payment Date, as explained below. During the Initial Term Interest Rate Period for a Series of the Series 2007 Bonds, the amount of interest payable on any Payment Date for such Series of the Series 2007 Bonds (a) is computed on the basis of a 360-day year of twelve 30-day months and (b) is the amount of interest accrued thereon from the preceding Payment Date (or other date as described in the Resolution) to, but excluding, the Payment Date on which interest is being paid.

During the Initial Term Interest Rate Periods, the Payment Date for the Series 2007 Bonds will be April 1 and October 1 and the day immediately succeeding the last day of the respective Initial Term Interest Rate Period, beginning April 1, 2008. If a Payment Date is not a Business Day at the place of payment, then payment will be made at that place on the next succeeding Business Day, with the same force and effect as if made on the Payment Date, and, in the case of such payment, no interest will accrue for the intervening period.

Payment of the interest on each Series 2007 Bond will be made to the person appearing on the Bond Register as the registered owner thereof as of the Record Date, such interest to be paid by the Trustee to such Bondholder (i) by check mailed by first class mail on the Payment Date, to such Bondholder's address as it appears on the Bond Register, or (ii) upon written request at least three Business Days prior to the Record Date of the Holder of all of the Outstanding Series 2007 Bonds or the Holder of Outstanding Series 2007 Bonds aggregating not less than \$1,000,000 in principal amount, by wire transfer in immediately available funds at an account maintained in the United States at such wire address as such Bondholder will specify in its written notice (any such written request will remain in effect until rescinded in writing by such Bondholder); except, in each case, that, if and to the extent that there is a default in the payment of the interest due on such Payment Date, such defaulted interest will be paid to the Bondholder in whose name any such Series 2007 Bonds are registered on the Bond Register at the close of business on a special record date to be fixed by the Trustee. Both the principal of and premium, if any, on the Series 2007 Bonds will be payable upon surrender thereof at the Principal Office of the Trustee.

Change of Interest Rate Determination Methods

The Regents may not convert a Series of the Series 2007 Bonds into a different Interest Rate Period prior to the expiration of the respective Initial Term Interest Rate Period. Following the expiration of the Initial Term Interest Rate Period, the Regents, by written direction to the Trustee and the Remarketing Agent, delivered at least thirty-five (35) days prior to the proposed Conversion Date, accompanied by the written consent of the Liquidity Facility Provider (unless the proposed Conversion is to an Interest Rate Period ending on the date immediately preceding the maturity date of such Series of the Series 2007 Bonds) and the Insurer and an Approving Opinion, may elect to Convert the Interest Rate Period for the related Series of the Series 2007 Bonds from a Term Interest Rate Period to a Weekly Interest Rate Period or a from one Term Interest Rate Period to another Term Interest Rate Period, and, upon such election, are required to determine the duration of any such new Term Interest Rate Period which shall be one of the periods specified in the definition "Term Interest Rate Period." Such direction is to specify (a) the Conversion Date to such new Interest Rate Period in accordance with the provisions of the Resolution and (b) if the new Interest Rate Period is a Term Interest Rate Period, the last day thereof. Notwithstanding anything else provided in the Resolution, unless a Series of the Series 2007 Bond is Converted to a Term Interest Rate Period expiring immediately prior to the final maturity date of such Series of the Series 2007 Bonds, the Regents may not Convert the Interest Rate Period on a Series of the Series 2007 Bonds to a Term Interest Rate Period unless the Liquidity Facility then in effect with respect to such Series of the Series 2007 Bonds has been modified, if necessary, to provide interest coverage sufficient to provide for all interest to accrue on such Series of the Series 2007 Bonds as of each Payment Date during and immediately succeeding such Term Interest Rate Period plus ten (10) additional days at the Term Interest Rate for such Term Interest Rate Period.

Notice of Change in Interest Rate Determination Method

Except for an automatic Conversion to a Weekly Interest Rate Period or a Term Interest Rate Period pursuant to the Resolution, as to which no notice will be required, the Trustee is to give notice by first class mail of a Conversion of a Series of the Series 2007 Bonds to a Weekly Interest Rate Period or

to a Term Interest Rate Period, as applicable, to the Bondholders, the Liquidity Facility Provider, the Remarketing Agent and the Regents not less than thirty (30) days prior to the Conversion Date for such Weekly Interest Rate Period. Such notice is required to state (1) that the Interest Rate Period on a Series of the Series 2007 Bonds will be Converted to a Weekly Interest Rate Period or to a Term Interest Rate Period, as applicable, (2) the Conversion Date to such Weekly Interest Rate Period or to a Term Interest Rate Period, as applicable, and, with respect to a Term Interest Rate Period, the final date thereof, (3) the day by which the initial Weekly Interest Rate for such Weekly Interest Rate Period will be determined and the manner by which the Weekly Interest Rates for such Weekly Interest Rate Period may be obtained, (4) the Payment Dates with respect to such Weekly Interest Rate Period or Term Interest Rate Period, as applicable, (5) that a Series of the Series 2007 Bonds will be purchased on such Conversion Date pursuant to the Resolution, (6) the procedures for such purchase as provided in (5) above, (7) the redemption provisions that will pertain to such Series of the Series 2007 Bonds during such Weekly Interest Rate Period or Term Interest Rate Period, as applicable, (8) the ratings which are expected to be assigned to such Series of the Series 2007 Bonds upon such Conversion, (9) with respect to a Conversion to a Weekly Interest Rate Period, that, subsequent to the Conversion Date, the Bondholders will have the right to demand purchase of such Series of the Series 2007 Bonds upon not less than seven days' notice and the procedures for a demand for purchase, and (10) with respect to a Conversion to a Term Interest Rate Period, the day by which the Term Interest Rate for such Term Interest Rate Period will be determined and whether a Liquidity Facility will be in effect with respect to such Series of the Series 2007 Bonds upon such Conversion to a Term Interest Rate Period and, if so, identifying such Liquidity Facility.

Failure to Convert to a Different Interest Rate Period

Notwithstanding anything in the Resolution to the contrary, if the conditions to Convert a Series of the Series 2007 Bonds to a Weekly Interest Rate Period contained in the Resolution or to Convert a Series of the Series 2007 Bonds from one Term Interest Rate Period to another Term Interest Rate Period contained in the Resolution are not satisfied, then the Interest Rate Period that will commence on the mandatory purchase of such Series of the Series 2007 Bonds on the Conversion Date specified in the notice of Conversion delivered to Bondholders pursuant to the Resolution, will automatically and without further action under the Resolution, be in a Weekly Interest Rate Period and the Remarketing Agent will determine the interest rate to apply to such Series of the Series 2007 Bonds commencing on such Conversion Date.

Notwithstanding anything in the Resolution to the contrary, if an Event of Default has occurred and is continuing, the interest rate on the Series 2007 Bonds will be the rate on the Series 2007 Bonds on the day prior to the occurrence of such Event of Default.

Mandatory Tender for Purchase

A Series of the Series 2007 Bonds will be subject to mandatory tender for purchase at the applicable Purchase Price, payable from the sources specified in the Resolution in immediately available funds, on April 1, 2011 (in the case of the Series 2007A Bonds), on April 1, 2018 (in the case of the Series 2007B Bonds), and upon the occurrence of any of the events listed below:

- (i) on the effective date of any new Interest Rate Period for such Series of the Series 2007 Bonds;
- (ii) on the effective date of an Alternate Liquidity Facility for such Series of Series 2007 Bonds pursuant to the Resolution;

(iii) in the event that the Liquidity Facility with respect to a Series of Series 2007 Bonds then in effect is not renewed, or an Alternate Liquidity Facility is not delivered to the Trustee, on the first Business Day which is at least five calendar days preceding the expiration date of the Liquidity Facility then in effect; or

(iv) on the date which is the fifth (5th) calendar day, or the first Business Day thereafter if such day is not a Business Day, following receipt by the Trustee of a notice from the Liquidity Facility Provider providing the Liquidity Facility then in effect with respect to a Series of the Series 2007 Bonds to the effect that an event of default or termination has occurred and is continuing under the Liquidity Facility and the Liquidity Facility will terminate after a given number of days from said notice.

The Trustee is to give Notice by Mail to the Holders of the Series 2007 Bonds subject to mandatory tender for purchase as described in subparagraph (i) above, not later than the 30th day prior to the date on which such Series 2007 Bonds are subject to such mandatory tender, which notice is required to be in the form of the notice required by the Resolution for Conversion to a new Interest Rate Period. See "Notice of Change in Interest Rate Determination Method" herein.

If the Trustee has received a copy of a commitment to issue an Alternate Liquidity Facility, the Trustee is to give Notice by Mail to the Holders, not later than the 15th day prior to the date on which such Series of the Series 2007 Bonds are subject to mandatory tender as a result of the occurrence of any event described in subparagraph (ii) above, which notice is required to state the expected effective date of such Alternate Liquidity Facility and that such Series of the Series 2007 Bonds will be subject to mandatory tender for purchase on the date specified in such notice, in accordance with the Resolution.

The Trustee is to give Notice by Mail to the Holders of a Series of the Series 2007 Bonds, not later than the fifteenth (15th) day prior to the date on which such Series 2007 Bonds are subject to mandatory tender as a result of the occurrence of any event described in subparagraph (iii) above, which notice is required to state that the Liquidity Facility then in effect with respect to such Series 2007 Bonds has not been renewed and an Alternate Liquidity Facility has not been delivered to the Trustee and that such Series 2007 Bonds are subject to mandatory tender for purchase in accordance with the Resolution on the date determined in accordance therewith, which date is to be specified in such notice.

The Trustee is to give Notice by Mail to the Holders of a Series of the Series 2007 Bonds, not later than two (2) Business Days following receipt of the notice from a Liquidity Facility Provider described in subparagraph (iv) above, which notice shall state: (i) that the Trustee has received a notice from the Liquidity Provider that an event of default or termination has occurred and is continuing under the Liquidity Facility and the Liquidity Facility will terminate after a given number of days from said notice, and (ii) that such Series 2007 Bonds are subject to mandatory tender for purchase in accordance with the Resolution, on the date determined in accordance therewith, which date is to be specified in such notice.

Upon the giving of notice to Bondholders of the mandatory tender of the Series 2007 Bonds for purchase, a Series of the Series 2007 Bonds will be subject to mandatory tender for purchase notwithstanding that the events described in such notice have not occurred on the Purchase Date specified in such notice, including the failure to change the Interest Rate Period for such Series 2007 Bonds, the failure of an Alternate Liquidity Facility to go into effect or the renewal of the existing Liquidity Facility for such Series 2007 Bonds, or the curing of any event of default or termination under the Liquidity Facility.

Delivery of Series 2007 Bonds; Payment of Purchase Price; Series 2007 Bonds Deemed Purchased

With respect to any Book-Entry Bond, delivery of such Series 2007 Bond to the Trustee in connection with any mandatory tender shall be effected by the making of, or the irrevocable authorization to make, appropriate entries on the books of DTC or any DTC Participant to reflect the transfer of the beneficial ownership interest in such Series 2007 Bond to the account of the Trustee, or to the account of a DTC Participant acting on behalf of the Trustee. With respect to any Series 2007 Bond which is not a Book-Entry Bond, delivery of such Series 2007 Bond to the Trustee in connection any mandatory tender shall be effected by physical delivery of such Series 2007 Bond to the Trustee at its Principal Office, by 1:00 p.m. (New York City time) on the Purchase Date, accompanied by documents described in the Resolution.

If the Series 2007 Bonds are not Book-Entry Bonds, a principal amount of Series 2007 Bonds equal to the amount of Series 2007 Bonds successfully remarketed by the Remarketing Agent shall be delivered by the Trustee to such persons as shall be designated by the Remarketing Agent. Such Series 2007 Bonds shall be held available at the Principal Office of the Trustee and shall be picked up by the Remarketing Agent at or after 1:00 p.m. (New York City time) on the Purchase Date against delivery of funds for deposit into the respective Remarketing Account of the Bond Purchase Funds equal to the Purchase Price of such Series 2007 Bonds that have been remarketed. If the Series 2007 Bonds are Book-Entry Bonds, transfer of ownership of the remarketed Series 2007 Bonds shall be effected in accordance with the procedures of DTC and the DTC Participants for the delivery of funds for deposit into the respective Remarketing Account of the Bond Purchase Funds equal to the Purchase Price of such Series 2007 Bonds that have been remarketed.

Series 2007 Bonds purchased with funds in the respective Liquidity Facility Purchase Account of the Bond Purchase Funds shall be delivered and held in accordance with the provisions described under "Liquidity Facility Provider Bonds" below. Such Series 2007 Bonds shall be held available for the registration of transfer and delivery by the Trustee in accordance with such provisions or in such manner as may otherwise be agreed between the Trustee and such Liquidity Facility Provider.

The Trustee is required, as to any Series 2007 Bonds which have not been delivered to it as described above, to (i) notify the Remarketing Agent in writing of such nondelivery and (ii) place a stop transfer against an appropriate amount of Series 2007 Bonds registered in the name of the Holder of such Series 2007 Bonds on the Bond Register. The Trustee is required to place and maintain such stop transfer commencing with the lowest serial number Series 2007 Bond registered in the name of such Holder until stop transfers have been placed against an appropriate amount of Series 2007 Bonds and until the appropriate Series 2007 Bonds are delivered to the Trustee.

The Purchase Price of Series 2007 Bonds to be purchased upon mandatory tender as described herein is to be paid by the Trustee from moneys on deposit in the applicable account of the Bond Purchase Fund at or before 4:00 p.m. (New York City time) on the Purchase Date upon surrender to the Trustee of the tendered Series 2007 Bonds. **Payment of the Purchase Price of Series 2007 Bonds and transfer of beneficial ownership while the Series 2007 Bonds are held under a book-entry system shall be undertaken in accordance with the provisions described in "APPENDIX E – DEPOSITORY TRUST COMPANY INFORMATION."**

If moneys sufficient to pay the Purchase Price of Series 2007 Bonds to be purchased are held by the Trustee on the date such Series 2007 Bonds are to be purchased, such Series 2007 Bonds shall be deemed to have been purchased for all purposes of the Resolution, irrespective of whether or not such Series 2007 Bonds shall have been delivered to the Trustee or transferred on the books of DTC, and neither the former Holder nor the former Beneficial Owner of such Series 2007 Bonds shall have any

claim thereon, under the Resolution or otherwise, for any amount other than the Purchase Price thereof. In the event of non-delivery of any Series 2007 Bonds to be purchased pursuant to mandatory or optional tender, the Trustee is to segregate and hold uninvested the moneys for the Purchase Price of such Series 2007 Bonds in trust, without liability for interest thereon, for the benefit of the former Holders of such Series 2007 Bonds, who shall, except as provided in the following sentence, thereafter be restricted exclusively to such moneys for the satisfaction of any claim for the Purchase Price of such Series 2007 Bonds. Any moneys which the Trustee shall segregate and hold in trust for the payment of the Purchase Price any Series 2007 Bond and remaining unclaimed for four (4) years after the applicable Purchase Date shall, to the extent permitted by law, be paid, upon written request of the Regents, to the Regents. After the payment of such unclaimed moneys to the Regents, the former Holder of such Series 2007 Bond shall look only to the Regents for the payment thereof.

Remarketing of Purchased Bonds

Not later than 9:30 a.m. (New York City time) on each Purchase Date occurring pursuant to the Resolution, the Trustee is to give notice by telephone to the Remarketing Agent specifying the principal amount of all Outstanding Series 2007 Bonds which are subject to mandatory tender on such Purchase Date pursuant to the Resolution (the "**Mandatory Tender Bonds**") and the names of the Holder or Holders thereof. The Remarketing Agent is to thereupon offer for sale at par and use its best efforts to find purchasers for such Mandatory Tender Bonds, other than Liquidity Facility Provider Bonds, which are to be remarketed as described in "Liquidity Facility Provider Bonds" below; provided however, that the Remarketing Agent shall not remarket Mandatory Tender Bonds purchased pursuant to paragraphs (iii) and (iv) of the Section titled "Mandatory Tender for Purchase" until the Liquidity Facility is reinstated or an Alternate Liquidity Facility is provided and in place.

Not later than 11:00 a.m. (New York City time) on the Business Day immediately preceding each Purchase Date described in the immediately preceding paragraph, the Trustee is to give notice by telephone to the Remarketing Agent of the accrued amount of the interest payable as of the Purchase Date specified in such notice from the Trustee on, and confirming the aggregate principal amount of, the Mandatory Tender Bonds.

Not later than 10:30 a.m. (New York City time) on each Purchase Date with respect to Mandatory Tender Bonds, the Remarketing Agent is to give Electronic Notice (promptly confirmed in writing) to the Regents, the Liquidity Facility Provider, and the Trustee of the amount of remarketing proceeds that the Remarketing Agent has received and the principal amount of Mandatory Tender Bonds which have not been remarketed in accordance with the Remarketing Agreement.

If the Trustee does not possess sufficient remarketing proceeds to purchase all the Mandatory Tender Bonds to be purchased on such Purchase Date, the Trustee is to demand payment under the Liquidity Facility then in effect with respect to the Mandatory Tender Bonds prior to 11:00 a.m. (New York City time) on such Purchase Date so as to provide by 3:30 p.m. (New York City time) on such Purchase Date an amount sufficient, together with the remarketing proceeds to be available for such purchase, calculated solely on the basis of the notice given by the Remarketing Agent pursuant to the immediately preceding paragraph, to pay the Purchase Price of the Mandatory Tender Bonds. The Trustee is to immediately after such demand for payment give notice to the Regents of the amount, if any, of such demand.

Neither the Regents, the Trustee nor the 2007 Insurer shall have any obligation to purchase tendered Series 2007 Bonds that cannot be remarketed. A failure to remarket or purchase tendered Series 2007 Bonds is not an Event Default under the Resolution. The Pledged Revenues are not pledged to secure the Purchase Price. Payment of the Purchase Price for each Series of the

Series 2007 Bonds tendered for purchase and not remarketed will be supported by the related Initial Liquidity Facility. Upon the occurrence of certain events, the obligation of the Initial Liquidity Facility Provider to pay the purchase price may be terminated or suspended. Owners of the Series 2007 Bonds may have no opportunity to tender for purchase the Series 2007 Bonds as a result of such termination. The Initial Liquidity Facility does not provide security for the payment of principal, premium, if any, and interest with respect to the Series 2007 Bonds, and the funds drawn thereunder may not be used for such purposes.

[Tendered Series 2007 Bonds that are not remarketed or purchased shall bear interest at the Bond Buyer Seven Day General Market Index (Non-AMT) plus 25 basis points or another rate acceptable the 2007 Insurer.]

Limitation on Remarketing

If a Liquidity Facility is in effect with respect to a Series of the Series 2007 Bonds, the Remarketing Agent will not remarket any tendered Series 2007 Bonds to the Regents or the University. Liquidity Facility Provider Bonds shall bear interest which shall be computed and be payable as set forth in the applicable Liquidity Facility [and such interest rate may exceed the Maximum Interest Rate]. Furthermore, no tendered Series 2007 Bonds shall be remarketed if no Liquidity Facility is current and in place.

Liquidity Facility Provider Bonds

Any Series 2007 Bonds purchased with payments made under a Liquidity Facility pursuant to the Resolution are to be registered in the name of, or as otherwise directed by, the Liquidity Facility Provider and delivered to, or upon the order of, or as otherwise directed by, the Liquidity Facility Provider; provided, that if such Series 2007 Bonds are Book-Entry Bonds, the Trustee is to immediately, upon making any demand for payment on a Liquidity Facility pursuant to the Resolution, direct DTC to cause any Series 2007 Bonds purchased with the proceeds of such demand to be transferred to such account at DTC as directed by the Liquidity Facility Provider, and such Series 2007 Bonds will be held in the name of or for the account of, the Liquidity Facility Provider or as may be directed by the Liquidity Facility Provider.

Unless otherwise provided in the Liquidity Facility, Liquidity Facility Provider Bonds are be remarketed by the Remarketing Agent prior to any other Series 2007 Bonds tendered for purchase under the Resolution, and are to be remarketed at par in accordance with the terms of the Remarketing Agreement. Upon (i) receipt by the Trustee of written notification from a Liquidity Facility Provider that its Liquidity Facility has been fully reinstated with respect to principal and interest and (ii) release by such Liquidity Facility Provider of any Liquidity Facility Provider Bonds which the Remarketing Agent has remarketed, such Series 2007 Bonds will be made available to the purchasers thereof and will no longer constitute Liquidity Facility Provider Bonds for purposes of the Resolution. The proceeds of any remarketing of Liquidity Facility Provider Bonds is to be paid to the Liquidity Facility Provider by the Trustee on such remarketing date in immediately available funds.

Notwithstanding anything to the contrary in the Resolution or in the Series 2007 Bonds, all obligations of the Regents under or in connection with any Liquidity Facility (including, without limitation, reimbursement obligations of the Regents to any participating Liquidity Facility Provider with respect to a Liquidity Facility and any Liquidity Facility Provider Bonds) will be governed by the terms of such Liquidity Facility.

Remarketing Agent

George K. Baum & Company has been appointed as the initial Remarketing Agent with respect to the Series 2007 Bonds. The Remarketing Agent's duties with respect to the remarketing of the Series 2007 Bonds upon tender thereof are described in the Resolution and a Remarketing Agreement between the Regents and the Remarketing Agent.

Redemption Prior to Maturity*Optional Redemption*

The Series 2007 Bonds are **not** subject to redemption at the option of the Regents during the respective Initial Term Interest Rate Periods. See "Optional Redemption" in "APPENDIX D – SUMMARY OF THE RESOLUTION" hereto.

Mandatory Sinking Fund Redemption

The Series 2007A Bonds are subject to mandatory sinking fund redemption in part by lot, on April 1, 20__, and on each April 1 thereafter until and including April 1, 2011, pursuant to the provisions of the Resolution, at 100% of the principal amount thereof, plus interest accrued to the redemption date, from mandatory sinking fund payments which are required to be made as set forth below:

Redemption Date
(April 1)

Principal Amount*

\$

* Preliminary, subject to change

Upon redemption of any Series 2007A Bonds, 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 2007A Bonds, in such order of mandatory sinking fund date as shall be directed by the Regents.

The Series 2007B Bonds are subject to mandatory sinking fund redemption in part by lot, on April 1, 20__ and on each April 1 thereafter until and including April 1, 2018 pursuant to the provisions of the Resolution, at 100% of the principal amount thereof, plus interest accrued to the redemption date, from mandatory sinking fund payments which are required to be made as set forth below:

Redemption Date
(April 1)

Principal Amount*

\$

* Preliminary, subject to change

Upon redemption of any Series 2007B Bonds, 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 2007B Bonds in such order of mandatory sinking fund date as shall be directed by the Regents.

Selection of Bonds for Redemption

The principal amount of Series 2007 Bonds to be redeemed shall be as specified by the Regents. Whenever provision is made in the Resolution for the redemption of less than all of the Series 2007 Bonds of a Series, the Trustee is to select the Series 2007 Bonds of such Series or any given portion thereof to be redeemed, first from the Outstanding Liquidity Facility Provider Bonds, if any, or such portion thereof not previously called for redemption, by lot in such manner as it may determine, and then from the other Outstanding Series 2007 Bonds of such Series not previously call for redemption, by lot in such manner as it may determine. For the purpose of any such selection the Trustee is to assign a separate number for each minimum Authorized Denomination of each Series 2007 Bond of such Series of a denomination of more than such minimum, provided that following any such selection, the portion of the such Series 2007 Bond to remain Outstanding shall be in an Authorized Denomination. The Trustee is to promptly notify the Regents in writing of the number of the Series 2007 Bonds so selected for redemption. Notwithstanding the foregoing, if less than all of the Series 2007 Bonds of a Series are to be redeemed at any time while the Series 2007 Bonds of such Series are Book-Entry Bonds, selection of the Series 2007 Bonds of such Series to be redeemed after Liquidity Facility Provider Bonds have been redeemed will be made in accordance with customary practices of DTC or any other applicable Securities Depository, as the case may be.

Notice of Redemption

Unless waived by any Holder of the Series 2007 Bonds, the Trustee, for and on behalf of the Regents, shall give notice of the redemption of any Series 2007 Bond pursuant to the terms of the Resolution, including the following: by first class mail, postage prepaid, not less than thirty-five (35) days (fifteen (15) days during the Weekly Interest Rate Period or Term Interest Rate Period of less than one year) nor more than sixty (60) days prior to the redemption date to (i) the registered owner of such Series 2007 Bond at the address shown on the Bond Register on the date such notice is mailed; (ii) the Liquidity Facility Provider, if any; (iii) one or more Information Services; and (iv) the Remarketing Agent, if any. Notice of redemption to the Information Services shall be given by facsimile confirmed by first class mail or in such other manner as is acceptable to such institutions. Each notice of redemption shall state the date of such notice, the Issue Date, the redemption date, the redemption price, the place of redemption

(including the name and appropriate address or addresses of the Trustee) and, if less than all of the Series 2007 Bonds are to be redeemed, the distinctive certificate numbers of the Series 2007 Bonds to be redeemed and, in the case of Series 2007 Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that the interest on the Series 2007 Bonds designated for redemption shall cease to accrue from and after such redemption date and that on said date there will become due and payable on each of said Series 2007 Bonds the principal amount thereof to be redeemed, interest accrued thereon, if any, to the redemption date and the premium, if any, thereon (such premium to be specified) and shall require that such Series 2007 Bonds be then surrendered at the address or addresses of the Trustee specified in the redemption notice. Notwithstanding the foregoing, failure by the Trustee to give notice pursuant to this paragraph to the Liquidity Facility Provider or the Remarketing Agent or any one or more of the Information Services or the insufficiency of any such notices shall not affect the sufficiency of the proceedings for redemption. Failure to mail the notices required by this paragraph to any Holder of any Series 2007 Bonds designated for redemption, or any defect in any notice so mailed and will not affect the validity of the proceedings for redemption of any other Series 2007 Bonds.

With respect to any notice of optional redemption of Series 2007 Bonds by the Regents, unless at the time of giving such notice the Trustee shall hold moneys sufficient to pay the principal of, premium, if any, and interest to the redemption date on the Series 2007 Bonds to be redeemed, such notice is required to state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of funds sufficient to pay the principal of, and premium, if any, and interest on, such Series 2007 Bonds to be redeemed, and that if such funds shall not have been so received said notice shall be of no force and effect, such Series 2007 Bonds shall not be subject to redemption on such date and such Series 2007 Bonds shall not be required to be redeemed on such date. In the event that such notice of redemption contains such a condition and such funds are not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, to the persons and in the manner in which the notice of redemption was given, that such funds were not so received.

Effect of Redemption

If notice of redemption has been duly given as provided in the Resolution, and moneys for payment of the redemption price of, together with interest accrued to the redemption date on, the Series 2007 Bonds (or portions thereof) so called for redemption are held by the Trustee on the redemption date designated in such notice, the Series 2007 Bonds (or portions thereof) so called for redemption will become due and payable at the redemption price specified in such notice and interest accrued thereon to the redemption date, interest on the Series 2007 Bonds so called for redemption will cease to accrue from and after the redemption date, said Series 2007 Bonds (or portions thereof) will cease to be entitled to any benefit or security under the Resolution, and the Holders of said Series 2007 Bonds will have no rights in respect thereof except to receive payment of said redemption price and accrued interest to the redemption date.

SECURITY FOR THE SERIES 2007 BONDS

Pledged Revenues

In connection with the creation of the General Revenue Bond System, the 2005A Supplemental Resolution amended the Resolution to add additional University revenues to Pledged Revenues and provided that all Bonds issued under the Resolution be designated as "General Revenue Bonds." The 2005A Supplemental Resolution changed the debt service coverage ratios required to be maintained annually and for the issuance of Additional Bonds. The 2005A Supplemental Resolution also made other changes to the Resolution in light of the transition to the General Revenue Bond System as reflected in

"APPENDIX D – SUMMARY OF THE RESOLUTION." To effect the Regents' conversion of its then-existing bond system to the General Revenue Bond System in which all the Series 2005A Bonds and all future Additional Bonds (including the Series 2007 Bonds) would be issued, the Regents covenanted in the 2005A Supplemental Resolution not to issue any additional bonds under the Activity Center Resolution or the Recreation Center Resolution (both as defined below). In conjunction with the additions to Pledged Revenues, the Regents changed the definitions of the components of Pledged Revenues to match the descriptions of revenue categories in the University's audited financial statements.

The Pledged Revenues which now secure the Series 2007 Bonds and the other Outstanding and future Bonds issued under the Resolution include the following student fees and other revenue sources. The pledge of certain such Pledged Revenues to the Bonds is subordinate to the pledge of such revenues to Outstanding Bonds of the Regents as indicated below. Pledged Revenues are shown on a pro forma basis for the Fiscal Years 2003 through 2005 (which include those revenues not pledged in such Fiscal Years) and on a historical basis for Fiscal Years 2006 and 2007 under "PRO FORMA AND HISTORICAL PLEDGED REVENUES."

- *Student Fees* (as further described in "Student Fees" below), except that the pledge of the Recreation Center Fee is junior and subordinate to the pledge of such fee under the resolution (the "**Recreation Center Resolution**") pursuant to which the Regents issued their Student Fee Revenue Bonds (Recreation Center Project), Series 1999 (the "**Recreation Center Bonds**"), for so long as any Recreation Center Bonds are Outstanding and the pledge of the Activity Center Complex Fee to pay the Bonds is junior and subordinate to the pledge of such fee under the resolution (the "**Activity Center Resolution**") pursuant to which the Regents issued their Student Fee Refunding Revenue Bonds, Series 1996, their Student Fee Revenue Bonds (University Commons Project), Series 1997, their Student Fee Revenue Bonds (University Commons Supplemental Project), Series 1997 (collectively, the "**Activity Center Bonds**"), for so long as any Activity Center Bonds are Outstanding.
- *Sales and Services Revenues* (as further described in "Sales and Services Revenues" below), except that the pledge of such revenues to pay the Bonds is junior and subordinate to the pledge of the portion of Sales and Service Revenues which consists of the net revenues from the University's non-residential food service facilities (the "**Non-Residential Food Service System**") and net revenues from the University's bookstore, previously pledged under the Activity Center Resolution for so long as any Activity Center Bonds are Outstanding.
- Revenues received by the University as reimbursement for facility and administrative costs in conjunction with grants and contracts for research activities conducted by the University (as further discussed under "Facilities and Administrative Recovery Revenues" below, the "**F&A Recovery Revenues**").
- Various revenues generated from miscellaneous sources, including fines and lease/rental revenues (as further discussed in "Other Operating Revenues" below, the "**Other Operating Revenues**").
- *Investment Income* under the Resolution, except that the pledge of such income is junior and subordinate to the pledge of the portion of Investment Income previously pledged under the Recreation Center Resolution and Activity Center Resolution for so long as any Activity Center Bonds and Recreation Center Bonds are Outstanding.

- Proceeds from the sale of a Series of Bonds and moneys and investment earnings thereon, to the extent pledged by the University pursuant to a supplemental resolution.
- Such other revenues as the Regents shall designate as Pledged Revenues.

The following funds and revenues of the University have not been pledged to payment of debt service on the Series 2007 Bonds or other Bonds as part of the Pledged Revenues:

- general account appropriated funds of the State of Idaho (the "**State**"), which by law cannot be pledged; and
- restricted gift and grant revenues, including land grant endowments received pursuant to the University's land grant status.

See "SOURCES OF FUNDING FOR THE UNIVERSITY" and "APPENDIX A – FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE YEARS ENDED JUNE 30, 2006 AND JUNE 30, 2005."

The revenues pledged to the Activity Center Bonds and the Recreation Center Bonds (as described above) are pledged to the Bonds on a subordinate basis until the retirement of the Activity Center Bonds and the Recreation Center Bonds, respectively. Upon their retirement, such revenues will become pledged on a first lien basis to the Bonds. See "APPENDIX D – SUMMARY OF THE RESOLUTION" herein for a description of the change in the definition of Pledged Revenues when the Activity Center Bonds and Recreation Center Bonds are retired.

The Series 2007 Bonds are limited obligations of the Regents 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 Regents to the extent herein described. The Regents are not authorized to levy or collect any taxes or assessments other than the fees described herein to pay the Series 2007 Bonds. The Regents have no taxing power.

Student Fees

Under the Idaho Constitution, the Regents cannot charge tuition for Idaho residents attending the University as undergraduate students. However, the Regents have the ability to establish and collect tuition charges for non-resident, graduate and professional students attending the University and to establish and collect student fees from both resident and non-resident students.

The Regents are exclusively empowered to establish student fees and non-resident, graduate and professional tuition. Student fees and tuition charges are not subject to a referendum by students or approval by any other governmental entity. The Regents have 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 Regents. The Regents' established policy is to announce and conduct a public hearing on the modification of any fees, which has traditionally occurred annually, with fee adjustments effective for the subsequent fall term each year. The Regents increased fees by 5% at the June 2007 Regents' meeting, which increase became effective in the Fall of 2008. There is no prohibition, however, which would preclude the Regents from adjusting fees (for collection beginning with the next academic year) at any time.

Student Fees include the Matriculation Fee, the Activity Fees, the Facility Fees, the Technology Fees and Other Fees/Tuition, as further described below. For the Fiscal Year ended June 30, 2007, the

total Student Fees per semester assessed against full-time undergraduate students who were Idaho residents were \$2,100. For the Fiscal Year ending June 30, 2008, total Student Fees per semester being assessed against full-time undergraduate students who are Idaho residents are \$2,025. See "APPENDIX B – SCHEDULE OF STUDENT FEES" for a listing of all Student Fees being assessed for Fiscal Year 2008.

The Matriculation Fee – The Matriculation Fee is charged to all full-time students attending the University. For purposes of the pledge of Pledged Revenues in the Resolution and for purposes of reference in this Official Statement, "Matriculation Fee" includes the related general education fees for part-time students and summer students even though such fees are identified by the Regents separately from the Matriculation Fee. The Matriculation Fee is used to provide general operating revenues for University maintenance and operation of physical plant, student services and institutional support. The revenues derived from the Matriculation Fee for the Fiscal Years ended June 30, 2005, June 30, 2006 and June 30, 2007 (unaudited) were \$21,003,045, \$22,777,016 and \$22,974,576, respectively.

Activity Fees – The University charges a wide variety of fees to support various programs and activities. See "APPENDIX B – SCHEDULE OF STUDENT FEES" for a listing of all Activity Fees to be assessed for Fiscal Year 2008. The revenues derived from Activity Fees for the Fiscal Years ended June 30, 2005, June 30, 2006 and June 30, 2007 (unaudited) were \$11,608,223, \$12,791,973 and \$13,781,497, respectively.

Facility Fees – The University charges a number of fees to support various services it provides, including housing and recreation. Currently, the University is assessing four such "Facility Fees" including the Student Building Fee, the Residential Campus Development Fee, the Recreation Center Fee, and the Activity Center Complex Fee. The Recreation Center Fee and the Activity Center Complex Fee is pledged on a subordinate basis until the retirement of the Recreation Center Bonds and the Activity Center Bonds, respectively. The revenues derived from the Facility Fees for the Fiscal Years ended June 30, 2005, June 30, 2006 and June 30, 2007 (unaudited) were \$5,677,788, \$5,461,808 and \$5,437,955, respectively.

Technology Fees – The University currently charges one Technology Fee, the Student Computing and Network Access Fee, to support the University's technological needs. For the Fiscal Years ended June 30, 2005, June 30, 2006 and June 30, 2007 (unaudited) the revenues derived from the Technology Fee were \$1,334,905, \$1,348,218 and \$1,303,720, respectively.

Other Fees/Tuition – The University's Other Fees/Tuition currently include the Graduate/Professional Fee, the Law College Dedicated Fee, the Architecture School Dedicated Fee, Non-Resident Tuition, the Inservice Teacher Education Fee and the Western Undergraduate Exchange Fee. The revenues derived from the Other Fees/Tuition for the Fiscal Years ended June 30, 2005, June 30, 2006 and June 30, 2007 (unaudited) were \$8,406,026, \$9,597,782 and \$11,935,290, respectively.

Sales and Services Revenues

Sales and Services Revenues include revenues generated through operations of auxiliary enterprises and revenues generated incidentally to the conduct of instruction, research and public service activities. The majority of these revenues are generated through auxiliaries including the Housing System; the Parking System; the Non-Residential Food Service System; bookstore sales; ticket and event sales; recreation center activity charges; and other miscellaneous operations. See "THE UNIVERSITY" for a description of the University's primary revenue generating facilities. Examples of revenues generated incidentally to education are unrestricted revenues generated by the University's testing and training services, labs, sales of scientific materials, sales of miscellaneous services or products, and sales of

agriculture and forest products and publications. Sales and Services Revenues for the Fiscal Years ended June 30, 2005, June 30, 2006 and June 30, 2007 (unaudited) were \$35,160,294, \$39,998,851 and \$38,730,670, respectively. Prior to issuance of the Series 2005A Bonds, the only portion of Sales and Services Revenues that contributed to Pledged Revenues were the net revenues of the Housing System and the Parking System. The 2005A Supplemental Resolution extended the pledge to gross revenues of the Housing System and Parking System, and also pledged the portion of Sales and Service Revenues previously pledged to secure the Activity Center Bonds, including net revenues from the Non-Residential Food Service System and net revenues from the University's bookstore, to the Bonds on a subordinate basis until retirement of the Activity Center Bonds and Recreation Center Bonds.

Facilities and Administrative Recovery Revenues

Federal, state, and private funds provided to institutions for scientific research consist of two components. The first component is restricted for use by the institution to pay the direct costs of conducting research, such as the salaries for scientists and materials and labor used to perform each project. The second component is granted to pay for so-called "facilities and administrative costs," which encompass spending by the receiving institution on such items as facilities maintenance and renewal, heating and cooling, libraries, the salaries of departmental and central office staff, and other general administration costs. Such component constituting "facilities and administrative costs" is pledged to the Bonds as F&A Recovery Revenues.

The following table shows F&A Recovery Revenues for the past five Fiscal Years.

Fiscal Year	F&A Recovery Revenues
2003	\$8,535,791
2004	9,526,705
2005	9,494,846
2006	9,524,924
2007*	9,290,119

*Based on unaudited financial information of the University.

Other Operating Revenues

The University receives other miscellaneous revenues in the course of its operations. Examples of revenues counted in Other Operating Revenues include fines and lease/rental revenues. In the Fiscal Years ended June 30, 2005, June 30, 2006 and June 30, 2007 (unaudited), the University generated Other Operating Revenues in the amounts of \$3,285,587 \$3,973,319 and \$2,583,091, respectively.

Investment Income

Investment Income, which includes all of the University's unrestricted investment income, is pledged to repayment of the Series 2007 Bonds and other Bonds issued under the Resolution, except the pledge of such income is subordinate to the pledge of the portion of Investment Income pledged under the Activity Center Resolution and the Recreation Center Resolution. The amount of Investment Income pledged to the Bonds will not match the amount of investment income shown in the University's audited financial statements which includes restricted investment income. For the Fiscal Years ended June 30, 2005, June 30, 2006 and June 30, 2007 (unaudited), investment income earned by the University was \$2,232,059, \$3,842,495 and \$5,400,129, respectively.

Use of Pledged Revenues and Other Revenues Not Otherwise Obligated

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

Covenants

In conjunction with the formation of the General Revenue Bond System, the Regents amended a number of covenants in the Resolution and added certain Student Fees and University revenues to the definition of Pledged Revenues (the "**2005 Amendments**"). The 2005 Amendments that did not require the consent of the Owners of the Bonds, including the addition of certain University revenues to the definition of Pledged Revenues, took effect immediately with adoption of the 2005A Supplemental Resolution. The 2005 Amendments that required consent of the Owners of the Bonds were to take effect upon the sooner of (i) the date all of the Bonds issued prior to the Series 2005A Bonds ceased to be Outstanding; or (ii) the date upon which 60% of the Owners of the Outstanding Bonds shall have consented to the 2005 Amendments pursuant to the Resolution and the insurance companies insuring all Outstanding Bonds issued prior to the Series 2005A Bonds shall have consented to the 2005 Amendments as required by the Resolution.

Upon issuance of the Series 2007 Bonds, the Series 2007 Bondholders will be deemed to have consented to the 2005 Amendments (as described below under "Consent to Amendments"). When the Regents obtain consents of all insurance companies insuring those Outstanding Bonds which were issued prior to the Series 2005A Bonds, which the Regents expect to obtain before the Series 2007 Bonds are issued, the 2005 Amendments to the Resolution will become effective, resulting in the following covenants being in effect. *[Note: Old covenants must be described, including funding of DSRF account, if consents of all bond insurers insuring pre-2005A Bonds are not obtained.]*

Covenant to Maintain Coverage

The Regents are obligated under the Resolution to establish and maintain rates, fees, and charges in amounts sufficient to produce Pledged Revenues in each year equal to 100% of the Debt Service on the Bonds and any Additional Bonds outstanding for each Fiscal Year. *[Note: if all bond insurers insuring pre-2005A Bonds do not consent to the 2005 Amendments prior to the issuance of the Series 2007 Bonds, then the old covenant will stay in effect which would obligate the Regents to establish and maintain rates, fees, and charges in amounts sufficient to produce Pledged Revenues in each year equal to 125% of the Maximum Annual Debt Service on the Bonds and any Additional Bonds that may later be issued under the Resolution].*

Issuance of Additional Bonds

The Resolution provides that Additional Bonds secured by Pledged Revenues may be issued by the Regents upon the satisfaction of various conditions specified therein. The amount of Additional Bonds that may be issued is not limited by law or the Resolution.

The Resolution provides for the issuance of Additional Bonds to finance projects or to refund the Bonds issued under the Resolution and other obligations of the Regents or the University. In connection with the issuance of Additional Bonds, the Regents are required to file, among other things, the following documents with the Trustee:

(i) A copy of the supplemental resolution authorizing the issuance of the Additional Bonds.

(ii) A Written 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 supplemental resolution with respect to any Bonds.

(iii) For so long as any of the Bonds issued prior to the Series 2005A Bonds are Outstanding, a Consultant's Report, and at any time that all of the Bonds issued prior to the Series 2005A Bonds shall cease to be Outstanding, a Written Certificate signed by an Authorized Officer of the University, in either case setting forth the then estimated completion date and the then estimated cost of construction of the project being financed by the Additional Bonds.

(iv) A Written Certificate of the University showing that Estimated Pledged Revenues (assuming completion of the proposed project on its then estimated completion date) will equal at least 100% of the Debt Service on all Outstanding Bonds and any Additional Bonds proposed to be issued for each Fiscal Year of the University during which any 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 (2) the University's current Fiscal Year and any succeeding Fiscal Year during which any Bonds issued will be Outstanding, if interest during construction of the project being financed by the Additional Bonds is not capitalized.

[Note: if all bond insurers insuring pre-2005A Bonds do not consent to the 2005 Amendments prior to the issuance of the Series 2007 Bonds, then the old covenant with respect to Additional Bonds will stay in effect. Under such old covenant, clauses (i) through (iii) above are the same and clause (iv) above reads as follows:

(a) an Accountant's Certificate certifying that Pledged Revenues for any period of 12 consecutive months during the preceding 24 months were at least equal to 125% of the Maximum Annual Debt Service for such 12-month period for any Bonds then Outstanding and any Additional Bonds proposed to be issued; and

(b) a Written Certificate of the University showing that Estimated Pledged Revenues (assuming completion of the proposed project on its then estimated completion date) will equal at least 125% of the Maximum Annual Debt Service on all Outstanding Bonds and any Additional Bonds proposed to be issued for (1) each of the Fiscal Years of the University during which any 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 (2) the University's current Fiscal Year and any succeeding Fiscal Year during which any Bonds issued will be Outstanding, if interest during construction of the project being financed by the Additional Bonds is not capitalized.]

Refunding Bonds may be issued without compliance with the requirements above provided the Refunding Bonds do not increase Debt Service by more than \$25,000 per year.

No Debt Service Reserve Account for the Series 2007 Bonds

Prior to the Amendments, the Regents were required to establish and maintain a Debt Service Reserve Account under the Resolution for each new Series of Bonds. As a result of the effectiveness of the 2005 Amendments upon issuance of the Series 2007 Bonds, the Resolution will no longer require the funding or maintenance of a Debt Service Reserve Account for the Series 2005A Bonds and Bonds issued thereafter, including the Series 2007 Bonds. However, as a condition to obtaining consent to the 2005 Amendments from insurance companies which insure Outstanding Bonds issued prior to the Series 2005A Supplemental Resolution, the Debt Service Reserve Accounts which were established in connection with such Bonds will continue to be maintained until such Bonds are retired. Further, because the 2005 Amendments were not in effect at the time of issuance of the Series 2005A Bonds, a Debt Service Reserve Account was established for the Series 2005A Bonds upon issuance thereof. While such Debt Service Reserve Account will no longer be required to be maintained once the 2005 Amendments go into effect, the Regents determined to keep the amounts on deposit in the Debt Service Reserve Account for the Series 2005A Bonds in place because of the restrictions on release of such amounts contained in an investment agreement entered into by the Regents in connection with the Debt Service Reserve Account for the Series 2005A Bonds.

Amounts in the Debt Service Reserve Accounts established for such Outstanding Bonds will not be available as security for the Series 2007 Bonds. All Debt Service Reserve Accounts for the Refunded Bonds were funded by a deposit of a respective surety bond and all such surety bonds will be terminated upon issuance of the Series 2007 Bonds. *[Note – If, prior to the issuance of the Series 2007 Bonds, the Regents do not obtain insurance companies' consents to the 2005 Amendments, as described under "Covenants" under this caption, a Debt Service Reserve Account for the Series 2007 Bonds will need to be funded with the Series 2007 Bonds proceeds in the amount of the Reserve Account Requirement.]*

Consent to Amendments

As described above, the 2005 Amendments that required consent of the Owners of the Bonds were to take effect upon the sooner of (i) the date all of the Bonds issued prior to the Series 2005A Bonds ceased to be Outstanding; or (ii) the date upon which 60% of the Owners of the Bonds shall have consented to the 2005 Amendments pursuant to the Resolution and the insurance companies insuring all Bonds issued prior to the Series 2005A Bonds shall have consented to the 2005 Amendments as required by the Resolution.

In addition, the 2007 Supplemental Resolution amended the defeasance provisions of the Resolution to permit investment of escrowed funds in certain noncallable governmental obligations without consent of insurers of any Outstanding Bonds to such investment (the "**2007 Amendments**" and, collectively with the 2005 Amendments, the "**Amendments**"). The 2007 Amendments require consent of at least 60% of the Owners of the Outstanding Bonds and the insurance companies insuring all Outstanding Bonds.

Prospective purchasers of the Series 2007 Bonds are hereby advised that, by purchasing the Series 2007 Bonds, they will be deemed to have consented to the Amendments to the Resolution contained in the 2005A Supplemental Resolution and the 2007 Supplemental Resolution and that the Underwriter, as the initial purchaser of the Series 2007 Bonds, will consent to such Amendments on the date of issuance of the Series 2007 Bonds. The consent of the Series 2007 Bondholders will result in approximately ___% of the Outstanding Bonds having consented to the 2005 Amendments and approximately ___% of the Outstanding Bonds having consented to the 2007 Amendments. [In addition, the Regents have obtained consents to the Amendments from all insurance companies insuring Outstanding Bonds]. Accordingly, upon the issuance of the Series 2007 Bonds, all

2005 Amendments (subject to exceptions described above relating to the maintenance of the Debt Service Accounts for the Series 2005A Bonds and the Outstanding Bonds issued prior to the Series 2005A Bonds) to the Resolution will become effective and the provisions of the Resolution as described in this Official Statement will be in effect.

Outstanding Bonds; Additional Bonds

The Regents have previously issued (i) under the Activity Center Resolution, the Activity Center Bonds currently Outstanding in the aggregate principal amount of \$4,575,000, which have a prior lien on certain Pledged Revenues (see "Pledged Revenues" under this caption), (ii) under the Recreation Center Resolution, the Recreation Center Bonds which, following refunding of the Recreation Center Refunded Bonds, will be Outstanding in the aggregate principal amount of \$1,255,000*, which have a prior lien on certain Pledged Revenues (see "Pledged Revenues" under this caption), and (iii) under the Resolution, the Parity Bonds which, following refunding of the Refunded Parity Bonds, will be Outstanding in the aggregate principal amount of \$54,770,000*, which are secured by the Pledged Revenues on a parity lien basis, subject only to a prior lien on certain Pledged Revenues of the Activity Center Bonds and the Recreation Center Bonds. The Series 2007 Bonds will have a lien on the Pledged Revenues on parity with the Parity Bonds. The Activity Center Bonds, the Recreational Center Bonds and the Parity Bonds Outstanding as of June 30, 2007 are as listed in "SOURCES OF FUNDING FOR THE UNIVERSITY – Schedule of Outstanding Indebtedness."

In the Resolution, the Regents covenanted not to issue additional Activity Center Bonds or Recreation Center Bonds. Under the Resolution, the Regents have the right to issue additional Parity Bonds if certain conditions for such issuance are met. See "Covenants" under this caption for a list of some of such conditions.

BOND INSURANCE

*The following information has been furnished by the Insurer for use in this Official Statement. Such information has not been independently verified by the Regents, the University or their counsel. This information is not guaranteed as to accuracy or completeness by the Regents or the University and is not to be construed as a representation by the Regents or the University. Reference is made to **APPENDIX F** for a specimen of the Policy to be issued with respect to the Series 2007 Bonds by the Insurer.*

Bond Insurance Policy

Concurrently with the issuance of the Series 2007 Bonds, Financial Security Assurance Inc. ("**Financial Security**") will issue its Municipal Bond Insurance Policy for the Series 2007 Bonds (the "**Policy**"). The Policy guarantees the scheduled payment of principal of and interest on the Series 2007 Bonds when due as set forth in the form of the Policy included in **APPENDIX F** to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

* Preliminary, subject to change.

Financial Security Assurance Inc.

Financial Security is a New York domiciled financial guaranty insurance company and a wholly owned subsidiary of Financial Security Assurance Holdings Ltd. ("**Holdings**"). Holdings is an indirect subsidiary of Dexia, S.A., a publicly held Belgian corporation, and of Dexia Credit Local, a direct wholly-owned subsidiary of Dexia, S.A. Dexia, S.A., through its bank subsidiaries, is primarily engaged in the business of public finance, banking and asset management in France, Belgium and other European countries. No shareholder of Holdings or Financial Security is liable for the obligations of Financial Security.

At June 30, 2007, Financial Security's combined policyholders' surplus and contingency reserves were approximately \$2,642,612,000 and its total net unearned premium reserve was approximately \$2,116,401,000 in accordance with statutory accounting principles. At June 30, 2007, Financial Security's consolidated shareholder's equity was approximately \$2,686,026,000 and its total net unearned premium reserve was approximately \$1,655,217,000 in accordance with generally accepted accounting principles.

The consolidated financial statements of Financial Security included in, or as exhibits to, the annual and quarterly reports filed after December 31, 2005 by Holdings with the Securities and Exchange Commission are hereby incorporated by reference into this Official Statement. All financial statements of Financial Security included in, or as exhibits to, documents filed by Holdings pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 after the date of this Official Statement and before the termination of the offering of the Series 2007 Bonds shall be deemed incorporated by reference into this Official Statement. Copies of materials incorporated by reference will be provided upon request to Financial Security Assurance Inc.: 31 West 52nd Street, New York, New York 10019, Attention: Communications Department (telephone (212) 826-0100).

The Policy does not protect investors against changes in market value of the Series 2007 Bonds, which market value may be impaired as a result of changes in prevailing interest rates, changes in applicable ratings or other causes. Financial Security makes no representation regarding the Series 2007 Bonds or the advisability of investing in the Series 2007 Bonds. Financial Security makes no representation regarding the Official Statement, nor has it participated in the preparation thereof, except that Financial Security has provided to the Issuer the information presented under this caption for inclusion in the Official Statement.

PLAN OF FINANCE

Sources and Uses of Funds

The estimated sources and uses of funds relating to the issuance of the Series 2007 Bonds are shown below.

SOURCES OF FUNDS:	<u>Estimated Amounts</u>
Series 2007A Bonds Par Amount	\$
Series 2007B Bonds Par Amount	
Net Premium	
TOTAL SOURCES OF FUNDS	\$_____
 USES OF FUNDS:	
Deposit to Escrow Account (1).....	\$
Deposit to the Series 2007B Construction Account (2).....	
For Issuance Costs associated with the Series 2007 Bonds (including Underwriter's discount, bond insurance premium and Initial Liquidity Provider's fee).....	_____
TOTAL USES OF FUNDS.....	\$_____

(1) See "The Refunding Project" under this caption.

(2) See "The Series 2007B Project" under this caption.

The Refunding Project

The proceeds from the sale of the Series 2007A Bonds are being issued to provide funds which will be sufficient to advance refund a portion of the following Bonds of the Regents (referred to in this Official Statement as the "**Refunded Bonds**"): \$16,135,000* principal amount of the Student Fee Revenue Bonds (Recreation Center Project), Series 1999 (the "**Recreation Center Refunded Bonds**") currently Outstanding in the aggregate principal amount of \$17,390,000; \$1,175,000* principal amount of the Student Fee Revenue Bonds, Series 1999A (the "**Series 1999A Refunded Bonds**") currently Outstanding in the aggregate principal amount of \$1,270,000; \$4,970,000* principal amount of the Student Fee Revenue Bonds (Sweet Avenue and University Campus Improvement Project), Series 1999B (the "**Series 1999B Refunded Bonds**") currently Outstanding in the aggregate principal amount of \$5,350,000; and \$38,035,000* principal amount of the Student Fee Revenue Bonds, Series 2001 (University Housing Improvement Projects) (the "**Series 2001 Refunded Bonds**") currently Outstanding in the aggregate principal amount of \$39,915,000.

The 2007 Supplemental Resolution authorizes the Regents to enter into an Escrow Agreement with respect to the Refunded Bonds (the "**Escrow Agreement**") with Wells Fargo Bank, N.A., as Escrow Agent (the "**Escrow Agent**"). The 2007 Supplemental Resolution and the Escrow Agreement provide for

* Preliminary, subject to change

the purchase of direct obligations of the United States and the deposit thereof and a cash balance into the Escrow Account (the "**Escrow Account**") created under, and administered pursuant to, the Escrow Agreement to pay the current interest and redemption price on the Refunded Bonds upon call for redemption on their first call date pursuant to the Escrow Agreement.

Causey Demgen & Moore, Inc. will deliver a report at the time of delivery of the Series 2007A Bonds on the mathematical accuracy of certain computations contained in the schedules provided to them on behalf of the Regents relating to: (a) the adequacy of the funds held in the Escrow Account to pay accrued interest and purchase price on the respective Refunded Bonds due pursuant to call for redemption, pursuant to the Escrow Agreement; and (b) the computations of the yield on the Series 2007A Bonds and the funds held in the Escrow Account. Such verification will be based, among other things, upon mathematical computations supplied by the Underwriter in connection with the matters set forth above. Co-Bond Counsel will rely on such report in issuing their opinion on the Series 2007 Bonds.

The Series 2007B Project

The proceeds from the sale of the Series 2007B Bonds will be used by the Regents to finance certain electrical equipment upgrades and capital maintenance on, and replacement of, the University's utility corridor, central steam plant and central chiller and related improvements located on the University's Moscow, Idaho campus (the "**Series 2007B Project**"). These improvements are intended to address both building level and central utility infrastructure designed to create energy savings for the University. The University estimates that construction of the Series 2007B Project will begin in the summer of 2008 and be completed in fall of 2011. The University anticipates that the Series 2007B Project will generate energy savings for the University of approximately \$1.3 million in the first year after its completion and that these savings will grow at approximately 5% per year over the useful life of the infrastructure assets upgraded as part of the Series 2007B Project.

DEBT SERVICE REQUIREMENTS

The following table sets forth the Annual Debt Service Requirements for the Regent's currently Outstanding Bonds (taking into account the refunding of the Refunded Bonds) and the Series 2007 Bonds:

Fiscal Year	Outstanding Bonds ^{(1)*}		Series 2007 Bonds*		Total*	
	Principal	Interest	Principal ⁽²⁾	Interest ⁽³⁾	Principal ⁽²⁾	Interest ⁽³⁾
2008	\$5,270,000	\$2,955,626	\$-	\$2,011,134	\$5,270,000	\$4,966,760
2009	5,505,000	2,714,379	475,000	4,794,756	5,980,000	7,509,135
2010	4,840,000	2,461,060	1,410,000	4,773,975	6,250,000	7,235,035
2011	4,590,000	2,214,948	1,485,000	4,712,288	6,075,000	6,927,235
2012	3,565,000	1,980,953	2,135,000	4,405,463	5,700,000	6,199,380
2013	3,755,000	1,791,773	2,220,000	4,320,063	5,975,000	5,930,991
2014	3,950,000	1,589,393	2,315,000	4,231,263	6,265,000	5,646,249
2015	4,155,000	1,385,323	2,615,000	4,138,663	6,770,000	5,356,293
2016	4,365,000	1,172,890	2,715,000	4,032,563	7,080,000	5,044,764
2017	2,445,000	949,075	2,825,000	3,922,463	5,270,000	4,718,142
2018	2,565,000	827,788	2,935,000	3,807,963	5,500,000	4,489,967
2019	2,690,000	700,550	3,045,000	3,406,800	5,735,000	3,860,357
2020	2,305,000	567,113	3,170,000	3,285,000	5,475,000	3,613,950
2021	2,415,000	452,975	3,300,000	3,158,200	5,715,000	3,382,206
2022	2,070,000	333,388	3,430,000	3,026,200	5,500,000	3,140,188
2023	1,445,000	250,438	3,560,000	2,889,000	5,005,000	2,929,985
2024	1,500,000	192,638	3,700,000	2,746,600	5,200,000	2,740,109
2025	1,555,000	130,763	3,835,000	2,598,600	5,390,000	2,540,964
2026	1,615,000	66,619	1,850,000	2,445,200	3,465,000	2,334,542
2027	-	-	3,000,000	2,371,200	3,000,000	2,199,288
2028	-	-	3,115,000	2,251,200	3,115,000	2,087,988
2029	-	-	3,230,000	2,126,600	3,230,000	1,972,422
2030	-	-	3,355,000	1,997,400	3,355,000	1,852,589
2031	-	-	3,485,000	1,863,200	3,485,000	1,728,118
2032	-	-	3,620,000	1,723,800	3,620,000	1,598,825
2033	-	-	3,755,000	1,579,000	3,755,000	1,464,523
2034	-	-	3,900,000	1,428,800	3,900,000	1,325,212
2035	-	-	4,050,000	1,272,800	4,050,000	1,180,522
2036	-	-	4,205,000	1,110,800	4,205,000	1,030,267
2037	-	-	4,365,000	942,600	4,365,000	874,262
2038	-	-	4,535,000	768,000	4,535,000	712,320
2039	-	-	4,705,000	586,600	4,705,000	544,072
2040	-	-	4,885,000	398,400	4,885,000	369,516
2041	-	-	<u>5,075,000</u>	<u>203,000</u>	<u>5,075,000</u>	<u>188,283</u>
Total	\$60,600,000	\$22,737,686	\$106,300,000	\$89,329,590	\$166,900,000	\$107,694,453

- (1) Does not include the Bonds expected to be refunded as Refunded Bonds. See "PLAN OF FINANCE – The Refunding Project."
- (2) Assumes funding of the Debt Service Reserve Account for the Series 2007 Bonds with a surety bond in the event consents of all bond insurers which insure Outstanding Bonds issued before the 2005A Supplemental Resolution are not obtained prior to the issuance of the Series 2007 Bonds.
- (3) Assumes an interest rate for the Series 2007A Bonds of 4.375% per annum and for the Series 2007B Bonds of 4.750% per annum during the respective Initial Term Interest Rate Periods and 4.00% per annum thereafter for each Series of the Series 2007 Bonds.

*Preliminary, subject to change

PRO FORMA AND HISTORICAL PLEDGED REVENUES

The following table shows the revenue sources that were pledged by the 2005A Supplemental Resolution, which created the General Revenue Bond System. Prior to the creation of the General Revenue Bond System, many of these revenue sources were not pledged to the payment of the Bonds. The Pledged Revenues are shown on a pro forma basis for the Fiscal Years 2003-2005 (which include those revenue sources not then pledged) and on a historical basis for Fiscal Years 2006 and 2007.

The data for Fiscal Years 2003-2006 is derived from the University's audited financial records and the data for Fiscal Year 2007 is derived from the University's unaudited financial records.

	2003	2004	2005	2006	2007 ⁽³⁾
Source of Pledged Revenues					
Student Fees	\$32,538,158	\$35,126,457	\$48,029,987	\$51,976,798	\$55,433,037
Sales and Services Revenues	32,736,114	32,911,984	35,160,294	39,998,851	38,730,670
Other Operating Revenues	3,453,819	3,930,337	3,285,587	3,973,319	2,583,091
Investment Income ⁽¹⁾	1,380,835	1,008,247	2,240,420	3,350,565	4,939,436
F&A Recovery Revenues	8,535,791	9,526,705	9,494,846	9,524,924	9,290,119
Total Pledged Revenues⁽²⁾	\$78,644,717	\$82,503,730	\$98,211,134	\$108,824,457	\$110,976,353⁽⁴⁾
Debt Service on the Recreation Center Bonds and Activity Center Bonds	3,886,397	3,904,868	2,455,151	2,674,571	2,734,946
Revenues Available for Debt Service	\$74,778,320	\$78,598,862	\$95,755,983	\$106,149,886	\$108,241,407
Debt Service on Bonds ⁽³⁾	\$6,052,936	\$6,895,363	\$7,499,819	\$8,706,257	\$8,696,341
Debt Service Coverage	12.4x	11.4x	12.8x	12.2x	12.4x

(1) Differs from the information in the University's audited financial statements which include restricted investment income.

(2) The Pledged Revenues shown for Fiscal Years 2003, 2004 and 2005 are pro forma and include additional revenues added as Pledged Revenues under the 2005 Supplemental Resolution as though such amounts had been pledged during such Fiscal Years.

(3) Certain Pledged Revenues are pledged on a subordinate basis to the Activity Center Bonds and Recreation Center Bonds. Even following the effectiveness of the 2005 Amendments, certain Pledged Revenues will remain pledged to the Bonds on a basis subordinate to the lien thereon in favor of the Activity Center Bonds and Recreation Center Bonds. See "SECURITY FOR THE SERIES 2007 BONDS."

(4) Represents actual debt service on the Outstanding Bonds due and paid during the Fiscal Years as indicated.

(5) Based on unaudited financial information of the University.

Source: The University

The Debt Service Coverage of the Pledged Revenues in 2007 (after payment of maximum annual debt service of the Outstanding Activity Center Bonds and the Recreation Center Bonds which will continue to have a prior lien on Pledged Revenues) over the maximum annual debt service of Outstanding Bonds (after issuance of the Series 2007 Bonds and assuming refunding of the Refunded Bonds as shown under the caption "DEBT SERVICE REQUIREMENTS") would be 8.7x (2007 Pledged Revenues of \$110,976,353 less maximum annual debt service on the Outstanding Activity Center Bonds and Recreation Center Bonds of \$1,735,158 over maximum annual debt service on the Outstanding Bonds of

\$12,628,785 (which is the maximum annual debt service on all Outstanding Bonds in 2010 less the debt service on the Outstanding Activity Center Bonds and Recreation Center Bonds in the such year)).

THE UNIVERSITY

Generally

Student body representation at the University is from every state in the United States and approximately 80 foreign countries. The University alumni population exceeds 75,000. The University's main campus is located in Moscow, Idaho, a community of approximately 22,500 people in the northern portion of the State, about one-mile east of the Washington border and approximately 80 miles south of Coeur d'Alene, Idaho.

University property includes approximately 11,690 acres and 315 buildings, of which 1,428 acres and 251 buildings are located at its main campus in Moscow. The University operates twelve research centers and institutes and six demonstration and training farms with a total acreage of about 1,000 acres used by forestry and agricultural students. The University owns and actively manages 8,160 acres of forest lands, a wilderness field research station in Idaho's primitive area, a veterinary teaching center, and ten research and extension centers in agricultural areas throughout Idaho. The University also operates a Research Park in Post Falls and Resident Instructional Centers in Boise, Coeur d'Alene and Idaho Falls.

The University's academic structure includes ten degree-granting colleges: the Colleges of Agricultural and Life Science; Art and Architecture; Business and Economics; Education; Engineering; Graduate Studies; Law; Letters, Arts and Social Sciences; Natural Resources; and Science. In addition to degree programs in each of these colleges, the University includes a College of Graduate Studies and offers medical training for students in association with the University of Washington, School of Medicine. The University has several cooperative programs with Washington State University (located in Pullman, Washington, eight miles from Moscow), including a joint veterinary medical program. This cooperative graduate program has veterinary training facilities in Caldwell, Idaho, which are operated by the University. The University has an optional officer education program, leading to a regular or reserve commission in the U.S. Army, Navy, Marines or Air Force.

Student Body

The University admits all Idaho residents who graduate from accredited high schools with an overall grade point average of at least 3.0 and who completed a defined set of core high school classes. Those with less than a 3.0 high school grade point average must meet set ACT or SAT scores. Home school students, graduates of non-accredited high schools, or students not meeting the admission criteria are considered by a special admission committee. Approximately 70% of the University's fall 2007 student body are residents of the State. The tables on the following page set out certain statistics concerning the University's enrollment for the Fall Terms of the years indicated.

Five-year Historical Enrollment Summary

	2003	2004	2005	2006	2007
Students	Fall Semester, 10th Day of Class				
Full-Time Equivalents (FTE)					
Head Count	10,673	11,073	11,040	10,792	10,252
Undergraduate Students	Academic Head Count 10th Day of Class, Fall Semester				
Full-time:					
Residents	6,336	6,371	6,242	6,055	5,749
Non-residents	1,877	2,044	2,172	2,335	2,386
Subtotal	8,213	8,415	8,402	8,390	8,135
Part-time:					
Residents	1,298	1,360	1,261	1,173	975
Non-residents	251	293	251	281	285
Subtotal	1,549	1,653	1,512	1,454	1,260
Graduate Students					
Full-time:					
Residents	739	831	853	799	736
Non-residents	624	667	647	557	509
Subtotal	1,363	1,498	1,500	1,356	1,245
Part-time:					
Residents	964	954	990	885	766
Non-residents	334	374	408	391	333
Subtotal	1,298	1,328	1,398	1,276	2,344
Total Undergraduate	9,762	10,068	9,926	9,844	9,395
Total Graduate Students	2,661	2,826	2,898	2,632	2,344
Grand Total	12,423	12,894	12,824	12,476	11,739
No. of Freshmen	Freshman Class Statistics, Fall Semester				
Applying	3,936	3,973	4,091	4,444	4,324
Accepted	3,220	3,202	3,407	3,660	3,460
Enrolled	1,646	1,601	1,605	1,675	1,575
Resident	1,559	1,543	1,543	1,574	1,586
Average ACT Score	23.18	23.35	23.14	23.11	23.25
Average SAT Score	1106	1112	1100	1109	1098
Average High School GPA	3.42	3.44	3.42	3.42	3.42
Percentage graduating in the top 20% of their high school class:	46.7%	49.1%	47.4%	49.5%	48.3%

Source: University of Idaho

Housing and Student Union Facilities

The University's housing and student union facilities (the revenues from which constitute Auxiliary Enterprise revenues pledged as part of the Pledged Revenues) currently include (i) 13 residence hall buildings containing dormitory style student living; (ii) four apartment complexes, providing housing for upper class students and students with families; (iii) the Idaho Commons Building (the "**Commons**"); and (iv) the Student Union Building (the "**Student Union**").

University Residence Halls. The 13 University residence halls can accommodate up to 2,238 students. The University's residence halls offer a variety of amenities including: (i) computer labs and in-room connections to high-speed networking; (ii) recreational and lounge space; (iii) laundry facilities; (iv) kitchen areas; and (v) academic/study space. Over the past five Fiscal Years, the average occupancy rate for the University's residence halls was 80.2%, and the occupancy rate for Fall 2007 was 80.5%.

University Apartments. Currently, the University has four apartment complexes, which provide 351 apartments ranging in size from one-bedroom to four bedrooms available for occupancy by students and their families. Amenities available at University apartment complexes include: (i) high-speed internet connections both in apartments and in apartment-complex computer labs; (ii) in-apartment laundry facilities; (iii) play areas; (iv) community centers; and (v) classroom and meeting room facilities. The average occupancy rate for the University's apartments over the past five Fiscal Years is 94.4%, and the occupancy rate for Fall 2007 was 94%.

Idaho Commons Building. Completed in 2000, the Idaho Commons Building is designed to be the center of campus life and provide programs, amenities, and services to enhance the educational experience of University students. The Commons is a multi-use facility with approximately 100,000 square feet. The facility houses offices for student government, other student organizations, conference rooms with state of the art technology, and academic support services. In addition, the Commons has an information desk, food court, coffee shop, convenience store, satellite University bookstore, credit union, copy center, art gallery, computer kiosks, ATMs and administrative offices. The facilities infrastructure includes high-speed LAN and video data capabilities, public lounges, wireless network, computer checkout, and flat screen monitors to provide information about building and campus activities.

Student Union Building. The approximately 103,500 square foot Student Union is a multi-use facility. Student services were relocated to the Student Union after completion of a renovation in 2000. Currently, the facility houses Student Accounts, the Registrar, Admissions, Student Financial Aid, New Student Services, Jazz Festival, College Assistance Migratory Program, and Student Media Services. In addition, the Student Union has an information desk, conference facilities, including a large ballroom, a movie theatre, and several small meeting rooms, a cafe, ATMs, and a computer lab.

Spectator and Recreation Facilities

The University's spectator and recreation facilities (the revenues from which constitute Auxiliary Enterprise revenues pledged as part of the Pledged Revenues, except for certain revenues with a prior pledge to the Activity Center Bonds and the Recreation Center Bonds) include the Kibbie Dome, the Memorial Gym, the Recreation Center, the Dan O'Brien Track Complex, and the University Golf Course. Following is a brief description of these facilities.

Kibbie Dome. The Kibbie Dome was originally constructed in 1972 and is North Idaho's largest athletic spectator facility. It is used for intercollegiate home football games, basketball games, indoor track and field events, as well as high school football playoffs, the Lionel Hampton Jazz Festival, concerts, sport camps, conferences, classes, intramurals, student club activities, and University commencements. In 1984, the "East End" was added to the Kibbie Dome and includes a weight room, recreational and varsity locker rooms, eight racquetball courts, and athletic training rooms and offices. The University recently completed another expansion of the Kibbie Dome to add the "Vandal Athletic Center," which includes a 7,000 square foot weight room, a 1,500 square foot exercise area, an aquatic exercise pool, and a new foyer.

Memorial Gym. The Memorial Gymnasium, constructed in 1928, is the oldest athletic building on campus. The building serves as one of the University's indoor sports and entertainment complexes. In

addition to hosting varsity volleyball and basketball, Memorial Gym is used for concerts, community events, state gymnastics meets, regional basketball tournaments, intramural activities and physical education classes, and houses a gymnasium, multi-purpose room, combative room, locker rooms, and various offices.

The Recreation Center. The Student Recreation Center was completed in 2002. It is approximately 85,500 square feet in size, and includes more than 7,200 square feet of open recreational space, two regulation-size basketball courts, a multipurpose gymnasium, a large aerobics/cardiovascular multipurpose workout space, a running track, a climbing wall, a child care center, a first-aid and athletic training area, classroom and activity spaces, a cafeteria, and space for rental of recreational equipment.

Dan O'Brien Track Complex. The Dan O'Brien Track, named in 1996 for University alumnus and 1996 Olympic Decathlon Gold Medalist Dan O'Brien, was constructed in 1969, and serves as the University's outdoor varsity and recreational track facility. It consists of a 400-meter, 8-lane track, a long jump area, a throwing area, a high jump area, a pole vault area, coaches' offices, and spectator facilities that accommodate approximately 1,000 spectators.

University Golf Course. The University owns and operates an 18-hole golf course on the University's Moscow campus. The course is open to the public approximately eight months each year and provides lessons, cart and club rentals, and a retail pro shop.

Parking Facilities

Currently, the University operates and maintains 89 surface parking lots with a total of approximately 7,000 parking spaces. The University has a comprehensive parking plan to ensure that the parking system is financially self-supporting.

Employees and Faculty

As of August 20, 2007, the University had 3,019 employees, consisting of 875 faculty, 562 Research Assistants/Teaching Assistants (which are not considered to be part of the faculty) and 1,582 staff and administration. The student to faculty ratio in the same Fiscal Year is 13.4 to 1. Employees are not subject to the State's civil service system; however, the University has adopted a personnel policy with respect to classified employees that is substantially similar to the State's civil service system. The University is not a party to any collective bargaining agreements, although there are employee associations that bring any salary issues and concerns to the attention of the University. The University considers its relations with its employees to be good.

Employee Retirement Plan; Post Retirement Health Benefits

Most 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 employees since 1990.

PERSI provides a defined benefit plan and covers eligible classified and exempt 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 ORP and faculty and exempt staff hired before that date were offered a one-time opportunity in 1990 to withdraw from

PERSI and join the ORP. The ORP is a portable, defined contribution retirement plan with options offered by Teachers' Insurance and Annuity Association/College Retirement Equities Fund and Variable Annuity Life Insurance Company. The total contribution rate will be the same for all employees, with a portion of the employer's contribution for ORP members being credited to the employee's account and a portion to the PERSI unfunded liability until 2015. The ORP covers eligible exempt personnel who work 20 hours or more per week. Based on the unaudited financial statements for the Fiscal Year 2007, the University had no unfunded obligations for post employment retirement benefits in Fiscal Year 2007.

In addition, the University has taken proactive steps to effectively manage and reduce its GASB 45 liability for obligation of post employment benefits (OPEB) related to retiree health. Program changes which include steeper eligibility requirements, retiree cost sharing, integration with Medicare Prescription Drug programs and elimination of some future benefits have reduced the Annual Required Contribution (ARC) from projections of \$28.1 million as forecast in Fiscal Year 2003 to \$7.7 million for Fiscal Year 2008. The University's GASB liability will be recorded and recognized on its financial statements for the first time in Fiscal Year 2008. The University expects that this liability will be fully funded in Fiscal Year 2008.

For information concerning post retirement health benefits, see NOTE 12, "RETIREMENT PLANS – POSTRETIREMENT BENEFITS OTHER THAN PENSIONS," of "APPENDIX A – FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE YEARS ENDED JUNE 30, 2006 AND JUNE 30 2005."

Insurance

The University maintains liability, property, and employee fidelity insurance in amounts deemed adequate by University officials. The University has a full-time risk management staff that administers insurance coverage and claims, and reviews the adequacy of such policies and verifies the University's compliance with insurance requirements imposed by agreements, such as the Resolution. As of July 1, 2007, the total insured replacement value of the University's buildings, contents and improvements was approximately \$1,237 million.

The University began self-funding its medical and dental programs for active employee and retiree health starting July 1, 2005. Self-funding is a financial arrangement in which medical claims are administered by a third-party administrator, but paid directly from University funds instead of by an insurer. The financial risk of the self-funding arrangement is managed through the creation of a financial reserve established by the University to fund unexpected claims and incurred-but-not-reported claims in the event that the self-funding arrangement is ever terminated. In addition, the University's financial exposure for unexpected claims are limited through the purchase of reinsurance (stop-loss coverage) for both individual and aggregate claim liability. When comparing self-funded cost to a fully insured program, the University has saved more than \$4 million in cost under the self-funded health arrangement over the past two Fiscal years.

The University continues to take a pro-active approach to managing the rising cost of health care. In January 2008, the University expects to introduce a consumer-directed high deductible plan, programs that create incentives for healthy behaviors, and a cafeteria or menu of benefit options in a program called "CustomChoices". The University expects that this method of delivery, like a consumer-directed approach and rewards for healthy behaviors would help foster employee accountability and a partnership in the cost and future cost of health care.

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 general account revenues by the Idaho Legislature, Student Fees, federal government appropriations and grants, gifts to the University, Investment Income, revenues derived from property holdings of the University, land grant endowments received pursuant to the University's land grant status, Sales and Service Revenues and Other Revenues. See "APPENDIX A – FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE YEARS ENDED JUNE 30, 2006 AND JUNE 30, 2005." Of these revenue sources, Student Fees, Investment Income, Sales and Services Revenues, and Other Revenues are pledged to the Bonds, including the Series 2007 Bonds, except certain of these revenues are pledged on a subordinate basis to the extent such revenues were previously pledged to the Activity Center Bonds and the Recreation Center Bonds. See "SECURITY FOR THE SERIES 2007 BONDS" herein for a description of University revenues pledged to the Bonds. The University's other revenue sources not constituting Pledged Revenues are more fully discussed below.

State Appropriations

Legislatively approved State general account appropriations represent slightly more than 37% percent of the total University budget. The State legislature meets beginning in January of each calendar year and sets budgets and appropriations for all agencies and departments of State government for the Fiscal Year beginning on the ensuing July 1. The legislature may also make adjustments to budgets and appropriations for the Fiscal Year during which the legislature is meeting.

If in the course of a Fiscal Year, 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 or request a reversion ("**Reversion**") of appropriations back to the State to balance the State budget. There have been no Holdback or Reversion since Fiscal Year 2003 and no Holdbacks or Reversions have been announced for Fiscal Year 2008.

The table below sets forth the legislative appropriation from the State General Fund for colleges and universities and for the University net of Reversions. The appropriations have consistently increased in the last five Fiscal Years and are expected to continue to increase in Fiscal Year 2008.

Schedule of State General Account Appropriations

<u>Fiscal Year</u>	2003¹	2004	2005	2006	2007
All Colleges and Universities	\$213,600,000	\$218,000,000	\$223,400,000	\$228,900,000	\$243,700,000
University of Idaho	103,600,000	109,800,000	114,300,000	120,400,000	123,192,100
Percentage Increase of Appropriations for the University of Idaho	--%	6.0%	4.1%	5.3%	2.3%

1 Net of a \$7,323,100 Reversion for all colleges and universities and a \$3,218,700 Reversion for the University.

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 operating revenues. The use of such funds is usually restricted to specific projects. Such revenues include grants and contracts for research, public service, instruction and training programs, fellowships, scholarships, endowment scholarship programs, and 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.

Financial Assistance

Financial assistance, primarily in the form of student loans, scholarships, grants, student employment, awards, and deferred payments, is available to students. The University believes that the amount of available financial aid is adequate. During the 2006–2007 academic year, the total financial assistance to students received at the University was approximately \$80 million, of which approximately \$48 million was in the form of direct student loans. No assurance can be given that the level of assistance available in the past will continue.

Federal Appropriations

In accordance with the University's designation as a land grant institution, the United States government provides the University with funds for specific programs. Like most federal governmental programs, however, there is no assurance that these funds will continue to be appropriated.

Land Grant Endowments

The University is the State's land grant university, and as such is entitled to revenues from certain State lands.

Budget Process/Financial Reports

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 offices of the President and the Vice President for Finance and Administration in collaboration with the departmental faculty and other administrative officers. The internal budget process concludes with a general budget proposal for the following Fiscal Year being submitted in consolidated form by the University administration to the Regents in August of each year.

The University's budget is approved by the Regents prior to the commencement of the Fiscal Year, usually at the June meeting. At that meeting, the Regents, in their capacity as members of the State Board of Education, approve the annual budgets for the other institutions of higher education as well.

Future Plans

The Regents expect to issue Additional Bonds under the Resolution in the next three to four years to finance capital projects in various stages of planning and the University expects to continue to have a need for maintaining, improving and expanding its capital facilities. Such projects are expected to include renovations of student rooms and repair of various building sub-systems, modernization of building utility systems to enhance research activities in aging science building and renovation of two 1930's buildings for use as a faculty office complex. Sources of funds for these projects include State-

appropriated funds, dedicated funds, bonded indebtedness, donations and private support. The University is in the first year of an updated six-year capital improvement plan.

Schedule of Outstanding Indebtedness

Set forth below is the schedule of outstanding indebtedness of the Regents as of June 30, 2007 incurred to provide funding for the University, which does not reflect the issuance of the Series 2007 Bonds or the refunding of the Refunded Bonds.

Name of Issue	Date Incurred	Final Maturity Date	Amount of Original Indebtedness	Amount of Debt Outstanding
General Revenue Bonds				
Student Fee Refunding Revenue Bonds, Series 1997B	1997	2016	\$ 12,380,000	\$ 8,905,000
Student Fee Revenue Bonds (Elmwood Apartments Acquisition Project), Series 1999A ⁽¹⁾	1999	2025	1,470,000	1,270,000
Student Fee Revenue Bonds (Sweet Avenue and University Campus Improvement Projects) Series 1999B ⁽¹⁾	1999	2025	6,150,000	5,350,000
Student Fee Revenue Bonds (University Infrastructure and Facilities Improvement Projects), Series 1999C	1999	2019	6,305,000	580,000
Student Fee Revenue Bonds (University Housing Improvement Projects), Series 2001 ⁽¹⁾	2001	2041	40,930,000	39,915,000
Student Fee Refunding and Revenue Bonds, Series 2003	2003	2014	17,585,000	12,870,000
General Revenue Refunding Bonds, Series 2005A	2005	2026	<u>30,740,000</u>	<u>30,060,000</u>
Subtotal			\$115,560,000	\$98,950,000
Activity Center Bonds				
Student Fee Refunding Revenue Bonds, Series 1996	1996	2013	\$ 9,285,000	\$4,375,000
Student Fee Revenue Bonds (University Commons Supplemental Project), Series 1997	1997	2022	<u>5,620,000</u>	<u>200,000</u>
Subtotal			\$ 14,905,000	\$4,575,000
Recreation Center Bonds				
Student Fee Revenue Bonds (Recreation Center Project), Series 1999 ⁽¹⁾	1999	2025	<u>\$ 20,115,000</u>	<u>\$ 17,390,000</u>
Total Bonded Indebtedness ⁽²⁾			<u>\$150,580,000</u>	<u>\$120,915,000</u>
Other indebtedness, consisting of notes payable and line-of-credit with interest rates ranging from 4.75% to 5.00%, due through the year 2019	2002	2019	\$1,300,000	\$986,928

(1) Expected to be refunded in part as part of the Refunded Bonds. See "PLAN OF FINANCE – The Refunding Project."

(2) Does not take into account the issuance of the Series 2007 Bonds, or the refunding of the Refunded Bonds.

Source: University of Idaho

UNIVERSITY GOVERNANCE AND ADMINISTRATION

The responsibility for overall management and determination of University policy and standards is vested with the Regents of the University of Idaho who also serve as the Idaho State Board of Education and simultaneously, among other duties, the Trustees for Boise State University, Idaho State University in Pocatello 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 Regents of the University and The State Board of Education

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

The State Board of Education has a full–time professional staff headed by Karen McGee, Interim Executive Director. Her appointment became effective May 29, 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 Regents. Following is a brief biographical resume of President White and his executive staff at a Vice President level:

Timothy P. White, President, assumed his position at the University of Idaho on August 1, 2004. He received his Ph.D. from the University of California, Berkeley, following baccalaureate and master's degrees from California State University Fresno and Hayward, respectively. He spent two years as a post-doctoral scholar at the University of Michigan before starting his academic career in Ann Arbor in 1978. Previously he served Oregon State University as Provost and Executive Vice President since January 2000, with an interim appointment as President from late December 2002 to August 2003. Dr. White worked through the academic ranks at Michigan and left in 1991 as Professor and Chair of the Department of Movement Science in the Division of Kinesiology, and Research Scientist in the Institute of Gerontology. He then became Professor and Chair of the Department of Human Biodynamics in the College of Letters and Science, University of California Berkeley. He is internationally recognized for his work in muscle plasticity, injury, and aging.

Douglas D. Baker, Provost and Executive Vice President, assumed his position at the University of Idaho in 2005. He previously served Washington State University as Vice-Provost for Academic

Affairs from 1998 to 2005 and Director of the Office of Undergraduate Education from 2003 to 2005. Dr. Baker is fully engaged in active strategic planning and implementation at the University of Idaho and is interested in developing work across organizational units for greater effectiveness. Dr. Baker taught courses in Management, Organizational Behavior, Organizational Design, Strategic Planning, Human Resource Management and Research Methods as a Professor of Management at Washington State University where he began in 1981 as an Assistant Professor. He has received numerous awards for teaching excellence including the Shell Oil Distinguished Undergraduate Teaching Award in 1990 and in 1984. Dr. Baker received his Ph.D. from the University of Nebraska, following baccalaureate and master's degrees from Colorado State University. He has worked as a consultant to national and international businesses.

Lloyd Mues, Vice President of Finance and Administration, assumed his position at the University of Idaho on May 2, 2006. He received a Bachelor of Science, Wildlife & Fisheries Resources from the University of Idaho in 1976 and a Masters of Personnel Management from Webster University in Kansas City, Missouri in 1983. He also attended the U.S. Army Organizational Leadership and Management Development Course and the U.S. Army Command and General Staff College in Leavenworth, Kansas. Lloyd served 30 years as a U.S. Army Officer, as well as a professor of Military Science at Portland State University and the University of Idaho. He culminated a federal service career overseeing 56 separate university level Army officer production programs throughout the Pacific Northwest, Alaska, Hawaii, American Samoa and Guam. Lloyd served as the Assistant Vice President of Auxiliary Services at the University of Idaho before being appointed to his current position as the Vice President of Finance and Administration. He lends his extensive experience in the leadership of budget, accounting and investments; business affairs and operations; safety and risk management; human resource operations; information technology systems; auxiliary services; and facilities management.

Dr. John C. Tracy, Vice President for Research and Director of the Idaho Water Resources Research Institute at the University. Dr. Tracy received his B.S. degree in Civil Engineering at Colorado State University in 1980, and his M.S. and Ph.D. degrees in Civil Engineering at the University of California at Davis in 1986 and 1989 respectively. He has held academic positions at Kansas State University (Civil Engineering Department from 1989 to 1992), South Dakota State University (Civil Engineering Department from 1992 to 1996) the Desert Research Institute (Division of Hydrologic Sciences 1997 to 2004). During his time at the Desert Research Institute he became Executive Director of the Center for Watersheds and Environmental Sustainability. Dr. Tracy has worked on numerous research projects and authored or co-authored over 70 technical publications in the areas of watershed planning, watershed restoration, the development of modeling tools for environmental systems and remediation of contaminated soils. His most recent work has focused on environmental planning at the watershed scale and has included: the development of a conceptual model of the integration of physical and socio-economic processes in the Lake Tahoe basin; and the development of watershed scale planning models for use in evaluating plans to restore Walker Lake (Nevada).

Christopher D. Murray, Vice President for University Advancement, assumed his position at the University in May 2006. Mr. Murray received his B.A. degree in Journalism at the University of Southern California in 1983, and his Masters of Business Administration at the University of Southern California in 1995. Prior to joining the University, he held academic positions at the University of Southern California (Director of Corporate Relations, Central Development, from 1991 to 1994; Director of Development, Marshall School of Business, from 1994 to 1996) and the University of Oregon (Associate Dean, External Affairs – Lundquist College of Business, from 1997 to 2006). He served as a director of The Muscular Dystrophy Association (MDA) from 1983 to 1991 and as Executive Director of The Scleroderma Research Foundation from 1996 to 1997. Mr. Murray is responsible for advancement efforts including designing, articulating and leading comprehensive fund raising, providing oversight and alignment of activities in the development office, alumni relations, and marketing communications

programs. He also serves as executive director of the University of Idaho Foundation, responsible for organizing, supporting and directing volunteers in fundraising and advancement efforts.

Kent E. Nelson, was appointed as General Counsel to the University on September 17, 2006. Prior to his appointment he served from June 1998 to September 2006 as the Senior Deputy Attorney General in the Contracts and Administrative Law Division of the Idaho Attorney General, where he served as special projects counsel to the Idaho Board of Land Commissioners and as general counsel to various state agencies including the State Board of Education and Board of Regents of the University of Idaho. From September 1984 to June 1998 he was in general civil practice in Boise, Idaho with emphasis in real estate, transactions, creditors rights and civil litigation. Mr. Nelson received a bachelor's degree in accounting from the University of Idaho in 1980 and a Juris Doctor in law from the University of Idaho College of Law in 1984.

University of Idaho Foundation

The Foundation is a nonprofit corporation organized under Idaho law in 1970. 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, elected annually by the Foundation members, manage the Foundation.

The Foundation receives all gifts to the University and transfers such gifts to the donor-designated area within the University on a regular schedule. In addition, it manages the endowment funds in a pooled investment fund referred to as the Consolidated Investment Trust (the "CIT"). Earnings from the CIT are transferred annually to the University. Some funds invested in the CIT are held in trust for the University and are shown as an asset and liability on the Foundation financial statements.

[Describe dispute and settlement regarding University Plan in Boise.]

Since Fiscal Year 2004, the University has been required to discretely present the Foundation as a component unit. Financial information concerning the Foundation is contained in Note 15 to the University's audited financial statements included in **APPENDIX A** hereto.

TAX EXEMPTION

In the opinion of Skinner Fawcett and Ballard Spahr Andrews & Ingersoll, LLP, as Co-Bond Counsel to the Regents, 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. Co-Bond Counsel are 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. Co-Bond Counsel have assumed, without undertaking to determine or confirm, continuing compliance by [the

University] with such requirements and restrictions in rendering their opinions regarding the tax-exempt status of interest on the Series 2007 Bonds.

Although Co-Bond Counsel will render opinions 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. Co-Bond Counsel 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.

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

The Series 2007 Bonds are being purchased by George K. Baum & Company, acting as the Underwriter. The Bond Purchase Agreement, entered into between the Underwriter and the Regents, provides that the Underwriter will purchase the Series 2007 Bonds at an aggregate price of \$_____ representing (i) \$_____ aggregate par amount of the Series 2007 Bonds, plus (ii) net original issuance premium of \$_____, minus (iii) an underwriter's discount of \$_____. After initial public offering, the public offering prices may vary from time to time. Under the Bond Purchase Agreement, the Underwriter is obligated to purchase all of the Series 2007 Bonds if any are purchased. The Underwriter reserves the right to join with dealers and other underwriters in offering the Series 2007 Bonds to the public.

The Underwriter may offer and sell the Series 2007 Bonds to certain dealers (including dealers depositing the Series 2007 Bonds in investment trusts) and others at prices lower than the offering prices stated on the cover page of this Official Statement. The initial public offering prices stated on the cover page may be changed from time to time by the Underwriter.

RATINGS

Moody's Investors Service, Inc. ("**Moody's**") and Standard & Poor's Ratings Services ("**S&P**") have assigned their municipal bond ratings of "_____" and "_____" respectively, to the Series 2007 Bonds based on the insurance coverage provided by Financial Security Assurance Inc. Moody's and S&P have assigned underlying ratings of "A1" and "A+," respectively, to the Series 2007 Bonds. The ratings reflect only the views of the rating agencies, and an explanation of the significance of the ratings may be obtained from the rating agencies. There is no assurance that such ratings will continue for any given period of time or that the ratings may not be revised or withdrawn entirely if, in the judgment of the rating agencies, circumstances so warrant. Any downward revision or withdrawal of such ratings will be likely to have an adverse effect on the market price or marketability of the Series 2007 Bonds.

CONTINUING DISCLOSURE

The Regents and the Trustee have entered into a "Continuing Disclosure Agreement" pursuant to which the Regents will provide to the Trustee within 180 days following the end of its Fiscal Year a copy of the University's annual audited financial statements and such other specified 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 Regents also have 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 Regents to each nationally recognized municipal securities information repository and to the State of Idaho information depository, if any, 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 Regents have not delivered the University's annual audited financial statements or have 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 Regents' failure to deliver such information or the occurrence of such event.

The Regents have not failed to perform any obligation with respect to any existing undertaking] to provide continuous disclosure under the Rule. A failure by the Regents to comply with the Continuing Disclosure Agreement will constitute an event of default under the Continuing Disclosure Agreement or the Resolution 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 Continuing Disclosure Agreement.

A failure by the Regents to comply with the Continuing 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 Regents have reported as of the date hereof that there is no litigation pending or threatened that, if decided adversely to the interests of the Regents or the University, would have a materially adverse effect on the operations or financial position of the Regents or 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 Regents or the University.

VERIFICATION AGENT

Causey Demgen & Moore Inc. will deliver its report indicating that it has examined, in accordance with the standards established by the American Institute of Certified Public Accountants, the mathematical accuracy of the mathematical computations of the adequacy of the deposit of proceeds of the Series 2007 Bonds under the Escrow Agreement to pay interest of the Refunded Bonds on their respective Payment Dates and the redemption price of the Refunded Bonds.

LEGAL MATTERS

All legal matters incident to the authorization and issuance of the Series 2007 Bonds are subject to the approval of Skinner Fawcett, Boise, Idaho, and Ballard Spahr Andrews and Ingersoll, LLP, Salt Lake City, Utah, as Co-Bond Counsel to the Regents, whose approving opinion will be delivered with the Series 2007 Bonds and the form of which is attached in **APPENDIX H** to this Official Statement. Certain legal matters will be passed upon for the Regents and the University by the University's Counsel, Kent E. Nelson, Esq., Moscow, Idaho, for the Initial Liquidity Facility Provider by Sidley Austin, LLP, Los Angeles, California and for the Underwriter by Hogan & Hartson LLP, Denver, Colorado.

INDEPENDENT AUDITORS

The audited financial statements of the University as of and for the Fiscal Years ended June 30, 2005 and June 30, 2006, included in this Official Statement as **APPENDIX A**, have been audited by Moss Adams LLP, independent auditors, as stated in their report appearing therein. These financial statements are the most recent audited financial statements of the University.

MISCELLANEOUS

This Official Statement, and its distribution and use by the Underwriter, have been duly authorized and approved by the Regents.

APPENDICES A through **H** are an integral part of this Official Statement and must be read together with all other parts of this Official Statement.

THE REGENTS OF THE UNIVERSITY OF IDAHO

By: _____
Lloyd Mues, Vice President for Finance and
Administration and Bursar

APPENDIX A

**FINANCIAL STATEMENTS OF THE UNIVERSITY
FOR THE YEARS ENDED JUNE 30, 2005 AND JUNE 30, 2006**

APPENDIX B**SCHEDULE OF STUDENT FEES**

The fee schedule that follows was approved by the Regents at the June 2007 meeting for fees to be assessed during the 2007-2008 academic year. 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 and the number of full-time and part-time students for the previous academic year. The number of students obtained by dividing the Estimated Annual Revenue line items for full-time students is less than the full-time equivalents and fall semester full time enrollees for Fall 2007 shown in the body of the Official Statement under "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.

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**Tuition and Student Fees
Academic Year 2007-2008**

	Full Time		Part Time	
	Amount Per Semester	Estimated Annual Revenue	Amount Per Cr. Hour	Estimated Annual Revenue
<u>Facility Fees</u>				
Bond Issues:				
Bond Series 1996	\$ 55.00	\$ 957,000	\$ 2.00	\$ 59,040
Bond Series 1997 A&B	5.00	87,000	0.15	4,428
Series 2005A	75.00	1,305,000	7.50	221,400
Deferred Maintenance	40.00	696,000	-	0
Revenue Bond Series 2003	48.25	839,550	0.85	25,092
SRC Series 1999	82.00	1,426,800	8.20	242,064
Sweet Ave/Campus Improvement Series 1999B	5.00	87,000	-	0
Subtotal Facility Fees	<u>\$310.25</u>	<u>\$5,398,350</u>	<u>\$18.70</u>	<u>\$552,024</u>
<u>General Education Operating Budget</u>				
Matriculation Fee (Full-time only)	\$1,356.70	\$23,606,580	-	0
Education Fee (Part-time only)	-	0	\$155.35	\$4,585,932
<u>Student Computing and Network Access</u>	\$60.90	\$1,059,660	\$6.00	\$ 177,120
<u>Dedicated Activity Fees</u>				
Alumni Association	\$1.00	\$17,400		
Associated Students - Incl Diversity Ctr	87.28	1,518,672	\$2.60	\$76,752
Campus Card	7.90	137,460	1.50	44,280
Campus Recreation - Intramurals/Sports Clubs	19.25	334,950	3.20	94,464
Campus Recreation - SRC Operations / R & R	40.75	709,050	2.90	85,608
Commons/Union Operations / R & R	87.35	1,519,890	4.00	118,080
Fine Arts	3.00	52,200	-	0
HPERD - Locker Services	1.25	21,750	1.25	36,900
Intercollegiate Athletics	113.70	1,978,380	3.00	88,560
Kibbie - Mem Gym Cage/Swim Ctr	5.25	91,350	1.05	30,996
Kibbie Center Operations	22.53	392,022	5.00	147,600
Marching Band	6.25	108,750	1.25	36,900
Sales Tax	1.61	28,014	-	0
Spirit Squad	2.45	42,630	-	0
Student Research Grants	6.00	104,400	-	0
Student Health	39.80	692,520	6.20	183,024
Student Services	23.78	413,772	-	0
Sustainability Center	5.00	87,000	-	0
Transit Service	3.00	52,200	-	0
SubtotalActivity/DedicatedFees	<u>\$477.15</u>	<u>\$8,302,410</u>	<u>\$31.95</u>	<u>\$943,164</u>
TOTAL	<u>\$2,205.00</u>	<u>\$38,367,000</u>	<u>\$212.00</u>	<u>\$6,258,240</u>
<u>Other Fees / Tuition</u>				
Graduate / Professional Fee	\$270.00	\$594,000	\$27.00	\$76,140
Law College Dedicated Fee	\$2,625.00	\$1,614,375	\$263.00	\$3,945
Architecture Program Dedicated Fee	\$406.00	\$454,720	\$40.00	\$5,600
Nonresident Tuition	\$5,040.00	\$6,350,400	\$148.00	\$2,440
In-Service Fee – Undergraduate	-	0	\$72.00	\$28,440
In-Service Fee – Graduate	-	0	\$86.00	\$319,490
Western Undergraduate Education Fee	\$1,102.00	\$2,688,880	-	0
SubtotalOtherFees/Tuition	-	<u>\$11,702,375</u>		<u>\$436,055</u>
<u>Total</u>		<u>\$50,069,375</u>		<u>\$6,694,295</u>

Note: Part-time non-resident tuition charges do not apply to summer session.

APPENDIX C

GLOSSARY OF CERTAIN TERMS USED IN THE
RESOLUTION AND OFFICIAL STATEMENT

Except as otherwise expressly provided in the Resolution, as supplemented by Supplemental Resolutions, including the Series 2007 Supplemental Resolution, or this Official Statement or unless the context otherwise requires, the following terms shall have the following meanings:

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.

Activity Center Bonds mean the bonds issued by the Regents under the Activity Center Resolution (Outstanding as of the date of this Official Statement) described as follows: (a) \$9,285,000 Student Fee Refunding Revenue Bonds, Series 1996 dated March 15, 1996 and (b) \$5,620,000 Student Fee Revenue Bonds (University Commons Supplemental Project), Series 1997 dated December 1, 1997.

Activity Center Complex Fee means the activity center complex fee imposed upon full and part time students attending the University.

Activity Center Resolution means the bond resolution adopted by the Regents on March 15, 1996, providing for the issuance of the Activity Center Bonds, and as from time to time supplemented by supplemental resolutions.

Activity Fees shall include such fees designated and set from time to time by the Regents or the University, imposed upon each full-time and part-time on-campus student in attendance at the University for a activities at the University. Currently such fees include: ASUI general, alumni association fee, campus card, cheerleader program, college dedicated fee, Commons/Union operations, fine arts, intercollegiate athletics, intramural/locker/recreational services, Kibbie Center operations (stadium), marching band, minority student program, sales tax, student advisory services, student recreation center operations, student benefits, health and wellness, and student health services.

Additional Bonds shall mean any bonds which the Regents may issue pursuant to Article VII of the Resolution secured by all or a portion of the Pledged Revenues, as may be amended from time to time.

Alternate Liquidity Facility means a liquidity facility, provided by the Regents with respect to one or both Series of the Series 2007 Bonds pursuant to the Resolution.

Amendments means, collectively, the 2005 Amendments and the 2007 Amendments.

Approving Opinion means an Opinion of Counsel to the effect that an action being taken is authorized by the applicable provisions of the Resolution and will not adversely affect the tax-exempt status of interest on the Series 2007 Bonds.

Authorized Denomination means, with respect to the Series 2007 Bonds, (i) during any Weekly Rate Period or Term Interest Rate Period of less than one year, \$100,000 or any multiple of \$5,000 in excess thereof; and (ii) during any Term Interest Rate Period of one year or more, \$5,000 or any integral multiple thereof.

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

Auxiliary Enterprises shall mean all facilities of the University generating Sales and Services Revenues, including the Housing System, Parking System, Non-Residential Food Service System, Bookstore, and recreational and event facilities.

Beneficial Owner(s) shall mean the owners of Bonds and any Additional Bonds issued pursuant to the Resolution, whose ownership is recorded under the Book-Entry-Only System maintained by the Securities Depository as described in the Resolution.

Bond Fund shall mean the fund created by the Resolution, consisting of two accounts: (1) Debt Service Account and (2) Debt Service Reserve Account.

Bond Purchase Agreement means the Bond Purchase Agreement dated October __, 2007, between the Regents and the Underwriter pursuant to which the Series 2007 Bonds are sold.

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 and any Additional Bonds.

Bond Resolution or Resolution shall mean the Bond Resolution adopted by the Regents on November 22, 1991, providing for the issuance of General Revenue Bonds, as from time to time amended and 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, collectively, the Bonds issued pursuant to the Resolution and Additional Bonds issued pursuant to any Supplemental Resolutions.

Book-Entry System shall mean the book-entry system of registration of the Bonds and any Additional Bonds as described in the Resolution.

Bookstore means the University's bookstore facilities located on the Moscow campus, in which books, supplies and merchandise are sold.

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 state of Idaho, 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.

Calendar Week means the period of seven (7) days from and including Thursday of any week to and including Wednesday of the next following week; provided, however, that the initial Calendar Week with respect to each Weekly Interest Rate Period shall commence on the first day of such Weekly Interest Rate Period and shall end on the next succeeding Wednesday; and provided further that the final Calendar Week with respect to each Weekly Interest Rate Period shall commence on the Thursday immediately preceding the last day of such Weekly Interest Rate Period and shall end on the last day of such Weekly Interest Rate Period.

Cede & Co. shall mean Cede & Co., as nominee of DTC.

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 Resolution, from which the Costs of Acquisition and Construction of a Project shall be paid.

Consultant's Report shall mean a report signed by an independent financial consultant or other independent consultant, selected by the University and approved by the Trustee (which approval shall not unreasonably be withheld), as may be appropriate to the subject of the report, and including:

- (1) a statement that the person or firm making or giving such report has read the pertinent provisions of the Resolution to which such report relates;
- (2) a brief statement as to the nature and scope of the examination or investigation upon which the report is based;
- (3) a statement that, in the opinion of such person or firm, sufficient examination or investigation was made as is necessary to enable said independent financial consultant or other independent consultant to express an informed opinion with respect to the subject matter referred to in the report.

Continuing Disclosure Agreement means the Continuing Disclosure Agreement between the Regents and the Trustee as Dissemination Agent with respect to the Series 2007 Bonds.

Conversion or Convert means the adjustment of the rate borne by one or both series of the Series 2007 Bonds from a Weekly Interest Rate to a Term Interest Rate, from a Term Interest Rate to a Weekly Interest Rate or from a Term Interest Rate for one Term Interest Rate Period to a Term Interest Rate for another Term Interest Rate Period.

Conversion Date means the date on which the Interest Rate Period for one or both series of the Series 2007 Bonds is changed, or the date of a change of the Interest Rate Period for one or both series of the Series 2007 Bonds specified in a notice given pursuant to the Resolution.

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 changes, 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 or any Additional 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.

Continuing Disclosure Agreement shall mean the agreement by that name with respect to the Series 2007 Bonds dated October __, 2007 between the Regents and the Trustee.

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. 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.

[If, prior to the issuance of the Series 2007 Bonds, consents to the 2005 Amendments are not obtained from insurance companies insuring Pre-2005 Bonds, as described in the Official Statement, the old definition of Debt Service will stay in effect, which defines Debt Service as follows:

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. 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.]

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

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

DTC means The Depository Trust Company, New York, New York.

Direct Obligations means noncallable Government Obligations.

DTC Participants shall mean 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.

Educational Activities Revenues shall mean revenues generated incidentally to the conduct of instruction, research and public service activities, such as unrestricted revenues generated by the University's testing and training services, labs, sales of scientific materials, sales of miscellaneous services and products, and agriculture and forest products.

Escrow Account means the account established under the Escrow Agreement.

Escrow Agent shall mean Wells Fargo Bank, N.A., Boise, Idaho, or its successor in function, which shall supervise the Escrow Account and the Investment Securities, as defined in the Escrow Agreement with respect to the Refunded Bonds.

Escrow Agreement means the agreement between the Regents and Trustee, as Escrow Agent, dated the date of delivery of the Series 2007 Bonds, providing for the refunding and redemption of the Refunded Bonds.

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 Regents. 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. In estimating Operation and Maintenance Expenses, recognition shall be given to any other revenues which may be designated by the Regents and to any anticipated change in the Operation and Maintenance Expenses. Amounts reasonably anticipated to be paid from sources other than Pledged Revenues may be excluded from the estimated Operation and Maintenance Expenses.

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

F&A Recovery Revenues shall mean the revenues received by the University from the United States as reimbursement for facility and administrative costs in conjunction with grants received from the United States and agencies and instrumentalities thereof.

Facility Fees shall mean such fees designated and set from time to time by the Regents or the University, imposed upon each full-time and part-time on-campus student in attendance at the University for facilities at the University. Currently such fees consist of the Student Building Fee, the Residential Campus Development Fee, the Recreation Center Fee, and the Activity Center Complex Fee.

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.

Fitch means Fitch Ratings, its successors and their assigns, and, if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Fitch" shall be

deemed to refer to any other nationally recognized securities rating agency designated by the Regents, with notice to the Liquidity Facility Provider, the Trustee and the Remarketing Agent

General Account Appropriated Funds shall mean general account appropriated funds of the State of Idaho which in accordance with governmental accounting standards and the University's audited financial statements are treated as non-operating revenues and accordingly such revenues are not included in the definition of Other Operating Revenues for purposes of generating Pledged Revenues under the Resolution, and in any event are excluded from Pledged Revenues.

General Revenue Bond System means the single revenue bond system created under the Resolution under which the Series 2005A Bonds shall be issued and Additional Bonds may be issued.

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.

Government Obligations means solely one or more of the following:

- (a) State and Local Government Series issued by the United States Treasury ("SLGS");
- (b) United States Treasury bills, notes and bonds, as traded on the open market;
- (c) Zero Coupon United States Treasury Bonds; and
- (d) Any other direct obligations of or obligations unconditionally guaranteed by, the United States of America (including, without limitation, obligations commonly referred to as "REFCORP strips").

Housing System shall mean the University's system of (i) on campus, student group housing facilities and related and facilities, including family student housing; and (ii) the Residence Hall System.

Information Reporting Agreement means the Information Reporting Agreement entered into between the University and the Trustee, dated February 5, 1997.

Information Services means Financial Information, Inc.'s "Daily Called Bond Service," 30 Montgomery Street, 10th Floor, Jersey City, New Jersey 07302, Attention: Editor; Kenny Information Services "Called Bond Service," 65 Broadway, 16th Floor, New York, New York 10006; Moody's "Municipal and Government," 99 Church Street, 8th Floor, New York, New York 10007, Attention: Municipal News Reports; and S&P's "Called Bond Record," 55 Water Street, 45th Floor, New York, New York 10041; or to such other addresses and/or such other services providing information with respect to called bonds as the Regents may designate in writing to the Trustee.

Initial Liquidity Facility means, collectively, the Initial Series 2007A Liquidity Facility and the Initial Series 2007B Liquidity Facility.

Initial Liquidity Facility Provider means, with respect to the Series 2007 Bonds, Dexia Credit Local, acting through its New York Branch.

Initial Series 2007A Liquidity Facility means the standby bond purchase agreement among the Regents, the Trustee and the Initial Liquidity Facility Provider with respect to the Series 2007A Bonds.

Initial Series 2007B Liquidity Facility means the standby bond purchase agreement among the Regents, the Trustee and the Initial Liquidity Facility Provider with respect to the Series 2007B Bonds.

Interest Rate Period means either a Weekly Interest Rate Period or a Term Interest Rate Period.

Investment Income shall include investment earnings on all unrestricted University funds and accounts.

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.

[If, prior to the issuance of the Series 2007 Bonds, consents to the 2005 Amendments are not obtained from insurance companies insuring Pre-2005 Bonds, as described in the Official Statement, the old definition of Investment Securities will stay in effect, which defines Investment Securities as follows:

Investment Securities shall mean and include any of the following securities:

A. Direct obligations of or obligations guaranteed by the United States of America, including obligations of any of the Federal agencies set forth in Clause B below to the extent unconditionally guaranteed by the United States of America, and including certificates evidencing ownership of serially maturing interest payments and principal payments on United States Treasury Notes or Bonds;

B. Bonds, debentures, participation certificates, notes or other evidence of indebtedness issued by any of the following agencies: Bank for Cooperatives, Federal Intermediate Credit Bank; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks, United States Postal Service; Government National Mortgage Association; Farmers Home Administration; Federal Home Loan Mortgage Association; Federal Financing Bank; or any agency or instrumentality of the United States of America which shall be established for the purposes of acquiring the obligations of any of the foregoing or otherwise providing financing therefor;

C. Money market funds which are rated AAAm or AAAm-G by S&P;

D. Certificates of deposit or time deposits constituting direct obligations of any financial institution (including the Trustee) which is insured by the Bond Insurance Fund or the Savings Association Insurance Fund administered by the Federal Deposit Insurance Corporation and which do not exceed the maximum of such insurance unless such excess is fully collateralized by securities or obligations in which investments may be made directly, and which financial institution has a combined capital and surplus in excess of \$10,000,000 or which financial institution's negotiable or non-negotiable certificates of deposit, time deposits or other similar banking arrangements are rated in either of the two highest rating categories by S&P;

E. Repurchase agreements with (1) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least "A" by S&P and Moody's; or (2) any broker-dealer with "retail customers" or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least "A" by S&P and Moody's,

which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated "A" or better by S&P and Moody's provided that:

1. The market value of the collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach);

2. The Trustee or a third party acting solely as agent therefor or for the Issuer (the "Holder of the Collateral") has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor's books);

3. The repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

4. All other requirements of S&P in respect of repurchase agreements shall be met.

5. The repurchase agreement shall provide that if during its term the provider's rating by either Moody's or S&P is withdrawn or suspended or falls below "A-" by S&P or "A3" by Moody's, as appropriate, the provider must, at the direction of the University or the Trustee (who shall give such direction if so directed by the insurers of all outstanding Bonds), within 10 days of receipt of such direction, repurchase all collateral and terminate the agreement, with no penalty or premium to the University or Trustee.

Notwithstanding the above, if a repurchase agreement has a term of 270 days or less (with no evergreen provision), collateral levels need not be as specified in (a) above, so long as such collateral levels are 103% or better and the provider is rated at least "A" by S&P and Moody's, respectively.

F. Commercial paper that is rated at the time of purchase A-1+ by S&P and P-1 by Moody's, and that matures no more than 365 days after the date of purchase;

G. Investments in a taxable or tax-exempt money market fund (i) of the Trustee or (ii) registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of "AAAm" or "AAAm_G";

H. Investment agreements with a domestic or foreign bank or corporation (other than a life or property casualty insurance company) the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least "AA" by S&P and "Aa" by Moody's; provided that, by the terms of the investment agreement:

1. Interest payments are to be made to the Trustee at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the construction fund, construction draws) on the Bonds;

2. The invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days' prior notice; the Issuer and the Trustee hereby agree to

give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

3. *The investment agreement shall state that it is the unconditional and general obligation of, and is not subordinate to any other obligation of, the provider thereof;*

4. *The University or the Trustee receives the opinion of domestic counsel (which opinion shall be addressed to the University, and insurers of all outstanding Bonds) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable) in form and substance acceptable, and addressed to, the insurers of all outstanding Bonds;*

5. *The investment agreement shall provide that if during its term*

(a) the provider's rating by either S&P or Moody's falls below "AA-" or "Aa3," respectively, the provider shall, at its option, within 10 days of receipt of publication of such downgrade, either (i) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the Issuer, the Trustee or a third party acting solely as agent therefor (the "Holder of the Collateral") collateral free and clear of any third-party liens or claims the market value of which collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach); or (ii) repay the principal of and accrued but unpaid interest on the investment, and

(b) the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below "A-" or "A3," respectively, the provider must, at the direction of the Issuer or the Trustee within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Issuer or Trustee; and

6. *The investment agreement shall state and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession); and*

7. *The investment agreement must provide that if during its term*

(a) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Issuer or the Trustee be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer or Trustee, as appropriate, an

(b) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer or Trustee, as appropriate.

I. *Refunded municipal obligations defined as follows: any bonds or other obligations of any State of the United States of America or of any agency, instrumentality or local governmental unit of any such state that are not callable at the option of the obligor prior to maturity or as to which irrevocable notice has been given by the obligor to call on the date specified in the notice; and (A) that are rated, based on the escrow, in the highest rating category of S&P and Moody's or any successors thereto; or (B)(i) that are fully secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or obligations described in clause (1) above, which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which fund is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (I) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to above, as appropriate;*

J. *Certificates evidencing ownership of serially maturing interest payments and principal payments on United States Treasury Notes or Bonds including (i) U.S. Treasury STRIPS, (ii) REFCORP STRIPS, (iii) Financing Corp. (FICO) STRIPS, and (iv) any stripped securities rated AAA by S&P; and*

K. *Direct and general obligations of any State within the territorial United States of America, to the payment of the principal of and interest on which the full faith and credit of such State is pledged, provided that at the time of their purchase, such obligations are rated in either of the two highest rating categories by a nationally recognized bond rating agency.]*

Liquidity Facility means, as of any time, the Initial Series 2007A Liquidity Facility and the Initial Series 2007B Liquidity Facility or any Alternate Liquidity Facility, as applicable, then securing the Series 2007A Bonds or the Series 2007B Bonds.

Liquidity Facility Provider means, with respect to a Liquidity Facility, the bank or other financial institution acting as the provider under the Liquidity Facility, including the Initial Liquidity Facility Provider.

Liquidity Facility Provider Bond means any Series 2007 Bond acquired with moneys in the respective Liquidity Facility Purchase Account pursuant to the Resolution.

Liquidity Facility Purchase Account means the Series 2007A Liquidity Facility Purchase Account and the Series 2007B Liquidity Facility Purchase Account.

Mandatory Redemption Amount(s) shall mean the mandatory deposits (i) established for the Series 1992A Bonds pursuant to the Resolution, or (ii) as to any Additional Bonds the amounts 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.

Mandatory Tender Bonds means Series 2007 Bonds which are subject to mandatory tender pursuant to the 2007 Supplemental Resolution.

Matriculation Fee(s) shall mean the student matriculation fee established by the Regents 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 Regents. The Matriculation Fee shall include general education fees for part-time and summer students which are currently designated by the Regents as the "Part-time Educational Fee" and "Summer School 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.

Maximum Interest Rate means, with respect to the Series 2007 Bonds, [10%] per annum.

Moody's means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns and, if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency (other than S&P or Fitch) designated by the Regents, with notice to the Liquidity Facility Provider, the Trustee and the Remarketing Agent.

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

Nominee means Cede & Co., as nominee of DTC, the initial Securities Depository for the Series 2007 Bonds, and any successor nominee of DTC and, if another Securities Depository replaces DTC as Securities Depository under the Resolution, any nominee of such substitute Securities Depository.

Non-Residential Food Service System means the University's system of providing food services for the University's students, faculty, staff, employees and invited guests at all University facilities on the Moscow campus, excluding board charges for food service in the University's Residence Hall System.

Notice by Mail or notice of any action or condition "by Mail" shall mean a written notice meeting the requirements of the 2007 Supplemental Resolution mailed by first class mail, postage prepaid.

Opinion of Counsel means a written opinion of counsel satisfactory to the Regents and not objected to by the Trustee or the Liquidity Facility Provider with respect to the Series 2007 Bonds.

Other Fees/Tuition shall consist of the graduate/professional fee, law college dedicated fee, architecture school dedicated fee, non-resident tuition, in service teacher education fee, and the western undergraduate education fee, and such other fees as the University shall hereafter establish.

Other Operating Revenues shall mean revenues received by the University generated from miscellaneous sources, i.e., fines and rent/lease revenues.

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 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.

Parking Fees shall mean the fees for use of the Parking System charged to students, faculty, and employees of the University, as established by the Regents and as the same may from time to time be amended in accordance with procedures established by the Regents.

Parking System shall mean the on-campus parking system at the University campus in Moscow, Idaho.

Payment Date means, unless otherwise provided by a Supplemental Resolution, (a) with respect to the Series 2007 Bonds during the Initial Term Interest Rate Period, and any other Term Interest Rate Period, each April 1 and October 1, commencing April 1, 2008, (b) with respect to the Series 2007 Bonds during a Weekly Interest Rate Period the first Wednesday of the first month following the beginning of a Weekly Interest Rate Period, and (c) with respect to Liquidity Facility Provider Bonds the dates set for payment of interest thereof under the applicable Liquidity Facility.

Pledged Revenues shall include:

A. So long as any Recreation Center Bonds and Activity Center Bonds are outstanding, Pledged Revenues shall include: (i) all Student Fees, except that the pledge of the Recreation Center Fees and Activity Center Complex Fees shall be junior and subordinate to the pledge of such fees under the Center Resolution and Activity Center Resolution, respectively; (ii) all Sales and Services Revenues, except that the pledge of certain of these revenues shall be junior and subordinate to the pledge of such revenues under the Activity Center Resolution; (iii) the F&A Recovery Revenues; (iv) Other Operating Revenues; (v) Investment Income under the Resolution, except that the pledge of a portion of Investment Income shall be junior and subordinate to the pledge of such income under the Recreation Center Resolution and Activity Center Resolution; (vi) [reserved]; and (vii) such other revenues as the Regents shall designate as Pledged Revenues.

B. When the Activity Center Bonds are no longer outstanding, Pledged Revenues shall include: (i) Student Fees, except that the pledge of the Recreation Center Fees shall be junior and subordinate to the pledge of such fees under the Recreation Center Resolution; (ii) Sales and Services Revenues; (iii) the F&A Recovery Revenues; (iv) Other Operating Revenues; (v) Investment Income, except that the pledge of a portion of Investment Income shall be junior and subordinate to the pledge of such income under the Recreation Center Resolution; (vi) [reserved]; and (vii) such other revenues as the Regents shall designate as Pledged Revenues.

C. When the Recreation Center Bonds are no longer outstanding, Pledged Revenues shall include: (i) Student Fees, except that the pledge of the Activity Center Complex Fees shall be junior and subordinate to the pledge of such fees under the Activity Center Resolution; (ii) Sales and Services Revenues; (iii) the F&A Recovery Revenues; (iv) Other Operating Revenues; (v) Investment Income, except that the pledge of a portion of Investment Income shall be junior and subordinate to the pledge of such income under the Activity Center Resolution; (vi) [reserved]; and (vii) such other revenues as the Regents shall designate as Pledged Revenues.

D. When neither the Recreation Center Bonds nor the Activity Center Bonds shall be outstanding, Pledged Revenues shall include: (i) Student Fees; (ii) Sales and Services Revenues; (iii) the

F&A Recovery Revenues; (iv) Other Operating Revenues; (v) Investment Income; (vi) [reserved]; and (vii) such other revenues as the Regents shall designate as Pledged Revenues.

Notwithstanding the definitions set forth above and, in particular, notwithstanding clause (vii) of paragraphs A, B, C and D above, in no event shall Pledged Revenues include (i) General Account Appropriated Funds or (ii) Restricted Fund Revenues.

President shall mean the president of the Regents.

Pre-2005 Bonds shall mean all bonds issued under the Resolution and Supplemental Resolutions thereto prior to the issuance of the Series 2005A Bonds.

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.

Principal Office (i) of the Trustee means the principal corporate trust office of the Trustee designated in writing to the University, the Remarketing Agent and the Liquidity Facility Provider, if any, or such other office designated by the Trustee from time to time; (ii) of the Remarketing Agent means its office designated in writing to the Trustee, the University, and the Liquidity Facility Provider; (iii) of the Initial Liquidity Facility Provider means the office of the Initial Liquidity Facility Provider designated in writing to the Trustee and the University, and (iv) of any subsequent Liquidity Facility Provider means its office located at such address as such Liquidity Facility Provider shall designate in writing to the Trustee and the University.

Private Person shall mean any natural person engaged in a trade or business, the United States of America or any agency thereof, or any trust, estate, partnership, association, company or corporation. A state or local governmental unit is not a private person.

Private Person Use shall mean the use of property in a trade or business by a Private Person if such use is other than as a member of the general public. Private Person Use includes ownership of the property by the Private Person as well as other arrangements that transfer to the private Person the actual or beneficial use of the property (such as a lease, management or incentive payment contract or other special arrangement) in such a manner as to set the Private Person apart from the general public. Use of property as a member of the general public includes attendance by the Private Person at municipal meetings or business rental of property to the Private Person on a day-to-day basis if the rental paid by such Private Person is the same as the rental paid by any Private Person who desires to rent the property. Use of property by nonprofit community groups or community recreational groups is not treated as Private Person Use if such use is incidental to the governmental uses of property, the property is made available for such use by all such community groups on an equal basis and such community groups are charged only a de minimis fee to cover custodial expenses.

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

Project Account shall mean an account established by the Trustee within the Construction Fund for a Project.

Purchase Date means any date on which any Series 2007 Bond is required to be purchased pursuant to the optional tender and mandatory tender provisions of the Resolution.

Purchase Price means an amount equal to 100% of the principal amount of any Series 2007 Bond (or the portion thereof) tendered or deemed tendered to the Trustee for purchase pursuant to the optional tender and mandatory tender provisions of the Resolution, plus accrued and unpaid interest thereon to but not including the date of purchase.

Rating Agency means Fitch, S&P, Moody's or any other nationally recognized rating agency, in each case then providing or maintaining a rating on the Series 2007 Bonds at the request of the Regents.

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 Center Bonds means the bonds issued by the Regents under the Recreation Center Resolution (and Outstanding as of June 30, 2007) described as follows: \$20,115,000 Student Fee Revenue Bonds (Recreation Center Project), Series 1999, dated February 15, 1999.

Recreation Center Fee means the recreation facility fee imposed upon full and part time students attending the University as assessed by the Regents.

Recreation Center Resolution means the bond resolution adopted by the Regents on January 25, 1999, providing for the issuance of the Recreation Center Bonds.

Refunded Bonds means that portion of the Recreation Center Bonds, Series 1999A Bonds, Series 1999B Bonds, and Series 2001 Bonds as specified in the Terms Certificate.

Refunding Proceeds shall mean the portion of the monies due the University from the Underwriter to purchase the Series 2007A Bonds paid to the Escrow Agent by the Underwriter pursuant to the 2007 Supplemental Resolution for purposes of refunding the Refunded Bonds.

Regents shall mean the Regents of the University of Idaho.

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 Resolution.

Remarketing Agent means George K. Baum & Company, as the initial Remarketing Agent, and any successor thereof appointed pursuant to the 2007 Supplemental Resolution.

Remarketing Agreement means, initially, a Remarketing Agreement dated as of October 1, 2007 between the Regents and George K. Baum & Company, and any other Remarketing Agreement meeting the requirements of the 2007 Supplemental Resolution.

Replacement Bonds shall mean the Bonds described as such in the Resolution, and any Additional Bonds issued as Replacement Bonds in accordance therewith.

Representations Letter means the Blanket Letter of Representations dated June 18, 1999, from the University to DTC.

[Reserve Account Credit Enhancement shall mean any insurance policy, surety bond, letter of credit or similar instrument which is issued by an insurance company or financial institution, the long term senior unsecured debt of which is rated in one of the two highest rating categories by Moody's Investors Service, Inc., deposited in or credited to the Debt Service Reserve Account, in lieu of or in partial substitution for moneys required to be on deposit therein; provided that the obligation of the University to pay any amounts to any such insurance company or financial institution shall be subordinated indebtedness or indebtedness on a parity with the Bonds; provided that the amount of the obligation which is indebtedness on a parity with the Bonds shall not exceed that proportion which any amount drawn under such Reserve Account Credit Enhancement is to the amount of Bonds secured by the Debt Service Reserve Account remaining outstanding. -- This definition will be deleted if, prior to the issuance of the Series 2007 Bonds, all bond insurers of the Outstanding Pre-2005 Bonds shall have consented to the 2005 Amendments pursuant to the Resolution].

[Reserve Account Requirement shall mean the lesser of: (i) Maximum Annual Debt Service with respect to Bonds secured by the Debt Service Reserve Account, (ii) 125% of average annual Debt Service on all Bonds Outstanding secured by the Debt Service Reserve Account, or (iii) 10% of the aggregate principal amount of the Bonds and of any Additional Bonds secured by the Debt Service Reserve Account hereafter issued upon original issuance thereof (but not taking into account any series of Bonds which has been paid in full or provision for which payment in full has been made pursuant to Article XII of the Resolution); provided that the Reserve Account Requirement shall not exceed the amount permitted to be capitalized from Net Proceeds under then applicable provisions of federal tax law in order to protect the tax-exempt status of interest on the Bonds. -- This definition will be deleted if, prior to the issuance of the Series 2007 Bonds, all bond insurers of the Outstanding Pre-2005 Bonds shall have consented to the 2005 Amendments pursuant to the Resolution].

Residence Hall System means the University's on-campus residence hall housing facilities, including the Wallace Residence Hall and Cafeteria Complex, the McConnell Residence Hall, the Gault-Upham Residence Hall and the Theophilus Tower Residence Hall, and food service and dining facilities and related and subordinate facilities.

Resolution or Bond Resolution shall mean the Resolution adopted by the Regents on November 22, 1991, as previously amended and supplemented, including the Amendments, and by the 2007 Supplemental Resolution.

Restricted Fund Revenues shall mean all revenues that the University is obligated to spend in accordance with restrictions imposed by external third parties, such as revenues from grants, contracts, gifts and scholarships.

Revenue Fund shall mean the Revenue Fund established by the Resolution.

S&P means Standard & Poor's Ratings Services, its successors and their assigns, and, if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency (other than Fitch or Moody's) designated by the Regents, with notice to the Liquidity Facility Provider, the Trustee and the Remarketing Agent.

Sales and Services Revenues shall include all revenues generated through operations of the Auxiliary Enterprises and the Educational Activities Revenues.

Secretary means the secretary of the Regents.

Securities Depository shall mean DTC, or any successor Securities Depository appointed pursuant to the Resolution.

Series 2005A Bonds means the \$30,740,000 principal amount of General Revenue Refunding Bonds, Series 2005A.

Series 2007 Bondholder means the holder of any Series 2007 Bond.

Series 2007 Costs of Issuance shall mean the costs and expenses incurred in connection with the issuance, sale and delivery of the Series 2007 Bonds.

Series 2007 Costs of Issuance Account shall mean the account into which shall be deposited the portion of the proceeds of the Series 2007 Bonds necessary to pay the Series 2007 Costs of Issuance.

Series 2007A Bond Purchase Fund means the fund by that name created by the 2007 Supplemental Resolution.

Series 2007A Bonds means \$_____ principal amount of General Revenue Refunding Bonds, Series 2007A, dated _____, 2007.

Series 2007A Liquidity Facility Purchase Account means the subaccount by that name created within the Series 2007A Bond Purchase Fund by the 2007 Supplemental Resolution.

Series 2007A Remarketing Account means the subaccount by that name created within the Series 2007A Bond Purchase Fund by the 2007 Supplemental Resolution.

Series 2007B Bond Purchase Fund means the fund by that name created by the 2007 Supplemental Resolution.

Series 2007B Bonds means \$_____ principal amount of General Revenue Bonds, Series 2007B, dated _____, 2007.

Series 2007B Liquidity Facility Purchase Account means the subaccount by that name created within the Series 2007B Bond Purchase Fund by the 2007 Supplemental Resolution.

Series 2007B Project Account means the account established under the 2007 Supplemental Resolution into which shall be deposited the Project Proceeds.

Series 2007B Remarketing Account means the subaccount by that name created within the Series 2007B Bond Purchase Fund by the 2007 Supplemental Resolution.

Student Building Fee means the Student Building Fee designated and set from time to time by the Regents, imposed upon each full-time and part-time on-campus student in attendance at the University.

Student Fees shall consist of the Matriculation Fee, the Activity Fees, the Facility Fees, the Technology Fee, and the Other Fees/Tuition.

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 Regents under the

Act; but only if and to the extent that such Supplemental Resolution is adopted in accordance with the provisions of the Resolution.

Technology Fee shall include the Student Computing and Network Access Fee to support the University's technological operations, as assessed against full-time and part-time students at the University and as said fees now exist and may hereafter be revised by the Regents or the University.

Term Interest Rate means a non-variable interest rate or rates for one or both series of the Series 2007 Bonds established for a Term Interest Rate Period in accordance with the Resolution.

Term Interest Rate Period means each period determined by the [University] pursuant to the Resolution during which one or both series of the Series 2007 Bonds bear interest at a Term Interest Rate; provided that each such period shall be for a term of approximately one month, approximately three months, approximately six months, approximately nine months, approximately one year or any multiple of approximately six months above one year in each case ending on a day preceding a Business Day; provided, however, that notwithstanding the foregoing any Term Interest Rate Period which ends on the day immediately preceding the maturity date of such Series 2007 Bonds may include a period of time from the Payment Date immediately preceding the maturity date of such Series 2007 Bonds to the day immediately preceding the maturity date of such Series 2007 Bonds even if the time remaining to such day is not one of the periods specified above; and provided, further, that notwithstanding the foregoing any Term Interest Rate Period may end on the day immediately preceding the maturity date of such Series 2007 Bonds whether or not such maturity date is a Business Day.

Terms Certificate means a certificate of the Regents signed by the Bursar or authorized designee in substantially the form attached to the 2007 Supplemental Resolution, specifying certain terms of the Series 2007 Bonds.

Trustee shall mean Wells Fargo Bank, N.A., Boise, Idaho, which shall also act as bond registrar, authenticating agent, paying agent and transfer agent with respect to the Series 2005A Bonds, or its successors in functions, as now or hereafter designated.

2005 Amendments means amendments to the Resolution as described in the 2005A Supplemental Resolution.

2005A Supplemental Resolution means the Supplemental Resolution of the Regents adopted on January 24, 2005, authorizing the Series 2005A Bonds and making the 2005 Amendments.

2007 Amendments means amendments to the Resolution as described in the 2007 Supplemental Resolution.

2007 Insurer means Financial Security Assurance Inc., or any successor thereto or assignee thereof, as issuer of the 2007 Policy.

2007 Policy means the Municipal Bond Insurance Policy issued by the 2007 Insurer insuring the payment when due of the principal of and interest on the Series 2007 Bonds as provided therein.

2007 Supplemental Resolution means the Supplemental Resolution of the Regents adopted on [October 11], 2007, authorizing the Series 2007 Bonds and making the 2007 Amendments.

Underwriter shall mean George K. Baum and Company, or its successor in function, as the original purchaser of the Series 2007 Bonds.

University shall mean the University of Idaho, at Moscow, Idaho, a body politic and corporate pursuant to the provisions of Article 9, Section 10, Idaho Constitution and Section 33-2801, Idaho Code.

Variable Index means an index selected by the Remarketing Agent which is a composite of bid-side yields of obligations (a) which (i) provide for a weekly adjustment of the interest rate, and (ii) which (A) must be purchased on demand of the owner thereof at any time upon notice of up to seven (7) days or (B) are payable in full not later than seven (7) days after the date of evaluation and (b) the interest on which is tax-exempt from gross income of the holders thereof for federal income tax purposes. If for any reason the Variable Index for any rate determination date cannot be established as provided above or is held to be invalid or unenforceable by a court of law, the Variable Index for such rate determination date shall be an index computed by the Remarketing Agent and shall be equal to 110% of the PSA Municipal Index.

Weekly Interest Rate means an interest rate on one or both series of the Series 2007 Bonds established for a Calendar Week pursuant to the Resolution.

Weekly Interest Rate Period means each period during which the Series 2007 Bonds bear interest at Weekly Interest Rates.

Weekly Put Bonds means the Series 2007 Bonds whose holder may tender them weekly.

Written Certificate of the University shall mean 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 in the Resolution shall include: (A) a statement that the person making such certificate, request, statement or opinion has read the pertinent provisions of the 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 D

SUMMARY OF THE RESOLUTION

The following is a summary of certain provisions of the Resolution as supplemented by Supplemental Resolutions, including the Supplemental Resolution adopted [October 21], 2007 (the "**2007 Supplemental Resolution**"), and is not to be considered a full statement thereof. Reference is made to the Resolution and the 2007 Supplemental Resolution. The Resolution and all Supplemental Resolutions are on file at the University, c/o Lloyd Mues, Bursar, Administration Building, Room 211, P.O. Box 443168, Moscow, Idaho 83844-3168; or at the office of the Trustee, Wells Fargo Bank, N.A., 877 Main Street, Third Floor, Boise, Idaho 83702. See also "THE SERIES 2007 BONDS" and "SECURITY FOR THE SERIES 2007 BONDS" in the body of the Official Statement.

As described in the body of the Official Statement under the caption "**SECURITY FOR THE SERIES 2007 BONDS – Covenants**" and "**– Consent to Amendments**," in conjunction with the formation of the General Revenue Bond System, the Regents amended the Resolution in certain respects (the "**2005 Amendments**"). The 2005 Amendments that did not require the consent of the Owners of the Bonds, including the addition of certain University revenues to the Pledged Revenues, took effect immediately with adoption of the 2005A Supplemental Resolution. The 2005 Amendments that required consent of the Owners of the Bonds were to take effect upon the sooner of (i) the date all of the Bonds issued prior to the Series 2005A Bonds ceased to be Outstanding; or (ii) the date upon which 60% of the Owners of the Bonds shall have consented to the 2005 Amendments pursuant to the Resolution and the insurance companies insuring all Outstanding Pre-2005 Bonds shall have consented to the 2005 Amendments as required by the Resolution. The following discussion assumes that the 2005 Amendments will become effective upon issuance of the Series 2007 Bonds.

GENERAL PROVISIONS RELATING TO THE BONDS

Authorization of Bonds

Bonds designated as "General Revenue Bonds" are authorized to be issued by the Regents under the Resolution. The maximum principal amount of the Bonds which may be issued is not limited; provided, however, that the Regents reserve 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 Regents 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 Regents 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 fifteen (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.

Execution of Bonds

The Bonds shall be signed on behalf of the Regents by the manual or facsimile signature of its President, attested by the manual or facsimile signature of its Secretary, and countersigned by the manual or facsimile signature of the Bursar of the University, and the seal of the University shall be thereunto affixed by the Secretary of the Regents, which may be by a facsimile of the University's seal which is imprinted upon the Bonds.

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, the Trustee shall not be required to transfer the Bonds within fifteen (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.

Registration

In the Resolution, the University adopts a system of registration with respect to the Bonds as required by Title 57, chapter 9, Idaho Code, as amended.

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 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. Voluntary Redemption Notice. In addition to the notice required by subsection A above, further notice may be given by the Trustee as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed in said subsection A.

(1) Each further notice of redemption given may contain the following information:

- (a) the redemption date;
- (b) the redemption price;
- (c) if less than all Outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed;
- (d) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date;
- (e) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Trustee;
- (f) the CUSIP numbers of all Bonds being redeemed;
- (g) the date of issue of the Bonds as originally issued;
- (h) the rate of interest borne by each Bond being redeemed;
- (i) the maturity date of each Bond being redeemed; and
- (j) any other descriptive information needed to identify accurately the Bonds being redeemed.

(2) Each further notice of redemption may be sent at least thirty-five (35) days before the redemption date by registered or certified mail or overnight delivery service to:

(a) all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds, such depositories being:

- (i) Depository Trust Company, New York, New York; and
- (ii) Philadelphia Depository Trust Company, Philadelphia, Pennsylvania; and to
- (iii) Midwest Depository Trust Company, Chicago, Illinois.

(b) one or more of the national information services that disseminate notices of redemption of obligations such as the Bonds (such as Moody's Municipal and Government or Standard & Poor's Called Bond Record).

(3) Each such further notice may be published one time in The Bond Buyer, published in New York, New York, or, if such publication is impractical or unlikely to reach a substantial number of the Registered Owners of the Bonds, in some other financial newspaper or journal which regularly carries notices of redemption of other obligations similar to the Bonds, such publication to be made at least thirty (30) days prior to the date fixed for redemption.

(4) Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

D. Open Market Purchase. In the Resolution, 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 purchases Bonds at a price (exclusive of accrued interest) of less than the principal amount thereof, Bonds so purchased shall be credited at the par amount thereof against the Debt Service requirement next becoming due. In the event the University purchases term Bonds at a price (exclusive of accrued interest) of less than the principal amount thereof, term Bonds so purchased shall be credited against the Mandatory Redemption Amounts next becoming due. All Bonds so purchased shall be credited against the Mandatory Redemption Amounts next becoming due. All Bonds so purchased shall be cancelled.

Book-Entry Only System

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 in the Resolution.

Additional Bonds

The Regents reserve the right to issue Additional Bonds secured equally and ratably with all Bonds issued 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.

Investment of Funds

Monies held by the University or the Trustee in funds or accounts under the Resolution shall be invested in Investment Securities.

TERMS OF THE SERIES 2007 BONDS; PROVISIONS APPLICABLE TO THE SERIES 2007 BONDS

Authorized Denominations

Each Series of the Series 2007 Bonds will be issued as fully registered bonds without coupons in denominations of \$5,000 or any integral multiple thereof if such Series 2007 Bonds bear interest at a Term Interest Rate of one year or longer and in denominations of \$100,000 and integral multiples of \$5,000 in excess thereof so long as a Series of the Series 2007 Bonds bear interest at a Weekly Interest Rate or a Term Interest Rate of less than one year.

Interest Rate Periods

The term of each Series of the Series 2007 Bonds will be divided into consecutive Interest Rate Periods, during which each Series of the Series 2007 Bonds will bear interest at a Weekly Interest Rate or a Term Interest Rate. The Series 2007A Bonds will bear interest at a Term Interest Rate of ____% during the Initial Term Interest Rate Period expiring on April 1, 2011. The Series 2007B Bonds will bear interest at a Term Interest Rate of ____% during the Initial Term Interest Rate Period expiring on April 1, 2018. Upon expiration of their respective Initial Term Interest Rate Periods, each Series of the Series 2007 Bonds will be subject to mandatory tender for purchase and may be Converted to a Weekly Interest Rate or a different Term Interest Rate Period at the Regent's discretion. The Series 2007 Bonds may not be Converted to a Weekly Interest Rate or a different Term Interest Rate Period prior to the expiration of their respective Initial Term Interest Rate Periods.

Liquidity Facility Provider Bonds shall bear interest which shall be computed and be payable as set forth in the applicable Liquidity Facility [and such interest rate may exceed the Maximum Interest Rate]. Furthermore, no tendered Series 2007 Bonds shall be remarketed if no Liquidity Facility is current and in place.

Interest Rate Determination Methods

Determination of Term Interest Rate

During each Term Interest Rate Period, each Series of the Series 2007 Bonds will bear interest at the applicable Term Interest Rate, which will be determined by the Remarketing Agent not later than 4:00 p.m. (New York City time) on the Business Day preceding the first day of such Term Interest Rate Period. Initially, the Series 2007 Bonds of each Series will bear interest at the Term Interest Rates set forth on the front cover hereof. The Term Interest Rate for each Series of the Series 2007 Bonds will be the rate determined by the Remarketing Agent (in part, on the basis of examination of obligations comparable to the Series 2007 Bonds known to the Remarketing Agent to have been priced or traded under then prevailing market conditions) to be the minimum interest rate which, if borne by the Series 2007 Bonds of such Series, would enable the Remarketing Agent to sell the Series 2007 Bonds of such Series on such Business Day at a price equal to the principal amount thereof; provided, however, that if for any reason the Term Interest Rate is not so determined for any Term Interest Rate Period, the Interest Rate Period on the Series 2007 Bonds will automatically Convert to a Weekly Interest Rate and the Remarketing Agent will determine the Weekly Interest Rate for the initial Calendar Week on such date. Upon determination of each Term Interest Rate, the Remarketing Agent is required to provide written notice of such Term Interest Rate to the Trustee and the Regents. Each Series of the Series 2007 Bonds may have different Term Interest Rate Periods and may bear the same or different Term Interest Rates.

Determination of Weekly Interest Rate

During each Weekly Interest Rate Period, the Series 2007 Bonds of a Series will bear interest at Weekly Interest Rates determined pursuant to the Resolution. Except as otherwise provided in the Resolution, the Weekly Interest Rate for each Calendar Week will be determined by the Remarketing Agent not later than 5:00 p.m. (New York City time) on the Wednesday immediately preceding such Calendar Week (or by 12:00 noon (New York City time) on the next succeeding Business Day if such Wednesday is not a Business Day); provided, however, that the initial Weekly Interest Rate for the Series 2007 Bonds of such Series will be determined by the Remarketing Agent on or prior to the Issue Date and provided further that if the Series 2007 Bonds of such Series are to be Converted to a Weekly Interest Rate Period from a Term Interest Rate Period, the Weekly Interest Rate for the initial Calendar Week of

such Weekly Interest Rate Period will be determined not later than the Business Day next preceding the effective date of such Weekly Interest Rate Period.

The Weekly Interest Rate will be the rate determined by the Remarketing Agent (on the basis of examination of obligations comparable to the Series 2007 Bonds known by the Remarketing Agent to have been priced or traded under then prevailing market conditions) to be the minimum interest rate which, if borne by the Series 2007 Bonds of such Series, would enable the Remarketing Agent to sell the Series 2007 Bonds of such Series on such day at a price equal to the principal amount thereof plus accrued interest; provided, however, that if for any reason the Weekly Interest Rate for a Calendar Week is not so determined, the Weekly Interest Rate for such Calendar Week will remain at the then-existing rate (or if the Series 2007 Bonds of such Series are being Converted to a Weekly Interest Rate Period from a Term Interest Rate Period, the Weekly Interest Rate for such Calendar Week will be a percent per annum equal to the Variable Index), and the Weekly Interest Rate for each succeeding Calendar Week will be a percent per annum equal to the Variable Index. Upon determination of each Weekly Interest Rate, the Remarketing Agent is required to provide notice to the Trustee of such Weekly Interest Rate. The Weekly Rates for the Series 2007A Bonds and the Series 2007B Bonds (if both are bearing interest at the Weekly Rate) may but are not required to be the same rate.

Change of Interest Rate Determination Methods

Conversion to Weekly Interest Rate Period

The Regents, by written direction to the Trustee and the Remarketing Agent, delivered at least thirty-five (35) days prior to the proposed Conversion Date, accompanied by the written consent of the Liquidity Facility Provider and the Insurer and an Approving Opinion, may elect to Convert the Interest Rate Period for a Series of the Series 2007 Bonds from a Term Interest Rate Period to a Weekly Interest Rate Period. Such direction is to specify the Conversion Date to such Weekly Interest Rate Period which is to be (a) the Payment Date next succeeding the last day of the then-current Term Interest Rate Period which is not less than thirty-five (35) days following the date of receipt by the Trustee of such direction, or (b) any date on which such Series of the Series 2007 Bonds may be optionally redeemed pursuant to the Resolution not less than thirty-five (35) days following the date of receipt by the Trustee of such direction.

Conversion to Term Interest Rate Period

The Regents, by written direction to the Trustee and the Remarketing Agent, delivered at least thirty-five (35) days prior to the proposed Conversion Date to a Term Interest Rate Period, accompanied by the written consent of the Liquidity Facility Provider (unless such proposed Conversion is for a Term Interest Rate Period expiring immediately prior to the final maturity date of a Series of the Series 2007 Bonds proposed to be converted) and the Insurer and an Approving Opinion, may elect to Convert the Interest Rate Period for a Series of the Series 2007 Bonds from a Weekly Interest Rate Period to a Term Interest Rate Period or from one Term Interest Rate Period to another Term Interest Rate Period, and is to determine the duration of any such new Term Interest Rate Period which will be one of the periods specified in the definition "Term Interest Rate Period." Such direction (a) is to specify the Conversion Date to such Term Interest Rate Period which is to be (1) the Payment Date which is not less than thirty-five (35) days following the receipt by the Trustee of such direction if a Series of the Series 2007 Bonds are to be Converted from a Weekly Interest Rate Period to a Term Interest Rate Period; or (2) the Payment Date next succeeding the last day of the then-current Term Interest Rate Period which is not less than thirty-five (35) days following the date of receipt by the Trustee of such direction if a Series of the Series 2007 Bonds are to be Converted from one Term Interest Rate Period to another, or (3) any date on which such Series of the Series 2007 Bonds may be optionally redeemed at par pursuant to the Resolution

not less than thirty-five (35) days following the date of receipt by the Trustee of such direction; and (b) is to specify the last day thereof. Notwithstanding anything else provided in the Resolution, unless a Series of the Series 2007 Bond is Converted to a Term Interest Rate Period expiring immediately prior to the final maturity date of such Series of the Series 2007 Bonds, the Regents may not Convert the Interest Rate Period on a Series of the Series 2007 Bonds to a Term Interest Rate Period unless the Liquidity Facility then in effect with respect to such Series of the Series 2007 Bonds has been modified, if necessary, to provide interest coverage sufficient to provide for all interest to accrue on such Series of the Series 2007 Bonds as of each Payment Date during and immediately succeeding such Term Interest Rate Period plus ten (10) additional days at the Term Interest Rate for such Term Interest Rate Period.

Notice of Change in Interest Rate Determination Method

Except for an automatic Conversion to a Weekly Interest Rate Period or a Term Interest Rate Period pursuant to the Resolution, as to which no notice will be required, the Trustee is to give notice by first class mail of a Conversion of a Series of the Series 2007 Bonds to a Weekly Interest Rate Period or to a Term Interest Rate Period, as applicable, to the Bondholders, the Liquidity Facility Provider, the Remarketing Agent and the Regents not less than thirty (30) days prior to the Conversion Date for such Weekly Interest Rate Period. Such notice is required to state (1) that the Interest Rate Period on a Series of the Series 2007 Bonds will be Converted to a Weekly Interest Rate Period or to a Term Interest Rate Period, as applicable, (2) the Conversion Date to such Weekly Interest Rate Period or to a Term Interest Rate Period, as applicable, and, with respect to a Term Interest Rate Period, the final date thereof, (3) the day by which the initial Weekly Interest Rate for such Weekly Interest Rate Period will be determined and the manner by which the Weekly Interest Rates for such Weekly Interest Rate Period may be obtained, (4) the Payment Dates with respect to such Weekly Interest Rate Period or Term Interest Rate Period, as applicable, (5) that a Series of the Series 2007 Bonds will be purchased on such Conversion Date pursuant to the Resolution, (6) the procedures for such purchase as provided in (5) above, (7) the redemption provisions that will pertain to such Series of the Series 2007 Bonds during such Weekly Interest Rate Period or Term Interest Rate Period, as applicable, (8) the ratings which are expected to be assigned to such Series of the Series 2007 Bonds upon such Conversion, (9) with respect to a Conversion to a Weekly Interest Rate Period, that, subsequent to the Conversion Date, the Bondholders will have the right to demand purchase of such Series of the Series 2007 Bonds upon not less than seven days' notice and the procedures for a demand for purchase, and (10) with respect to a Conversion to a Term Interest Rate Period, the day by which the Term Interest Rate for such Term Interest Rate Period will be determined and whether a Liquidity Facility will be in effect with respect to such Series of the Series 2007 Bonds upon such Conversion to a Term Interest Rate Period and, if so, identifying such Liquidity Facility.

Failure to Convert to a Different Interest Rate Period

Notwithstanding anything in the Resolution to the contrary, if the conditions to Convert a Series of the Series 2007 Bonds to a Weekly Interest Rate Period contained in the Resolution or to convert a Series of the Series 2007 Bonds from one Term Interest Rate Period to another Term Interest Rate Period contained in the Resolution are not satisfied, then the Interest Rate Period that will commence on the mandatory purchase of such Series of the Series 2007 Bonds on the Conversion Date specified in the notice of Conversion delivered to Bondholders pursuant to the Resolution, will automatically and without further action under the Resolution, be a Weekly Interest Rate and the Remarketing Agent will determine the interest rate to apply to such Series of the Series 2007 Bonds commencing on such Conversion Date.

Notwithstanding anything in the Resolution to the contrary, if an Event of Default has occurred and is continuing, the interest rate on the Series 2007 Bonds will be the rate on the Series 2007 Bonds on the day prior to the occurrence of such Event of Default.

The determination of the interest rate on the Series 2007 Bonds by the Remarketing Agent will be conclusive and binding upon the Bondholders, the Liquidity Facility Provider, the Regents and the Trustee.

Redemption of the Series 2007 Bonds

The Series 2007 Bonds of each Series are subject to redemption, in whole, or in part by lot in Authorized Denominations, prior to their maturity date, by the University as follows:

(a) During any Weekly Interest Rate Period for such Series 2007 Bonds, on any Business Day at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date without premium.

(b) During any Term Interest Rate Period for such Series 2007 Bonds, on any day during the periods specified below, at the redemption prices (expressed as percentages of principal amount of the Series 2007 Bonds (or portions thereof) to be redeemed) hereinafter indicated, plus accrued interest to the redemption date:

<u>Lesser of Length of Term Interest Rate Period or Length of Time to Maturity</u>	<u>Redemption Dates and Prices</u>
Greater than 10 years	At any time on or after the 5th anniversary of the effective date commencing such Term Interest Rate Period at 102%, declining $\frac{1}{2}\%$ annually on each subsequent anniversary date to 100%
Greater than 6 and less than or equal to 10 years	At any time on or after the 3rd anniversary of the effective date commencing such Term Interest Rate Period at 101 $\frac{1}{2}\%$, declining $\frac{1}{2}\%$ annually on each subsequent anniversary date to 100%
Greater than 4 and less than or equal to 6 years	At any time on or after the 2nd anniversary of the effective date commencing such Term Interest Rate Period at 101%, declining $\frac{1}{2}\%$ annually on each subsequent anniversary date to 100%
Greater than 3 and less than or equal to 4 years	At any time on or after the 2nd anniversary of the effective date commencing such Term Interest Rate Period at 100 $\frac{1}{2}\%$, declining $\frac{1}{2}\%$ annually on the next anniversary date to 100%
Greater than 2 and less than or equal to 3 years	At any time on or after the 1st anniversary of the effective date commencing such Term Interest Rate Period at 100 $\frac{1}{2}\%$ declining $\frac{1}{2}\%$ annually on the next anniversary date to 100%
Greater than 1 and less than or equal to 2 years	At any time on or after the 1st anniversary of the effective date commencing such Term Interest Rate Period at 100% annually
Less than or equal to 1 year	On the Payment Date which is six months after the effective date of such Term Interest Rate Period at 100%

Notwithstanding the optional redemption schedule set forth above, on or prior to the effective date of a Term Interest Rate Period ending on the day immediately preceding the maturity date of the

related Series 2007 Bonds, the Remarketing Agent can provide an alternate optional redemption schedule if it obtains an Approving Opinion.

Optional Tender

During any Weekly Interest Rate Period for the Series 2007 Bonds of any Series, any Series 2007 Bond or any permitted portion thereof may be tendered for purchase at the option of the Holder thereof on any Business Day at the applicable Purchase Price, payable from the sources specified in the Resolution in immediately available funds upon delivery by the Holder of such Bond to the Trustee at its Principal Office of an irrevocable notice by telephone or Electronic Notice (promptly confirmed in writing) or written notice by 5:00 p.m. (New York City time) on any Business Day at least seven days prior to the Purchase Date, which states the principal amount of such Series 2007 Bond to be tendered for purchase and the Purchase Date.

If any Series 2007 Bond will be purchased in part as described in the above paragraph, the amount so purchased and the amount not so purchased, if any, must each be an Authorized Denomination.

Any notice of tender of Series 2007 Bonds delivered to the Trustee will be irrevocable with respect to the purchase for which such notice was delivered and will be binding upon any subsequent Bondholder or Beneficial Owner of the Series 2007 Bonds to which it relates, including any Series 2007 Bond issued in exchange therefor or upon the registration of transfer thereof, and as of the date of such notice, the Holder or Beneficial Owner of the Series 2007 Bonds specified therein will not have any right to optionally tender for purchase such Series 2007 Bonds prior to the date of purchase specified in such notice.

Mandatory Tender for Purchase

A Series of the Series 2007 Bonds will be subject to mandatory tender for purchase at the applicable Purchase Price, payable from the sources specified in the Resolution in immediately available funds, on April 1, 2011 (in the case of the Series 2007A Bonds), on April 1, 2018 (in the case of the Series 2007B Bonds), and upon the occurrence of any of the events listed under "THE SERIES 2007 BONDS – Mandatory Tender for Purchase" in the front part of the Official Statement to which this Appendix D is attached.

The Trustee is to give Notice by Mail to the Holders of the Series 2007 Bonds subject to mandatory tender for purchase as described in "THE SERIES 2007 BONDS – Mandatory Tender for Purchase" in the front part of the Official Statement to which this Appendix D is attached.

Delivery of Tendered Series 2007 Bonds; Payment of Purchase Price; Series 2007 Bonds Deemed Purchased

With respect to any Book-Entry Bond, delivery of such Series 2007 Bond to the Trustee in connection with any optional or mandatory tender shall be effected by the making of, or the irrevocable authorization to make, appropriate entries on the books of DTC or any DTC Participant to reflect the transfer of the beneficial ownership interest in such Series 2007 Bond to the account of the Trustee, or to the account of a DTC Participant acting on behalf of the Trustee. With respect to any Series 2007 Bond which is not a Book-Entry Bond, delivery of such Series 2007 Bond to the Trustee in connection any optional or mandatory tender shall be effected by physical delivery of such Series 2007 Bond to the Trustee at its Principal Office, by 1:00 p.m. (New York City time) on the Purchase Date, accompanied by documents described in the Resolution.

The Trustee agreed to accept and hold all Series 2007 Bonds delivered to it pursuant to the Resolution in trust for the benefit of the respective Bondholders or Beneficial Owners which shall have so delivered such Series 2007 Bonds until the Purchase Price of such Series 2007 Bonds shall have been delivered to or for the account of or to the order of such Holders or Beneficial Owners pursuant to the Resolution. Any Series 2007 Bonds registered for transfer to new purchasers and delivered to the Trustee as described in the Resolution shall be held in trust by the Trustee for the benefit of such new purchasers until delivery to such new purchasers.

The Trustee is required, as to any Series 2007 Bonds which have not been delivered to it as described above, to (i) notify the Remarketing Agent in writing of such nondelivery and (ii) place a stop transfer against an appropriate amount of Series 2007 Bonds registered in the name of the Holder of such Series 2007 Bonds on the Bond Register. The Trustee is required to place and maintain such stop transfer commencing with the lowest serial number Series 2007 Bond registered in the name of such Holder until stop transfers have been placed against an appropriate amount of Series 2007 Bonds and until the appropriate Series 2007 Bonds are delivered to the Trustee.

The Purchase Price of Series 2007 Bonds to be purchased upon optional or mandatory tender as described herein is to be paid by the Trustee from moneys on deposit in the applicable account of the Bond Purchase Fund at or before 4:00 p.m. (New York City time) on the Purchase Date upon surrender to the Trustee of the tendered Series 2007 Bonds.

If moneys sufficient to pay the Purchase Price of Series 2007 Bonds to be purchased are held by the Trustee on the date such Series 2007 Bonds are to be purchased, such Series 2007 Bonds shall be deemed to have been purchased for all purposes of the Resolution, irrespective of whether or not such Series 2007 Bonds shall have been delivered to the Trustee or transferred on the books of DTC, and neither the former Holder nor the former Beneficial Owner of such Series 2007 Bonds shall have any claim thereon, under the Resolution or otherwise, for any amount other than the Purchase Price thereof. In the event of non-delivery of any Series 2007 Bonds to be purchased pursuant to mandatory or optional tender, the Trustee is to segregate and hold uninvested the moneys for the Purchase Price of such Series 2007 Bonds in trust, without liability for interest thereon, for the benefit of the former Holders of such Series 2007 Bonds, who shall, except as provided in the following sentence, thereafter be restricted exclusively to such moneys for the satisfaction of any claim for the Purchase Price of such Series 2007 Bonds. Any moneys which the Trustee shall segregate and hold in trust for the payment of the Purchase Price any Series 2007 Bond and remaining unclaimed for four (4) years after the applicable Purchase Date shall, to the extent permitted by law, be paid, upon written request of the University, to the University. After the payment of such unclaimed moneys to the University, the former Holder of such Series 2007 Bond shall look only to the University for the payment thereof.

Bond Purchase Funds

Series 2007A Bond Purchase Fund.

The 2007 Supplemental Resolution creates and establishes with the Trustee a trust fund designated the "Series 2007A Bond Purchase Fund." There is created and established separate accounts in the Series 2007A Bond Purchase Fund designated the "Series 2007A Remarketing Account" and the "Series 2007A Liquidity Facility Purchase Account."

Series 2007A Remarketing Account. All moneys received by the Trustee on behalf of purchasers of Series 2007A Bonds pursuant to the provisions of the 2007 Supplemental Resolution described under "Remarketing of Purchased Bonds" below is required to be (i) deposited in the Series 2007A Remarketing Account within the Series 2007A Bond Purchase

Fund, (ii) held in trust in accordance with the provisions of the Resolution and (iii) paid out as described under "Deposits into and Disbursements from the Respective Remarketing Accounts" below.

Series 2007A Liquidity Facility Account. All moneys received by the Trustee as payments under any Liquidity Facility for the purchase of Series 2007A Bonds shall be (i) deposited in the Series 2007A Liquidity Facility Purchase Account within the Series 2007A Bond Purchase Fund, (ii) held in trust in accordance with the provisions of the Resolution and (iii) paid out as described under "Deposits into and Disbursements from the Respective Remarketing Accounts" below.

The funds held by the Trustee in the Series 2007A Bond Purchase Fund shall not be considered Pledged Revenues as that term is defined in the Resolution. The moneys in the Series 2007A Bond Purchase Fund shall be used solely to pay the Purchase Price of Series 2007A Bonds as provided in the 2007 Supplemental Resolution (or to reimburse the Liquidity Facility Provider, if any, for payments made under the Liquidity Facility for such purpose) and may not be used for any other purposes. All amounts held in the Series 2007A Bond Purchase Fund and the Series 2007A Remarketing Account and the Series 2007A Liquidity Facility Purchase Account therein shall be held in trust by the Trustee for the benefit of the Bondholders or Beneficial Owners of tendered Series 2007A Bonds (provided that any amounts held in the Series 2007A Remarketing Account which are derived from the remarketing of Liquidity Facility Provider Bonds shall be held in trust for the benefit of the Liquidity Facility Provider).

Series 2007B Bond Purchase Fund.

The 2007 Supplemental Resolution creates and establishes with the Trustee a trust fund designated the "Series 2007B Bond Purchase Fund." There is also created and established separate accounts in the Series 2007B Bond Purchase Fund designated the "Series 2007B Remarketing Account" and the "Series 2007B Liquidity Facility Purchase Account."

Series 2007B Remarketing Account. All moneys received by the Trustee on behalf of purchasers of Series 2007B Bonds pursuant to the provisions of the 2007 Supplemental Resolution described under "Remarketing of Purchased Bonds" below is required to be (i) deposited in the Series 2007B Remarketing Account within the Series 2007B Bond Purchase Fund, (ii) held in trust in accordance with the provisions of the Resolution and (iii) paid out as described under "Deposits into and Disbursements from the Respective Remarketing Account" below.

Series 2007B Liquidity Facility Purchase Account. All moneys received by the Trustee as payments under any Liquidity Facility for the purchase of Series 2007B Bonds shall be (i) deposited in the Series 2007B Liquidity Facility Purchase Account within the Series 2007B Bond Purchase Fund, (ii) held in trust in accordance with the provisions hereof and (iii) paid out as described under "Deposits into and Disbursements from the Respective Remarketing Accounts" below.

The funds held by the Trustee in the Series 2007B Bond Purchase Fund shall not be considered Pledged Revenues as that term is defined in the Resolution. The moneys in the Series 2007B Bond Purchase Fund shall be used solely to pay the Purchase Price of Series 2007B Bonds as provided herein (or to reimburse the Liquidity Facility Provider, if any, for payments made under the Liquidity Facility for such purpose) and may not be used for any other purposes. All amounts held in the Series 2007B Bond Purchase Fund and the Series 2007B Remarketing

Account and the Series 2007B Liquidity Facility Purchase Account therein shall be held in trust by the Trustee for the benefit of the Bondholders or Beneficial Owners of tendered Series 2007B Bonds (provided that any amounts held in the Series 2007B Remarketing Account which are derived from the remarketing of Liquidity Facility Provider Bonds shall be held in trust for the benefit of the Liquidity Facility Provider).

Remarketing of Purchased Bonds

Weekly Put Bonds

Not later than 10:30 a.m. (New York City time) on each Business Day succeeding a day on which the Trustee receives a notice from a Holder of Series 2007 Bonds to be tendered pursuant to the Resolution (the "**Weekly Put Bonds**"), the Trustee is to give notice by telephone to the Remarketing Agent, specifying the principal amount of Series 2007 Bonds for which it has received such notice, the names of the Holder or Holders thereof and the Purchase Date. The Remarketing Agent is to thereupon offer for sale at par and use its best efforts to find purchasers for such Weekly Put Bonds, other than Liquidity Facility Provider Bonds, which are to be remarketed as described under "Liquidity Facility Provider Bonds" below.

Not later than 11:00 a.m. (New York City time) on the Business Day immediately preceding the Purchase Date described in immediately preceding paragraph, the Trustee is to give notice by telephone to the Remarketing Agent of the accrued amount of the interest payable as of such Purchase Date, and confirming the aggregate principal amount of, the Weekly Put Bonds.

Not later than 10:30 a.m. (New York City time) on each Purchase Date for Weekly Put Bonds, the Remarketing Agent is to give Electronic Notice (promptly confirmed in writing) to the Regents and the Trustee of the amount of remarketing proceeds that the Remarketing Agent has received and the principal amount of Weekly Put Bonds which have not been remarketed in accordance with the Remarketing Agreement.

If the Trustee does not possess sufficient remarketing proceeds to purchase all the Weekly Put Bonds to be purchased on any Purchase Date, the Trustee is to demand payment under the Liquidity Facility then in effect with respect to the Weekly Put Bonds prior to 11:00 a.m. (New York City time) on such Purchase Date so as to provide by 3:30 p.m. (New York City time) on such Purchase Date an amount sufficient, together with the remarketing proceeds to be available for such purchase, calculated solely on the basis of the notice given by the Remarketing Agent pursuant to the immediately preceding paragraph, to pay the Purchase Price of the Weekly Put Bonds. The Trustee is to immediately after such demand for payment give notice by telephone to the Regents of the amount, if any, of such demand.

See "THE SERIES 2007 BONDS – Remarketing of Purchased Bonds" in the front part of the Official Statement to which this Appendix D is attached for a description of certain provisions of the Resolution relating to the remarketing of the Series 2007 Bonds tendered for purchase pursuant to mandatory tender provisions of the Resolution and the remarketing of the Liquidity Facility Provider Bonds.

Deposits into and Disbursements from the Respective Remarketing Accounts

The Resolution requires the terms of any sale by the Remarketing Agent of tendered Series of the Series 2007 Bonds to provide for the payment of the Purchase Price for such tendered Series 2007A Bonds or the Series 2007B Bonds by the Remarketing Agent to the Trustee for deposit in the Series 2007A Remarketing Account of the Series 2007A Bond Purchase Fund or the Series 2007B Remarketing

Account of the Series 2007B Bond Purchase Fund, as applicable, in immediately available funds at or before 2:00 p.m. (New York City time) on the Purchase Date. The Remarketing Agent shall cause to be paid to the Trustee on each Purchase Date for tendered Series 2007A Bonds or the Series 2007B Bonds the amount specified in the notice given by the Remarketing Agent pursuant to provisions described under "Remarketing of Purchased Bonds" above.

Moneys in the Series 2007A Bond Purchase Fund and the Series 2007B Bond Purchase Fund (other than the proceeds of any remarketing of Liquidity Facility Provider Bonds which shall be paid to the Liquidity Facility Provider on the remarketing date) shall be applied at or before 4:00 p.m. (New York City time) to the purchase of Series 2007A Bonds and the Series 2007B Bonds, respectively, as provided in the Resolution by the Trustee, on each Purchase Date, as follows:

(i) First, moneys constituting funds in the Series 2007A Remarketing Account and the Series 2007B Remarketing Account shall be used by the Trustee on any Purchase Date to purchase tendered Series 2007A Bonds and the Series 2007B Bonds, respectively, at the Purchase Price.

(ii) Second, in the event such moneys in the Series 2007A Remarketing Account and the Series 2007B Remarketing Account on any Purchase Date are insufficient to purchase all tendered Series 2007A Bonds and the Series 2007B Bonds, respectively, moneys in the Series 2007A Liquidity Facility Purchase Account and the Series 2007B Liquidity Facility Purchase Account, respectively, on such Purchase Date shall be used by the Trustee at that time to purchase such remaining tendered Series 2007A Bonds and the Series 2007B Bonds, respectively, at the Purchase Price thereof.

Notwithstanding anything to the contrary in the Resolution, if the Series 2007A Bonds or the Series 2007B Bonds are Book-Entry Bonds, payment of the Purchase Price for tendered Series 2007A Bonds or the Series 2007B Bonds shall be made in accordance with the rules and procedures of DTC, including the timing requirements of DTC.

The Resolution requires the Trustee, as to any Series 2007A Bonds or the Series 2007B Bonds which have not been delivered to it as required by the Resolution provisions described under "Delivery of Tendered Series 2007 Bonds; Payment of Purchase Price; Series 2007 Bonds Deemed Purchased" above, to (i) notify the Remarketing Agent in writing of such nondelivery and (ii) place a stop transfer against an appropriate amount of Series 2007A Bonds registered in the name of the Holder of such Series 2007A Bonds on the Bond Register. The Trustee shall place and maintain such stop transfer commencing with the lowest serial number Series 2007A Bond registered in the name of such Holder until stop transfers have been placed against an appropriate amount of Series 2007A Bonds until the appropriate Series 2007A Bonds are delivered to the Trustee. Upon such delivery, the Trustee shall make any necessary adjustments to the Bond Register.

Limitation. Notwithstanding anything contained in the Resolution to the contrary, while any Liquidity Facility is in effect for the Series 2007A Bonds or the Series 2007B Bonds, the Trustee shall not use proceeds obtained by remarketing any Series 2007A Bonds or the Series 2007B Bonds, as applicable, to the University or the Regents to pay any portion of the Purchase Price of the tendered Series 2007A Bonds or the Series 2007B Bonds, respectively, and no such proceeds shall be deposited in the Series 2007A Remarketing Account of the Series 2007A Bond Purchase Fund or the Series 2007B Remarketing Account of the Series 2007B Purchase Fund, respectively.

PLEDGE OF REVENUES; ESTABLISHMENT OF FUNDS AND ACCOUNTS

Pledge of Pledged Revenues

In the Resolution, the University pledges for the payment of the Bonds, equally and ratably, the Pledged Revenues, provided, however, that the pledge of certain such Pledged Revenues to the Bonds is subordinate to the pledge of such revenues to Outstanding Activity Center Bonds and the Recreation Center Bonds. The Pledged Revenues shall not, except as provided in the Resolution, be used for any other purpose while any of the Bonds issued under the Resolution, including the Series 2007 Bonds, remain Outstanding. Except as provided in the Resolution, including with respect to the Outstanding Activity Center Bonds and the Recreation Center Bonds, this pledge shall constitute a first and exclusive lien on the Pledged Revenues 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 and a Debt Service Reserve Account (only with respect to the Pre-2005A Bonds), to be held by the Trustee *[Note: if, prior to the issuance of the Series 2007 Bonds, all bond insurers of the Outstanding Pre-2005 Bonds shall not have consented to the 2005 Amendments pursuant to the Resolution, the Debt Service Reserve Account in the amount of the Reserve Account Requirement for the Series 2007 Bonds will be funded with the proceeds of the Series 2007 Bonds and maintained by the Trustee in accordance with the Resolution];*
- D. Cost of Issuance Fund to be held by the University;
- E. Rebate Fund to be held by the University.

The 2007 Supplemental Resolution creates (i) the "Series 2007A Bond Purchase Fund" and within such fund the "Series 2007A Remarketing Account" and the "Series 2007A Liquidity Facility Purchase Account" and (ii) the "Series 2007B Bond Purchase Fund" and within such fund the "Series 2007B Remarketing Account" and the "Series 2007B Liquidity Facility Purchase Account."

The Series 2007 Supplemental Resolution also creates in the Construction Fund the "Series 2007B Project Account" and the "Series 2007 Costs of Issuance Account," both of which accounts are to be held by the University.

The Escrow Agreement creates an "Escrow Account" in connection with the refunding of the Refunded Bonds.

The University may establish one or more separate and segregated subaccounts within the Debt Service Account or the Debt Service Reserve Account, if any, from time to time as shall be necessary.

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 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.

[Note: if, prior to the issuance of the Series 2007 Bonds, all bond insurers of the Outstanding Pre-2005 Bonds shall not have consented to the 2005 Amendments pursuant to the Resolution, then following the transfer to the Debt Service Account in the Bond Fund described above, moneys in the Revenue Fund shall be transferred to the Trustee for deposit in the Debt Service Reserve Account in the Bond Fund as soon as practicable after moneys are withdrawn from the Debt Service Reserve Account in accordance with the Resolution.]

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.

D. Remaining Amounts. 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 in accordance with the Resolution or (ii) for any other lawful purpose of the University.

Construction Fund/Project Account

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. Income received from the investment of moneys in any Project Account in the Construction Fund shall be credited to such Project Account. Upon completion of any Project, the relevant Project Account shall be closed, and all remaining amounts in such Project Account shall be transferred to the Debt Service Account in the Bond Fund.

Before any payment is made from any 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.

Before any payment is made from the Project Account in the Construction Fund for the payment of Costs of Issuance, 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 this stated amount is a proper item of the Cost of Issuance and has not been paid.

Bond Fund — Debt Service Reserve Account

A. Simultaneously with the issuance of Bonds, the Trustee shall (i) deposit, from the Net Proceeds, an amount which shall cause the amount on deposit in the Debt Service Reserve Account to equal the Reserve Account Requirement for the related Series of the Pre-2005 Bonds; or (ii) deposit a Reserve Account Credit Enhancement in an amount to equal the Reserve Account Requirement when added to the cash and surety bonds currently on deposit therein. The University may not substitute a Reserve Account Credit Enhancement for the funds on deposit in the Debt Service Reserve Account, without the prior written consent of all insurers of Outstanding Pre-2005 Bonds. Funds on deposit in the Debt Service Reserve Account shall be invested in Investment Securities having an average aggregate weighted term to maturity of not greater than five (5) years.

B. If on any Payment Date the amount in the Debt Service Account is less than the amount required to pay such Debt Service, the Trustee shall apply amounts from the Debt Service Reserve Account to the extent necessary to make said payments.

C. Any deficiency in the Debt Service Reserve Account created by a withdrawal as authorized by the preceding paragraph shall be replaced as soon as practicable by deposits of legally available moneys from the Revenue Fund, as provided in the Resolution, until the Debt Service Reserve Account is restored to the Reserve Account Requirement.

[Note: The foregoing provisions relating to the Debt Service Reserve Account will apply to the Series 2007 Bonds if, prior to the issuance of the Series 2007 Bonds, consents of the bond insurers of the Outstanding Pre-2005 Bonds to the 2005 Amendments are not obtained]:

PAYMENT AGREEMENTS

Note: The following provisions will be added to the Resolution if, prior to the issuance of the Series 2007 Bonds, consents to the 2005 Amendments are obtained from insurance companies insuring Outstanding Pre-2005 Bonds:

The Resolution authorizes the Regents to enter into a Payment Agreement and to make a Payment Agreement Payment thereunder on a parity of lien with the payment of the Bonds if the Payment Agreement satisfies the requirements for Additional Bonds described in the Resolution (See "SECURITY FOR THE SERIES 2007 BONDS – Covenants – Issuance of Additional Bonds" in the front part of the Official Statement to which this Appendix D is attached for a description of requirements for issuance of Additional Bonds), taking into consideration regularly scheduled Payment Agreement Payments and

Receipts (if any) under the Payment Agreement. The following shall be conditions precedent to the use of any Payment Agreement on a parity with the Bonds:

(i) The University shall obtain an opinion of Bond Counsel on the due authorization and execution of such Payment Agreement, the validity and enforceability thereof and opining that the action proposed to be taken is authorized or permitted by the Resolution or the applicable provisions of any Supplemental Resolution and will not adversely affect the excludability for federal income tax purposes of the interest on any Outstanding Bonds.

(ii) Prior to entering into a Payment Agreement, the University shall adopt a resolution which shall:

A. set forth the manner in which the Payments and Receipts are to be calculated and a schedule of Payment Agreement Payment Dates;

B. establish general provisions for the rights of the parties to Payment Agreements; and

C. set forth such other matters as the University deems necessary or desirable in connection with the management of Payment Agreements as are not clearly inconsistent with the provisions of the Resolution.

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.

Nothing in the Resolution precludes the University from entering into Payment Agreements with a claim on Pledged Revenues junior to that of the Bonds. Furthermore, nothing in the Resolution precludes the University 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.

For purposes of the foregoing Payment Agreements provisions of the Resolution, the following terms have the following meanings:

"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.

"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.

"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.

"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.

"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.

"Payor" means a Qualified Counterparty to a Payment Agreement that is obligated to make one or more payments thereunder.

"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 whose long term debt is rated "A" or higher by 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 of Idaho.

THE REMARKETING AGENT FOR THE SERIES 2007 BONDS

George K. Baum & Company has been appointed as the initial Remarketing Agent with respect to the Series 2007 Bonds. Any subsequent Remarketing Agent shall be appointed by the Regents, with the consent of the Liquidity Facility Provider and the Insurer, subject to the conditions described below. A Remarketing Agent shall be a bank, trust company or member of the National Association of Securities Dealers, Inc. organized and doing business under the laws of any state of the United States of America or the District of Columbia and shall have together with its parent, if any, a capitalization of at least fifteen million dollars (\$15,000,000) as shown in its or its parent's most recently published annual report.

A Remarketing Agent may resign by notifying the Regents, the Trustee and the Liquidity Facility Provider at least thirty (30) days before the effective date of the resignation. The Regents, with the prior written consent of the Liquidity Facility Provider, may remove the Remarketing Agent pursuant to the terms of the Remarketing Agreement. In addition, the Remarketing Agent may terminate its obligations under the Remarketing Agreement pursuant to the terms thereof. No removal or resignation of the Remarketing Agent will become effective until a successor Remarketing Agent meeting the requirements of the Resolution has been duly appointed and accepted its obligations under the Resolution and the Remarketing Agreement, provided, however, that the Remarketing Agent may resign without compliance with such requirement as long as the Remarketing Agent provides notice as required herein at least ninety (90) days before the effective date of such resignation and such effective date is within the Initial Term Interest Rate Period expiring on April 1, 2011. Any appointment of a successor Remarketing Agent by the Regents shall be subject to the prior written consent of the Liquidity Facility Provider (if the Series 2007 Bonds are in an Interest Rate that requires a Liquidity Facility) and the Insurer. The Liquidity Facility Provider shall be a third-party beneficiary of the Remarketing Agreement.

COVENANTS CONCERNING THE TRUSTEE

Wells Fargo Bank, N.A., as successor to First Security Bank, N.A., acts as Trustee under the Resolution and also acts as paying agent, bond registrar, authenticating agent, and transfer agent with respect to the Bonds. The Trustee makes no representations as to the validity or sufficiency of the Resolution or of any Bonds issued thereunder or as to the security afforded by the Resolution, and the Trustee shall not incur any liability in respect thereof. The Trustee shall not be liable in connection with the performance of its duties under the Resolution except for its own negligence, misconduct or default.

The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in the Resolution. In case an Event of Default has occurred (which has not been cured), the Trustee shall exercise such of the rights and powers vested in it by the Resolution and use the same degree of care and skill in its exercise as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

The Trustee, after a successor Trustee has been duly appointed and has accepted the duties of Trustee in writing, may at any time resign and be discharged of the duties and obligations created by the Resolution by giving not less than sixty (60) days' written notice to the University and to insurers of any outstanding Bonds.

The Trustee may be removed at any time by the University or by insurers of outstanding Bonds, so long as the respective insurer of any Bonds is not in default under its respective policy. Any Trustee appointed in succession to the Trustee shall (1) be a bank or trust company or national banking association, duly authorized to exercise trust powers, and (2) have a reported capital and surplus of not less than \$75,000,000.

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 in the Resolution 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.

Copies of any modification or amendment to the Resolution shall be sent to any rating agency maintaining a rating on the Bonds at least ten (10) days prior to the effective date thereof.

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 Bond 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, which period of thirty (30) days may not be extended by more than thirty (30) additional days without the prior written consent of all insurers of outstanding Bonds issued under the Resolution;

(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 the 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; and

(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, but only with the consent of insurers, if any, of any Outstanding Bonds, provided the insurers are not in default under their respective policy, declare the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately upon the occurrence of an event of default, 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.

Notwithstanding the foregoing, neither the Registered Owners of twenty-five percent (25%) of the Noninsured Bonds then Outstanding, nor the Owners of twenty-five percent (25%) of any series of Bonds then Outstanding, nor the Trustee, may declare any other series of Bonds immediately due and payable without the prior written consent of the relevant insurer of such series of Bonds.

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 to institute proceedings in respect of such Event of Default in its own name as Trustee;

(3) such Registered Owners have offered to the Trustee reasonable indemnity against the costs, expenses, and liabilities to be incurred in compliance with such request;

(4) 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

(5) no direction inconsistent with such written request has been given to the Trustee during such sixty (60) 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 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

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 Investment Securities, as approved by insurers of any Outstanding Bonds, of the kind required in Section 12.1B of the Resolution 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 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.

The 2007 Supplemental Resolution amended the defeasance provisions of the Resolution described in paragraph (B)(2) above to permit investment of escrowed funds in certain noncallable governmental obligations without consent of insurers of any Outstanding Bonds to such investment. This amendment requires consent of at least 60% of the Owners of the Outstanding Bonds and the insurance companies insuring all Outstanding Bonds. Prospective purchasers of the Series 2007 Bonds are deemed to have consented to this amendment to the Resolution by purchasing the Series 2007 Bonds and the Underwriter, as the initial purchaser of the Series 2007 Bonds, consented to such amendment on the date of issuance of the Series 2007 Bonds. The consent of the Series 2007 Bondholders will result in approximately ____% of the Bonds having consented to the such amendments. In addition, the Regents have obtained consents to this amendments from all insurance companies insuring Outstanding Bonds.

MUNICIPAL BOND INSURANCE

The scheduled payment of principal of and interest on the Series 2007 Bonds when due is guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Series 2007 Bonds by the Insurer in accordance with the terms of the Policy. The Insurer's obligations are set forth in the Policy. The original Policy shall be on file with the Insurance Trustee (hereinafter defined). A copy of the Policy is on file with the Trustee and may be obtained from the Trustee or the Insurer. So long as the Series 2007 Bonds shall be insured under the Policy and so long as the Insurer shall not be in default under the Policy, the following provisions, and other provisions in the Policy referring to the Insurer, shall be in effect, and shall take precedence over any provision of the Resolution to the contrary.

(a) The 2007 Insurer shall be deemed to be the sole Holder of the Series 2007 Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the Holders of the Series 2007 Bonds are entitled to take pursuant to the Resolution.

(b) The maturity of the Series 2007 Bonds shall not be accelerated without the consent of the 2007 Insurer and in the event the maturity of the Series 2007 Bonds is accelerated, the 2007 Insurer may elect, in its sole discretion, to pay accelerated principal and interest accrued, on such principal to the date of acceleration (to the extent unpaid by the University) and the Trustee shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the 2007 Insurer's obligations under the 2007 Policy with respect to such Series 2007 Bonds shall be fully discharged.

(c) Any amendment, supplement, modification to, or waiver of, the Resolution or any other materially related transaction document, including any underlying security agreement (each a "Related Document"), that requires the consent of Owners or materially adversely affects the rights and interest of the 2007 Insurer shall be subject to the prior written consent of the 2007 Insurer.

(d) The rights granted to the 2007 Insurer under the Resolution to request, consent to or direct any action are rights granted to the 2007 Insurer in consideration of its issuance of the 2007 Policy. Any exercise by the 2007 Insurer of such rights is merely an exercise of the 2007 Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit or on behalf of the Owners nor does such action evidence any position of the 2007 Insurer, positive or negative, as to whether Owner consent is required in addition to consent of the 2007 Insurer.

(e) University shall pay or reimburse the 2007 Insurer any and all charges, fees, costs and expenses which the 2007 Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in the Resolution, (ii) the pursuit of any remedies under the Resolution or otherwise afforded by law or equity, or (iii) any litigation or other dispute in connection with the Resolution or the transactions contemplated thereby, other than amounts resulting from the failure of the 2007 Insurer to honor its obligations under the 2007 Policy. The 2007 Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Resolution.

(f) The 2007 Insurer shall be entitled to pay principal or interest on the Series 2007 Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the University (as such terms are defined in the 2007 Policy) whether or not the 2007 Insurer has received a Notice of Nonpayment (as such terms are defined in the 2007 Policy) or a claim upon the 2007 Policy.

(g) Amounts paid by the 2007 Insurer under the 2007 Policy shall not be deemed paid for purposes of the Resolution and any Series 2007 Bonds so paid shall remain Outstanding and continue to be due and owing until paid by the University in accordance with the Resolution. The 2007 Insurer shall, to the extent it makes any payment of principal of or interest on the Series 2007 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the 2007 Policy. The Resolution shall not be discharged unless all amounts due or to become due to the 2007 Insurer have been paid in full or duly provided for.

(h) If, on the third Business Day prior to the related scheduled interest payment date or principal payment date ("Payment Date"), there is not on deposit with the Trustee, after making all transfers and deposits required under the Resolution, moneys sufficient to pay the principal of and interest on the Series 2007 Bonds due on such Payment Date, the Trustee shall make a claim under the 2007 Policy and give notice to the 2007 Insurer and to its designated agent (if any) (the "Insurer's Fiscal Agent") by telephone or telecopy of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Series 2007 Bonds and the amount required to pay principal of the Series 2007 Bonds, confirmed in writing to the 2007 Insurer and the 2007 Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the 2007 Policy.

(i) The Trustee shall designate any portion of payment of principal on Series 2007 Bonds paid by the 2007 Insurer, whether by virtue of mandatory sinking fund

redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Series 2007 Bonds registered to the then current Series 2007 Bondholder, whether DTC or its nominee or otherwise, and shall issue a replacement Series 2007 Bond to the 2007 Insurer, registered in the name of the 2007 Insurer in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Series 2007 Bond shall have no effect on the amount of principal or interest payable by the University on any Series 2007 Bond or the subrogation rights of the 2007 Insurer.

(ii) The Trustee shall keep a complete and accurate record of all funds deposited by the 2007 Insurer into the Policy Payments Account (as hereinafter defined) and the allocation of such funds to payment of interest on the principal paid in respect to any Series 2007 Bond. The 2007 Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the University.

(iii) Upon payment of a claim under the 2007 Policy the Trustee shall establish a separate special purpose trust account for the benefit of Bondholders referred to herein as the "Policy Payments Account" and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the 2007 Policy in trust on behalf of Series 2007 Bondholders and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to Series 2007 Bondholders in the same manner as principal and interest payments are to be made with respect to the Series 2007 Bonds under the sections hereof regarding payment of Series 2007 Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything herein to the contrary, and to the extent permitted by law, the University agrees to pay to the 2007 Insurer (i) a sum equal to the total of all amounts paid by the 2007 Insurer under the 2007 Policy (the "Insurer Advances"); and (ii) interest on such Insurer Advances from the date paid by the 2007 Insurer until payment thereof in full, payable to the 2007 Insurer at the Late Payment Rate per annum (collectively, the "Insurer Reimbursement Amounts"). "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Series 2007 Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days.

(iv) Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee.

(v) Any funds remaining in the Policy Payments Account following a Payment Date shall promptly be remitted to the 2007 Insurer.

(i) The 2007 Insurer shall be provided with the following information (by the University with respect to items (i), (vi), (vii) and (viii) below, and by the Trustee with respect to items (ii) through (v) and (ix) below):

(i) Annual audited financial statements within 180 days after the end of the University's fiscal year (together with a certification of the University that it is not aware of any default or Event of Default under the Resolution), and the University's annual budget within 30 days after the approval thereof together with such other information, data or reports as the 2007 Insurer shall reasonably request from time to time;

(ii) Notice of any draw upon the Debt Service Reserve Fund within two Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the Debt Service Reserve Requirement and (ii) withdrawals in connection with a refunding of the Series 2007 Bonds;

(iii) Notice of any default known to the Trustee within five Business Days after knowledge thereof;

(iv) Prior notice of the advance refunding or redemption of any of the Series 2007 Bonds including the principal amount, maturities and CUSIP numbers thereof;

(v) Notice of the resignation or removal of the Trustee and the appointment of, and acceptance of duties by, any successor thereto;

(vi) Notice of the commencement of any proceeding by or against the University commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding");

(vii) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on the Series 2007 Bonds;

(viii) A full original transcript of all proceedings relating to the execution of any amendment or supplement to the Resolution (other than supplements in connection with the issuance of Additional Bonds); and

(ix) All reports, notices and correspondence to be delivered to Series 2007 Bondholders under the terms of the Resolution.

(j) The Notice address of the 2007 Insurer is: Financial Security Assurance Inc., 31 West 52nd Street, New York, New York 10015, Attention: Managing Director – Surveillance; re: Policy No. _____; Telephone: (212) 826-0100; Telecopier: (212) 339-3556, or such other notice address as the 2007 Insurer shall provide in writing to the Trustee and the University. In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of General Counsel and shall be marked to indicate "URGENT MATERIAL ENCLOSED".

(k) The 2007 Insurer shall be deemed to be a third party beneficiary to the Resolution.

(l) To accomplish defeasance of the Series 2007 Bonds, the University must cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants or such other accountant ("Accountant") verifying the sufficiency of the escrow established to pay the Series 2007 Bonds in full on the maturity or redemption date ("Verification"), (ii) an escrow deposit agreement, and (iii) a certificate of discharge of the Trustee with respect to the Series 2007 Bonds; each verification shall be acceptable in form and substance, and addressed, to the University, the Trustee and the 2007 Insurer. The Series 2007 Bonds shall be deemed "Outstanding" under the Resolution unless they are in fact paid and retired or the above criteria are met. The University shall utilize its best efforts to provide the 2007 Insurer with final drafts of the above-referenced documentation not less than five business days prior to the funding of the escrow.

(m) No grace period for a covenant default shall exceed 30 days or be extended for more than 60 days, without the prior written consent of the 2007 Insurer. No grace period shall be permitted for payment defaults.

(n) The exercise of any provision of the Resolution which permits the purchase of Series 2007 Bonds in lieu of redemption shall require the prior written approval of the 2007 Insurer if any Series 2007 Bond so purchased is not cancelled upon purchase.

(o) Unless the 2007 Insurer otherwise directs, upon the occurrence and continuance of an Event of Default or an event which with notice or lapse of time would constitute an Event of Default, amounts on deposit in the Series 2007 Construction Subaccount shall not be disbursed, but shall instead be applied to the payment of debt service or defeasance of the Series 2007 Bonds.

(p) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under the Resolution would adversely affect the security for the Series 2007 Bonds or the rights of the Bondholders, the Trustee shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no 2007 Policy.

APPENDIX E

DEPOSITORY TRUST COMPANY INFORMATION

The following information concerning DTC and DTC's book-entry-only system has been extracted from a schedule prepared by DTC entitled "SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING BOOK-ENTRY-ONLY ISSUANCE," a source that the Regents, the University and the Underwriter believe to be reliable, but the Regents, the University and the Underwriter take no responsibility for the accuracy thereof. The contents of the DTC website referenced below are not incorporated in this Official Statement by such reference.

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 certificate will be issued for each of the Series 2007 Bonds, as set forth on the cover page hereof, each in the aggregate principal amount of each maturity of the Series 2007 Bonds and deposited with DTC.

DTC, the world's largest 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 two million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 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, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC 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 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 rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the 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 Series 2007 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, but 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 the 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 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 remain responsible for keeping accounts 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 the 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 Series 2007 Bond documents. For example, Beneficial Owners of the 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. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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 on accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Regents 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 the 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 are to be made to Cede & Co., or such other name 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 Regents or Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners are 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 or its nominee, the Paying Agent or the Regents, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other name as may be requested by an authorized representative of DTC) is the responsibility of the Regents or the Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2007 Bonds at any time by giving reasonable notice to the Regents or the Paying Agent. Under such

circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered.

The Regents may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC. According to DTC, the foregoing information with respect to DTC has been provided to the industry for informational purposes only and is not intended to serve as a representation, warranty or contract modification of any kind.

APPENDIX F
MUNICIPAL BOND INSURANCE POLICY

APPENDIX G-1

CERTAIN TERMS OF THE INITIAL LIQUIDITY FACILITY

The Standby Bond Purchase Agreement, dated as of October 1, 2007 (the "Series 2007A Initial Liquidity Facility"), between the Regents and the Initial Liquidity Provider with respect to the Series 2007A Bonds and the Standby Bond Purchase Agreement, dated as of October 1, 2007 (the "Series 2007B Initial Liquidity Facility" and together with the Series 2007A Initial Liquidity Facility, each an "Initial Liquidity Facility"), between the Regents and the Initial Liquidity Provider with respect to the Series 2007B Bonds contain various provisions, covenants and conditions, certain of which are summarized below.

Various words or terms used in the following summary are defined in this Official Statement, the Initial Liquidity Facility or the Resolution, and reference thereto is made for full understanding of their import. The following summary describes each Initial Liquidity Facility and references therein to the "Series 2007[A]/[B] Bonds" shall mean the Series 2007A Bonds or the Series 2007B, as applicable, as the context requires.

Definitions. The Initial Liquidity Facility supports the Series 2007[A]/[B] Bonds. As used herein, the following defined terms shall have the following meanings:

"Available Commitment" means on any day the sum of the Available Principal Commitment and the Available Interest Commitment on such day.

"Available Interest Commitment" initially means \$_____,* while the Series 2007[A]/[B] Bonds bear interest at a Term Interest Rate, an amount equal to 184 days of interest on the Series 2007[A]/[B] Bonds calculated at an assumed rate of [12]% per annum based on a year of 360 days consisting of twelve 30-day months and while the Series 2007[A]/[B] Bonds bear interest at a Weekly Interest Rate, an amount equal to [_____] days of interest on the Series 2007[A]/[B] Bonds calculated at an assumed rate of [12]% per annum based on a year of 365 days for the actual number of days elapsed payable monthly in arrears and thereafter means such amount adjusted from time to time as follows: (a) downward by an amount that bears the same proportion to such amount as the amount of any reduction in the Available Principal Commitment pursuant to the definition of "Available Principal Commitment" bears to the Available Principal Commitment prior to such reduction; (b) upward by an amount that bears the same proportion to such amount as the amount of any increase in the Available Principal Commitment pursuant to clause (c) of the definition of "Available Principal Commitment" bears to the Available Principal Commitment prior to such increase; and (c) downward by the amount of any reduction of the Available Interest Commitment pursuant to any optional reduction of the Available Commitment; *provided* that after giving effect to such adjustments the Available Interest Commitment shall never exceed \$_____.* Any adjustments pursuant to clauses (a) and (b) above shall occur simultaneously with the event requiring such adjustment.

"Available Principal Commitment" initially means \$_____,* constituting the principal amount of the Series 2007[A]/[B] Bonds, and thereafter means such amount adjusted from time to time as follows: (a) downward by the amount of any reduction of the Available Principal Commitment pursuant to any optional reduction of the Available Commitment; (b) downward by the principal amount of any Series 2007[A]/[B] Bonds purchased by the Initial Liquidity Facility Provider pursuant to the Initial

* Preliminary, subject to change.

Liquidity Facility; and (c) upward by the principal amount of any Series 2007[A]/[B] Bonds theretofore purchased by the Initial Liquidity Facility Provider pursuant to the Initial Liquidity Facility that are resold by a Purchased Series 2007[A]/[B] Bondholder pursuant to the Initial Liquidity Facility or which are retained by a Purchased Series 2007[A]/[B] Bondholder and cease to bear interest at the Purchased Series 2007[A]/[B] Bond Rate pursuant to the Initial Liquidity Facility; *provided* that after giving effect to such adjustments the Available Principal Commitment shall never exceed \$[Par Amount]. Any adjustments pursuant to clauses (a), (b) and (c) above shall occur simultaneously with the event requiring such adjustment.

"Eligible Series 2007[A]/[B] Bonds" means any Series 2007[A]/[B] Bond other than Series 2007[A]/[B] Bonds owned by, for the account of, or on behalf of, the Issuer, and excludes, in any event, Purchased Series 2007[A]/[B] Bonds and Series 2007[A]/[B] Bonds that have been removed from coverage under the Initial Liquidity Facility by redemption, defeasance or substitution of an Alternate Liquidity Facility.

"Insurer Event of Insolvency" means the occurrence and continuance of one or more of the following events: (a) the issuance, under Article 74 of the Insurance Law of New York or any successor provision thereof (or any other law to which the Insurer is at the time subject), of an order for relief, rehabilitation, reorganization, conservation, liquidation or dissolution of the Insurer that is not dismissed within 90 days; (b) the commencement by the Insurer of a voluntary case or other proceeding seeking an order for relief, liquidation, supervision, rehabilitation, conservation, reorganization or dissolution with respect to itself or its debts under the laws of the state of incorporation or formation of the Insurer or any bankruptcy, insolvency or other similar law now or hereafter in effect including, without limitation, the appointment of a trustee, receiver, liquidator, conservator, custodian or other similar official for itself or any substantial part of its property; (c) the consent of the Insurer to any relief referred to in the preceding clause (b) in an involuntary case or other proceeding commenced against it; (d) the making by the Insurer of an assignment for the benefit of creditors; (e) the failure of the Insurer generally to pay its debts or claims as they become due; provided that any failure by the Insurer to make payment on any municipal bond insurance policy (i) that is being contested in good faith or (ii) with respect to which 30 days have not elapsed, shall not constitute a failure by the Insurer generally to pay its debts or claims as they become due; or (f) the initiation by the Insurer of any actions to authorize any of the foregoing.

"Non-Covered Interest Rate" means the Purchased Series 2007[A]/[B] Bond Rate or a Term Interest Rate on the Series 2007[A]/[B] Bonds fixed to maturity.

"Permitted Minimum Insurer Ratings" means a financial strength rating by Moody's of "Aa3" (or its equivalent) or higher, by S&P of "AA-" (or its equivalent) or higher and by Fitch of "AA-" (or its equivalent) or higher.

"Purchase Period" means the period from the Effective Date to and including 5:00 p.m. on the earliest to occur of (a) the Stated Expiration Date, (b) the date of receipt by the Initial Liquidity Facility Provider of a certificate signed by the Trustee stating that the Initial Liquidity Facility has been terminated pursuant to the terms of the Resolution because (i) an Alternate Liquidity Facility has been provided and become effective under the Resolution, provided that the Initial Liquidity Facility shall not terminate until the Initial Liquidity Facility Provider has purchased any Series 2007[A]/[B] Bonds required to be purchased pursuant to any mandatory tender resulting from the provision of any Alternate Liquidity Facility, (ii) no Series 2007[A]/[B] Bonds remain Outstanding under the Resolution or (iii) all of the Series 2007[A]/[B] Bonds have been converted to a Non-Covered Interest Rate, (c) the date specified in a written notice delivered by the Regents to the Initial Liquidity Facility Provider that the Regents has elected to terminate the Initial Liquidity Facility as permitted by the terms of the Initial Liquidity Facility, or (d) the Purchase Termination Date.

"Purchase Termination Date" means the date on which the Initial Liquidity Provider is no longer required to purchase Tendered Series 2007[A]/[B] Bonds as described in paragraph (A), (B), (C) or (D) under "Consequences and Remedies".

"Purchased Series 2007[A]/[B] Bond Rate" means the interest rate applicable from time to time to Purchased Series 2007[A]/[B] Bonds, as specified in the Initial Liquidity Facility.

"Related Documents" means the Initial Liquidity Facility, the Resolution, the Series 2007 Bonds, the Series 2007[A]/[B] Initial Liquidity Facility, the Insurance Policy, the Bond Purchase Agreement, the Official Statement, the Remarketing Agreement, any authorizing resolutions of the Regents, and any exhibits, instruments or agreements relating thereto, as the same may be amended from time to time in accordance with their respective terms and the terms hereof.

"Stated Expiration Date" means 5:00 p.m. on the later of (a) October [___], 2019, or (b) the last day of any extension of such date pursuant to the Initial Liquidity Facility; provided, however, that if the date specified in (a) or (b), as applicable, is not a Business Day, "Stated Expiration Date" shall mean the next preceding Business Day.

"Tendered Series 2007 Bonds" means, as of any date, Eligible Series 2007[A]/[B] Bonds that are tendered, or deemed tendered, for purchase pursuant to the Resolution.

Commitment to Purchase Series 2007[A]/[B] Bonds. Pursuant to the Initial Liquidity Facility, the Initial Liquidity Facility Provider agrees, on the terms and subject to the satisfaction of the conditions contained in the Initial Liquidity Facility, to purchase Eligible Series 2007[A]/[B] Bonds which are tendered or deemed tendered for purchase pursuant to the Resolution for which there are not sufficient remarketing proceeds available for such purchase, for the Initial Liquidity Facility Provider's own account, from time to time during the Purchase Period at the Purchase Price. The aggregate principal amount (or portion thereof) of any Series 2007[A]/[B] Bond purchased by the Initial Liquidity Facility Provider on any Purchase Date shall be an authorized denomination applicable to Eligible Series 2007[A]/[B] Bonds pursuant to the Resolution, and the aggregate principal amount of all Series 2007[A]/[B] Bonds purchased on any Purchase Date shall not exceed the Available Principal Commitment on such date. The aggregate amount of the portion of the Purchase Price comprising interest on the Series 2007[A]/[B] Bonds (the "Interest Component") purchased on any Purchase Date shall not exceed the lesser of (i) the Available Interest Commitment on such date or (ii) the actual aggregate amount of interest accrued on each such Series 2007[A]/[B] Bond, other than defaulted interest, to such Purchase Date; provided, however, that in the event the Purchase Date is also an Interest Payment Date for the Series 2007[A]/[B] Bonds to be purchased, no accrued interest on such Series 2007[A]/[B] Bonds shall be included in the Purchase Price. The Initial Liquidity Facility Provider's commitment under the Initial Liquidity Facility is limited to the purchase of Tendered Series 2007[A]/[B] Bonds, and does not guarantee the payment of principal of or interest on the Series 2007[A]/[B] Bonds.

Conditions Precedent to Purchase. The obligation of the Initial Liquidity Provider to purchase Series 2007[A]/[B] Bonds on any date is subject to the satisfaction of the following conditions, unless waived in writing by the Initial Liquidity Provider:

(x) No Termination Event. No Event of Termination specified in paragraphs (a), (b), (c) or (d) below or Potential Event of Termination shall have occurred and be continuing or, with respect to a suspension in accordance with paragraph (C) under "Consequences and Remedies" below, the Available Commitment shall have been reinstated upon a finding or ruling by a court with jurisdiction, that the Insurance Policy is valid and binding on the Insurer; and

(y) **Notice of Purchase.** The Initial Liquidity Provider shall have timely received on the Business Day on which Series 2007[A]/[B] Bonds are to be purchased, a specified notice of purchase as provided in the Initial Liquidity Facility; provided that if such notice of purchase is received after the designated deadline on a Business Day, the Initial Liquidity Provider will be obligated to purchase Eligible Series 2007[A]/[B] Bonds on the Business Day following receipt thereof, and provided further that if such notice of purchase is received before the end of the Purchase Period, the end of the Purchase Period shall not, in and of itself, relieve the Initial Liquidity Provider of its obligation to purchase Series 2007[A]/[B] Bonds.

Events of Termination. Each of the following shall constitute an "Event of Termination" under the Initial Liquidity Facility:

(a) **Non Payment of Insured Amounts.** Any principal or interest due on the Series 2007[A]/[B] Bonds is not paid when due and such principal or interest is not paid by the Insurer when, as, and in the amounts required to be paid pursuant to the terms of the Insurance Policy; or

(b) **Invalidity or Contest of Validity of Insurance Policy.** The Insurer shall in writing to the Trustee claim that the Insurance Policy with respect to the payment of principal of or interest on the Series 2007[A]/[B] Bonds is not valid and binding on the Insurer, and repudiate the obligations of the Insurer under the Insurance Policy with respect to payment of principal of or interest on the Series 2007[A]/[B] Bonds, or the Insurer shall initiate any legal proceedings to seek an adjudication that the Insurance Policy, with respect to the payment of principal, interest, or the special redemption of the Series 2007[A]/[B] Bonds pursuant to the Initial Liquidity Facility, is not valid and binding on the Insurer, or any court or governmental authority with jurisdiction to rule on the validity of the Insurance Policy shall announce, find or rule that the Insurance Policy is not valid and binding on the Insurer; or

(c) **Insurer Insolvency; Insurer Downgrade Below Investment Grade.** Either (i) the occurrence of an Insurer Event of Insolvency, or (ii) each of Moody's, S&P, and Fitch withdraw or suspend the financial strength rating of the Insurer or reduce such rating, in the case of S&P, below "BBB-", in the case of Moody's, below "Baa3," and in the case of Fitch, below "BBB-"; or

(d) **Insurer Default on other Policies.** Any default by the Insurer in making payment when, as and in the amounts required to be made pursuant to the express terms and provisions of any other bond insurance policy issued by the Insurer insuring publicly rated bonds and such failure shall continue for seven (7) days unless the obligation of the Insurer to pay is being contested by the Insurer in good faith by appropriate proceedings; or

(e) **Permitted Minimum Insurer Ratings.** The Insurer shall fail to maintain the Permitted Minimum Insurer Ratings for a period of 30 consecutive days.

Events of Default. Each of the following shall constitute an "Event of Default" under the Initial Liquidity Facility:

(i) **Misrepresentation.** Any material representation or warranty made by the Regents under or in connection with the Initial Liquidity Facility shall prove to be untrue in any material respect on the date as of which it was made; or

(ii) **Non Payment of Fees.** Non payment of any amounts payable under the Initial Liquidity Facility (together with interest thereon at the specified default rate) within ten days after the Trustee, the Insurer and the Regents have received written notice from the Initial Liquidity Facility Provider that the same were not paid when due; or

(iii) Other Non Payments. Non payment of any other fees or amounts payable under the Initial Liquidity Facility (together with interest thereon at the specified default rate) within 20 days after written notice thereof to the Regents, Trustee and the Insurer by the Initial Liquidity Facility Provider; or

(iv) Certain Breaches. The breach by the Regents of any of the terms or provisions of certain covenants in the Initial Liquidity Facility; or

(v) Other Breaches. The breach by the Regents of any terms or provisions of the Initial Liquidity Facility for which no cure period is otherwise specifically provided with respect thereto which is not remedied within 30 days after written notice thereof from the Initial Liquidity Facility Provider shall have been received by the Regents and the Insurer; or

(vi) Insolvency.

(1) The Regents shall commence any case, proceeding or other action under any existing or future law of any jurisdiction, domestic or foreign, (A) relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition or other relief with respect to it or its debts, (B) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its assets, or the Regents shall make a general assignment for the benefit of its creditors; or

(2) There shall be commenced against the Regents any case, proceeding or other action of a nature referred to in clause (i) above which (A) results in an order for such relief or in the appointment of a receiver or similar official or (B) remains undismissed, undischarged or unbonded for a period of 60 days; or

(3) There shall be commenced against the Regents any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets, which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or

(4) The Regents shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or

(5) The Regents shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts.

(vii) Invalidity. Any material provision of the Initial Liquidity Facility or any Related Document (other than the Insurance Policy) shall at any time for any reason cease to be valid and binding on the Regents or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by the Regents or by any governmental authority having jurisdiction, or the Regents shall deny that it has any further liability or obligation under any such document, or such document is cancelled or terminated without the Initial Liquidity Facility Provider's prior written consent; or

(viii) Cross Default. The occurrence of any "event of default" as defined in any of the Related Documents (which is not waived pursuant to the terms thereof) which is not otherwise an Event of Default specified in paragraphs (i)-(vii) or (ix) hereof, other than the failure of the Initial Liquidity Facility Provider to provide funds for the purchase of Tendered Series 2007[A]/[B] Bonds when required

by the terms and conditions of the Initial Liquidity Facility ; or

(ix) Other Debt. The Regents shall have defaulted in the payment or performance of any obligation of a principal amount of \$5,000,000 or more that constitutes debt, and such default permits the acceleration of the payment of moneys.

Consequences and Remedies. If any Event of Termination or Event of Default shall have occurred and be continuing:

(A) Immediate Termination. In the case of an Event of Termination specified in paragraph (a), (c) or (d) above, the Available Commitment and Purchase Period and the obligation of the Initial Liquidity Facility Provider to purchase Series 2007[A]/[B] Bonds shall immediately terminate without notice or demand (a "Termination Event"), and thereafter the Initial Liquidity Facility Provider shall be under no obligation to purchase Series 2007[A]/[B] Bonds.

(B) Termination with Notice. In the case of an Event of Termination specified in paragraph (e) above or an Event of Default specified in paragraph (ii), (iii), (iv) (as it relates to a certain covenant in the Initial Liquidity Facility), (vi), (vii), or (x) above, the Initial Liquidity Facility Provider may terminate the Available Commitment and Purchase Period by giving written notice to the Trustee, the Regents, the Remarketing Agent and the Insurer, specifying the date on which the Available Commitment and Purchase Period shall terminate (a "Notice of Termination"), which date, the Purchase Termination Date, shall be not less than 30 days from the date of receipt of such notice by the Trustee. On and after the Purchase Termination Date, the Initial Liquidity Facility Provider shall be under no further obligation to purchase Series 2007[A]/[B] Bonds hereunder.

(C) Suspension relating to Insurance Policy. In the case of an Event of Termination specified in paragraph (b) above, the Initial Liquidity Facility Provider's obligations to purchase Series 2007[A]/[B] Bonds shall be immediately suspended without notice or demand and thereafter the Initial Liquidity Facility Provider shall be under no obligation to purchase until the Available Commitment is reinstated as described in this paragraph (C). Promptly upon the Initial Liquidity Facility Provider obtaining knowledge of any such Event of Termination specified in paragraph (b) above, the Initial Liquidity Facility Provider shall give written notice of the same to the Regents, the Trustee, the Remarketing Agent and the Insurer of such suspension; provided, that the Initial Liquidity Facility Provider shall incur no liability or responsibility whatsoever by reason of its failure to give such notice and such failure shall in no way affect the suspension of the Initial Liquidity Facility Provider's obligations to purchase Series 2007[A]/[B] Bonds. If a court with jurisdiction to rule on the validity of the Insurance Policy shall thereafter enter a final, non appealable judgment that the Insurance Policy is not valid and binding on the Insurer, then the Initial Liquidity Facility Provider's obligation to purchase Series 2007[A]/[B] Bonds shall immediately terminate. If a court with jurisdiction to rule on the validity of the Insurance Policy shall find or rule that the Insurance Policy is valid and binding on the Insurer, the Initial Liquidity Facility Provider's obligations to purchase Series 2007[A]/[B] Bonds under the Initial Liquidity Facility shall be automatically reinstated and the terms of the Initial Liquidity Facility will continue in full force and effect (unless the Initial Liquidity Facility shall otherwise have terminated or been suspended by its terms or in accordance with paragraph (A), (B) or (D) under this section "Consequences and Remedies"). Notwithstanding the foregoing, if, upon the earlier of the Stated Expiration Date or the date which is three years after the effective date of suspension of the Initial Liquidity Facility Provider's obligations pursuant to this paragraph (C), litigation is still pending and a judgment regarding the validity of the Insurance Policy as is the subject of such Event of Termination has not been obtained, then the Available Commitment and the obligation of the Initial Liquidity Facility Provider to purchase Series 2007[A]/[B] Bonds shall at such time immediately terminate, and thereafter the Initial Liquidity Facility Provider shall be under no obligation to purchase Series 2007[A]/[B] Bonds.

(D) Other Suspensions. During the pendency of an Event of Termination specified in paragraph (c) above (with respect to an order described in clause (a) of the definition of Insurer Event of Insolvency) or paragraph (d) above (prior to the expiration of the 30 day period specified in an Event of Termination specified in paragraph (d) above) (each a "Potential Event of Termination"), the Initial Liquidity Facility Provider's obligations to purchase Series 2007[A]/[B] Bonds shall be immediately suspended without notice or demand and thereafter the Initial Liquidity Facility Provider shall be under no obligation to purchase Series 2007[A]/[B] Bonds until the Available Commitment is reinstated as described in this paragraph (D). Promptly upon the Initial Liquidity Facility Provider obtaining knowledge of any such Potential Event of Termination, the Initial Liquidity Facility Provider shall give written notice of the same to the Regents, the Trustee, the Remarketing Agent and the Insurer of such suspension; *provided, however*, that the Initial Liquidity Facility Provider shall incur no liability or responsibility whatsoever by reason of its failure to give such notice and such failure shall in no way affect the suspension of the Initial Liquidity Facility Provider's obligations under the Initial Liquidity Facility. In the event such Potential Event of Termination is cured prior to becoming a Termination Event, the Initial Liquidity Facility Provider's obligations shall be automatically reinstated and the terms of the Initial Liquidity Facility will continue in full force and effect (unless the Initial Liquidity Facility shall otherwise have terminated or been suspended by its terms or in accordance with paragraph (A), (B) or (C) under this section "Consequences and Remedies").

(E) Other Remedies. In addition to the rights and remedies set forth in paragraphs (A), (B), (C) and (D) under this section "Consequences and Remedies", in the case of any Event of Termination or in the case of any Event of Default, upon the election of the Initial Liquidity Facility Provider: (i) all amounts payable hereunder (other than payments of principal and redemption price of and interest on the Series 2007[A]/[B] Bonds or payments of certain Excess Series 2007[A]/[B] Bond Interest) shall upon notice to the Regents become immediately due and payable without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Regents; and (ii) the Initial Liquidity Facility Provider shall have all the rights and remedies available to it under the Initial Liquidity Facility, the Related Documents, the Insurance Policy or otherwise pursuant to law or equity; *provided, however*, that the Initial Liquidity Facility Provider shall not have the right to terminate its obligation to purchase Series 2007[A]/[B] Bonds or to declare any amount due hereunder due and payable except as expressly provided herein, or to accelerate the maturity date of any Series 2007[A]/[B] Bonds except as provided in the Resolution. Without limiting the generality of the foregoing, the Initial Liquidity Facility Provider agrees to purchase Series 2007[A]/[B] Bonds on the terms and conditions of the Initial Liquidity Facility notwithstanding the institution or pendency of any bankruptcy, insolvency or similar proceeding with respect to the Regents. The Initial Liquidity Facility Provider will not assert as a defense to its obligation to purchase Series 2007[A]/[B] Bonds under the Initial Liquidity Facility (x) the institution or pendency of a bankruptcy, insolvency or similar proceeding with respect to the Regents, or (y) a determination by a court of competent jurisdiction in a bankruptcy, insolvency or similar proceeding with respect to the Regents that the Initial Liquidity Facility is not enforceable against the Regents under applicable bankruptcy, insolvency or similar laws. This paragraph (E) shall not limit the exercise of the Initial Liquidity Facility Provider's remedies expressly provided for under any other paragraph under this section "Consequences and Remedies".

APPENDIX G-2

THE INITIAL LIQUIDITY FACILITY PROVIDER

The information below relates to and has been provided by Dexia Credit Local for use in this Official Statement. Such information has not been independently verified by the Regents, University or their counsel. This information is not guaranteed as to accuracy or completeness by the Regents or the University and is not to be construed as a representation by the Regents or the University.

Dexia Credit Local ("**Dexia**") is a subsidiary of the Dexia Group, which was created in 1996. The Dexia Group is a major European banking organization that is the product of several cross-border mergers. Dexia is an authentically European bank in terms of both its management organization and the scope of its different lines of business. The Dexia Group is listed on the Brussels, Paris and Luxembourg stock exchanges. With a stock market capitalization of over 24 billion euros as of December 31, 2006, the Dexia Group ranks in the top third of the Euronext 100 companies.

Dexia specializes in the Dexia Group's first line of business – public and project finance and financial services for the public sector. Dexia has recognized expertise in local public sector financing and project finance. It is backed by a network of specialized banks, which employ over 3,500 professionals. Through this network of subsidiaries, affiliates and branches, Dexia is present in almost all of the countries of the European Union as well as Central Europe, the United States of America and Canada. Dexia also has operations in Latin America, the Asian-Pacific Region including Australia, and the countries around the Mediterranean.

Dexia is a bank with its principal office located in Paris, France. In issuing the facility, Dexia will act through its New York Branch, which is licensed by the Banking Department of the State of New York as an unincorporated branch of Dexia Credit Local, Paris. Dexia is the leading local authority lender in Europe, funding its lending activities in 2006 primarily through the issuance of euro and U.S. dollar-denominated bonds. In 2006, total funding raised by Dexia and Dexia Municipal Agency was 15.7 billion euros.

The Dexia Group is the owner of Financial Security Assurance Holdings Ltd. ("**FSA Holdings**"), the holding company for Financial Security Assurance Inc., a leading financial guaranty insurer.

As of December 31, 2006, Dexia had total consolidated assets of 304 billion euros, outstanding medium and long-term loans to customers of 241 billion euros and shareholders' equity of over 7.98 billion euros (Tier I plus Tier II), and for the year then ended had consolidated net income of 1.082 billion euros. These figures were determined in accordance with generally accepted accounting principles in France. Dexia maintains its records and prepares its financial statements in euros. At December 31, 2006, the exchange rate was 1.0000 euro equals 1.317 United States dollar. Such exchange rate fluctuates from time to time.

Dexia is rated Aa1 long-term and P-1 short-term by Moody's, AA long-term and A-1+ short-term by S&P, and AA+ long-term and F1+ short-term by Fitch.

Dexia will provide without charge a copy of its most recent publicly available annual report. Written requests should be directed to: Dexia Credit Local, New York Branch, 445 Park Avenue, 7th Floor, New York, New York 10022, Attention: General Manager. The delivery of this information shall not create any implication that the information contained or referred to herein is correct as of any time subsequent to its date.

APPENDIX H

OPINION OF CO-BOND COUNSEL

[Skinner Fawcett Letterhead]

[Ballard Spahr Letterhead]

Regents of the University of Idaho
Moscow, Idaho

Re: The Regents of the University of Idaho, Adjustable Rate General Revenue Refunding Bonds, Series 2007A and Adjustable Rate General Revenue Bonds, Series 2007B

We have acted as co-bond counsel to the Regents of the University of Idaho (the "Regents") in connection with the issuance by the Regents of their Adjustable Rate General Revenue Refunding Bonds, Series 2007A in the aggregate principal amount of \$_____ (the "Series 2007A Bonds") and its Adjustable Rate General Revenue Bonds, Series 2007B in the aggregate amount of \$_____ (the "Series 2007B Bonds" and together with the Series 2007A Bonds, the "Series 2007 Bonds"). The Series 2007 Bonds are being issued pursuant to (i) Title 57, Chapter 5 and Title 33, Chapter 38, Idaho Code, as amended; and (ii) a Resolution, adopted by the Regents on November 22, 1991 as heretofore amended and supplemented and restated (the "Original Resolution") and as further supplemented and amended by a supplemental resolution of the Regents adopted on October 11, 2007 (collectively, the "Resolution"). The Series 2007 Bonds are being issued for the purpose of paying all or part of the cost of (i) advance refunding certain outstanding bonds, (ii) funding certain capital improvements of the University of Idaho (the "University"), and (iii) paying costs of issuance associated with the Series 2007 Bonds. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Resolution.

Our services as co-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 Regents have 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 Regents 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 Regents and constitutes a valid and binding obligation of the Regents enforceable upon the Regents.

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 Regents, 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:

(i) 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;

(ii) 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

(iii) 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,

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THE REGENTS OF THE UNIVERSITY OF IDAHO

Supplemental Resolution Authorizing the
Issuance and Sale of
up to \$70,000,000
Adjustable Rate General Revenue Refunding Bonds
Series 2007A
and
up to \$40,000,000
Adjustable Rate General Revenue Bonds
Series 2007B

Adopted October 11, 2007

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SUPPLEMENTAL RESOLUTION

A SUPPLEMENTAL RESOLUTION of the Regents of the University of Idaho authorizing the issuance and sale of (i) Adjustable Rate General Revenue Refunding Bonds, Series 2007A, in the principal amount of up to \$70,000,000 (the “Series 2007A Bonds”) and (ii) Adjustable Rate General Revenue Bonds, Series 2007B, in the principal amount of up to \$40,000,000 (the “Series 2007B Bonds” and collectively with the Series 2007A Bonds, the “Series 2007 Bonds”), 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.

WHEREAS, the University of Idaho (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 Regents of the University of Idaho (the “Regents”) are authorized, pursuant to the Educational Institutions Act of 1935, the same being Chapter 38, Title 33, Idaho Code (the “Act”), and the Constitution of the State of Idaho, to issue bonds for “projects” as defined in said Act; and

WHEREAS, the Regents are authorized pursuant to said Act and pursuant to Title 57, Chapter 5, Idaho Code, to issue refunding bonds and bonds for “projects” as defined in said Act; and

WHEREAS, on November 22, 1991, the Regents adopted a Resolution, which has been subsequently amended and supplemented (as so amended and supplemented, the “Resolution” or “Bond Resolution”) relating to the issuance and sale of \$6,000,000 Facility Revenue Bonds, Series 1992A (the “Series 1992A Bonds”), and providing among other things for the issuance of additional bonds for future projects or refunding purposes (the “Additional Bonds”), with payment of the Series 1992A Bonds and any Additional Bonds secured by Pledged Revenues (as defined in the Resolution);

WHEREAS, the University is authorized under the provisions of Article VII of the Resolution to issue series of Additional Bonds upon compliance with the requirements of Section 7.2 of the Resolution;

WHEREAS, on January 25, 1999, the Regents adopted a resolution supplementing the Resolution and providing for the issuance and sale of \$1,470,000 Student Fee Revenue Bonds, Series 1999A (the “Series 1999A Bonds”) as Additional Bonds thereunder;

WHEREAS, on June 18, 1999, the Regents adopted a resolution supplementing the Resolution and providing for the issuance and sale of \$6,150,000 Student Fee Revenue Bonds (Sweet Avenue and University Campus Improvement Projects), Series 1999B (the “Series 1999B Bonds”) as Additional Bonds thereunder;

WHEREAS, on November 18, 1999 the Regents adopted a resolution supplementing the Resolution and providing for the issuance and sale of \$6,305,000

Student Fee Revenue Bonds, Series 1999C (University Infrastructure and Facilities Improvement Projects) (the “Series 1999C Bonds”) as Additional Bonds thereunder;

WHEREAS, on September 20, 2001, the Regents adopted a resolution supplementing the Resolution and providing for the issuance and sale of \$40,930,000 Student Fee Revenue Bonds, Series 2001 (University Housing Improvement Projects) (the “Series 2001 Bonds”) as Additional Bonds thereunder;

WHEREAS, on January 24, 2005, the Regents adopted a resolution (the “2005A Supplemental Resolution”) supplementing the Resolution and providing for the issuance and sale of \$30,740,000 General Revenue Refunding Bonds, Series 2005A (the “Series 2005A Bonds”) as Additional Bonds thereunder;

WHEREAS, in addition to the bonds issued under the Resolution, the Regents have issued bonds pursuant to a resolution adopted on January 25, 1999, providing for the issuance and sale of \$20,115,000 Student Fee Revenue Bonds (Recreation Center Project), Series 1999 (the “Recreation Center Bonds”);

WHEREAS, in conjunction with the authorization of the issuance of the Series 2005A Bonds, the Regents created a single revenue bond system (the “General Revenue Bond System”) under the Resolution under which the Series 2005A Bonds were issued and Additional Bonds of the University (including the Series 2007 Bonds) may be issued and to enhance the security and source of payment of the Series 2005A Bonds and such Additional Bonds; and

WHEREAS, the Regents have determined that certain of the Recreation Center Bonds, Series 1999A Bonds, Series 1999B Bonds and Series 2001 Bonds as more fully described herein (collectively, the “Refunded Bonds”) can be refunded in accordance with the Act, and to achieve savings and other objectives that the Regents find to be beneficial to the University in accordance with Title 57, chapter 5, Idaho Code;

WHEREAS, the Regents have determined that certain electrical equipment upgrades and capital maintenance on, and replacement of, portions of the University’s utility corridor, central steam plant and central chiller and related improvements (collectively, the “Series 2007B Project”) can be financed as a “project” in accordance with the Act;

WHEREAS, in order to refund the Refunded Bonds and finance the Series 2007B Project, the Regents desire to issue the Series 2007 Bonds;

WHEREAS, the Regents propose to issue the Series 2007 Bonds provided that the initial owners of the Series 2007 Bonds shall be deemed to give their consent to the adoption of certain Amendments (as defined in the 2005A Supplemental Resolution) and 2007 Amendments (as defined herein) upon the purchase of the Series 2007 Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE REGENTS OF THE UNIVERSITY OF IDAHO AS FOLLOWS:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions.

(a) Except as provided in subparagraph (b) of this Section, 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:

“2005A Supplemental Resolution” means the Supplemental Resolution adopted by the Regents on January 24, 2005.

“2007 Amendments” means the amendments and clarifications to the Resolution as described in Article VII of this Supplemental Resolution.

“2007 Insurer” means Financial Security Assurance Inc., a New York insurance company, or any successor thereto or assignee thereof, as issuer of the 2007 Policy.

“2007 Policy” means the insurance policy issued by the 2007 Insurer guaranteeing the scheduled payment of principal of and interest on the Series 2007 Bonds when due.

“Alternate Liquidity Facility” means a liquidity facility, provided by the University with respect to one or both series of the Series 2007 Bonds pursuant to Section 3.6 herein.

“Approving Opinion” means an Opinion of Counsel to the effect that an action being taken is authorized by the applicable provisions of the Resolution and will not adversely affect the tax-exempt status of interest on the Series 2007 Bonds.

“Authorized Denomination” means (i) during any Weekly Rate Period or Term Interest Rate Period of less than one year, \$100,000 or any multiple of \$5,000 in excess thereof; and (ii) during any Term Interest Rate Period of one year or more, \$5,000 or any integral multiple thereof.

“Bond Purchase Agreement” means the Bond Purchase Agreement between the Regents and the Underwriter pursuant to which the Series 2007 Bonds are to be sold.

“Business Day” means, with respect to the Series 2007 Bonds, a day, other than Saturday or Sunday (i) on which banks located in the State of Idaho or in the city where the principal corporate trust office of the Trustee is located and (ii) the principal office of a Liquidity Facility Provider where draws on a Liquidity Facility are to be presented, are open for the purpose of conducting commercial banking business.

“Calendar Week” means the period of seven (7) days from and including Thursday of any week to and including Wednesday of the next following week; provided, however, that the initial Calendar Week with respect to each Weekly Interest Rate Period shall commence on the first day of such Weekly Interest Rate Period and shall end on the next succeeding Wednesday; and provided further that the final Calendar Week with respect to each Weekly Interest Rate Period shall commence on the Thursday immediately preceding the last day of such Weekly Interest Rate Period and shall end on the last day of such Weekly Interest Rate Period.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement between the Regents and the Trustee, as Dissemination Agent, with respect to the Series 2007 Bonds.

“Conversion” or “Convert” means the adjustment of the rate borne by one or both series of the Series 2007 Bonds from a Weekly Interest Rate to a Term Interest Rate, from a Term Interest Rate to a Weekly Interest Rate or from a Term Interest Rate for one Term Interest Rate Period to a Term Interest Rate for another Term Interest Rate Period.

“Conversion Date” means the date on which the Interest Rate Period for one or both series of the Series 2007 Bonds is changed, or the date of a change of the Interest Rate Period for one or both series of the Series 2007 Bonds specified in a notice given pursuant to Section 2.4(c)(iii) or Section 2.4(d)(iii).

“Electronic Notice” means notice through telecopy, telegraph, telex, facsimile transmission, internet, e-mail or other electronic means of communication.

“Escrow Account” means the account established under the Escrow Agreement into which shall be deposited the Refunding Proceeds.

“Escrow Agent” shall mean Wells Fargo Bank, N.A., Boise, Idaho, or its successor in function, as now or hereafter designated, which shall supervise the Escrow Account pursuant to the Escrow Agreement.

“Escrow Agreement” means the agreement between the Regents and the Escrow Agent, providing for the refunding and redemption of the Refunded Bonds.

“Fitch” means Fitch Ratings, its successors and their assigns, and, if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Regents, with notice to the Liquidity Facility Provider, the Trustee and the Remarketing Agent.

“Information Services” means Financial Information, Inc.’s “Daily Called Bond Service,” 30 Montgomery Street, 10th Floor, Jersey City, New Jersey 07302, Attention: Editor; Kenny Information Services “Called Bond Service,” 65 Broadway, 16th Floor, New York, New York 10006; Moody’s “Municipal and Government,” 99 Church Street, 8th Floor, New York, New York 10007, Attention: Municipal News Reports; and S&P’s “Called Bond Record,” 55 Water Street, 45th Floor, New York, New York 10041; or to

such other addresses and/or such other services providing information with respect to called bonds as the Regents may designate in writing to the Trustee.

“Initial Series 2007A Liquidity Facility” means the standby bond purchase agreement among the Regents, the Trustee and the Initial Liquidity Facility Provider with respect to the Series 2007A Bonds.

“Initial Series 2007B Liquidity Facility” means the standby bond purchase agreement among the Regents, the Trustee and the Initial Liquidity Facility Provider with respect to the Series 2007B Bonds.

“Initial Liquidity Facility Provider” means Dexia Credit Local, acting through its New York Branch, as the liquidity provider under the Initial Series 2007A Liquidity Facility and the Initial Series 2007B Liquidity Facility.

“Initial Term Interest Rate Period” means (a) with respect to the Series 2007A Bonds, the initial Term Interest Rate Period from the Issue Date to April 1, 2011 or earlier as permitted by the terms herein and (b) with respect to the Series 2007B Bonds, the initial Term Interest Rate Period from the Issue Date to April 1, 2018 or earlier as permitted by the terms herein.

“Interest Rate Period” means either a Weekly Interest Rate Period or a Term Interest Rate Period.

“Issue Date” means, with respect to any Series 2007 Bonds, the date on which such Series 2007 Bonds are first delivered to the purchasers thereof.

“Liquidity Facility” means, as of any time, the Initial Series 2007A Liquidity Facility and the Initial Series 2007B Liquidity Facility or any Alternate Liquidity Facility, as applicable, then securing the Series 2007A Bonds or the Series 2007B Bonds.

“Liquidity Facility Provider” means, with respect to a Liquidity Facility, the bank or other financial institution acting as the provider under the Liquidity Facility, including the Initial Liquidity Facility Provider.

“Liquidity Facility Provider Bond” means any Series 2007 Bond acquired with moneys in the respective Liquidity Facility Purchase Account pursuant to Section 4.15.

“Liquidity Facility Purchase Account” means the Series 2007A Liquidity Facility Purchase Account and the Series 2007B Liquidity Facility Purchase Account.

“Mandatory Tender Bonds” is defined in Section 4.13(b)(i) of this Supplemental Resolution.

“Maximum Interest Rate” means [10%] per annum.

“Moody’s” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns and, if such

entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency (other than S&P or Fitch) designated by the Regents, with notice to the Liquidity Facility Provider, the Trustee and the Remarketing Agent.

“Nominee” means Cede & Co., as nominee of DTC, the initial Securities Depository for the Series 2007 Bonds, and any successor nominee of DTC and, if another Securities Depository replaces DTC as Securities Depository hereunder, any nominee of such substitute Securities Depository.

“Notice by Mail” or “notice” of any action or condition “by Mail” shall mean a written notice meeting the requirements of this Supplemental Resolution mailed by first class mail, postage prepaid.

“Opinion of Counsel” means a written opinion of counsel satisfactory to the Regents and not objected to by the Trustee or the Liquidity Facility Provider with respect to the Series 2007 Bonds.

“Parameters” means the maximum terms established hereby for the Series 2007 Bonds, within which the terms of the Series 2007 Bonds may be established in the Terms Certificate, such Parameters being set in Exhibit C attached hereto.

“Payment Date” means, unless otherwise provided by a Supplemental Resolution, (a) with respect to the Series 2007 Bonds during the Initial Term Interest Rate Period, and any other Term Interest Rate Period, each April 1 and October 1, commencing April 1, 2008, (b) with respect to the Series 2007 Bonds during a Weekly Interest Rate Period the first Wednesday of each month commencing with the first Wednesday of the month following the conversion to a Weekly Interest Rate Period, and (c) with respect to Liquidity Facility Provider Bonds the dates set forth for payment of interest thereof under the applicable Liquidity Facility.

“Preliminary Official Statement” means the Preliminary Official Statement of the Regents with respect to the Series 2007 Bonds.

“Principal Office” (i) of the Trustee means the principal corporate trust office of the Trustee designated in writing to the University, the Remarketing Agent and the Liquidity Facility Provider, if any, or such other office designated by the Trustee from time to time; (ii) of the Remarketing Agent means its office designated in writing to the Trustee, the University, and the Liquidity Facility Provider; (iii) of the Initial Liquidity Facility Provider means the office of the Initial Liquidity Facility Provider designated in writing to the Trustee and the University, and (iv) of any subsequent Liquidity Facility Provider means its office located at such address as such Liquidity Facility Provider shall designate in writing to the Trustee and the University.

“Project Proceeds” means the portion of the proceeds due the University from the Underwriter to purchase the Series 2007B Bonds pursuant to Section 3.3(b) of this Supplemental Resolution for purposes of financing the Series 2007B Project.

“Purchase Date” means any date on which any Series 2007 Bond is required to be purchased pursuant to Section 4.7 or Section 4.8.

“Purchase Price” means an amount equal to 100% of the principal amount of any Series 2007 Bond (or the portion thereof) tendered or deemed tendered to the Trustee for purchase pursuant to Section 4.7 or Section 4.8, plus accrued and unpaid interest thereon to but not including the date of purchase.

“Rating Agency” means Fitch, S&P, Moody's or any other nationally recognized rating agency, in each case then providing or maintaining a rating on the Series 2007 Bonds at the request of the Regents.

“Refunded Bonds” means that portion of the Recreation Center Bonds, Series 1999A Bonds, Series 1999B Bonds, Series 1999C Bonds and Series 2001 Bonds as specified in the Terms Certificate.

“Refunding Proceeds” shall mean the portion of the proceeds due the Regents from the Underwriter to purchase the Series 2007A Bonds paid to the Escrow Agent by the Underwriter pursuant to Section 3.3(a) of this Supplemental Resolution for purposes of refunding the Refunded Bonds.

“Remarketing Agent” means the initial Remarketing Agent for the Series 2007 Bonds designated in Section 6.1(a) and any successor thereto appointed pursuant to Section 6.1(d).

“Remarketing Agreement” means any agreement or agreements meeting the requirements of Section 6.1.

“Resolution” shall mean the Resolution adopted by the Regents on November 22, 1991, as previously amended and supplemented, including the Amendments as defined in the Supplemental Resolution dated January 24, 2005 and as amended and supplemented by this Supplemental Resolution, including the 2007 Amendments.

“S&P” means Standard & Poor's Ratings Services, its successors and their assigns, and, if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency (other than Fitch or Moody's) designated by the Regents, with notice to the Liquidity Facility Provider, the Trustee and the Remarketing Agent.

“Series 2007 Bondholder,” “Holder” and “Bondholder” means the holder of any Series 2007 Bond.

“Series 2007 Bonds” means collectively, the Series 2007A Bonds and the Series 2007B Bonds.

“Series 2007 Costs of Issuance” shall mean the Costs of Issuance incurred in connection with the issuance, sale and delivery of the Series 2007 Bonds.

“Series 2007 Costs of Issuance Account” shall mean the account established pursuant to Section 3.2(b) hereof into which shall be deposited the portion of the proceeds of the Series 2007 Bonds necessary to pay the Series 2007 Costs of Issuance, as further provided in Article III hereof.

“Series 2007A Bond Purchase Fund” means the fund by that name created by Section 4.11 of this Supplemental Resolution.

“Series 2007A Bonds” means the Adjustable Rate General Revenue Refunding Bonds, Series 2007A, of the Regents authorized by this Supplemental Resolution.

“Series 2007A Liquidity Facility Purchase Account” means the subaccount by that name created within the Series 2007A Bond Purchase Fund by Section 4.11 of this Resolution.

“Series 2007A Remarketing Account” means the subaccount by that name created within the Series 2007A Bond Purchase Fund by Section 4.11 of this Resolution.

“Series 2007B Bond Purchase Fund” means the fund by that name created by Section 4.11 of this Supplemental Resolution.

“Series 2007B Bonds” means the Adjustable Rate General Revenue Bonds, Series 2007B, of the Regents authorized by this Supplemental Resolution.

“Series 2007B Liquidity Facility Purchase Account” means the subaccount by that name created within the Series 2007B Bond Purchase Fund by Section 4.11 of this Resolution.

“Series 2007B Project” means certain electrical equipment upgrades and capital maintenance on, and replacement of, portions of the University’s utility corridor, central steam plant, and central chiller, and related improvements.

“Series 2007B Project Account” means the account established under Section 3.2(b) hereof into which shall be deposited the Project Proceeds.

“Series 2007B Remarketing Account” means the subaccount by that name created within the Series 2007B Bond Purchase Fund by Section 4.11 of this Resolution.

“Supplemental Resolution” means this Supplemental Resolution of the University adopted on October 11, 2007, authorizing the Series 2007 Bonds.

“Term Interest Rate” means a non-variable interest rate or rates for one or both series of the Series 2007 Bonds established for a Term Interest Rate Period in accordance with Section 2.4(d)(i).

“Term Interest Rate Period” means each period determined by the University pursuant to Section 2.4(d)(ii) during which one or both series of the Series 2007 Bonds bear interest at a Term Interest Rate; provided that each such period shall be for a term of

approximately one month, approximately three months, approximately six months, approximately nine months, approximately one year or any multiple of approximately six months above one year in each case ending on a day preceding a Business Day; provided, however, that notwithstanding the foregoing any Term Interest Rate Period which ends on the day immediately preceding the maturity date of such Series 2007 Bonds may include a period of time from the Payment Date immediately preceding the maturity date of such Series 2007 Bonds to the day immediately preceding the maturity date of such Series 2007 Bonds even if the time remaining to such day is not one of the periods specified above; and provided, further, that notwithstanding the foregoing any Term Interest Rate Period may end on the day immediately preceding the maturity date of such Series 2007 Bonds whether or not such maturity date is a Business Day.

“Terms Certificate” means a certificate of the Regents signed by the Bursar, or authorized designee, in substantially the form of Exhibit D attached hereto, specifying certain terms of the Series 2007 Bonds.

“Underwriter” means George K. Baum & Company, or its successor in function, as the original purchaser of the Series 2007 Bonds.

“Variable Index” means an index selected by the Remarketing Agent which is a composite of bid-side yields of obligations (a) which (i) provide for a weekly adjustment of the interest rate, and (ii) which (A) must be purchased on demand of the owner thereof at any time upon notice of up to seven (7) days or (B) are payable in full not later than seven (7) days after the date of evaluation and (b) the interest on which is tax-exempt from gross income of the holders thereof for federal income tax purposes. If for any reason the Variable Index for any rate determination date cannot be established as provided above or is held to be invalid or unenforceable by a court of law, the Variable Index for such rate determination date shall be an index computed by the Remarketing Agent and shall be equal to 110% of the PSA Municipal Index.

“Weekly Interest Rate” means an interest rate on one or both series of the Series 2007 Bonds established for a Calendar Week pursuant to Section 2.4(c)(i).

“Weekly Interest Rate Period” means each period during which the Series 2007 Bonds bear interest at Weekly Interest Rates.

“Weekly Put Bonds” is defined in Section 4.13(a)(i) of this Resolution.

Section 1.2 Authority for Supplemental Resolution; References to University. This Supplemental Resolution is adopted pursuant to the provisions of the Act and the Resolution. References herein to the “University” shall be deemed to refer to the Regents or other appropriate authority thereof pursuant to the Act and other applicable laws.

ARTICLE II

AUTHORIZATION, TERMS AND ISSUANCE OF SERIES 2007 BONDS

Section 2.1 Authorization of Series 2007 Bonds, Principal Amount, Designation and Series; Confirmation of Pledged Revenues. The Series 2007 Bonds are hereby authorized for issuance, to be sold at a price not less than par subject to the Parameters, in order to provide sufficient funds for (i) the refunding of the Refunded Bonds, (ii) the financing of the Series 2007B Project, and (iii) paying costs of issuance, and in accordance with and subject to the terms, conditions and limitations established in the Resolution, as previously amended and as amended by this Supplemental Resolution. The Series 2007 Bonds shall be issued only in fully registered form, without coupons. The Series 2007 Bonds are secured by the pledge of the Pledged Revenues under Section 5.1 of the Resolution equally and ratably with all Outstanding Bonds issued under the Resolution.

Section 2.2 Finding and Purpose. The Regents hereby find, determine and declare:

(a) pursuant to Section 33-3804(i) and Section 57-504, Idaho Code, the Refunded Bonds can be refunded with a debt service savings and to the benefit and advantage of the University;

(b) pursuant to Section 33-3805, Idaho Code, the Series 2007B Project is desirable and necessary for the proper operation of the University and is economically feasible;

(c) pursuant to Section 33-3805A, Idaho Code, the Series 2007B Project will not require state general account appropriated funds for construction, operation or maintenance;

(d) pursuant to Section 33-3806, Idaho Code, fees, rentals and other charges from those that are served by the Series 2007B Project shall be the same as those applicable to any existing project similar in nature and purpose, provided that there may be allowed reasonable differentials based on the condition, type, location and relative convenience of such other project, but the differentials shall be uniform as to all those similarly accommodated;

(e) 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;

(f) 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

(g) the applicable requirements of Article VII of the Resolution relating to issuance of Additional Bonds will have been complied with upon the delivery of the Series 2007 Bonds.

Section 2.3 Issue Date. The Series 2007 Bonds shall be dated the date of original delivery.

Section 2.4 Series 2007 Bonds.

(a) (i) The Series 2007A Bonds shall be limited to the respective aggregate principal amount specified in the Terms Certificate, but within the Parameters, and shall be designated “Adjustable Rate General Revenue Refunding Bonds, Series 2007A.” The Series 2007B Bonds shall be limited to the respective aggregate principal amount specified in the Terms Certificate, but within the Parameters, and shall be designated “Adjustable Rate General Revenue Bonds, Series 2007B.”

(ii) The Series 2007 Bonds shall bear interest from and including the Issue Date thereof until payment of the principal or redemption price thereof shall have been made or provided for on the due date thereof in accordance with the provisions hereof, whether at maturity, upon redemption or acceleration or otherwise. Interest on the Series 2007 Bonds with respect to the immediately preceding Interest Period shall be paid on each Payment Date. Except during a Term Interest Rate Period of one year or longer, interest on the Series 2007 Bonds shall be computed upon the basis of a 365-day or 366-day year, as applicable, for the number of days actually elapsed. During any Term Interest Rate Period of one year or longer, interest on the Series 2007 Bonds shall be computed upon the basis of a 360-day year, consisting of twelve 30-day months.

(iii) Payment of the interest on any Series 2007 Bond shall be made to the person appearing on the Bond Register as the registered owner thereof as of the applicable Record Date, such interest to be paid by the Trustee to such Bondholder (i) by check mailed by first class mail on the Payment Date, to such Bondholder’s address as it appears on the Bond Register, or (ii) upon written request at least three Business Days prior to the applicable Record Date of Liquidity Facility Provider (with respect to the Liquidity Facility Provider Bonds) or of the Holder of all of the Outstanding Series 2007 Bonds of a series or the Holder of Outstanding Series 2007 Bonds of a series aggregating not less than \$1,000,000 in principal amount, by wire transfer in immediately available funds at an account maintained in the United States at such wire address as such

Bondholder shall specify in its written notice (any such written request shall remain in effect until rescinded in writing by such Bondholder); except, in each case, that, if and to the extent that there shall be a default in the payment of the interest due on such Payment Date, such defaulted interest shall be paid to the Bondholder in whose name any such Series 2007 Bonds are registered on the Bond Register at the close of business on a special record date to be fixed by the Trustee. Both the principal of and premium, if any, on the Series 2007 Bonds shall be payable upon surrender thereof at the Principal Office of the Trustee. Liquidity Facility Provider Bonds shall bear interest which shall be computed and be payable as set forth in the applicable Liquidity Facility [and such interest rate may exceed the Maximum Interest Rate].

(b) In the manner hereinafter provided, the term of each series of the Series 2007 Bonds will be divided into consecutive Interest Rate Periods, during each of which such Series 2007 Bonds shall bear interest at Weekly Interest Rates or Term Interest Rates. The initial Interest Rate Period for each series of the Series 2007 Bonds shall be a Term Interest Rate Period established for each such series by the Terms Certificate (but within the Parameters) during which each series of the Series 2007 Bonds shall bear interest at Term Interest Rates. Each series of the Series 2007 Bonds shall continue in such Term Interest Rate Period until Converted to a Weekly Interest Rate pursuant to Section 2.4(c)(i) or to a different Term Interest Rate Period pursuant to Section 2.4(d)(ii).

(c) Weekly Interest Rate.

(i) Determination of Weekly Interest Rate. During each Weekly Interest Rate Period, the applicable Series 2007 Bonds shall bear interest at Weekly Interest Rates determined pursuant to this Section 2.4(c)(i). Except as otherwise provided in Section 2.4(d)(ii) and Section 2.4(e), the Weekly Interest Rate for each Calendar Week shall be determined by the Remarketing Agent not later than 5:00 p.m. (New York City time) on the Wednesday immediately preceding such Calendar Week (or by 12:00 noon (New York City time) on the next preceding Business Day if such Wednesday is not a Business Day); provided, however, that if the Series 2007 Bonds are to be Converted to a Weekly Interest Rate Period from a Term Interest Rate Period, the Weekly Interest Rate for the initial Calendar Week of such Weekly Interest Rate Period shall be determined not later than the Business Day next preceding the effective date of such Weekly Interest Rate Period.

The Weekly Interest Rate shall be the rate determined by the Remarketing Agent (on the basis of the examination of obligations comparable to such Series 2007 Bonds known by the Remarketing Agent to have been priced or traded under then-prevailing market conditions) to be the minimum interest rate which, if borne by such Series 2007 Bonds, would enable the Remarketing Agent to sell such Series 2007 Bonds on

such day at a price equal to the principal amount thereof plus accrued interest; provided, however, that if for any reason the Weekly Interest Rate for a Calendar Week is not so determined, the Weekly Interest Rate for such Calendar Week shall remain at the then-existing rate until such time as the Remarketing Agent determines the Weekly Interest Rate as provided herein (or if the Series 2007 Bonds are being Converted to a Weekly Interest Rate Period from a Term Interest Rate Period, the Weekly Interest Rate for such Calendar Week shall be a percent per annum equal to the Variable Index, and the Weekly Interest Rate for each succeeding Calendar Week shall be a percent per annum equal to the Variable Index until such time as the Remarketing Agent determines the Weekly Interest Rate as provided herein). Upon determination of each Weekly Interest Rate, the Remarketing Agent shall provide notice to the Trustee of such Weekly Interest Rate. The Weekly Rate for the Series 2007A Bonds and Series 2007B Bonds (if both are bearing interest at the Weekly Rate) may but are not required to be the same rate.

(ii) Conversion to Weekly Interest Rate Period. The University, by written direction to the Trustee and the Remarketing Agent, delivered at least thirty (30) days prior to the proposed Conversion Date, accompanied by an Approving Opinion, may elect to Convert the Interest Rate Period for either or both series of the Series 2007 Bonds from a Term Interest Rate Period to a Weekly Interest Rate Period. Such direction shall specify the Conversion Date to such Weekly Interest Rate Period which shall be (A) the Payment Date next succeeding the last day of the then-current Term Interest Rate Period which is not less than thirty-five (35) days following the date of receipt by the Trustee of such direction, or (B) any date on which such Series 2007 Bonds may be optionally redeemed at par pursuant to Section 4.1(ii) hereof not less than thirty-five (35) days following the date of receipt by the Trustee of such direction. Prior to conversion to a Weekly Interest Rate Period with the Initial Liquidity Facility, all required terms, evidences, representations and other requirements of the Initial Liquidity Facility shall have been satisfied.

(iii) Notice of Conversion to Weekly Interest Rate Period. Except for an automatic Conversion to a Weekly Interest Rate Period pursuant to Section 2.4(d)(i) hereof or Section 2.4(e) hereof, as to which no notice shall be required, the Trustee shall give notice by first class mail of a Conversion of the Series 2007A Bonds to a Weekly Interest Rate Period to the Bondholders, the Liquidity Facility Provider, the Remarketing Agent and the University not less than thirty (30) days prior to the Conversion Date to such Weekly Interest Rate Period. Such notice shall state (A) that the Interest Rate Period on such Series 2007 Bonds will be Converted to a Weekly Interest Rate Period, (B) the Conversion Date to such Weekly Interest Rate Period, (C) the day by which the initial Weekly Interest Rate for such Weekly Interest Rate Period shall be determined and the manner by which the Weekly Interest Rates for such Weekly Interest

Rate Period may be obtained, (D) the Payment Dates with respect to such Weekly Interest Rate Period, (E) that such Series 2007 Bonds will be purchased on such Conversion Date pursuant to Section 4.8, (F) the procedures for the purchase provided for in clause (E) above, (G) that, subsequent to such effective date, the Bondholders or the Beneficial Owners will have the right to demand purchase of such Series 2007 Bonds upon not less than seven days' notice, (H) the procedures for a demand for the purchase provided for in clause (G) above, (I) the redemption provisions that will pertain to such Series 2007 Bonds during such Weekly Interest Rate Period, and (J) the ratings which are expected to be assigned to such Series 2007 Bonds upon such Conversion to a Weekly Interest Rate Period.

(d) Term Interest Rate.

(i) Determination of Term Interest Rate. During each Term Interest Rate Period, the respective Series 2007 Bonds shall bear interest at the applicable Term Interest Rate, which shall be determined by the Remarketing Agent not later than 4:00 p.m. (New York City time) on the Business Day preceding the first day of such Term Interest Rate Period. The Term Interest Rate shall be the rate determined by the Remarketing Agent (in part, on the basis of examination of obligations comparable to such Series 2007 Bonds known to the Remarketing Agent to have been priced or traded under then-prevailing market conditions) to be the minimum interest rate which, if borne by such Series 2007 Bonds, would enable the Remarketing Agent to sell such Series 2007 Bonds on such Business Day at a price equal to the principal amount thereof; provided, however, that if for any reason the Term Interest Rate is not so determined for any Term Interest Rate Period, the Interest Rate Period on such Series 2007 Bonds shall automatically Convert to a Weekly Interest Rate Period and the Remarketing Agent shall determine the Weekly Interest Rate for the initial Calendar Week on such date. Upon determination of each Term Interest Rate, the Remarketing Agent shall provide written notice of such Term Interest Rate to the Trustee. Each series of the Series 2007 Bonds may have differing Term Interest Rate Periods and may bear the same or differing rates.

(ii) Conversion to Term Interest Rate Period. The University by written direction to the Trustee and the Remarketing Agent, delivered at least thirty-five (35) days prior to the proposed Conversion Date to a Term Interest Rate Period, accompanied by the written consent of the Liquidity Facility Provider (unless such Term Interest Period is fixed to maturity of the applicable Series 2007 Bonds), and the 2007 Insurer and an Approving Opinion, may elect to Convert the Interest Rate Period for one or both series of the Series 2007 Bonds from a Weekly Interest Rate Period to a Term Interest Rate Period or from one Term Interest Rate Period to another Term Interest Rate Period, and shall determine the

duration of any such new Term Interest Rate Period which shall be one of the periods specified in the definition “Term Interest Rate Period.” Such direction (A) shall specify the Conversion Date to such Term Interest Rate Period which shall be (1) the Payment Date which is not less than thirty-five (35) days following the receipt by the Trustee of such direction if such Series 2007 Bonds are to be Converted from a Weekly Interest Rate Period to a Term Interest Rate Period; or (2) the Payment Date next succeeding the last day of the then-current Term Interest Rate Period which is not less than thirty-five (35) days following the date of receipt by the Trustee of such direction if such Series 2007 Bonds are to be Converted from one Term Interest Rate Period to another, or (3) any date on which such Series 2007 Bonds may be optionally redeemed at par pursuant to Section 4.1(ii) hereof not less than thirty-five (35) days following the date of receipt by the Trustee of such direction; and (B) shall specify the last day thereof. Notwithstanding anything else provided in this Section 2.4(d)(ii), the University shall not Convert the Interest Rate Period on the Series 2007 Bonds to a Term Interest Rate Period unless the Liquidity Facility then in effect with respect to such Series 2007 Bonds has been modified (unless such Term Interest Period is fixed to maturity of the applicable Series 2007 Bonds), if necessary, to provide interest coverage sufficient to provide for all interest to accrue on such Series 2007 Bonds as of each Payment Date during and immediately succeeding such Term Interest Rate Period plus ten (10) additional days at the Term Interest Rate for such Term Interest Rate Period.

(iii) Notice of Conversion to Term Interest Rate Period. The Trustee shall give notice by first class mail of each Conversion to a Term Interest Rate Period to the Bondholders and to the Liquidity Facility Provider not less than thirty (30) days prior to the Conversion Date for such Term Interest Rate Period. Such notice shall state (A) that the interest rate on such Series 2007 Bonds will be Converted to or continue to be a Term Interest Rate Period, (B) the Conversion Date for, and final date of, such Term Interest Rate Period, (C) the day by which the Term Interest Rate for such Term Interest Rate Period shall be determined, (D) the manner by which such Term Interest Rate may be obtained, (E) the Payment Date or Dates with respect to such Term Interest Rate Period, (F) such Series 2007 Bonds shall be purchased on such effective date pursuant to Section 4.8, (G) the procedures for the purchase provided for in clause (F) above, (H) the redemption provisions that will pertain to such Series 2007 Bonds during such Term Interest Rate Period, (I) the ratings which are expected to be assigned to such Series 2007 Bonds upon such Conversion to a Term Interest Rate Period and (J) whether a Liquidity Facility will be in effect with respect to such Series 2007 Bonds upon such Conversion to a Term Interest Rate Period and, if so, identifying such Liquidity Facility.

(iv) Restriction on Conversion. Until a date after April 1, 2011, the Series 2007 Bonds shall not be converted to a different Interest Rate Period without an Opinion of Counsel to the effect that such action will not, in and of itself, adversely affect the tax-exempt status of interest on the Series 2007 Bonds or the Refunded Bonds.

(e) Failure of Conditions to Convert to Term Interest Rate Period. Notwithstanding anything in this Resolution to the contrary, if the conditions to Convert one or both series of the Series 2007 Bonds to a Weekly Interest Rate Period contained in Section 2.4(c)(ii) or to Convert one or both series of the Series 2007 Bonds from a Weekly Interest Rate Period to a Term Interest Period or from one Term Interest Rate Period to another Term Interest Rate Period contained in Section 2.4(d)(ii) are not satisfied, then the Interest Rate Period that shall commence on the mandatory purchase of such Series 2007 Bonds on the respective Conversion Date specified in the notice of Conversion delivered to Bondholders pursuant to Section 2.4(c)(iii) or Section 2.4(d)(iii), as applicable, shall automatically and without further action hereunder, be a Weekly Interest Rate Period, and the Remarketing Agent shall determine the interest rate to apply to the Series 2007 Bonds commencing on such Conversion Date on such date.

(f) Notwithstanding anything in this Resolution to the contrary, if an Event of Default shall have occurred and be continuing, the interest rate on each series of the Series 2007 Bonds shall be the rate on such Series 2007 Bonds on the day prior to the occurrence of such Event of Default.

(g) The determination of the interest rate on the Series 2007 Bonds by the Remarketing Agent shall be conclusive and binding upon the Bondholders, the Regents, the Liquidity Facility Provider, and the Trustee.

Section 2.5 Sale of Series 2007 Bonds.

(a) The Series 2007A Bonds authorized to be issued herein are hereby authorized for sale to the Underwriter in a principal amount not exceeding the Parameters and as specified in the Terms Certificate. The Series 2007A Bonds may be sold with an Underwriter's discount or fee (but without a net reoffering discount) not exceeding the Parameters and as specified in the Terms Certificate, on the terms and conditions set forth in the Bond Purchase Agreement. To evidence the acceptance of the Bond Purchase Agreement, the Bursar is hereby authorized to execute and deliver, the Bond Purchase Agreement in substantially the form presented at this meeting and with such final rate and terms for the Series 2007A Bonds as are within the Parameters.

(b) The Series 2007B Bonds authorized to be issued herein are hereby authorized for sale to the Underwriter in a principal amount not exceeding the Parameters and as specified in the Terms Certificate. The Series 2007B Bonds may be sold with an Underwriter's discount or fee (but without a net reoffering discount) not exceeding the Parameters and as specified in the Terms Certificate,

on the terms and conditions set forth in the Bond Purchase Agreement. To evidence the acceptance of the Bond Purchase Agreement, the Bursar is hereby authorized to execute and deliver, the Bond Purchase Agreement in substantially the form presented at this meeting and with such final rate and terms for the Series 2007B Bonds within the Parameters.

The Preliminary Official Statement of the Regents prepared in connection with the offering 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 for use by Underwriter for distribution to prospective purchasers of the Series 2007 Bonds and other interested persons. The Bursar or authorized designee is hereby authorized to sign a certificate to “deem final” the Preliminary Official Statement pursuant to SEC Rule 15c2-12 in connection with the offering of the Series 2007 Bonds.

In order to comply with subsection (b)(5) of SEC Rule 15c2-12, the Underwriter shall provide in the Bond Purchase Agreement that it is a condition to delivery of the Series 2007 Bonds that the Regents and the Trustee shall have executed and delivered the Continuing Disclosure Agreement. The Continuing Disclosure Agreement is proposed to be entered into between the Trustee and Regents and is hereby approved in all respects in substantially the form presented to the Regents with such changes, omissions, insertions and revisions as the Bursar shall approve, and the Bursar or authorized designee is hereby authorized to execute and deliver the Continuing Disclosure Agreement with respect to the Series 2007 Bonds.

The Bursar of the University and the President, Vice President, Vice President for Finance and Administration, and Secretary of the Regents, and any authorized designee of the same, are, and each of them is, hereby authorized to do or perform all such acts as may be necessary or advisable to comply with this Supplemental Resolution and/or the Bond Purchase Agreement and to carry the same into effect.

The final Official Statement of the Regents for the sale of the Series 2007 Bonds, in substantially the form of the Preliminary Official Statement 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.

Section 2.6 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.

Section 2.7 Form of Series 2007 Bonds. The form of the Series 2007 Bonds is attached to this Supplemental Resolution as Exhibit A, which is incorporated herein by this reference.

Section 2.8 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 Representations 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 executed and delivered to DTC the Representations Letter with respect to Bonds issued under the Resolution [verify]. Such Representations 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 Bond Resolution which are intended to be complete without reference to the Representations Letter. In the event of any conflict between the terms of the Representations 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 2.9 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 Trustee, with the written consent of the University, may appoint a successor Securities Depository, provided the Trustee receives written evidence satisfactory to the Trustee with respect to the ability of the successor Securities Depository to discharge its responsibilities. 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 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 2.10 Submittal to Attorney General. There shall promptly be submitted to the Attorney General of the State of Idaho by the Secretary of the Regents a certified copy of this Supplemental Resolution, together with the proceedings had in its 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 Consent to Amendments. As the initial purchaser of the Series 2007 Bonds, the Underwriter shall be deemed to have consented to all Amendments to date of the Resolution, including, without limitation, those Amendments as defined in the Supplemental Resolution adopted in connection with the issuance of the Series 2005A Bonds and the 2007 Amendments pursuant to this Supplemental Resolution.

Section 2.12 Financial Guaranty Insurance. Payment of principal and interest on the Series 2007 Bonds is guaranteed by the 2007 Insurer in accordance with the terms of the 2007 Policy. The 2007 Insurer's obligations are set forth in the 2007 Policy. The original 2007 Policy shall be on file with the Insurance Trustee (hereinafter

defined). A copy of the 2007 Policy is on file with the Trustee and may be obtained from the Trustee or the 2007 Insurer. So long as the Series 2007 Bonds shall be insured by the 2007 Policy and so long as the 2007 Insurer shall not be in default under the 2007 Policy, the following provisions, and other provisions herein referring to the 2007 Insurer, shall be in effect, and shall take precedence over any provision of the Resolution to the contrary.

(a) The 2007 Insurer shall be deemed to be the sole Holder of the Series 2007 Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the Holders of the Series 2007 Bonds are entitled to take pursuant to the Resolution.

(b) The maturity of the Series 2007 Bonds shall not be accelerated without the consent of the 2007 Insurer and in the event the maturity of the Series 2007 Bonds is accelerated, the 2007 Insurer may elect, in its sole discretion, to pay accelerated principal and interest accrued, on such principal to the date of acceleration (to the extent unpaid by the University) and the Trustee shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the 2007 Insurer's obligations under the 2007 Policy with respect to such Series 2007 Bonds shall be fully discharged.

(c) Any amendment, supplement, modification to, or waiver of, the Resolution or any other materially related transaction document, including any underlying security agreement (each a "Related Document"), that requires the consent of Owners or materially adversely affects the rights and interest of the 2007 Insurer shall be subject to the prior written consent of the 2007 Insurer. Supplemental Resolutions authorizing the issuance of Additional Bonds as provided in the Resolutions shall not require such consent.

(d) The rights granted to the 2007 Insurer under the Resolution to request, consent to or direct any action are rights granted to the 2007 Insurer in consideration of its issuance of the 2007 Policy. Any exercise by the 2007 Insurer of such rights is merely an exercise of the 2007 Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit or on behalf of the Owners nor does such action evidence any position of the 2007 Insurer, positive or negative, as to whether Owner consent is required in addition to consent of the 2007 Insurer.

(e) University shall pay or reimburse the 2007 Insurer any and all charges, fees, costs and expenses which the 2007 Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in the Resolution, (ii) the pursuit of any remedies under the Resolution or otherwise afforded by law or equity, or (iii) any litigation or other dispute in connection with the Resolution or the transactions contemplated thereby, other than amounts resulting from the failure of the 2007 Insurer to honor its obligations under the 2007 Policy. The 2007 Insurer reserves

the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Resolution.

(f) The 2007 Insurer shall be entitled to pay principal or interest on the Series 2007 Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the University (as such terms are defined in the 2007 Policy) whether or not the 2007 Insurer has received a Notice of Nonpayment (as such terms are defined in the 2007 Policy) or a claim upon the 2007 Policy.

(g) Amounts paid by the 2007 Insurer under the 2007 Policy shall not be deemed paid for purposes of the Resolution and any Series 2007 Bonds so paid shall remain Outstanding and continue to be due and owing until paid by the University in accordance with the Resolution. The 2007 Insurer shall, to the extent it makes any payment of principal of or interest on the Series 2007 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the 2007 Policy. The Resolution shall not be discharged unless all amounts due or to become due to the 2007 Insurer have been paid in full or duly provided for.

(h) (i) If, on the third Business Day prior to the related scheduled interest payment date or principal payment date ("Payment Date"), there is not on deposit with the Trustee, after making all transfers and deposits required under the Resolution, moneys sufficient to pay the principal of and interest on the Series 2007 Bonds due on such Payment Date, the Trustee shall make a claim under the 2007 Policy and give notice to the 2007 Insurer and to its designated agent (if any) (the "Insurer's Fiscal Agent") by telephone or telecopy of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Series 2007 Bonds and the amount required to pay principal of the Series 2007 Bonds, confirmed in writing to the 2007 Insurer and the 2007 Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the 2007 Policy.

(ii) The Trustee shall designate any portion of payment of principal on Series 2007 Bonds paid by the 2007 Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Series 2007 Bonds registered to the then current Series 2007 Bondholder, whether DTC or its nominee or otherwise, and shall issue a replacement Series 2007 Bond to the 2007 Insurer, registered in the name of the 2007 Insurer in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Series 2007 Bond shall have no effect on the amount of principal or interest payable by the University on any Series 2007 Bond or the subrogation rights of the 2007 Insurer.

(iii) The Trustee shall keep a complete and accurate record of all funds deposited by the 2007 Insurer into the Policy Payments Account (as hereinafter defined) and the allocation of such funds to payment of interest on the principal paid in respect to any Series 2007 Bond. The 2007 Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the University.

(iv) Upon payment of a claim under the 2007 Policy the Trustee shall establish a separate special purpose trust account for the benefit of Bondholders referred to herein as the "Policy Payments Account" and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the 2007 Policy in trust on behalf of Series 2007 Bondholders and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to Series 2007 Bondholders in the same manner as principal and interest payments are to be made with respect to the Series 2007 Bonds under the sections hereof regarding payment of Series 2007 Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything herein to the contrary, and to the extent permitted by law, the University agrees to pay to the 2007 Insurer (i) a sum equal to the total of all amounts paid by the 2007 Insurer under the 2007 Policy (the "Insurer Advances"); and (ii) interest on such Insurer Advances from the date paid by the 2007 Insurer until payment thereof in full, payable to the 2007 Insurer at the Late Payment Rate per annum (collectively, the "Insurer Reimbursement Amounts"). "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Series 2007 Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days.

(v) Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee.

(vi) Any funds remaining in the Policy Payments Account following a Payment Date shall promptly be remitted to the 2007 Insurer.

(i) The 2007 Insurer shall be provided with the following information (by the University with respect to items (i), (vi), (vii) and (viii) below, and by the Trustee with respect to items (ii) through (v) and (ix) below):

(i) Annual audited financial statements within 180 days after the end of the University's fiscal year (together with a certification of the University that it is not aware of any default or Event of Default under the Resolution), and the University's annual budget within 30 days after the approval thereof together with such other information, data or reports as the 2007 Insurer shall reasonably request from time to time;

(ii) Notice of any draw upon the Debt Service Reserve Fund within two Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the Debt Service Reserve Requirement and (ii) withdrawals in connection with a refunding of Bonds;

(iii) Notice of any default known to the Trustee within five Business Days after knowledge thereof;

(iv) Prior notice of the advance refunding or redemption of any of the Series 2007 Bonds including the principal amount, maturities and CUSIP numbers thereof;

(v) Notice of the resignation or removal of the Trustee and the appointment of, and acceptance of duties by, any successor thereto;

(vi) Notice of the commencement of any proceeding by or against the University commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding");

(vii) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on the Series 2007 Bonds;

(viii) A full original transcript of all proceedings relating to the execution of any amendment or supplement to the Resolution (other than supplements in connection with the issuance of Additional Bonds); and

(ix) All reports, notices and correspondence to be delivered to Series 2007 Bondholders under the terms of the Resolution.

(j) The Notice address of the 2007 Insurer is: Financial Security Assurance Inc., 31 West 52nd Street, New York, New York 10015, Attention: Managing Director – Surveillance; re: Policy No. _____; Telephone: (212) 826-0100; Telecopier: (212) 339-3556, or such other notice address as the 2007 Insurer shall provide in writing to the Trustee and the University. In each case in

which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of General Counsel and shall be marked to indicate “URGENT MATERIAL ENCLOSED.”

(k) The 2007 Insurer shall be deemed to be a third party beneficiary to the Resolution.

(l) To accomplish defeasance of the Series 2007 Bonds, the University must cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants or such other accountant (“Accountant”) verifying the sufficiency of the escrow established to pay the Series 2007 Bonds in full on the maturity or redemption date (“Verification”), (ii) an escrow deposit agreement, and (iii) a certificate of discharge of the Trustee with respect to the Series 2007 Bonds; each verification shall be acceptable in form and substance, and addressed, to the University, the Trustee and the 2007 Insurer. The Series 2007 Bonds shall be deemed “Outstanding” under the Resolution unless they are in fact paid and retired or the above criteria are met. The University shall utilize its best efforts to provide the 2007 Insurer with final drafts of the above-referenced documentation not less than five business days prior to the funding of the escrow.

(m) No grace period for a covenant default shall exceed 30 days or be extended for more than 60 days, without the prior written consent of the 2007 Insurer. No grace period shall be permitted for payment defaults.

(n) The exercise of any provision of the Resolution which permits the purchase of Series 2007 Bonds in lieu of redemption shall require the prior written approval of the 2007 Insurer if any Series 2007 Bond so purchased is not cancelled upon purchase.

(o) Unless the 2007 Insurer otherwise directs, upon the occurrence and continuance of an Event of Default or an event which with notice or lapse of time would constitute an Event of Default, amounts on deposit in the Series 2007 Construction Subaccount shall not be disbursed, but shall instead be applied to the payment of debt service or defeasance of the Series 2007 Bonds.

(p) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under the Resolution would adversely affect the security for the Series 2007 Bonds or the rights of the Bondholders, the University and the Trustee, as applicable, shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no 2007 Policy.

Section 2.13 Further Authority. The Bursar or any authorized designee thereof and such other officers of the Regents or University as may be required, are hereby authorized and directed to execute all such certificates, documents and other instruments as may be necessary or advisable to provide for the issuance, sale,

registration and delivery of the Series 2007 Bonds, including, without limitation, the Initial Liquidity Facility, the Escrow Agreement, the Official Statement, the Remarketing Agreement, and the Terms Certificate.

ARTICLE III

CREATION OF ACCOUNTS; APPLICATION OF SERIES 2007 BOND PROCEEDS

Section 3.1 Pledge of Pledged Revenues and Liquidity Facility.

(a) Subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth herein, all of the Pledged Revenues are hereby irrevocably pledged as described in Section 5.3 of the Resolution first, to the payment of the principal of, premium, if any, and interest on all Bonds Outstanding under the Resolution (including the Series 2007 Bonds and any Liquidity Facility Provider Bonds), second, to the replenishment of the Debt Service Reserve Account as may be required by Section 5.5 of the Resolution, third to the payment of any obligations (other than payment on any Liquidity Facility Provider Bonds) due to the Liquidity Facility Provider under the Liquidity Facility and thereafter for the purposes specified in Section 5.3D of the Resolution.

(b) Each Liquidity Facility provided with respect to the Series 2007 Bonds is for the punctual payment of the Purchase Price of the related Series 2007 Bonds, and proceeds of any such Liquidity Facility shall not be used for any other purpose. Each Liquidity Facility, if any, and any payments thereunder shall be held in trust for the benefit of the Holders from time to time of the related Series 2007 Bonds.

Section 3.2 Creation of Accounts in the Construction Fund. In connection with the issuance of the Series 2007 Bonds, the University hereby establishes the following funds and accounts in the Construction Fund:

- (a) the Series 2007B Project Account, to be held by the University;
and
- (b) the Series 2007 Costs of Issuance Account, to be held by the University.

Section 3.3 Application of Proceeds of Series 2007 Bonds. Proceeds of the sale of the Series 2007 Bonds shall be applied as follows:

(a) The Refunding Proceeds, in the amount specified in the Terms Certificate, shall be transferred to the Escrow Agent for investment as contemplated by the Escrow Agreement (as hereinafter approved) and in accordance with the provisions of Section 57-504, Idaho Code (except for any amount to be retained as cash), and the obligations in which such proceeds are so invested and any remaining cash shall be deposited in trust by the Escrow Agent as required by the Escrow Agreement;

(b) The Project Proceeds, in the amount specified in the Terms Certificate, shall be deposited to the Series 2007B Project Account held by the

University. Upon completion of the Series 2007B Project and payment of all costs related thereto, any remaining proceeds in the Series 2007B Project Account shall be transferred by the University to the Trustee for deposit in the Bond Fund for payment of the Series 2007B Bonds; and

(c) The amount necessary to pay the Series 2007 Costs of Issuance, in the amount specified in the Terms Certificate, shall be deposited to the Series 2007 Costs of Issuance Account held by the University. Any balance remaining in the Series 2007 Costs of Issuance Account, after payment of the Series 2007 Costs of Issuance, shall be deposited to the Series 2007B Project Account.

Section 3.4 Investment of Moneys. Any moneys in any of the funds and accounts to be established by the Trustee pursuant to this Supplemental Resolution (other than the Series 2007A Bond Purchase Fund, Series 2007B Bond Purchase Fund, Series 2007A Liquidity Facility Account and the Series 2007B Liquidity Facility Account shall be invested pursuant to the terms of the Resolution.

Notwithstanding the foregoing provisions of this Section 3.4, any moneys held in the Series 2007A Bond Purchase Fund, Series 2007B Bond Purchase Fund and any moneys constituting payments under any Liquidity Facility shall be held uninvested.

Section 3.5 Repayment to the Regents or Liquidity Facility Provider. When there are no longer any Series 2007 Bonds Outstanding under the Resolution, and all fees, charges and expenses of the Trustee, the Regents, the Liquidity Facility Provider, and the Remarketing Agent have been paid or provided for, and all other amounts payable hereunder have been paid, the Trustee shall pay to the University any amounts remaining in any fund established and held hereunder for the Series 2007 Bonds; provided, however, that no payment shall be made to the University and such amounts shall be paid to the Liquidity Facility Provider if and to the extent the University has any obligations to a Liquidity Facility Provider which are then due and payable, as certified by the Liquidity Facility Provider to the University and the Trustee.

Section 3.6 Liquidity Facilities.

(a) The Initial Series 2007A Liquidity Facility will be a standby bond purchase agreement among the Regents, the Trustee and Initial Liquidity Provider, providing for direct payments to or upon the order of the Trustee of amounts up to (i) the principal portion of the purchase price of the Series 2007A Bonds when due, at purchase pursuant to a tender; and (ii) the interest portion of the purchase price of Series 2007A Bonds consisting of accrued interest for a period of at least _____ days at the Maximum Interest Rate. If the Liquidity Facility will be in effect during a Weekly Rate Period, the stated coverage amount of the Liquidity Facility must provide for interest on the Series 2007A Bonds for a period of at least _____ days (or such other number of days as may be required by any Rating Agency then rating the Series 2007A Bonds) at the Maximum Interest Rate. If the Liquidity Facility will be in effect during a Term Interest Rate Period other than the Initial Term Interest Rate Period, the stated coverage amount of the

Liquidity Facility must be increased to include interest on the Series 2007A Bonds for a period of at least _____ days (or such other number of days as may be required by any Rating Agency then rating the Series 2007A Bonds) at such Term Interest Rate. The Initial Series 2007A Liquidity Facility shall expire on _____ unless extended or terminated early pursuant to the provisions thereof.

(b) The Initial Series 2007B Liquidity Facility will be a standby bond purchase agreement among the Regents, the Trustee and Initial Liquidity Provider, providing for direct payments to or upon the order of the Trustee of amounts up to (i) the principal portion of the purchase price of the Series 2007B Bonds when due, at purchase pursuant to a tender; and (ii) the interest portion of the purchase price of Series 2007B Bonds consisting of accrued interest for a period of at least _____ days at the Maximum Interest Rate. If the Liquidity Facility will be in effect during a Weekly Rate Period, the stated coverage amount of the Liquidity Facility must provide for interest on the Series 2007B Bonds for a period of at least _____ days (or such other number of days as may be required by any Rating Agency then rating the Series 2007B Bonds) at the Maximum Interest Rate. If the Liquidity Facility will be in effect during a Term Interest Rate Period other than the Initial Term Interest Rate Period, the stated coverage amount of the Liquidity Facility must be increased to include interest on the Series 2007B Bonds for a period of at least _____ days (or such other number of days as may be required by any Rating Agency then rating the Series 2007B Bonds) at such Term Interest Rate. The Initial Series 2007B Liquidity Facility shall expire on _____ unless extended or terminated early pursuant to the provisions thereof.

(c) Except upon conversion to a Term Interest Rate Period which expires on the date immediately prior to the final maturity date of the applicable Series 2007 Bonds (for which no Liquidity Facility is required), the Trustee acknowledges the right of the University at any time to provide an Alternate Liquidity Facility with respect to the Series 2007 Bonds and to discontinue providing a Liquidity Facility with respect to the Series 2007 Bonds if there shall have been delivered to the Trustee (i) an Alternate Liquidity Facility meeting the requirements of (a) or (b) above, as applicable, then the Trustee shall accept such Alternate Liquidity Facility and, if so directed by the University, upon the effectiveness of such Alternate Liquidity Facility and the payment of the Purchase Price of all Series 2007 Bonds tendered for purchase pursuant to Section 4.8(a)(ii) in connection with such Alternate Liquidity Facility (either from the proceeds of the remarketing of Series 2007 Bonds or from amounts made available under the Liquidity Facility being replaced by such Alternate Liquidity Facility) promptly surrender the Liquidity Facility theretofore in effect with respect to the Series 2007 Bonds in accordance with the respective terms thereof for cancellation; provided, that the Trustee shall not surrender any Liquidity Facility until all draws or requests to purchase Series 2007 Bonds made under such Liquidity Facility have been honored. In the event that the University elects to provide an Alternate Liquidity Facility, the Series 2007 Bonds secured by the Liquidity Facility being

replaced shall be subject to mandatory tender as provided in Section 4.8(a)(ii) hereof. If at any time all Series 2007 Bonds shall cease to be Outstanding hereunder, or a Liquidity Facility shall be terminated pursuant to its terms, the Trustee shall promptly surrender such Liquidity Facility in accordance with its terms for cancellation. The Trustee shall comply with the procedures set forth in each Liquidity Facility relating to the termination thereof.

(d) In the event that a Liquidity Facility is in effect with respect to the Series 2007 Bonds, the Trustee shall make a demand for payment under such Liquidity Facility subject to and in accordance with its terms, in order to receive payment thereunder not later than the time payment is due on the Series 2007 Bonds on each Purchase Date, in an amount sufficient to pay the Purchase Price of any Series 2007 Bonds tendered or deemed tendered pursuant to this Supplemental Resolution and which have not been remarketed in accordance with Section 4.13, or for which sufficient remarketing proceeds have not been received.

(e) Each demand for payment under a Liquidity Facility shall be made not later than the time required by the Liquidity Facility in order to receive payment thereunder not later than the time payment is required to be made to the Holders of the Series 2007 Bonds pursuant to this Supplemental Resolution. The Trustee shall give notice of each such demand for payment to the University at the time of each such demand. The proceeds of each such demand shall be deposited in the respective Liquidity Facility Purchase Account in the Bond Purchase Funds and used in the order of priority established by Section 4.15 hereof. At the time of making any demand under a Liquidity Facility pursuant to Section 3.6(a), the Trustee shall deposit the proceeds of such demand directly in the respective Liquidity Facility Purchase Account in the Bond Purchase Funds. The Trustee shall comply with all provisions of each Liquidity Facility in order to satisfy any demand for payment thereunder, and will not demand payment under any Liquidity Facility of any amounts for payment of (i) Liquidity Facility Provider Bonds, or (ii) Series 2007 Bonds held by the University or the Regents unless such Liquidity Facility specifically permits such demand.

(f) Whenever requested in writing by the University, the Trustee shall submit to each Liquidity Facility Provider a reduction certificate or other appropriate documentation necessary under the Liquidity Facility to reduce the principal amount of Series 2007 Bonds and/or related interest to which such Liquidity Facility relates to reflect and only so long as the conditions, representations, and requirements as described in the Liquidity Facility are fulfilled.

(g) The University hereby covenants that, so long as the Series 2007 Bonds are supported by a Liquidity Facility and the Liquidity Facility Provider is not in default under such Liquidity Facility, the Series 2007 Bonds may not be discharged until all obligations pursuant to such Liquidity Facility are paid by the University.

ARTICLE IV

REDEMPTION AND PURCHASE OF SERIES 2007 BONDS

Section 4.1 Redemption of Series 2007 Bonds. The Series 2007 Bonds of each series shall be subject to redemption, in whole, or in part by lot in Authorized Denominations, prior to their maturity date, by the University as follows:

(i) During any Weekly Interest Rate Period for such Series 2007 Bonds, on any Business Day at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date without premium.

(ii) Except during the Initial Term Interest Rate Period, during which such period the Series 2007 Bonds shall not be subject to optional redemption, during any Term Interest Rate Period for Series 2007 Bonds, on any day during the periods specified below, at the redemption prices (expressed as percentages of principal amount of the Series 2007 Bonds (or portions thereof) to be redeemed) hereinafter indicated, plus accrued interest to the redemption date:

<u>Lesser of Length of Term Interest Rate Period or Length of Time to Maturity</u>	<u>Redemption Dates and Prices</u>
Greater than 10 years	At any time on or after the 5th anniversary of the effective date commencing such Term Interest Rate Period at 102%, declining $\frac{1}{2}\%$ annually on each subsequent anniversary date to 100%
Greater than 6 and less than or equal to 10 years	At any time on or after the 3rd anniversary of the effective date commencing such Term Interest Rate Period at 101 $\frac{1}{2}\%$, declining $\frac{1}{2}\%$ annually on each subsequent anniversary date to 100%
Greater than 4 and less than or equal to 6 years	At any time on or after the 2nd anniversary of the effective date commencing such Term Interest Rate Period at 101%, declining $\frac{1}{2}\%$ annually on each subsequent anniversary date to 100%
Greater than 3 and less than or equal to 4 years	At any time on or after the 2nd anniversary of the effective date commencing such Term Interest Rate Period at 100 $\frac{1}{2}\%$, declining $\frac{1}{2}\%$ annually on the next anniversary date to 100%
Greater than 2 and less than or equal to 3 years	At any time on or after the 1st anniversary of the effective date commencing such Term Interest Rate Period at 100 $\frac{1}{2}\%$ declining $\frac{1}{2}\%$ annually on the next anniversary date to 100%
Greater than 1 and less than or equal to 2 years	At any time on or after the 1st anniversary of the effective date commencing such Term Interest Rate Period at 100% annually
Less than or equal to 1 year	On the Payment Date which is six months after the effective date of such Term Interest Rate Period at 100%

Notwithstanding the optional redemption schedule set forth above, on or prior to the effective date of a Term Interest Rate Period ending on the day immediately preceding the maturity date of the related Series 2007 Bonds, the Remarketing Agent can provide an alternate optional redemption schedule if it obtains an Approving Opinion.

Section 4.2 Mandatory Sinking Fund Redemption.

(a) The Series 2007A Bonds. The Series 2007A Bonds shall be subject to mandatory sinking fund redemption pursuant to the Terms Certificate.

Upon redemption of any Series 2007A Bonds 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 2007A Bonds in such order of mandatory sinking fund date as shall be directed by the University.

(b) The Series 2007B Bonds. The Series 2007B Bonds shall be subject to mandatory sinking fund redemption pursuant to the Terms Certificate.

Upon redemption of any Series 2007B Bonds 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 2007B Bonds in such order of mandatory sinking fund date as shall be directed by the University.

Section 4.3 Selection of Series 2007 Bonds for Redemption. The principal amount of one or both series of the Series 2007 Bonds to be redeemed shall be as specified by the University. If less than all of the Series 2007 Bonds of a series and maturity are called for redemption, the Trustee shall select the Series 2007 Bonds or any given portion thereof of such series and maturity to be redeemed, first from the Outstanding Liquidity Facility Provider Bonds, if any, or such portion thereof not previously called for redemption, by lot in such manner as it may determine, until all Liquidity Facility Provider Bonds, if any, shall have been redeemed, and then from the other Outstanding Series 2007 Bonds or such given portion thereof of such series and maturity not previously called for redemption, by lot in such manner as it may determine. For the purpose of any such selection the Trustee shall assign a separate number for each minimum Authorized Denomination of each Series 2007 Bond of such Series and maturity of a denomination of more than such minimum; provided, that following any such selection, the portion of such Series 2007 Bond to remain Outstanding shall be in an Authorized Denomination. The Trustee shall promptly notify the University in writing of the numbers of the Series 2007 Bonds or portions thereof so selected for redemption. Notwithstanding the foregoing, if less than all of the Series 2007 Bonds of a series and maturity are to be redeemed at any time while the Series 2007 Bonds of such series and maturity are Book-Entry Bonds, selection of the Series 2007 Bonds to be redeemed after Liquidity Facility Provider Bonds have been redeemed shall be made in accordance with

customary practices of DTC or any other applicable Securities Depository, as the case may be.

Section 4.4 Notice of Redemption.

(a) Unless waived by any Holder of the Series 2007 Bonds, the Trustee, for and on behalf of the University, shall give notice of the redemption of any Series 2007 Bond pursuant to the terms of the Resolution, including the following: by first class mail, postage prepaid, not less than thirty-five (35) days (fifteen (15) days during the Weekly Interest Rate Period or Term Interest Rate Period of less than one year) nor more than sixty (60) days prior to the redemption date to (i) the registered owner of such Series 2007 Bond at the address shown on the Bond Register on the date such notice is mailed; (ii) the Liquidity Facility Provider, if any; (iii) one or more Information Services; and (iv) the Remarketing Agent, if any. Notice of redemption to the Information Services shall be given by facsimile confirmed by first class mail or in such other manner as is acceptable to such institutions. Each notice of redemption shall state the date of such notice, the Issue Date, the redemption date, the redemption price, the place of redemption (including the name and appropriate address or addresses of the Trustee) and, if less than all of the Series 2007 Bonds are to be redeemed, the distinctive certificate numbers of the Series 2007 Bonds to be redeemed and, in the case of Series 2007 Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that the interest on the Series 2007 Bonds designated for redemption shall cease to accrue from and after such redemption date and that on said date there will become due and payable on each of said Series 2007 Bonds the principal amount thereof to be redeemed, interest accrued thereon, if any, to the redemption date and the premium, if any, thereon (such premium to be specified) and shall require that such Series 2007 Bonds be then surrendered at the address or addresses of the Trustee specified in the redemption notice. Notwithstanding the foregoing, failure by the Trustee to give notice pursuant to this paragraph to the Liquidity Facility Provider or the Remarketing Agent or any one or more of the Information Services or the insufficiency of any such notices shall not affect the sufficiency of the proceedings for redemption. Failure to mail the notices required by this paragraph to any Holder of any Series 2007 Bonds designated for redemption, or any defect in any notice so mailed and shall not affect the validity of the proceedings for redemption of any other Series 2007 Bonds.

(b) With respect to any notice of redemption of Series 2007 Bonds by the University, unless at the time of giving such notice the Trustee shall hold moneys sufficient to pay the principal of, premium, if any, and interest to the redemption date on the Series 2007 Bonds to be redeemed, such notice shall state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of funds sufficient to pay the principal of, and premium, if any, and interest on, such Series 2007 Bonds to be redeemed, and that if such funds shall not have been so received said notice shall be of no force and effect, Series 2007 Bonds shall not be subject to redemption on such

date and the Series 2007 Bonds shall not be required to be redeemed on such date. In the event that such notice of redemption contains such a condition and such funds are not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, to the persons and in the manner in which the notice of redemption was given, that such funds were not so received.

Section 4.5 Partial Redemption of Series 2007 Bonds. Upon surrender of any Series 2007 Bond redeemed in part only, the Trustee shall exchange the Series 2007 Bond redeemed for a new Series 2007 Bond of like tenor and in an Authorized Denomination without charge to the Holder in the principal amount of the portion of the Series 2007 Bond not redeemed. In the event of any partial redemption of a Series 2007 Bond which is registered in the name of the Nominee, DTC may elect to make a notation on the Series 2007 Bond certificate which reflects the date and amount of the reduction in principal amount of said Series 2007 Bond in lieu of surrendering the Series 2007 Bond certificate to the Trustee for exchange. The Regents, the Trustee and the University shall be fully released and discharged from all liability upon, and to the extent of, payment of the redemption price for any partial redemption and upon the taking of all other actions required hereunder in connection with such redemption.

Section 4.6 Effect of Redemption. Notice of redemption having been duly given as aforesaid, and funds for payment of the redemption price being held by the Trustee, the Series 2007 Bonds so called for redemption shall, on the redemption date designated in such notice, become due and payable at the redemption price specified in such notice, interest on the Series 2007 Bonds so called for redemption shall cease to accrue, said Series 2007 Bonds shall cease to be entitled to any lien, benefit or security under the Resolution, and the Holders of said Series 2007 Bonds shall have no rights in respect thereof except to receive payment (but only from the funds provided in connection with such redemption) of the redemption price thereof (including interest, if any, accrued to the redemption date), without interest accruing on any funds held after the redemption date to pay such redemption price.

All Series 2007 Bonds fully redeemed pursuant to the provisions of this Article IV shall upon surrender thereof be cancelled by the Trustee, who shall deliver a certificate evidencing such cancellation to the University. The Trustee shall destroy such Series 2007 Bonds.

Section 4.7 Option to Tender for Purchase.

(a) During any Weekly Rate Period for one or both series of the Series 2007 Bonds, any such Series 2007 Bond or any permitted portion thereof may be tendered for purchase at the option of the Holder thereof on any Business Day at the applicable Purchase Price, payable from the sources specified in Section 4.15 in immediately available funds upon delivery by the Holder of such Series 2007 Bond to the Trustee at its Principal Office of an irrevocable notice by telephone or Electronic Notice (promptly confirmed in writing) or written notice by 5:00 p.m. (New York City time) on any Business Day at least seven (7) days prior to the

Purchase Date, which states the principal amount of such Series 2007 Bond to be tendered for purchase and the Purchase Date. The Trustee shall keep a written record of the notice described in this Section 4.7(a).

(b) If any Series 2007 Bond is to be purchased in part pursuant to Section 4.7(a), the amount so purchased and the amount not so purchased, if any, must each be an Authorized Denomination.

(c) Any notice of tender of Series 2007 Bonds delivered to the Trustee in accordance with this Section 4.7 shall be irrevocable with respect to the purchase for which such notice was delivered and shall be binding upon any subsequent Bondholder or Beneficial Owner of the Series 2007 Bond to which it relates, including any Series 2007 Bond issued in exchange therefor or upon the registration of transfer thereof, and as of the date of such notice, the Holder or Beneficial Owner of the Series 2007 Bonds specified therein shall not have any right to optionally tender for purchase such Series 2007 Bonds prior to the date of purchase specified in such notice. The Trustee may conclusively assume that any person (other than a Holder) providing notice of optional tender pursuant to (a) above is the Beneficial Owner of the Series 2007 Bond to which such notice relates, and the Trustee shall not assume any liability in accepting such notice from any person whom it reasonably believes to be a Beneficial Owner of Series 2007 Bonds.

Section 4.8 Mandatory Tender for Purchase.

(a) The Series 2007 Bonds of a series shall be subject to mandatory tender for purchase at the applicable Purchase Price, payable from the sources specified in Section 4.15 in immediately available funds upon the occurrence of any of the events listed below:

(i) on the effective date of any new Interest Rate Period for such Series 2007 Bonds;

(ii) on the effective date of an Alternate Liquidity Facility with respect to such Series 2007 Bonds pursuant to Section 3.6 hereof;

(iii) in the event that the Liquidity Facility then in effect with respect to the Series 2007 Bonds of a series is not renewed, or an Alternate Liquidity Facility with respect to such Series 2007 Bonds is not delivered to the Trustee, on the first Business Day which is at least five (5) calendar days preceding the expiration date of the Liquidity Facility then in effect with respect to such Series 2007 Bonds; or

(iv) on the date which is the fifth (5th) calendar day, or the first Business Day thereafter if such day is not a Business Day, following receipt by the Trustee of a notice from the Liquidity Facility Provider providing the Liquidity Facility then in effect with respect to the Series 2007 Bonds of a Series to the effect that an event of default or termination

has occurred and is continuing under the Liquidity Facility and the Liquidity Facility will terminate after a given number of days from said notice.

(b) The Trustee shall give Notice by Mail to the Holders of the related Series 2007 Bonds, not later than the thirtieth (30th) day prior to the date on which such Series 2007 Bonds are subject to mandatory tender pursuant to Section 4.8(a)(i), which notice shall be the same notice as the notice required by Section 2.4(c)(iii) or Section 2.4(d)(iii), as applicable.

(c) If the Trustee has received a copy of a commitment to issue an Alternate Liquidity Facility, the Trustee shall give Notice by Mail to the Holders of the related Series 2007 Bonds, not later than the fifteenth (15th) day prior to the date on which such Series 2007 Bonds are subject to mandatory tender pursuant to Section 4.8(a)(ii), which notice shall state: (i) the expected effective date of such Alternate Liquidity Facility and (ii) that such Series 2007 Bonds shall be subject to mandatory tender for purchase on the date specified in such notice, in accordance with Section 4.8(a)(ii).

(d) The Trustee shall give Notice by Mail to the Holders of the Series 2007 Bonds, not later than the fifteenth (15th) day prior to the date on which such Series 2007 Bonds are subject to mandatory tender pursuant to Section 4.8(a)(iii), which notice shall state that the Liquidity Facility then in effect with respect to such Series 2007 Bonds has not been renewed and an Alternate Liquidity Facility has not been delivered to the Trustee and that such Series 2007 Bonds are subject to mandatory tender for purchase in accordance with Section 4.7(a)(iii) hereof on the date determined in accordance with such Section 4.7(a)(iii) which date shall be specified in such notice.

(e) The Trustee shall give Notice by Mail to the Holders of the related Series 2007 Bonds, not later than two (2) Business Days following receipt of the notice from a Liquidity Facility Provider described in Section 4.8(a)(iv) hereof, which notice by the Trustee shall state that the Trustee has received notice from the Liquidity Provider that an event of default or termination has occurred and is continuing under the Liquidity Facility and (i) that such Series 2007 Bonds are subject to mandatory tender for purchase in accordance with Section 4.8(a)(iv) hereof on the date determined in accordance with Section 4.8(a)(iv) which date shall be specified in such notice.

(f) Upon the giving of notice to Bondholders of the mandatory tender of Series 2007 Bonds of a series for purchase pursuant to subsections (b), (c), (d), or (e) of this Section 4.8, such Series 2007 Bonds shall be subject to such mandatory tender for purchase notwithstanding that the events described in such notice have not occurred on the Purchase Date specified in such notice, including the failure to change the Interest Rate Period for the Series 2007 Bonds, the failure of an Alternate Liquidity Facility to go into effect, the renewal of the

existing Liquidity Facility for the Series 2007 Bonds, or the curing of any event of default or termination under the Liquidity Facility.

Section 4.9 Delivery of Series 2007 Bonds. (a) With respect to any Book-Entry Bond, delivery of such Series 2007 Bond to the Trustee in connection with any optional or mandatory tender for purchase pursuant to Section 4.7 or Section 4.8 shall be effected by the making of, or the irrevocable authorization to make, appropriate entries on the books of DTC or any DTC Participant to reflect the transfer of the beneficial ownership interest in such Series 2007 Bond to the account of the Trustee, or to the account of a DTC Participant acting on behalf of the Trustee. With respect to any Series 2007 Bond which is not a Book-Entry Bond, delivery of such Series 2007 Bond to the Trustee in connection with any optional or mandatory tender pursuant to Section 4.7 or Section 4.8 shall be effected by physical delivery of such Series 2007 Bond to the Trustee at its Principal Office, by 1:00 p.m. (New York City time) on the Purchase Date, accompanied by a notice of transfer thereof, in a form satisfactory to the Trustee, executed in blank by the Holder thereof with the signature of such Holder guaranteed in accordance with the guidelines set forth by one of the nationally recognized medallion signature programs.

(b) If the Series 2007 Bonds are not Book-Entry Bonds, a principal amount of Series 2007 Bonds equal to the amount of Series 2007 Bonds successfully remarketed by the Remarketing Agent shall be delivered by the Trustee to such persons as shall be designated by the Remarketing Agent. Such Series 2007 Bonds shall be held available at the Principal Office of the Trustee and shall be picked up by the Remarketing Agent at or after 1:00 p.m. (New York City time) on the Purchase Date against delivery of funds for deposit into the respective Remarketing Account of the Bond Purchase Funds equal to the Purchase Price of such Series 2007 Bonds that have been remarketed. If the Series 2007 Bonds are Book-Entry Bonds, transfer of ownership of the remarketed Series 2007 Bonds shall be effected in accordance with the procedures of DTC and the DTC Participants for the delivery of funds for deposit into the respective Remarketing Account of the Bond Purchase Funds equal to the Purchase Price of such Series 2007 Bonds that have been remarketed.

(c) Series 2007 Bonds purchased with funds in the respective Liquidity Facility Purchase Account of the Bond Purchase Funds shall be delivered and held in accordance with Section 4.13(d). Such Series 2007 Bonds shall be held available for the registration of transfer and delivery by the Trustee in accordance with Section 4.13(d) or in such manner as may otherwise be agreed between the Trustee and such Liquidity Facility Provider.

Section 4.10 Series 2007 Bonds Deemed Purchased.

(a) If moneys sufficient to pay the Purchase Price of Series 2007 Bonds to be purchased pursuant to Section 4.7 or Section 4.8 shall be held by the Trustee on the date such Series 2007 Bonds are to be purchased, such Series 2007 Bonds shall be deemed to have been purchased for all purposes of this Resolution,

irrespective of whether or not such Series 2007 Bonds shall have been delivered to the Trustee or transferred on the books of DTC, and neither the former Holder nor the former Beneficial Owner of such Series 2007 Bonds shall have any claim thereon, under this Resolution or otherwise, for any amount other than the Purchase Price thereof.

(b) In the event of non-delivery of any Series 2007 Bond to be purchased pursuant to Section 4.7 or Section 4.8, the Trustee shall segregate and hold uninvested the moneys for the Purchase Price of such Series 2007 Bonds in trust, without liability for interest thereon, for the benefit of the former Holders of such Series 2007 Bonds, who shall, except as provided in the following sentence, thereafter be restricted exclusively to such moneys for the satisfaction of any claim for the Purchase Price of such Series 2007 Bonds. Any moneys which the Trustee shall segregate and hold in trust for the payment of the Purchase Price of any Series 2007 Bond and remaining unclaimed for four (4) years after the applicable Purchase Date shall to the extent permitted by law be paid, upon the written request of the University, to the University. After the payment of such unclaimed moneys to the University, the former Holder of such Series 2007 Bond shall look only to the University for the payment thereof.

Section 4.11 Bond Purchase Funds.

(a) Series 2007A Bond Purchase Fund. There shall be created and established with the Trustee a trust fund designated the “Series 2007A Bond Purchase Fund.” There shall also be created and established separate accounts in the Series 2007A Bond Purchase Fund designated the “Series 2007A Remarketing Account” and the “Series 2007A Liquidity Facility Purchase Account.”

(i) Series 2007A Remarketing Account. All moneys received by the Trustee on behalf of purchasers of Series 2007A Bonds pursuant to Section 4.14 shall be (i) deposited in the Series 2007A Remarketing Account within the Series 2007A Bond Purchase Fund, (ii) held in trust in accordance with the provisions hereof and (iii) paid out in accordance with Section 4.15.

(ii) Series 2007A Liquidity Facility Purchase Account. All moneys received by the Trustee as payments under any Liquidity Facility for the purchase of Series 2007A Bonds shall be (i) deposited in the Series 2007A Liquidity Facility Purchase Account within the Series 2007A Bond Purchase Fund, (ii) held in trust in accordance with the provisions hereof and (iii) paid out in accordance with Section 4.15.

(iii) The funds held by the Trustee in the Series 2007A Bond Purchase Fund shall not be considered Pledged Revenues as that term is defined in the Resolution. The moneys in the Series 2007A Bond Purchase Fund shall be used solely to pay the Purchase Price of Series 2007A Bonds as provided herein (or to reimburse the Liquidity Facility

Provider, if any, for payments made under the Liquidity Facility for such purpose) and may not be used for any other purposes. All amounts held in the Series 2007A Bond Purchase Fund and the Series 2007A Remarketing Account and the Series 2007A Liquidity Facility Purchase Account therein shall be held in trust by the Trustee for the benefit of the Bondholders or Beneficial Owners of tendered Series 2007A Bonds (provided that any amounts held in the Series 2007A Remarketing Account which are derived from the remarketing of Liquidity Facility Provider Bonds shall be held in trust for the benefit of the Liquidity Facility Provider).

(b) Series 2007B Bond Purchase Fund. There shall be created and established with the Trustee a trust fund designated the “Series 2007B Bond Purchase Fund.” There shall also be created and established separate accounts in the Series 2007B Bond Purchase Fund designated the “Series 2007B Remarketing Account” and the “Series 2007B Liquidity Facility Purchase Account.”

(i) Series 2007B Remarketing Account. All moneys received by the Trustee on behalf of purchasers of Series 2007B Bonds pursuant to Section 4.14 shall be (i) deposited in the Series 2007B Remarketing Account within the Series 2007B Bond Purchase Fund, (ii) held in trust in accordance with the provisions hereof and (iii) paid out in accordance with Section 4.15.

(ii) Series 2007B Liquidity Facility Purchase Account. All moneys received by the Trustee as payments under any Liquidity Facility for the purchase of Series 2007B Bonds shall be (i) deposited in the Series 2007B Liquidity Facility Purchase Account within the Series 2007B Bond Purchase Fund, (ii) held in trust in accordance with the provisions hereof and (iii) paid out in accordance with Section 4.15.

(iii) The funds held by the Trustee in the Series 2007B Bond Purchase Fund shall not be considered Pledged Revenues as that term is defined in the Resolution. The moneys in the Series 2007B Bond Purchase Fund shall be used solely to pay the Purchase Price of Series 2007B Bonds as provided herein (or to reimburse the Liquidity Facility Provider, if any, for payments made under the Liquidity Facility for such purpose) and may not be used for any other purposes. All amounts held in the Series 2007B Bond Purchase Fund and the Series 2007B Remarketing Account and the Series 2007B Liquidity Facility Purchase Account therein shall be held in trust by the Trustee for the benefit of the Bondholders or Beneficial Owners of tendered Series 2007B Bonds (provided that any amounts held in the Series 2007B Remarketing Account which are derived from the remarketing of Liquidity Facility Provider Bonds shall be held in trust for the benefit of the Liquidity Facility Provider).

Section 4.12 Deposit of Series 2007 Bonds. The Trustee agrees to accept and hold all Series 2007 Bonds delivered to it pursuant to this Resolution in trust for the benefit of the respective Bondholders or Beneficial Owners which shall have so delivered such Series 2007 Bonds until the Purchase Price of such Series 2007 Bonds shall have been delivered to or for the account of or to the order of such Holders or Beneficial Owners pursuant to Section 4.13. Any Series 2007 Bonds registered for transfer to new purchasers and delivered to the Trustee as described in Section 4.15 shall be held in trust by the Trustee for the benefit of such new purchasers until delivery to such new purchasers.

Section 4.13 Remarketing of Series 2007 Bonds.

(a) Weekly Put Bonds.

(i) Not later than 10:30 a.m. (New York City time) on each Business Day succeeding a day on which the Trustee receives a notice from a Holder of Series 2007 Bonds to be tendered pursuant to Section 4.7(a) hereof (the “Weekly Put Bonds”), the Trustee shall give notice by telephone to the Remarketing Agent, specifying the principal amount of Series 2007 Bonds for which it has received such notice, the names of the Holder or Holders thereof and the Purchase Date. The Remarketing Agent shall thereupon offer for sale at par plus accrued interest and use its best efforts to find purchasers for such Weekly Put Bonds, other than Liquidity Facility Provider Bonds, which shall be remarketed pursuant to Section 4.13(d).

(ii) Not later than 11:00 a.m. (New York City time) on the Business Day immediately preceding the Purchase Date described in subparagraph (i) above, the Trustee shall give notice by telephone to the Remarketing Agent and the Liquidity Facility Provider of the accrued amount of the interest payable as of such Purchase Date, and confirming the aggregate principal amount of, the Weekly Put Bonds.

(iii) Not later than 10:30 a.m. (New York City time) on each Purchase Date for Weekly Put Bonds, the Remarketing Agent shall give Electronic Notice (promptly confirmed in writing) to the University, the Liquidity Facility Provider and the Trustee of the amount of remarketing proceeds that the Remarketing Agent has received and the principal amount of Weekly Put Bonds which have not been remarketed in accordance with the Remarketing Agreement.

(iv) If the Trustee does not possess sufficient remarketing proceeds to purchase all the Weekly Put Bonds to be purchased on any Purchase Date, the Trustee shall demand payment under the Liquidity Facility then in effect with respect to the Weekly Put Bonds prior to 11:00 a.m. (New York City time) on such Purchase Date so as to provide by 3:30 p.m. (New York City time) on such Purchase Date an amount sufficient,

together with the remarketing proceeds to be available for such purchase, calculated solely on the basis of the notice given by the Remarketing Agent pursuant to subparagraph (iii) above, to pay the Purchase Price of the Weekly Put Bonds. The Trustee shall immediately after such demand for payment give notice by telephone to the University of the amount, if any, of such demand.

(b) Mandatory Tender Bonds.

(i) Not later than 9:30 a.m. (New York City time) on each Purchase Date occurring pursuant to Section 4.8, the Trustee shall give notice by telephone to the Remarketing Agent and the Liquidity Facility Provider specifying the principal amount of all Outstanding Series 2007 Bonds which are subject to mandatory tender on such Purchase Date pursuant to Section 4.8 (the “Mandatory Tender Bonds”) and the names of the registered owner or owners thereof. The Remarketing Agent shall thereupon offer for sale at par plus accrued interest and use its best efforts to find purchasers for such Mandatory Tender Bonds, other than Liquidity Facility Provider Bonds which shall be remarketed pursuant to Section 4.13(d). Provided, however, that the Remarketing Agent shall not remarket Mandatory Tender Bonds purchased pursuant to Section 4.8(a)(iii) or Section 4.8(a)(iv) until the Liquidity Facility is reinstated or an Alternate Liquidity Facility is provided and in place.

(ii) Not later than 11:00 a.m. (New York City time) on the Business Day immediate preceding each Purchase Date described in Section 4.13(b)(i), the Trustee shall give notice by telephone to the Remarketing Agent and the Liquidity Facility Provider of the accrued amount of the interest payable as of the Purchase Date specified in such notice from the Trustee on, and confirming the aggregate principal amount of, the Mandatory Tender Bonds.

(iii) With respect to any mandatory tender of Series 2007 Bonds that are being remarketed, not later than 10:30 a.m. (New York City time) on each Purchase Date with respect to Mandatory Tender Bonds, the Remarketing Agent shall give Electronic Notice (promptly confirmed in writing) to the University, the Liquidity Facility Provider and the Trustee of the amount of remarketing proceeds that the Remarketing Agent has received and the principal amount of Mandatory Tender Bonds which have not been remarketed in accordance with the Remarketing Agreement.

(iv) If the Remarketing Agent’s notice pursuant to Section 4.13(b)(iii) indicates that such Remarketing Agent does not have sufficient remarketing proceeds to purchase all the Mandatory Tender Bonds to be purchased on such Purchase Date, the Trustee shall demand payment under the Liquidity Facility then in effect with respect to the Mandatory Tender Bonds prior to 11:00 a.m. (New York City time) on such Purchase

Date so as to provide by 3:30 p.m. (New York City time) on such Purchase Date an amount sufficient, together with the remarketing proceeds to be available for such purchase, calculated solely on the basis of the notice given by the Remarketing Agent pursuant to Section 4.13(b)(iii), to pay the Purchase Price of the Mandatory Tender Bonds. The Trustee shall immediately after such demand for payment give notice to the University of the amount, if any, of such demand.

(c) Limitation. If a Liquidity Facility is in effect with respect to the Series 2007 Bonds, the Remarketing Agent shall not remarket any tendered Series 2007 Bonds to the University or the Regents. Furthermore, no tendered Series 2007 Bonds shall be remarketed if no Liquidity Facility is current and in place.

(d) Liquidity Facility Provider Bonds.

(i) Any Series 2007 Bonds purchased with payments made under a Liquidity Facility pursuant to Section 3.6(d) shall be registered in the name of, or in such name as otherwise directed by, the Liquidity Facility Provider and delivered to or upon the order of, or as otherwise directed by, such Liquidity Facility Provider; provided, that if such Series 2007 Bonds are Book-Entry Bonds, the Trustee shall immediately upon making any demand for payment on a Liquidity Facility pursuant to Section 3.6(d) direct DTC to cause any Series 2007 Bonds purchased with the proceeds of such demand to be transferred to such account at DTC as directed by the Liquidity Facility Provider, and such Series 2007 Bonds shall be held in the name of or for the account of the Liquidity Facility Provider or as may be directed by such Liquidity Facility Provider.

(ii) Unless otherwise provided in the Liquidity Facility, Liquidity Facility Provider Bonds shall be remarketed by the Remarketing Agent prior to any other Series 2007 Bonds tendered for purchase hereunder and shall be remarketed at par in accordance with the terms of the Remarketing Agreement. Upon (A) receipt by the Trustee of written notification from the Liquidity Facility Provider that its Liquidity Facility has been fully reinstated with respect to principal and interest and (B) release by the Liquidity Facility Provider of any Liquidity Facility Provider Bonds which the Remarketing Agent has remarketed, such Series 2007 Bonds shall be made available to the purchasers thereof and shall no longer constitute Liquidity Facility Provider Bonds for purposes of this Resolution. The proceeds of any remarketing of Liquidity Facility Provider Bonds shall be paid to the Liquidity Facility Provider by the Trustee on such remarketing date in immediately available funds.

(iii) The Trustee agrees that it will, immediately upon receipt, send to the Liquidity Facility Provider (by Electronic Notice promptly confirmed in writing) a copy of every notice received by it hereunder relating to any Liquidity Facility Provider Bonds.

(iv) Notwithstanding anything to the contrary herein or in the Series 2007 Bonds, all obligations of the University under or in connection with any Liquidity Facility (including, without limitation, redemption terms and reimbursement obligations of the University to any participating Liquidity Facility Providers with respect to a Liquidity Facility and any Liquidity Facility Provider Bonds) shall be governed by the terms of such Liquidity Facility.

(v) The Trustee shall provide to each Rating Agency then rating the Series 2007 Bonds written notice of the extension of any Liquidity Facility in effect with respect to the Series 2007 Bonds.

Section 4.14 Deposits into Respective Remarketing Accounts.

(a) The terms of any sale by the Remarketing Agent of tendered Series 2007A Bonds shall provide for the payment of the Purchase Price for tendered Series 2007A Bonds by the Remarketing Agent to the Trustee for deposit in the Series 2007A Remarketing Account of the Series 2007A Bond Purchase Fund in immediately available funds at or before 2:00 p.m. (New York City time) on the Purchase Date. The Remarketing Agent shall cause to be paid to the Trustee on each Purchase Date for tendered Series 2007A Bonds the amount specified in the notice given by the Remarketing Agent pursuant to Section 4.13(a)(iii) or Section 4.13(b)(iii), as the case may be.

(b) The terms of any sale by the Remarketing Agent of tendered Series 2007B Bonds shall provide for the payment of the Purchase Price for tendered Series 2007B Bonds by the Remarketing Agent to the Trustee for deposit in the Series 2007B Remarketing Account of the Series 2007B Bond Purchase Fund in immediately available funds at or before 2:00 p.m. (New York City time) on the Purchase Date. The Remarketing Agent shall cause to be paid to the Trustee on each Purchase Date for tendered Series 2007B Bonds the amount specified in the notice given by the Remarketing Agent pursuant to Section 4.13(a)(iii) or Section 4.13(b)(iii), as the case may be.

Section 4.15 Disbursements from the Respective Bond Purchase Funds.

(a) Series 2007A Bond Purchase Fund.

(i) Application of Moneys. Moneys in the Series 2007A Bond Purchase Fund (other than the proceeds of any remarketing of Liquidity Facility Provider Bonds which shall be paid to the Liquidity Facility Provider on the remarketing date) shall be applied at or before 4:00 p.m. (New York City time) to the purchase of Series 2007A Bonds as provided herein by the Trustee, on each Purchase Date, as follows:

First, moneys constituting funds in the Series 2007A Remarketing Account shall be used by the Trustee on any Purchase

Date to purchase tendered Series 2007A Bonds at the Purchase Price.

Second, in the event such moneys in the Series 2007A Remarketing Account on any Purchase Date are insufficient to purchase all tendered Series 2007A Bonds, moneys in the Series 2007A Liquidity Facility Purchase Account on such Purchase Date shall be used by the Trustee at that time to purchase such remaining tendered Series 2007A Bonds at the Purchase Price thereof.

Notwithstanding anything to the contrary in this Section, if the Series 2007A Bonds are Book Entry Bonds, payment of the Purchase Price for tendered Series 2007A Bonds shall be made in accordance with the rules and procedures of DTC, including the timing requirements of DTC.

(ii) Nondeliveries. The Trustee shall, as to any Series 2007A Bonds which have not been delivered to it as required by Section 4.9 hereof, (i) notify the Remarketing Agent in writing of such nondelivery and (ii) place a stop transfer against an appropriate amount of Series 2007A Bonds registered in the name of the Holder of such Series 2007A Bonds on the Bond Register. The Trustee shall place and maintain such stop transfer commencing with the lowest serial number Series 2007A Bond registered in the name of such Holder until stop transfers have been placed against an appropriate amount of Series 2007A Bonds until the appropriate Series 2007A Bonds are delivered to the Trustee. Upon such delivery, the Trustee shall make any necessary adjustments to the Bond Register.

(iii) Limitation. Notwithstanding anything contained herein to the contrary, while any Liquidity Facility is in effect for the Series 2007A Bonds, the Trustee shall not use proceeds obtained by remarketing any Series 2007A Bonds to the University or the Regents to pay any portion of the Purchase Price of the tendered Series 2007A Bonds, and no such proceeds shall be deposited in the Series 2007A Remarketing Account of the Series 2007A Bond Purchase Fund.

(b) Series 2007B Bond Purchase Fund.

(i) Application of Moneys. Moneys in the Series 2007B Bond Purchase Fund (other than the proceeds of any remarketing of Liquidity Facility Provider Bonds which shall be paid to the Liquidity Facility Provider on the remarketing date) shall be applied at or before 4:00 p.m. (New York City time) to the purchase of Series 2007B Bonds as provided herein by the Trustee, on each Purchase Date, as follows:

First, moneys constituting funds in the Series 2007B Remarketing Account shall be used by the Trustee on any Purchase Date to purchase tendered Series 2007B Bonds at the Purchase Price.

Second, in the event such moneys in the Series 2007B Remarketing Account on any Purchase Date are insufficient to purchase all tendered Series 2007B Bonds, moneys in the Series 2007B Liquidity Facility Purchase Account on such Purchase Date shall be used by the Trustee at that time to purchase such remaining tendered Series 2007B Bonds at the Purchase Price thereof.

Notwithstanding anything to the contrary in this Section, if the Series 2007B Bonds are Book Entry Bonds, payment of the Purchase Price for tendered Series 2007B Bonds shall be made in accordance with the rules and procedures of DTC, including the timing requirements of DTC.

(ii) Nondeliveries. The Trustee shall, as to any Series 2007B Bonds which have not been delivered to it as required by Section 4.9 hereof, (i) notify the Remarketing Agent in writing of such nondelivery and (ii) place a stop transfer against an appropriate amount of Series 2007B Bonds registered in the name of the Holder of such Series 2007B Bonds on the Bond Register. The Trustee shall place and maintain such stop transfer commencing with the lowest serial number Series 2007B Bond registered in the name of such Holder until stop transfers have been placed against an appropriate amount of Series 2007B Bonds until the appropriate Series 2007B Bonds are delivered to the Trustee. Upon such delivery, the Trustee shall make any necessary adjustments to the Bond Register.

(iii) Limitation. Notwithstanding anything contained herein to the contrary, while any Liquidity Facility is in effect for the Series 2007B Bonds, the Trustee shall not use proceeds obtained by remarketing any Series 2007B Bonds to the University or the Regents to pay any portion of the Purchase Price of the tendered Series 2007B Bonds, and no such proceeds shall be deposited in the Series 2007B Remarketing Account of the Series 2007B Bond Purchase Fund.

Section 4.16 Limitations on Purchase Price and Other Matters. Neither the University, the Trustee nor the 2007 Insurer shall have any obligation to purchase tendered Series 2007 Bonds that cannot be remarketed. A failure to remarket or purchase tendered Series 2007 Bonds shall not be an Event Default under the Resolution. The Pledged Revenues are not pledged to secure the Purchase Price. [Tendered Series 2007 Bonds that are not remarketed or purchased shall bear interest at the Bond Buyer Seven Day General Market Index (Non-AMT) plus 25 basis points or another rate acceptable the 2007 Insurer, however, in no event shall such bonds exceed the Maximum Rate.]

ARTICLE V

PLAN OF REFUNDING

Section 5.1 Defeasance of Refunded Bonds. In accordance with the provisions of the Resolution, it is hereby found and determined that pursuant to the Escrow Agreement, moneys and Investment Securities permitted under the Act and under the Resolution, the principal and interest on which, when due, will provide moneys which shall be sufficient to pay, when due, the principal or redemption price or prepayment amount, if applicable, as provided therein, and interest due and to become due on the Refunded Bonds on and prior to the applicable redemption or prepayment dates or maturity thereof will have been deposited with the Escrow Agent, and that upon compliance with the provisions of the Resolution, as provided for in the Escrow Agreement, all Refunded Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the Resolution. After all the Refunded Bonds shall have become due and payable upon maturity or pursuant to call for redemption, any investments remaining in the Escrow Account shall be liquidated and any proceeds of liquidation over and above the amount necessary to be retained for the payment of Refunded Bonds not yet presented for payment, including interest due and payable, shall be paid over to the Trustee for deposit into the Bond Fund.

Section 5.2 Redemption of Refunded Bonds. The Refunded Bonds specified in the Terms Certificate shall be irrevocably called for redemption pursuant to the Escrow Agreement, and notice of redemption shall be given as provided in the Escrow Agreement.

Section 5.3 Approval of Escrow Agreement; Deposits Into Escrow Account.

(a) The Escrow Agreement, 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 Escrow Agreement, which signature shall evidence such approval. The Bursar is hereby authorized to do or perform all such acts as may be necessary or advisable to comply with the Escrow Agreement and to carry the same into effect.

(b) The Refunding Proceeds of the sale of the Series 2007 Bonds specified the Terms Certificate, together with other available funds of the University as shall be specified in the Terms Certificate to also be filed with the Escrow Agent at the time of the delivery of the Series 2007 Bonds, shall be invested or reinvested as contemplated in the Act (except for any amount to be retained as cash) the Resolution and the Escrow Agreement and the obligations in which such moneys are so invested and any remaining cash shall be deposited into the Escrow Account created under the Escrow Agreement in trust with the Escrow Agent, all as specified in the Terms Certificate. The Investment Securities in which such moneys are so invested shall comply in all respects with the provisions of Section 57-504, Idaho Code.

(c) Upon establishment of the Escrow Account, the money, securities and funds pledged under the Resolution and other resolutions (including the Recreation Center Resolution with respect to the portion of the Refunded Bonds which are also Recreation Center Bonds), and all covenants, agreements and obligations of the University to the holders of the Refunded Bonds shall thereupon cease, terminate and thereupon become void and be discharged and satisfied.

ARTICLE VI

THE REMARKETING AGENT

Section 6.1 Appointment, Duties and Qualifications of Remarketing Agent.

(a) George K. Baum & Company is hereby appointed the Remarketing Agent. Any subsequent Remarketing Agent shall be appointed by the University, with the consent of the Liquidity Facility Provider and the 2007 Insurer, subject to the conditions set forth below. A Remarketing Agent shall be a bank, trust company or member of the National Association of Securities Dealers, Inc. organized and doing business under the laws of any state of the United States of America or the District of Columbia and shall have together with its parent, if any, a capitalization of at least fifteen million dollars (\$15,000,000) as shown in its or its parent's most recently published annual report.

(b) The Regents shall enter into a Remarketing Agreement in substantially the form before the Regents at the time of adoption of this Resolution with each Remarketing Agent and such other parties as shall be appropriate, pursuant to which such Remarketing Agent shall designate its Principal Office and agree particularly (but without limitation): (i) to perform the duties and comply with the requirements imposed upon it by the Remarketing Agreement and this Resolution; and (ii) to keep such books and records with respect to its activities as Remarketing Agent as shall be consistent with prudent industry practice and to make such books and records available for inspection by each of the Trustee, the Liquidity Facility Provider and the University at all reasonable times. The Remarketing Agent shall not be entitled to any compensation from the Liquidity Facility Provider or the Trustee but rather shall only be entitled to compensation from the University.

(c) The Regents shall furnish a copy of the Remarketing Agreement to the Trustee and the Liquidity Facility Provider.

(d) The Remarketing Agent may resign by notifying the University, the Trustee, the Liquidity Facility Provider at least thirty (30) days before the effective date of such resignation. The University may, with the prior consent of the Liquidity Facility Provider, remove the Remarketing Agent pursuant to the terms of the Remarketing Agreement. In addition, the Remarketing Agent may terminate its obligations under the Remarketing Agreement pursuant to the terms thereof. Notwithstanding anything herein to the contrary, no removal or resignation of the Remarketing Agent shall be effective until a successor Remarketing Agent has been appointed and duly qualified and has accepted its obligations under this Supplemental Resolution and a Remarketing Agreement, provided, however, that the Remarketing Agent may resign without compliance with such requirement as long as the Remarketing Agent provides notice as required herein at least ninety (90) days before the effective date of such

resignation and such effective date is prior to April 1, 2011. Any appointment of a successor Remarketing Agent by the University shall be subject to the prior written consent of the Liquidity Facility Provider (if the Series 2007 Bonds are in an Interest Rate Period that requires a Liquidity Facility Provider) and the 2007 Insurer. The Liquidity Facility Provider shall be a third party beneficiary of the Remarketing Agreement.

ARTICLE VII

AMENDMENTS TO RESOLUTION

The University hereby adopts the Amendments to the Resolution as further described in this Article VII. [Consents to the 2007 Amendments described in Section 7.1 and Section 7.2 hereof have been obtained from (i) all bond insurers of Outstanding Bonds under the Resolution and (ii) the Holders of the Series 2007 Bonds upon the date of delivery of the same, and such consents are attached hereto as Exhibit B.] The 2007 Amendments described in Section 7.1 and Section 7.2 hereof shall take effect when pursuant to Section 10.1 of the Resolution the requisite percentage of Bonds Outstanding (60%) shall have consented to the 2007 Amendments described in Section 7.1 and Section 7.2 hereof.

Section 7.1 Amendments to Article I.

(a) Section 1.1 of Article I is hereby amended to include the following definitions:

“Direct Obligations” means noncallable Government Obligations.

“Government Obligations” means solely one or more of the following:

(a) State and Local Government Series issued by the United States Treasury (“SLGS”);

(b) United States Treasury bills, notes and bonds, as traded on the open market;

(c) Zero Coupon United States Treasury Bonds; and

(d) Any other direct obligations of or obligations unconditionally guaranteed by, the United States of America (including, without limitation, obligations commonly referred to as “REFCORP strips”).

Section 7.2 Amendment to Article XII. Subsection (2) of Section 12.1B is hereby amended to read as follows:

(2) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Direct Obligations, or Investment Securities other than Direct Obligations (as approved by insurers of any Outstanding Bonds (including any Investment Securities issued or held in book-entry form on the books of the Department of the Treasury of the United States of America)) 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 on said Bonds taxable under the Code, and

Section 7.3 The Amendments of the 2005A Supplemental Resolution. Those certain Amendments described in Section 506, 507, 508, 509(a), 509(b), 509(c), 509(e), 510 and 511 (collectively, the “2005A Springing Amendments”) of the 2005A Supplemental Resolution were described in the 2005A Supplemental Resolution as taking effect “on the earlier to occur of (i) the date the Pre-2005A Bonds are no longer Outstanding; or (ii) the date upon which the Pre-2005A Bond Insurers and the requisite percentage of the Owners of the Pre-2005A Bonds shall have consented to the Amendments pursuant to Article 10.1 of the Resolution” (such language contained in the 2005A Resolution is herein referred to as the “2005A Effective Date Language”). Section 10.1A of the Resolution requires that amendments of the type of the 2005A Springing Amendments be consented to by the requisite percentage (60%) of all Bonds then Outstanding, not just the requisite percentage of the Pre-2005A Bonds Outstanding. Section 10.1A of the Resolution requires that any amendment of the Resolution to reduce the requisite percentage of Bonds required for the written consent to an amendment or modification of the Resolution be consented to by all of the of Registered Owners of all of the Bonds then Outstanding. The consent of all Outstanding Bonds to the 2005A Effective Date Language has not been obtained. Accordingly, the Regents hereby find and determine that the 2005A Effective Date Language is not consistent with the Resolution. Furthermore, in order to be consistent with the terms of Section 10.1A of the Resolution, the 2005A Effective Date Language is hereby amended to read: “on the earlier to occur of (i) the date the Pre-2005A Bonds are no longer Outstanding; or (ii) the date upon which the Pre-2005A Bond Insurers and the requisite percentage of the Owners of all Bonds then Outstanding shall have consented to the Amendments pursuant to Article 10.1 of the Resolution.” [Consents to the 2005A Springing Amendments have been obtained from the Pre-2005A Bond Insurers] and upon the issuance of the Series 2007 Bonds the requisite percentage of the Owners of all Bonds Outstanding (____%) shall have consented to the 2005A Springing Amendments. Therefore, the Regents hereby deem the 2005A Springing Amendments to be effective upon the issuance of the Series 2007 Bonds.

[As of the issuance of the Series 2007 Bonds, the elimination of the Reserve Account Requirement described in Section 507 of the 2005A Supplemental Resolution (the “Reserve Elimination Amendment”) shall hereafter be applied to the Series 2007 Bonds. The application of the Reserve Elimination Amendment will be such that the Holders of the Series 2007 Bonds shall have no security interest in the Debt Service Reserve Account.]

ARTICLE VIII

MISCELLANEOUS

Section 8.1 Governing Law. By the acceptance of the Series 2007 Bonds, the Holders of the Series 2007 Bonds shall be deemed to agree that the rights of the Holders of the Series 2007 Bonds shall be governed by the laws of the State of Idaho.

Section 8.2 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, then 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 Holders of the Series 2007 Bonds and the Liquidity Facility Provider shall retain all the rights and benefits accorded to them under the Act or any other applicable provisions of law.

Section 8.3 Beneficiaries. This Supplemental Resolution shall be deemed to be a contract between the Regents, the Trustee, the Holders of the Series 2007 Bonds, and the Liquidity Facility Provider. Furthermore, the Liquidity Facility Provider shall be deemed to be a third party beneficiary of this Supplemental Resolution.

Section 8.4 Savings Clause. Except as amended by this Supplemental Resolution, the Resolution shall remain in full force and effect.

Section 8.5 Conflicting Resolutions. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

[The next page is the signature page.]

ADOPTED AND APPROVED this 11th day of October, 2007.

THE REGENTS OF THE
UNIVERSITY OF IDAHO

[SEAL]

By: _____
President

By: _____
Bursar

ATTEST:

By: _____
Secretary

EXHIBIT A

FORM OF SERIES 2007[A][B] BOND

R-_____ \$_____

UNITED STATES OF AMERICA
STATE OF IDAHO
UNIVERSITY OF IDAHO
ADJUSTABLE RATE GENERAL REVENUE [REFUNDING] BONDS
SERIES 2007[A][B]

Initial Term	Mandatory			
<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Tender Date</u>	<u>Dated Date</u>	<u>CUSIP</u>

Registered Owner: CEDE & CO.

Principal Amount: _____ DOLLARS*****

KNOW ALL MEN BY THESE PRESENTS that the University of Idaho, 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 each Payment Date, until the date of maturity or prior redemption of this Bond.

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 Resolution (defined herein). Pursuant to the Resolution, certain revenues have been pledged and will be set aside into the Bond Fund (as defined in the 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 Resolution.

The principal of and premium, if any, 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 Wells Fargo Bank, N.A. (the "Trustee"), in Boise,

Idaho. Interest payments on this Bond shall be made by the Trustee to the person appearing on the Bond Register as the registered owner hereof as of the applicable Record Date (as hereinafter defined), such interest to be paid by the Trustee to such registered Holder (i) by check mailed by first class mail on the Payment Date, to such Holder's address as it appears on the Bond Register, or (ii) upon written request at least three Business Days prior to the applicable Record Date of Liquidity Facility Provider (with respect to the Liquidity Facility Provider Bonds) or of the Holder of all of the Outstanding Bonds or the Holder of Outstanding Bonds aggregating not less than \$1,000,000 in principal amount, by wire transfer in immediately available funds at an account maintained in the United States at such wire address as such Holder shall specify in its written notice (any such written request shall remain in effect until rescinded in writing by such Holder); except, in each case, that, if and to the extent that there shall be a default in the payment of the interest due on such Payment Date, such defaulted interest shall be paid to the Holder in whose name this Bond is registered on the Bond Register at the close of business on a special record date to be fixed by the Trustee. The term "Record Date" means the last Business Day prior to any Payment Date during a Weekly Interest Rate Period or any Term Interest Rate Period of less than one year, and the fifteenth day of the month preceding any Payment Date during a Term Interest Rate Period of one year or longer. 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 November 22, 1991, as previously amended, supplemented and restated from time to time, including with respect to the Bonds by a Resolution adopted by the Board on October 11, 2007, authorizing the issuance of the Bonds (collectively, the "Resolution"). All capitalized terms used but not herein defined shall have the meanings ascribed to them in the Resolution.

This Bond is one of the Adjustable Rate General Revenue [Refunding] Bonds, Series 2007[A][B], of the University (the "Series 2007 Bonds") issued under the provisions of Chapter 38, Title 33, Idaho Code, for the purpose of providing funds with which to (i) [refund certain outstanding bonds of the University (the "Refunded Bonds")] [finance certain electrical equipment upgrades and capital maintenance on, and replacement of a portion of the University's utility corridor, central steam plant, and central chiller, and related improvements] (the "Series 2007B Project")] and (ii) pay issuance expenses properly incident thereto. In addition to the Series 2007 Bonds, the University is also issuing its Adjustable Rate General Revenue [Refunding] Bonds, Series 2007[A][B] Bonds (the "Series 2007[A][B] Bonds"). The principal of, interest on, and redemption price of the Series 2007 Bonds is payable from revenues and funds of the University pledged therefor and certain other fees and revenues, as more particularly set forth in the Resolution.

The Series 2007 Bonds are issuable as fully registered bonds without coupons in Authorized Denominations of (i) \$100,000 or any integral multiple of \$5,000 in excess thereof during any Weekly Interest Rate Period or Term Interest Rate Period of less than one year; and (ii) \$5,000 or any integral multiple in excess thereof during any Term Interest Rate Period of one year or longer upon satisfaction of certain conditions contained in the Resolution. Subject to the limitations and upon payment of the charges, if any, provided in the Resolution, Bonds may be exchanged at the Principal Office of the Trustee for a like aggregate principal amount of Series 2007 Bonds of other Authorized Denominations.

This Series 2007 Bond is transferable by the Holder hereof, in person, or by its attorney duly authorized in writing, at the Principal Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Resolution, and upon surrender and cancellation of this Series 2007 Bond. Upon such transfer a new fully registered Bond or Bonds of like tenor in Authorized Denominations, for the same aggregate principal amount, will be issued to the transferee in exchange herefor.

The term of the Series 2007 Bonds will be divided into consecutive Interest Rate Periods, as provided in the Resolution, during each of which the Series 2007 Bonds shall bear interest at Weekly Interest Rates or Term Interest Rates. The initial Interest Rate Period for the Series 2007 Bonds shall be a Term Interest Rate Period ending on the day before the Mandatory Tender Date specified above. The Interest Rate Period for the Series 2007 Bonds may be subsequently changed from time to time by the University, without the consent of the Holders of the Series 2007 Bonds, as provided in the Resolution. The Trustee shall give notice to Holders of the Series 2007 Bonds, as provided in the Resolution, prior to any change in the Interest Rate Period.

Each Bond shall bear interest from the Payment Date to which interest has been paid as of the date on which it is authenticated or, if it is authenticated on or before the Record Date for the first Payment Date, from the Issue Date; provided, however, that if, at the time of authentication of any Bond, interest is in default on Outstanding Bonds, such Bond shall bear interest from the Payment Date to which interest has previously been paid or made available for payment on the Outstanding Bonds. Notwithstanding the foregoing, if any Bond is authenticated as of a day during the period from the day after the Record Date immediately preceding an Payment Date to such Payment Date, inclusive, such Bond shall bear interest from such Payment Date; provided, however, that if the Regents shall default in the payment of interest due on such Payment Date, then such Bond shall bear interest as provided in the preceding sentence. Both the principal of and premium, if any, on the Series 2007 Bonds shall be payable upon surrender thereof at the Principal Office of the Trustee.

Interest on the Series 2007 Bonds will be paid on each Payment Date provided that if any Payment Date is not a Business Day, such interest shall be paid as provided above on the next succeeding Business Day with the same effect as if made on the day such payment was due. Except during a Term Interest Rate Period of one year or longer, interest on the Series 2007 Bonds shall be computed upon the basis of a 365-day or 366-

day, as applicable, year for the number of days actually elapsed. During any Term Interest Rate Period of one year or longer, interest on the Series 2007 Bonds shall be computed upon the basis of a 360-day year, consisting of twelve 30-day months. Interest on the Series 2007 Bonds shall bear interest from and including the Issue Date until payment of the principal or redemption price thereof has been made or provided for on the due date thereof, whether at maturity, upon redemption or otherwise.

THE FOREGOING PROVISIONS NOTWITHSTANDING, IN NO EVENT SHALL THE INTEREST RATE BORNE BY BONDS AT ANY TIME EXCEED [10%] PER ANNUM.

George K. Baum & Company (the “Remarketing Agent”) has been appointed as Remarketing Agent (as described in the Resolution). The Remarketing Agent may be removed or replaced in accordance with the provisions of the Remarketing Agreement and the Resolution.

Determination of the interest rate by the Remarketing Agent shall be conclusive and binding upon the Bondholders, the Regents, the University, the Liquidity Facility Provider, if any, and the Trustee.

Any notice of tender of Bonds delivered to the Trustee in accordance with the Resolution shall be irrevocable with respect to the purchase for which such notice was delivered and shall be binding upon any subsequent Bondholder of the Bond to which it relates, including any Bond issued in exchange therefor or upon the registration of transfer thereof, and as of the date of such notice, the Holder of the Series 2007 Bonds specified therein shall not have any right to optionally tender for purchase such Bonds prior to the date of purchase specified in such notice.

This Bond shall be subject to mandatory tender for purchase at a purchase price equal to 100% of the principal amount hereof, plus accrued interest, if any, to the Purchase Date: (a) on the effective date of any new Interest Rate Period for this Bond, (b) on the effective date of an Alternate Liquidity Facility provided with respect to this Bond, (c) in the event the Liquidity Facility with respect to the Series 2007 Bonds is not renewed or replaced with an Alternate Liquidity Facility, or (d) upon receipt of certain notices from the Liquidity Facility Provider.

So long as this Bond is held in book-entry form, delivery of this Bond to the Trustee in connection with any optional or mandatory tender for purchase pursuant to the Resolution shall be effected by the making of, or the irrevocable authorization to make, appropriate entries on the books of DTC or any DTC Participant to reflect the transfer of the beneficial ownership interest in such Bond to the account of the Trustee, or to the account of a participant acting on behalf of the Trustee. If this Bond is not held in book-entry form, delivery of this Bond to the Trustee in connection with any optional or mandatory tender pursuant to the Resolution shall be effected by physical delivery of such Bond to the Trustee at its Principal Office, by 1:00 p.m. (New York City time) on the Purchase Date, accompanied by an instrument of transfer thereof, in a form satisfactory to the Trustee, executed in blank by the Holder thereof with the signature of

such Holder guaranteed in accordance with the guidelines set forth by one of the nationally recognized medallion signature programs.

The Series 2007 Bonds are initially supported by a standby bond purchase agreement issued by Dexia Credit Local, acting through its New York Branch, in favor of the Trustee. This standby bond purchase agreement entitles the Trustee to draw an amount sufficient to pay the principal of the Series 2007 Bonds and up to ____ days' interest accrued on the Series 2007 Bonds at a maximum rate of [ten percent (10%)] per annum. The initial standby bond purchase agreement expires _____, or on the earlier occurrence of events specified in the standby bond purchase agreement. Upon the occurrence of certain events specified in the initial standby bond purchase agreement, the issuer thereof may terminate the standby bond purchase agreement. Prior to its expiration, unless the University has provided another standby bond purchase agreement meeting the requirements of the Resolution, and prior to the termination of the standby bond purchase agreement, in certain cases the Series 2007 Bonds will be subject to mandatory tender for purchase. As provided in the Resolution, the University may replace any standby bond purchase agreement with an alternate standby bond purchase agreement meeting the requirements of the Resolution.

So long as this Bond is held in book-entry form, payment of the Purchase Price of this Bond in connection with any optional or mandatory tender shall be effected in accordance with the Representation Letter.

If moneys sufficient to pay the Purchase Price of Bonds to be purchased pursuant to the Resolution shall be held by the Trustee on the Purchase Date, any such Bonds to be so purchased which are not delivered by the Holders thereof to the Trustee or transferred to the Trustee on the registration books of DTC, as applicable, on the Purchase Date will be deemed to have been delivered for purchase, or transferred on the registration books of DTC, as applicable, on such date and to have been purchased. The former Holders of such Bonds, or Beneficial Owners with respect to Book-Entry Bonds, will thereafter have no rights with respect to such Bonds except to receive payment of the Purchase Price therefor upon surrender of such Bonds to the Trustee or the transfer, on the registration books of DTC, of the beneficial interest in such Book-Entry Bonds.

BY ACCEPTANCE OF THIS BOND, THE HOLDER HEREBY AGREES THAT IF THIS BOND IS TO BE PURCHASED AND IF MONEYS SUFFICIENT TO PAY THE PURCHASE PRICE SHALL BE HELD BY THE TRUSTEE ON THE PURCHASE DATE, THIS BOND SHALL BE DEEMED TO HAVE BEEN PURCHASED AND SHALL BE PURCHASED ACCORDING TO THE TERMS OF THE RESOLUTION FOR ALL PURPOSES OF THE RESOLUTION, WHETHER OR NOT THIS BOND SHALL HAVE BEEN DELIVERED TO THE TRUSTEE, AND THE HOLDER OF THIS BOND SHALL HAVE NO CLAIM HEREON, UNDER THE RESOLUTION OR OTHERWISE, FOR ANY AMOUNT OTHER THAN THE PURCHASE PRICE HEREOF.

The Series 2007 Bonds are subject to redemption, including mandatory sinking fund redemption, with notice, in whole, or in part, in Authorized Denominations, prior to their maturity date, as described in the Resolution.

****The Series 2007 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 Officer 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 Officer of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an Authorized Officer 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 Resolution for the covenants and declarations of the University and other terms and conditions under which this Bond and the Series 2007 Bonds of this issue have been issued. The covenants contained herein and in the 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 Resolution.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the 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 Series 2007 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 Regents of the University of Idaho (the “Regents”), has caused this Bond to be executed by the manual or facsimile signature of the President of the Regents and of the Bursar of the University and attested by the manual or facsimile signature of the Secretary of the Regents, and a facsimile or original of the official seal of the University to be imprinted hereon, as of the dated date set forth above.

THE REGENTS OF THE UNIVERSITY
OF IDAHO

By: _____
President

COUNTERSIGNED:

(SEAL)

By: _____
Bursar

ATTEST:

By: _____
Secretary

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Adjustable Rate General Revenue [Refunding] Bonds, Series 2007[A][B], of the University of Idaho, described in the within-mentioned Resolution.

WELLS FARGO BANK, N.A., 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 57, Chapter 5 and 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 57, Chapter 5 and 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.

By: _____
Attorney General

STATEMENT OF INSURANCE

Financial Security Assurance Inc. (“Financial Security”), New York, New York, has delivered its municipal bond insurance policy with respect to the scheduled payments due of principal of and interest on this Bond to Wells Fargo Bank, N.A., Boise, Idaho, or its successor, as paying agent for the Bonds (the “Paying Agent”). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from Financial Security or the Paying Agent.

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.

EXHIBIT B

**CONSENTS OF UNDERWRITER (AS INITIAL HOLDER OF
THE SERIES 2007 BONDS) AND PRE-2005A BOND INSURERS**

EXHIBIT C

PARAMETERS

SERIES 2007A BONDS:

Principal amount not to exceed \$70,000,000

Initial Term Interest Rate not to exceed 5.00%

Underwriter's Discount or fee not to exceed 0.425%

Final Maturity not to exceed 35 years from date of issuance.

SERIES 2007B BONDS:

Principal amount not to exceed \$40,000,000

Initial Interest Rate not to exceed 5.00%

Underwriter's Discount or fee not to exceed 0.425%

Final Maturity not to exceed 35 years from date of issuance.

EXHIBIT D

TERMS CERTIFICATE

In connection with a Supplemental Resolution of the Regents (the "Regents") of the University of Idaho adopted on October 11, 2007 (the "2007 Supplemental Resolution") authorizing the issuance and sale of the Regent's Adjustable Rate General Revenue Refunding Bonds, Series 2007A (the "Series 2007A Bonds") and Adjustable Rate General Revenue Bonds, Series 2007B (the "Series 2007B Bonds" and collectively with the Series 2007A Bonds, the "Series 2007 Bonds"), the undersigned hereby executes and delivers this Terms Certificate (as such term is defined in the 2007 Supplemental Resolution) specifying certain terms of the Series 2007 Bonds:

Series 2007A Bonds:

- a. Principal amount
- b. Dated Date:
- c. Date of Delivery:
- d. Closing Date: _____, or such other date agreed upon by the Underwriters and the University
- e. Purchase Price: _____ (not less than the par amount thereof.)
- f. Underwriter's discount or fee of \$ _____
- g. Final Maturity
- h. Mandatory Sinking Fund Redemption Schedule (See Attached Schedule A-1 as attached hereto)
- i. Sources and Uses of Series 2007B Bond proceeds:
- j. Initial Term Interest Rate: _____%
- k. Refunded Bonds:
- l. Mandatory Tender Date for Initial Term Interest Rate Period: _____

Series 2007B Bonds:

- a. Principal amount
- b. Dated Date:

- c. Date of Delivery:
- d. Closing Date: _____, or such other date agreed upon by the Underwriters and the University
- e. Purchase Price: _____ (not less than the par amount thereof.)
- f. Underwriter's discount or fee of \$ _____
- g. Final Maturity
- h. Mandatory Sinking Fund Redemption Schedule (See Attached Schedule A-1 as attached hereto)
- i. Sources and Uses of Series 2007B Bond proceeds:
- j. Initial Term Interest Rate: _____%
- k. Refunded Bonds:
- l. Mandatory Tender Date for Initial Term Interest Rate Period:

Executed and delivered this _____, 2007 on behalf of the Regents pursuant to the 2007 Supplemental Resolution.

THE REGENTS OF THE UNIVERSITY
OF IDAHO

By: _____
Bursar

Schedule A-1

Series 2007A Bonds

Redemption Date <u>(April 1)</u>	Principal <u>Amount</u>
	\$

Series 2007B Bonds

Redemption Date <u>(April 1)</u>	Principal <u>Amount</u>
	\$

BOND PURCHASE AGREEMENT

October __, 2007

The Regents of the University of Idaho
University of Idaho
Administration Building, Room 211
851 Campus Drive
Moscow, Idaho 83844-3168

THE REGENTS OF THE UNIVERSITY OF IDAHO
Adjustable Rate General Revenue Bonds

\$ _____
Revenue Refunding Bonds, Series 2007A

\$ _____
Revenue Bonds, Series 2007B

The undersigned, George K. Baum & Company (the "**Underwriter**"), offers to enter into this Bond Purchase Agreement (this "**Bond Purchase Agreement**") with the Regents of the University of Idaho (the "**Regents**") which, upon your acceptance of this offer, will be binding upon you and upon the Underwriter. ***Terms not otherwise defined herein shall have the same meanings as set forth in the Resolution described below.***

This offer is made subject to your acceptance of this Bond Purchase Agreement on or before 5:00 p.m. Pacific Daylight Time, on October __, 2007, and, if not so accepted by the Regents, will be subject to withdrawal by the Underwriter upon notice delivered to the Regents at its address set forth above, at any time prior to the acceptance hereof by the Regents. This offer is also subject to the provisions included in this Bond Purchase Agreement.

1. Purchase and Sale of the Series 2007 Bonds. Upon the terms and conditions and in reliance upon the respective representations, warranties and covenants herein, the Underwriter hereby agrees to purchase from the Regents, and the Regents agree to sell to the Underwriter, all (but not less than all) of the Regents' (i) \$ _____ aggregate principal amount of Adjustable Rate General Revenue Refunding Bonds, Series 2007A (the "**Series 2007A Bonds**") and (ii) \$ _____ aggregate principal amount of Adjustable Rate General Revenue Bonds, Series 2007B (the "**Series 2007B Bonds**") and, collectively with the Series 2007A Bonds, the "**Series 2007 Bonds**"), at an aggregate purchase price (the "**Purchase Price**") equal to \$ _____ (representing the aggregate principal amount of the Series 2007 Bonds less an Underwriter's discount of \$ _____). Payment of the Purchase Price for the Series 2007 Bonds shall be made through wire transfer of immediately available federal funds to the Trustee for the account of the Regents at or prior to the Closing (as defined herein), and, upon satisfaction of the conditions for the issuance and sale of the Series 2007 Bonds set forth herein, the Series 2007 Bonds shall be released for delivery no later than the Closing.

The Series 2007 Bonds will be issued in accordance with the provisions of the Educational Institutions Act, constituting chapter 38, Title 33, Idaho Code (the "**Act**"), the Constitution of the State of Idaho (the "**State**") and pursuant to a Supplemental Resolution with respect to the Series 2007 Bonds adopted by the Regents on October __, 2007 (the "**2007 Supplemental Resolution**") supplementing that certain Resolution adopted by the Regents on November 22, 1991 (as subsequently amended and supplemented and, together with the 2007 Supplemental Resolution, referred to herein as the "**Resolution**"). Each Series of the Series 2007 Bonds will mature on April 1, 2041. The Series 2007A Bonds will bear interest initially at a Term Interest Rate of ____% per annum during the Initial Term Interest Rate Period expiring on April 1, 2011. The Series 2007B Bonds will bear interest initially at a Term Interest Rate of ____% per annum during the Initial Term Interest Rate Period expiring on April 1, 2018. Each Series of the Series 2007 Bonds shall be subject to mandatory tender for purchase on the last day of the respective Initial Term Interest Rate Period, and, upon mandatory tender, may be converted to a Weekly Interest Rate Period or another Term Interest Rate Period as provided in the Resolution. Payment of the purchase price for each Series of the Series 2007 Bonds tendered for purchase on such mandatory tender date and not remarketed will be supported by a Standby Bond Purchase Agreement dated as of October 1, 2007 with respect to each such Series of the Series 2007 Bonds (collectively, the "**Standby BPA**") provided by Dexia Credit Local, acting through its New York Branch (the "**Initial Liquidity Facility Provider**").

The scheduled payment of principal of and interest on the Series 2007 Bonds when due will be guaranteed under a municipal bond insurance policy (the "**Policy**") to be issued concurrently with the delivery of the Series 2007 Bonds by Financial Security Assurance Inc. (the "**Insurer**").

The Regents will apply the proceeds of the Series 2007 Bonds to refund certain outstanding bonds of the Regents, to finance certain capital improvements at the campus of the University of Idaho (the "**University**"), and to pay costs of issuance associated with the Series 2007 Bonds.

George K. Baum & Company will serve as a remarketing agent for the Series 2007 Bonds (the "**Remarketing Agent**") pursuant to a Remarketing Agreement, dated as of October 1, 2007 (the "**Remarketing Agreement**"), between the Regents and the Remarketing Agent.

2. Authority of the Underwriter. The Underwriter hereby represents and warrants that it has full corporate power and authority to execute and deliver this Bond Purchase Agreement and to perform all acts on its part herein required.

3. Public Offering of the Series 2007 Bonds. The Underwriter agrees to make a bona fide public offering of the Series 2007 Bonds at not in excess of the initial public offering price therefor as set forth on the cover page of the final Official Statement, as defined below. In connection with the public offering of the Series 2007 Bonds, the Regents shall cause the preparation of the Official Statement, with completion of information relating to the interest rate, selling compensation, aggregate principal amount, delivery date, ratings and other terms of the Series 2007 Bonds depending on such matters as acceptable to the Regents and the Underwriter to reflect such terms as contemplated by this Bond Purchase Agreement and with such other

additions, deletions and revisions as shall be acceptable to the Regents and the Underwriter. Copies of the Official Statement, signed by authorized representatives of the Regents will be delivered to the Underwriter within seven (7) business days of the date of this Bond Purchase Agreement, in sufficient quantity as may be reasonably requested by the Underwriter. The Regents hereby authorize the use by the Underwriter of the Official Statement in connection with the offering of the Series 2007 Bonds to the public.

The Underwriter reserves the right (a) to over-allot or effect transactions that stabilize or maintain the market price of the Series 2007 Bonds at a level above that which might otherwise prevail in the open market, and (b) to discontinue such stabilizing, if commenced, at any time. A public offering shall include an offering to a representative number of institutional investors or registered investment companies, regardless of the number of such investors to which the Series 2007 Bonds are sold.

Following the Closing Date, the Underwriter shall send, by first class mail or equally prompt means, a copy of the Official Statement to both the Municipal Securities Rulemaking Board and a nationally recognized municipal securities information repository designated as such by the Securities and Exchange Commission.

The Regents agree that if, through the 25th day after the Closing Date, the Regents become aware of the occurrence of an event that might cause the Official Statement to contain an untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, to notify the Underwriter, and, if in the opinion of the Underwriter such event requires the preparation and distribution of a supplement or an amendment to the Official Statement, the Regents, at their expense, at the request of the Underwriter, shall cause such a supplement or an amendment, satisfactory to the Underwriter, to be prepared and delivered to the Underwriter in such quantities as the Underwriter may reasonably request.

4. Representations, Warranties and Agreements by the Regents. In order to induce the Underwriter to enter into this Bond Purchase Agreement, and in consideration of the foregoing and of the execution and delivery of this Bond Purchase Agreement by the Underwriter, the Regents represent and warrant to and covenant with the Underwriter that, as of the date hereof and on and as of the date of the Closing:

(a) The representations and warranties of the Regents contained in the Resolution shall be deemed incorporated herein by this reference as though fully set forth herein, and such representations and warranties are true and correct.

(b) The Regents are a body politic and corporate organized and existing under and pursuant to the Constitution and laws of the State, have full legal right, power and authority pursuant to the Constitution, the Act and the Resolution to consummate all transactions contemplated by (i) this Bond Purchase Agreement, the Resolution, the Escrow Agreement dated as of October 1, 2007 (the "**Escrow Agreement**") between the Regents and Wells Fargo Bank, N.A., as the escrow agent (the "**Escrow Agent**"), the Remarketing Agreement, the Continuing Disclosure Agreement dated as of October 1, 2007 between the Regents and the Trustee, as dissemination agent (the "**Dissemination**

Agent") and the Standby BPA (collectively, the "**Regents' Documents**"), the Series 2007 Bonds and any and all other agreements and instruments relating to the issuance and sale of the Series 2007; and (ii) the Preliminary Official Statement relating to the Series 2007 Bonds, including all appendices thereto, dated October __, 2007 (the "**Preliminary Official Statement**") and the final Official Statement, including all appendices thereto, dated as of the date hereof (the final Official Statement, including all appendices, supplements and amendments thereto, collectively is referred to as the "**Official Statement**"); to enter into the Regents' Documents; to issue the Series 2007 Bonds; to approve the Official Statement; to carry out all of its obligations thereunder and to comply with the terms and conditions hereof and thereof applicable to the Regents.

(c) The Regents have duly adopted the Resolution and have duly authorized all necessary action to be taken by them for: (i) the issuance and sale of the Series 2007 Bonds upon the terms and conditions set forth herein, in the Official Statement, and in the Resolution; (ii) the approval and execution, as relevant, of each Regents' Document and the Series 2007 Bonds; and (iii) the execution, delivery or receipt of and performance of the Regents' obligations under each Regents' Document and the Series 2007 Bonds, and any and all such other agreements and documents as may be required to be executed, delivered or received by the Regents in order to carry out, effectuate and consummate the transactions contemplated herein and therein.

(d) The Regents have previously provided the Underwriter with the Preliminary Official Statement, and as of its date, the Preliminary Official Statement has been "deemed final" by the Regents for purposes of Rule 15c2-12 to promulgated under the Securities Exchange Act of 1934, as amended (the "**Rule**").

(e) The Regents have never failed to comply in all material respects with any continuing disclosure undertaking with regard to the Rule to provide annual reports or notices of material events specified in the Rule.

(f) The Regents have duly approved and authorized the execution, delivery and distribution of the Official Statement.

(g) The information contained in the Official Statement sections titled "INTRODUCTION – The University of Idaho" and "– Purpose of the Series 2007 Bonds," "PLAN OF FINANCE – The Refunding Project" and "– The Series 2007B Project," "PRO FORMA AND HISTORICAL PLEDGED REVENUES," "THE UNIVERSITY," "SOURCES OF FUNDING FOR THE UNIVERSITY," "UNIVERSITY GOVERNANCE AND ADMINISTRATION" and "LITIGATION" and in Appendices A and B (collectively, all such sections and appendices are herein referred to as the "**Relevant Portions**") is, and at the Closing will be, true and correct in all material respects and does not, and at the Closing will not, contain any untrue or misleading statement of a 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.

(h) At the time of the Regents' acceptance hereof and (unless an event occurs of the nature described in the last paragraph of Section 3 hereof) at all times subsequent thereto during the period up to and including twenty-five (25) days after the Closing Date, the information contained in the Relevant Portions of the Official Statement does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(i) If the information contained in the Relevant Portions of the Official Statement is supplemented or amended pursuant to the last paragraph of Section 3 hereof, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including twenty-five (25) days after the Closing Date, the information contained in the foregoing sections of the Official Statement, as so supplemented or amended, will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(j) Neither the execution and delivery of any Regents' Document, the Series 2007 Bonds, nor the consummation of the transactions contemplated herein or therein or the compliance with the provisions hereof or thereof, will conflict with, or constitute on the part of the Regents a violation of, or a breach of or default under, (i) any indenture, mortgage, commitment, note or other agreement or instrument to which the Regents is a party or by which it is bound, or (ii) any existing law, statute, rule, regulation (other than any state blue sky law) or resolution or judgment, order or decree of any court or governmental agency or body having jurisdiction over the Regents or any of its activities or properties. All consents, approvals, certificates of need, authorizations and orders of governmental or regulatory authorities (other than any state blue sky authorities) which are required for the execution and delivery of, consummation of the transactions contemplated by and compliance with the provisions of the Regents' Documents and Series 2007 Bonds by the Regents have been obtained or will be obtained when required.

(k) Except as is specifically disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the knowledge of the Regents, threatened against or affecting (i) the financial condition of the Regents, the University, the Refunding Project, the Series 2007B Project, or the operation by the Regents or the University of its properties, or (ii) the corporate existence of the Regents, the offices held by the members of the Regents and officers of the University and their respective rights or powers, their legal existence, or the actions taken or contemplated to be taken by them, or (iii) the transactions contemplated in the Regents' Documents or the Series 2007 Bonds, or (iv) the validity or enforceability in accordance with their respective terms of the Series 2007 Bonds, any Regents' Document or any material agreement or instrument by which the Regents, the University or their respective properties is or may be bound, and, to the knowledge of the Regents, is there any basis therefor wherein an unfavorable decision, ruling or finding would materially adversely affect any of the foregoing described in clauses (i) through (iv).

(l) The Regents will not take or omit to take any action which will in any way cause or result in the proceeds of the sale of the Series 2007 Bonds being applied in a manner other than as provided in the Resolution and the Escrow Agreement or as described in the Official Statement.

(m) The Regents have not been at any time in default as to principal or interest with respect to any obligation issued by or guaranteed by the Regents or with respect to which the Regents are an obligor.

(n) The audited financial statements of the University for the periods ended June 30, 2005 and June 30, 2006 are a fair presentation of the financial position of the University, the results of the University's operations and the University's changes in its net assets for the period specified as of the dates indicated.

Except as described in the Preliminary Official Statement, since June 30, 2006, there has been no material adverse change in the condition, financial or otherwise, of the University from that set forth in the audited financial statements as of and for the period ended that date; and except as described in the Preliminary Official Statement, the University, since June 30, 2006, has not incurred any material liabilities, directly or indirectly, except in the ordinary course of the University's operations.

(o) Between the date of this Agreement and the date of the Closing, except as contemplated by the Official Statement, the Regents will not incur and will not cause the University to incur any material liabilities, direct or contingent, or enter into any material transaction, in either case other than in the ordinary course of business.

(p) As of the date of this Bond Purchase Agreement, no event of default has occurred and is continuing and no event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute an event of default under any instrument to which the Regents or the University is a party and which is material to the business or operations of the Regents or the University.

(q) The Regents agree to furnish or cause to be furnished such information, execute or cause to be executed such instruments and take such other action in cooperation with Underwriter's Counsel as it may reasonably request (i) in any endeavor to qualify the Series 2007 Bonds for offering and sale under the securities or "Blue Sky" laws or regulations of such jurisdictions of the United States of America as the Underwriter may request, (ii) for the application for exemption from such qualification, (iii) for the determination of the Series 2007 Bonds' eligibility for investment under the laws of such jurisdictions as the Underwriter designates and (iv) to provide for the continuance of such qualifications or exemptions in effect for so long as required for distribution or marketing of the Series 2007 Bonds, but not to exceed six (6) months after the date of Closing; provided, however, that the Regents shall not be required to qualify to do business in any jurisdiction where it is not now so qualified, or to take any such action which would subject it to general service of process in any jurisdiction where it is not now so subject.

(r) The Regents will comply and will use its best efforts to insure compliance with the applicable representations, warranties, covenants and obligations of the Regents contained in this Bond Purchase Agreement.

(s) Any certificate signed by any officer of the Regents or the University and delivered to the Underwriter shall be deemed a representation and warranty by the Regents to the Underwriter as to the truth of the statements therein contained

5. Closing. At 9 a.m., Pacific Daylight Time, on October __, 2007, or at such other time and/or date as shall have been mutually agreed upon by the Regents and the Underwriter, the Regents will deliver, or cause to be delivered, to the Underwriter through the facilities of DTC the Series 2007 Bonds in definitive form duly executed by authenticated by the Wells Fargo Bank, N.A., as Trustee in accordance with the Resolution, by delivering one fully registered Bond for each Series of the Series 2007 Bonds in the principal amount of the related Series of the Series 2007 Bonds, registered in the name of Cede &Co., as nominee of DTC, to the Trustee as custodian for DTC; and the Underwriter will accept such delivery of the Series 2007 Bonds and pay the Purchase Price of the Series 2007 Bonds to the Trustee for the account of the Regents by wire transfer or other direct transfer of immediately available funds payable to the order of the Trustee.

The activities relating to the final execution and delivery of the Series 2007 Bonds and the final execution and delivery of the Regents' Documents, the Policy, the Standby Bond Purchase Agreement and the certificates, opinions and other instruments as described in Section 7 of this Bond Purchase Agreement shall occur at the offices of _____, _____, _____ or at such other location which shall be mutually agreed upon by the Regents and the Underwriter. The payment of the Purchase Price for the Series 2007 Bonds and simultaneous delivery of the Series 2007 Bonds to the Underwriter is herein referred to as the "**Closing**."

The Series 2007 Bonds will be made available for inspection by the Underwriter, at such place in _____, _____ as the Underwriter and the Trustee shall agree, not less than 24 hours prior to the Closing.

6. Termination. The Underwriter shall have the right to terminate its obligations hereunder by notice given to the Regents prior to delivery of and payment for the Series 2007 Bonds, if at any time prior to such time:

(a) Legislation not yet introduced in Congress shall be enacted or actively considered for enactment by the Congress, or recommended by the President of the United States of America to the Congress for passage, or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, a decision by a court of the United States of America or the United States Tax Court shall be rendered, or a ruling, regulation (proposed, temporary or final) or Official Statement by or on behalf of the Treasury Department of the United States of America, the Internal Revenue Service or other agency or department of the United States of America shall be made or proposed to be made which has the purpose or effect, directly or indirectly, of imposing federal income taxes upon interest on the Series 2007 Bonds; or

(b) Any other action or event shall have transpired which has the purpose or effect, directly or indirectly, of materially adversely affecting the federal income tax consequences of any of the transactions contemplated in connection herewith or contemplated by the Official Statement, and, in the reasonable judgment of the Underwriter, materially adversely affects the market for the Series 2007 Bonds or the sale, at the contemplated offering prices (or yields), by the Regents, of the Series 2007 Bonds; or

(c) Legislation shall be enacted, or actively considered for enactment by the Congress, with an effective date on or prior to the date of Closing, or a decision by a court of the United States of America shall be rendered, or a ruling or regulation by the Securities and Exchange Commission (the "SEC") or other governmental agency having jurisdiction over the subject matter shall be made, the effect of which is that (i) the Series 2007 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 (ii) 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

(d) A stop order, ruling or regulation by the SEC shall be issued or made, the effect of which is that the issuance, offering or sale of the Series 2007 Bonds, as contemplated herein or in 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

(e) There shall exist any fact or there shall occur any event which, in the reasonable judgment of the Underwriter, either (i) makes untrue or incorrect in any material respect any statement or information contained in the Official Statement or (ii) is not reflected in the Official Statement but should be reflected therein in order to make the statements and information contained therein not misleading in any material respect and, in either such event the Regents refuse to permit the Official Statement to be supplemented to correct or supply such statement or information, or the Official Statement as so corrected or supplemented is such as, in the judgment of the Underwriter, would materially adversely affect the market for the Series 2007 Bonds or the sale, at the contemplated offering prices (or yields), by the Regents of the Series 2007 Bonds; or

(f) There shall have occurred any outbreak or escalation of hostilities, declaration by the United States of a national emergency or war or other calamity or crisis the effect of which on financial markets is such as to make it, in the reasonable judgment of the Underwriter, impractical or inadvisable to proceed with the offering or delivery of the Series 2007 Bonds as contemplated by the final Official Statement (exclusive of any amendment or supplement thereto); or

(g) Trading in the Regents' outstanding securities shall have been suspended by the Securities and Exchange Commission or trading in securities generally on the New

York Stock Exchange shall have been suspended or limited or minimum prices shall have been established on such Exchange; or

(h) A banking moratorium shall have been declared either by Federal or New York State authorities; or

(i) There occurs any material adverse change in the affairs, operation or financial condition of the University, except as set forth or contemplated in the Official Statement, the effect of which is, in the reasonable judgment of the Underwriter, to materially adversely affect the market for the Series 2007 Bonds or the sale, at the contemplated prices (or yields) by the Regents of the Series 2007 Bonds; or

(j) The Official Statement is not executed, approved and delivered in accordance with the terms hereof; or

(k) In the reasonable judgment of the Underwriter, the market price of the Series 2007 Bonds, or the market price generally of obligations of the general character of the Series 2007 Bonds, would be adversely affected because: (i) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange, or (ii) the New York Stock Exchange or other national securities exchange, or any governmental authority, shall impose, as to the Series 2007 Bonds or similar obligations, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, underwriters; or

(l) Any litigation shall be instituted, pending or threatened to restrain or enjoin the issuance, sale or delivery of the Series 2007 Bonds or in any way contesting or affecting any authority for or the validity of the Series 2007 Bonds, this Bond Purchase Agreement, the Resolution or the existence or powers of the Regents or any of the transactions described herein or in the Official Statement.

7. Conditions to Purchase. The Underwriter has executed and delivered this Bond Purchase Agreement in reliance upon the representations, warranties and obligations of the Regents a contained herein. Accordingly, the Underwriter's obligations under this Bond Purchase Agreement shall be subject to the following conditions:

(a) The representations and warranties of the Regents contained herein shall be true and correct in all material respects at the date hereof and at and as of the Closing, as if made at and as of the Closing and will be confirmed by certificates of the appropriate Regents' or University official or officials, dated the Closing Date, and the statements made in all certificates and other documents delivered to the Underwriter at the Closing pursuant hereto shall be true, complete and correct in all material respects at the Closing; and the Regents shall be in compliance with each of the warranties, agreements and covenants made by them in this Bond Purchase Agreement.

(b) At the Closing, the following conditions shall have been satisfied:

(1) the Series 2007 Bonds shall be executed by the Regents, authenticated by the Trustee and delivered to the Underwriter for purchase as described in Section 5 hereof;

(2) all actions which, in the opinion of Bond Counsel and the Underwriter, shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect;

(3) the Regents shall perform or shall have performed all of their obligations required under or specified in this Bond Purchase Agreement and the Official Statement to be performed at or prior to the Closing;

(4) all necessary resolutions and other official action of the Regents relating to the Regents' Documents and the issuance and sale of the Series 2007 Bonds, and all necessary resolutions and other official action of the Regents relating to the Regents' Documents and all other agreements or documents to be executed and delivered by the Regents in connection with the issuance and sale of the Series 2007 Bonds shall have been taken and shall be in full force and effect and shall not have been amended, modified or supplemented in any material respect, except with the consent of the Underwriter;

(5) each of the Regents' Documents and the Series 2007 Bonds shall have been fully executed by the relevant parties and shall be in full force and effect;

(6) evidence satisfactory to the Underwriter of the issuance by the Insurer of the Policy in the form attached to the Official Statement as Appendix F and that such Policy is in full force and effect as of the date of the Closing;

(7) the Official Statement, executed by the Regents and in form and substance acceptable to the Underwriter, shall have been delivered to the Underwriter;

(8) evidence satisfactory to the Underwriter of filing a report with the State Treasurer pursuant to Idaho Code Section 67-1222.

(c) At or prior to the Closing, the Underwriter shall receive the following documents in such number of counterparts as shall be mutually agreeable to the Regents and the Underwriter:

(1) Certified copies of the 2007 Supplemental Resolution and all resolutions of the Regents relating to the Series 2007 Bonds and approving the execution and delivery of each Regents' Document and the Official Statement;

(2) A copy of each Series of the Series 2007 Bonds;

(3) A copy of the Policy in a form attached to the Official Statement as Appendix F;

(4) Executed copies of the Standby Bond Purchase Agreement, the Escrow Agreement, the Remarketing Agreement, the Disclosure Agreement, a Tax Certificate delivered by the Regents, and the Representations Letter;

(5) The Official Statement executed on behalf of the Regents by their duly authorized officer;

(6) Approving opinion of Co-Bond Counsel, dated the Closing Date, in substantially the form set forth in Appendix H to the Official Statement;

(7) Supplemental opinion of Co-Bond Counsel, dated the Closing Date, in substantially the form set forth in **Exhibit A** hereto;

(8) An opinion of Underwriter's Counsel, dated the Closing Date, in substantially the form acceptable to the Underwriter;

(9) A defeasance opinion of Co-Bond Counsel, dated the Closing Date, in substantially the form set forth in **Exhibit B** hereto;

(10) A certificate of Attorney General of the State, dated the Closing Date, relating to validity of the Series 2007 Bonds;

(11) An opinion of Counsel to the Regents and the University, dated the Closing Date, in form and substance satisfactory to the Underwriter, to the effect that (i) the due existence of the Regents and powers of the Regents to issue the Series 2007 Bonds, to adopt the Resolution, to pledge the Pledged Revenues, to enter into the Regents' Documents, and to consummate the transactions contemplated by the Resolution and the Regents' Documents, (ii) the Resolution was duly adopted by the Regents, (iii) the adoption of the Resolution by the Regents and the execution and delivery of the Regents' Documents and the performance by the Regents or the University of the transactions contemplated thereby will not conflict with or constitute a breach of, or default under, any provision of the applicable law, rule, regulation, ordinance, judgment, order or decree to which the Regents or the University is subject, or any commitment, note, agreement or other instrument to which the University or Regents is a party or by which it or any of their respective property is bound; (iv) the Relevant Portions of the Official Statement, are true and correct in all material respects and do not omit to state a material fact; (v) except as disclosed in the Official Statement, there is no action, suit, proceeding, official inquiry or investigation, at law or in equity, pending, or to the knowledge of such Counsel, threatened (and there is no basis for such action, suit, proceeding, official inquiry or investigation) which (x) questions the existence or powers of the Regents or the University or any of their respective officers; (y) seeks to prohibit, restrain or enjoin the sale, issuance or delivery of the Series 2007 Bonds or the authorization, execution and delivery of the Resolution or any Regent Document or validity of the proceedings,

taken by the Regents in connection with the issuance of the Series 2007 Bonds; or (z) challenges the powers of the Regents or the University to pledge and collect Pledge Revenues and other funds and accounts pledged to the payment of the Series 2007 Bonds under the Resolution;

(12) Opinions of foreign and U.S. Counsel to the Initial Liquidity Facility Provider, dated the Closing Date, in substantially the forms acceptable to the Underwriter;

(13) Letters from Moody's and S&P to the effect that each Series of the Series 2007 Bonds have been assigned ratings of no less than "Aaa" and "AAA," respectively, and letters from Moody's and S&P to the effect that each Series of the Series 2007 Bonds have received underlying ratings of "A1" from Moody's and "A+" from S&P, all of which ratings shall be in effect at Closing;

(14) A certificate of the Regents, dated the Closing Date, in substantially the form acceptable to the Co-Bond Counsel and the Underwriter;

(15) A certificate of the Trustee and the Escrow Agent, dated the Closing Date, to the effect that the Trustee and the Escrow Agent (i) are duly organized and validly existing under the laws of the United States of America, with full corporate trust powers, (ii) have full right, power and authority to enter into and perform the obligations under the Resolution and the Escrow Agreement and (iii) have validly accepted its obligations under the Resolution and the Escrow Agreement, which obligations are legally valid and binding obligations of the Trustee and the Escrow Agent, respectively;

(16) A certificate from the Insurer with respect to such matters as the Underwriter may reasonably request, including, without limitation, the accuracy and completeness of the description of the Insurer and the Policy in the Official Statement;

(17) A certificate from the Initial Liquidity Facility Provider with respect to such matters as the Underwriter may reasonably request, including, without limitation, the accuracy of the description of the Initial Liquidity Facility Provider in the Official Statement;

(18) The verification report of Causey, Demgen & Moore, Inc. addressed to the Regents and the Underwriter stating that Causey, Demgen & Moore, Inc. has reviewed and verified the mathematical accuracy of certain computations relating the adequacy of the maturing principal amounts of securities to be held pursuant to the Escrow Agreement and interest to be earned thereon to pay the principal or redemption price of and interest on the Refunded Bonds, as such principal or redemption price and interest become due and payable;

(19) A copy of the report to the State Treasurer pursuant to Idaho Code Section 67-1222;

(20) A certificate of the Regents, dated the Closing Date, required by Sections 7.2 (2) and 7.2(5) of the Resolution;

(21) A Consultant's Report required by Section 7.2(3) of the Resolution;

(22) Accountant's Certificate required by Section 7.2(4) of the Resolution;

(23) [Consents of Moss Adams LLP to include reports in the Preliminary Official Statement and the Official Statement;]

(24) Consent of the Underwriter pursuant to Section 10.1A of the Resolution;

(25) Consents of the insurance companies which insured the Outstanding Bonds issued prior to 2005, in a form acceptable to the Underwriter; and

(26) Such additional legal opinions, certificates, proceedings, instruments and other documents as Co-Bond Counsel may reasonably request to evidence compliance by the Regents with legal requirements, the truth and accuracy, as of the time of Closing, of the respective representations of the Underwriter, the Regents herein contained and the due performance or satisfaction by each of them at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by each of them.

If the Regents shall be unable to satisfy the conditions to the obligations of the Underwriter contained in this Bond Purchase Agreement, or if the obligations of the Underwriter to place and accept delivery of the Series 2007 Bonds shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and neither the Underwriter nor the Regents shall be under further obligation hereunder; except that the Regents' obligations to pay fees and expenses, as provided in Section 9 hereof, shall continue in full force and effect. The Underwriter shall have the right to waive any of the conditions to its obligations contained in this Bond Purchase Agreement.

8. Survival of Representations, Warranties and Agreements. All representations, warranties and agreements of the Regents and the Underwriter shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Underwriter or the Regents and shall survive the Closing. The obligations of the Regents and the Underwriter under Section 9 hereof shall survive the Closing and any termination of this Bond Purchase Agreement by the Underwriter pursuant to the terms hereof.

9. Fees and Expenses. The Regents will pay or cause to be paid all reasonable expenses incident to the performance of its obligations under this Bond Purchase Agreement, including, but not limited to, mailing or delivery of the Series 2007 Bonds, costs of printing the Series 2007 Bonds, the Preliminary Official Statement, the final Official Statement and any amendment or supplement to the Official Statement, fees and disbursements of Co-Bond

Counsel and Underwriter's Counsel, fees and expenses of the accountants of and counsel to the Regents, any fees charged by rating agencies for the rating of the Series 2007 Bonds, the Policy premium, and any fees and expenses of the Initial Liquidity Facility Provider and its counsel, the Trustee and the Escrow Agent.

10. Blue Sky Qualification. The Regents covenant with the Underwriter that the Regents will cooperate, at the expense of the Regents, with the Underwriter in qualifying the Series 2007 Bonds for offer and sale under the securities or Blue Sky laws of such jurisdictions of the United States of America as the Underwriter may request; provided, however, that the Regents shall not be required to file any general consent to service of process or to qualify as a foreign corporation or as a dealer in securities in any jurisdiction in which it is not so qualified or to subject itself to taxation in any jurisdiction in which it is not otherwise subject to taxation. The Regents consent to the use by the Underwriter in the course of its compliance with the securities or Blue Sky laws of the various jurisdictions of the documents relating to the Series 2007 Bonds, subject to the right of the Regents to withdraw such consent for cause by written notice to the Underwriter.

11. Notices. Any notice or other communication to be given to the Regents under this Bond Purchase Agreement may be given by delivering the same in writing at its address set forth above and to the attention of President and any notice or other communication to be given to the Underwriter under this Bond Purchase Agreement may be given by delivering the same in writing to George K. Baum & Company, 717 17th Street, Suite 2500, Denver, Colorado 80202, Attention: Lee White, Executive Vice President and Manager.

12. Benefit. This Bond Purchase Agreement is made solely for the benefit of the Regents and the Underwriter (including the successors or assigns of the Underwriter) and no other person, including any purchaser of the Series 2007 Bonds, shall acquire or have any right hereunder or by virtue hereof. This Bond Purchase Agreement shall be binding upon the successor and assigns, if any, of the Regents and the Underwriter.

13. Governing Law. This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State, without giving effect to its principles of conflicts of laws.

[Signature Page Follows]

14. Effective Date. This Bond Purchase Agreement shall become effective upon your acceptance hereof and 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.

Very truly yours,

GEORGE K. BAUM & COMPANY

By: _____
Authorized Officer

Accepted and agreed to as of
the date first above written:

THE REGENTS OF THE UNIVERSITY OF IDAHO

By: _____
Lloyd Mues, Vice President for Finance
and Administration and Bursar

EXHIBIT A**Supplemental Opinion of Co-Bond Counsel**

[Skinner Fawcett Letterhead]

[Ballard Spahr Letterhead]

Regents of the University of Idaho
Moscow, Idaho

George K. Baum & Company
Denver, Colorado

Re: \$_____ The Regents of the University of Idaho, Adjustable Rate General Revenue Refunding Bonds, Series 2007A and Adjustable Rate General Revenue Bonds, Series 2007B

This letter is being delivered to you pursuant to Section ____ of the Bond Purchase Agreement (the "Purchase Agreement") dated _____, 2007 between George K. Baum & Company (the "Underwriter"), and the Regents of the University of Idaho (the "Regents"), which Purchase Agreement relates to the purchase by the Underwriter of \$_____ aggregate principal amount of the Regents Adjustable Rate General Revenue Refunding Bonds, Series 2007A (the "Series 2007A Bonds") and \$_____ aggregate principal amount of its Adjustable Rate General Revenue Bonds, Series 2007B Bonds (the "Series 2007B Bonds" and together with the Series 2007A Bonds, 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 co-bond counsel to the Regents 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 Regents 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 ["INTRODUCTION—Authority for Issuance;—Terms of the Series 2007 Bonds; —Payment and Security for the Series 2007 Bonds," "THE SERIES 2007 BONDS," "SECURITY FOR THE SERIES 2007 BONDS—Pledged Revenues, —Covenants" "—No Debt Service Reserve Account for the Series 2007 Bonds;" "—Consent to Amendments" and "TAX EXEMPTION," and in APPENDIX C, APPENDIX D and APPENDIX H] 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, the Resolution and our opinion with respect to the tax-exempt status of interest on the Series 2007 Bonds, 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 co-bond counsel, during the course of preparation of the Official Statement, we met in conferences with representatives of and counsel to the Regents and the University, your representatives and counsel, 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, Financial Security Assurance Inc., its municipal bond insurance policy, Dexia Credit Local or the Standby Bond Purchase Agreement and information contained in Appendix A, Appendix E, Appendix F, Appendix G-1 and Appendix G-2 to the Official Statement).

We have on this day rendered our approving opinion as Co-Bond Counsel to the Regents 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 co-bond counsel to the Regents. 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 B**Defeasance Opinion of Co-Bond Counsel**

[SKINNER FAWCETT LETTERHEAD]

[BALLARD SPAHR LETTERHEAD]

_____, 2007

The Regents of the University of Idaho
Moscow, Idaho

Wells Fargo Bank, National Association
Boise, Idaho

Bond Insurers Listed on Attached Schedule A

Re: The Regents of the University of Idaho Student Fee Revenue Bonds (Recreation Center Project), Series 1999, Student Fee Revenue Bonds, Series 1999A (Elmwood Apartments Acquisition Project)

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance of certain Adjustable Rate General Revenue Refunding Bonds, Series 2007A (the "Bonds") by the Regents of the University of Idaho (the "Issuer") pursuant to a Resolution, adopted by the Regents on November 22, 1991 (the "Original Resolution") as heretofore amended and supplemented and restated and as further supplemented and amended by a supplemental resolution of the Regents adopted on October 11, 2007 (collectively, the "Resolution"). Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Resolution. This opinion is given in connection with the resolution adopted by the Issuer on January 25, 1999 and the Original Resolution as supplemented by the supplemental resolution adopted by the Issuer on January 25, 1999 (collectively, the "Prior Resolutions") and the requirements of Section 57-504, Idaho Code, as amended, all with Wells Fargo Bank, National Association as trustee (the "Trustee").

The Bonds are being issued in part to provide funds for the defeasance of certain portions of the outstanding principal amount of the Issuer's Student Fee Revenue Bonds (Recreation Center Project), Series 1999, Student Fee Revenue Bonds, Series 1999A (Elmwood Apartments Acquisition Project) (as more fully described in the Escrow Agreement and referred to herein, collectively as the "Refunded Bonds") originally issued pursuant to the applicable Prior Resolutions and insured by the bond insurers addressed above. The refunding is being accomplished by deposit to and investment of a portion of the proceeds of the Bonds in an Escrow Fund pursuant to an Escrow Agreement dated as of October 1, 2007 (the "Escrow Agreement")

between the Issuer and the Trustee as escrow agent (the "Escrow Agent"). For purposes of this opinion we assume receipt of said funds by the Escrow Agent.

We have examined the originals or copies, certified or otherwise authenticated to our satisfaction, of the following:

- (a) The Resolution;
- (b) The Prior Resolutions;
- (c) The Escrow Agreement;
- (d) The Verification Report dated _____, 2007, of Causey, Demgen & Moore, Inc., Denver, Colorado, relating to the sufficiency of the Escrow Fund established under the Escrow Agreement and certain yield calculations; and
- (e) Confirmations for the purchase of the Government Obligations (as defined in the Escrow Agreement) and such other documents, proceedings and instruments, including without limitation certificates of the trustee and the bond insurers as applicable, and related matters of law as we have deemed necessary or advisable for the purpose of this opinion.

We have relied upon the calculations and conclusions contained in the Verification Report referenced above without undertaking to verify the same.

Based upon and subject to the foregoing, we are of the opinion, under existing law, that the said Refunded Bonds are no longer outstanding as provided in the applicable Prior Resolutions

This opinion is delivered to you for your use only, and it may not be used or relied upon by, or published or communicated to, any third party for any purpose whatsoever without our prior written approval in each instance.

Very truly yours,

Schedule A to Opinion
Bond Insurers

(list)

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REMARKETING AGREEMENT

Between

THE REGENTS OF THE UNIVERSITY OF IDAHO

and

**GEORGE K. BAUM & COMPANY
as Remarketing Agent**

Dated as of October 1, 2007

Relating to

THE REGENTS OF THE UNIVERSITY OF IDAHO

\$_____

Adjustable Rate General Revenue Refunding Bonds, Series 2007A

and

\$_____

Adjustable Rate General Revenue Bonds, Series 2007B

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REMARKETING AGREEMENT

This Remarketing Agreement (the "**Remarketing Agreement**") dated as of October 1, 2007, is entered into by and between THE REGENTS OF THE UNIVERSITY OF IDAHO, a body politic and corporate organized and existing under and pursuant to the Constitution and laws of the State of Idaho (the "**Regents**"), and GEORGE K. BAUM & COMPANY (the "**Remarketing Agent**").

WITNESSETH:

WHEREAS, the Regents have issued its (i) \$_____ aggregate principal amount of Adjustable Rate General Revenue Refunding Bonds, Series 2007A (the "**Series 2007A Bonds**") and (ii) \$_____ aggregate principal amount of Adjustable Rate General Revenue Bonds, Series 2007B (the "**Series 2007B Bonds**") and, together with the Series 2007A Bonds, the "**Series 2007 Bonds**") pursuant to a Supplemental Resolution (the "**2007 Supplemental Resolution**") adopted by the Regents on [October 11, 2007] which supplements that certain Resolution adopted by the Regents on November 22, 1991, as amended and supplemented (collectively with the 2007 Supplemental Resolution, referred to herein as the "**Resolution**");

WHEREAS, the Series 2007 Bonds have been issued to refund certain outstanding bonds of the Regents issued for the University of Idaho (the "**University**"), to finance certain capital improvements at the University campus, and to pay costs of issuance associated with the Series 2007 Bonds;

WHEREAS, pursuant to the Resolution, each Series of Series 2007 Bonds will initially bear interest at a Term Interest Rate for the Initial Term Interest Rate Period expiring on April 1, 2011 (with respect to the Series 2007A Bonds) and April 1, 2018 (with respect to the Series 2007B Bonds) and on the last day following the expiration of the respective Initial Term Interest Rate Period, each Series of the Series 2007 Bonds shall be subject to mandatory tender for purchase, and, upon mandatory tender, may be converted to a Weekly Interest Rate Period or another Term Interest Rate Period;

WHEREAS, the Resolution also provides, among other things, that while a Series of the Series 2007 Bonds bear interest at the Weekly Interest Rate and, upon conversion of a Series of the Series 2007 Bonds from one Interest Rate Period to another Interest Rate Period or conversion of one Term Interest Rate Period to another Term Interest Rate Period, the Bondholders may be required in certain instances to tender their Series 2007 Bonds for purchase upon the terms and conditions contained in the Series 2007 Bonds and the Resolution;

WHEREAS, the Resolution provides for the appointment of a remarketing agent to perform certain duties, including the use of its best efforts to remarket any Series 2007 Bonds tendered for purchase by the Bondholders; and

WHEREAS, the Remarketing Agent has agreed to accept the duties and responsibilities of the remarketing agent under the Resolution and this Remarketing Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants made herein and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. The Series 2007 Bonds, Terms, Definitions. The Series 2007 Bonds will be issuable under the terms and conditions, and will have the form, tenor, terms and specifications, set forth in the Resolution, as supplemented from time to time. **Capitalized words used herein, but not otherwise defined herein, shall have the meanings assigned to them in the Resolution, as supplemented from time to time.**

Section 2. Appointment of the Remarketing Agent. The Regents have appointed George K. Baum & Company as the Remarketing Agent, and George K. Baum & Company hereby accepts such appointment to act as the Remarketing Agent in connection with the remarketing of each Series of the Series 2007 Bonds in accordance with and subject to the terms and conditions contained herein and in the Resolution. The Remarketing Agent hereby agrees to perform all obligations contemplated by the Resolution to be performed by it, as well as those to be performed by it hereunder.

Section 3. Removal and Resignation of Remarketing Agent; Assignment of Remarketing Agent's Rights and Obligations.

(a) The provisions of Article VI of the 2007 Supplemental Resolution shall govern the removal of the Remarketing Agent. The Remarketing Agent may resign at any time by notifying the Trustee, the Regents, the Insurer and the Liquidity Facility Provider at least thirty (30) days before the effective date of such resignation. Notwithstanding the foregoing, no removal or resignation of the Remarketing Agent shall become effective until a successor Remarketing Agent meeting the requirements of the Resolution has been duly appointed and has accepted its appointment under the Resolution in writing with respect to the Series 2007 Bonds; provided, however, that the Remarketing Agent may resign without compliance with such requirement as long as the Remarketing Agent provides notice as required herein at least ninety (90) days before the effective date of such resignation and such effective date is within the Initial Term Interest Rate Period expiring on April 1, 2011.

(b) In addition, the Remarketing Agent may immediately terminate its obligations under this Remarketing Agreement with respect to all Series 2007 Bonds at any time by notifying the Trustee, the Regents and the Liquidity Facility Provider in writing or by telegram, telex or other electronic communication of its election to do so, upon the occurrence of any of the following events:

(i) Legislation shall be enacted or a decision by a court established under Article III of the Constitution of the United States, or the Tax Court of the United States of America, shall be rendered or a ruling, regulation or order of the Treasury Department of the United States of America or the Internal Revenue Service shall be made having the purpose or effect of imposing federal income taxation, or any other event shall have occurred which results in the imposition of federal income taxation upon interest received on a Series of Series 2007 Bonds, provided that collateral tax consequences of owning a Series of Series 2007 Bonds shall

not be considered as an imposition of federal income taxation upon the interest on such Series of Series 2007 Bonds;

(ii) Legislation shall be enacted or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of the United States Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that the remarketing of obligations of the general character of a Series of Series 2007 Bonds, as contemplated hereby, is or would be in violation of any provision of the Securities Act of 1933, as amended and as then in effect, of the Securities Exchange Act of 1934, as amended and as then in effect, of the Trust Resolution Act of 1939, as amended and as then in effect, or with the purpose or effect of otherwise prohibiting the remarketing of obligations of the general character of a Series of Series 2007 Bonds, or a Series of Series 2007 Bonds, as contemplated hereby;

(iii) Any information shall have become known, which, in the Remarketing Agent's reasonable opinion, makes untrue, incorrect or misleading in any material respect any material statement or information contained in the Official Statement prepared in connection with the initial offering of the Series 2007 Bonds or a new remarketing statement prepared upon the mandatory tender of a Series of Series 2007 Bonds in connection with establishing a new Term Interest Rate Period or conversion to a Weekly Interest Rate of such Series of Series 2007 Bonds, as the information contained therein has been supplemented or amended by other information furnished or supplied to the Remarketing Agent, or causes such Official Statement or official statement or other disclosure document, as so supplemented or amended, to contain an untrue, incorrect or misleading statement of a material fact or to 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;

(iv) Except as provided in clauses (i) and (ii) hereof, any legislation, resolution, ordinance, rule or regulation shall be introduced in or be enacted by any federal governmental body, department or agency of the United States of America, or a decision by any court of competent jurisdiction within the United States of America or the State of Idaho shall be rendered, and, in the Remarketing Agent's reasonable opinion, such legislation, resolution, ordinance, rule, regulation or decision materially adversely affects the marketability of a Series of Series 2007 Bonds;

(v) Additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange;

(vi) Any governmental authority shall impose, as to a Series of Series 2007 Bonds, or obligations of the general character of a Series of Series 2007 Bonds, any material restrictions not now in force, or increase materially those now in force;

(vii) A general banking moratorium shall have been established by federal, New York or Idaho authorities;

(viii) Any rating of a Series of Series 2007 Bonds issued by a national rating agency shall have been withdrawn or downgraded to below the third highest credit rating category (without regard to gradations within categories) and, in the Remarketing Agent's reasonable opinion, such withdrawal or downgrade materially adversely affects the marketability of such Series of Series 2007 Bonds; or

(ix) A war involving the United States shall have been declared, or the armed forces of the United States of America shall have become involved in a conflict, or any other national emergency relating to the effective operation of government or the financial community shall have occurred, and, in the Remarketing Agent's reasonable opinion, such war, conflict or national emergency materially adversely affects the marketability of the Series 2007 Bonds.

(c) Notwithstanding the foregoing, with prior written notice to (but without the consent of) the Regents, the Trustee, the Insurer and any Liquidity Facility Provider, the Remarketing Agent may assign or transfer any or all of its rights and obligations as Remarketing Agent under the Resolution and under the Remarketing Agreement with respect to a Series of Series 2007 Bonds to any wholly-owned subsidiary or affiliate of the Remarketing Agent so long as such subsidiary or affiliate meets the qualifications for a Remarketing Agent set forth in the Resolution and is otherwise permitted to perform such obligations under all applicable federal, State of Idaho and state banking and securities laws, rules and regulations.

Section 4. Obligations of the Remarketing Agent. The Remarketing Agent shall (i) comply with all provisions of, and (ii) perform all of its duties and obligations under, the Resolution and this Remarketing Agreement relating to the remarketing of the Series 2007 Bonds. Specifically, the Remarketing Agent agrees as follows:

(a) To compute the rates of interest applicable to each Series of Series 2007 Bonds pursuant to and in accordance with the Resolution and to give the notices provided for or otherwise required in the Resolution;

(b) To hold all Series 2007 Bonds delivered to it under the Resolution and this Remarketing Agreement in trust and in trust accounts for the benefit of the Bondholders which shall have so delivered such Series 2007 Bonds until such Series 2007 Bonds are required to be delivered to the Trustee in accordance with the provisions of the Resolution or until moneys representing the purchase price thereof shall have been delivered to or for the account of or to the order of such Bondholders;

(c) To hold all moneys, if any, delivered to it under the Resolution for the purchase of Series 2007 Bonds in trust for the benefit of the purchaser which shall have so delivered such moneys to the Remarketing Agent until such moneys are required to be delivered to the Trustee under the Resolution or until the Series 2007 Bonds purchased with such moneys shall have been delivered to or for the account of such purchasers, and not to commingle such funds with the general funds of the Remarketing Agent; and

(d) To keep such books and records with respect to all actions taken and all funds and securities received, held and delivered hereunder as shall be consistent with prudent industry

practice and to make such books and records available for inspection by the Trustee, the Liquidity Facility Provider, the Insurer and the Regents at all reasonable times.

Section 5. Furnishing of Disclosure Materials. The Regents agree to provide the Remarketing Agent at the expense of the Regents with copies of such financial information and financial statements relating to the University and the Series 2007B Project as they become available in such quantities as may be reasonably requested from time to time by the Remarketing Agent and as shall be satisfactory to the Regents, and the Regents further agree to supply such additional material relating to the University or the Series 2007B Project or obtain such other information relating to the University or the Series 2007B Project or respond to such questions relating to the University or the Series 2007B Project as may be appropriate and which the University can obtain without unreasonable effort and expense for the purpose of (a) verifying the information relating to the University or the Series 2007B Project contained in the Official Statement prepared in connection with the initial offering of the Series 2007 Bonds and (b) preparing a new remarketing statement upon the mandatory tender of a Series of Series 2007 Bonds in connection with establishing a new Term Interest Rate Period or conversion to a Weekly Interest Rate or preparing other remarketing statements as deemed necessary by the Remarketing Agent.

Section 6. Conditions to the Remarketing Agent's Obligations. The obligations of the Remarketing Agent under this Remarketing Agreement are subject to the following conditions:

(a) The Resolution and this Remarketing Agreement shall be in full force and effect and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the parties thereto.

(b) No Event of Default or event of default, as appropriate, under the Resolution shall have occurred and be continuing and no event shall have occurred and be continuing which, with the passage of time or the giving of notice or both, would constitute such an Event of Default or event of default.

(c) No event shall have occurred which, in the opinion of nationally recognized bond counsel, has the effect of causing the interest payable on a Series of the Series 2007 Bonds to become includable in gross income for federal income tax purposes, or which, in the opinion of securities counsel satisfactory to the Remarketing Agent, requires registration or qualification of a Series of Series 2007 Bonds or the Resolution under any federal or state securities laws, provided if, in the reasonable judgment of the Remarketing Agent, an occurrence of an event described in this paragraph (c) with respect to a Series of the Series 2007 Bonds materially adversely affects the marketability of the other Series of the Series 2007 Bonds, then the Remarketing Agent shall have no obligation to remarket such other Series of the Series 2007 Bonds.

Section 7. Representations of the Regents Regarding the Official Statement. The Regents represent, warrant, covenant and agree with the Remarketing Agent that the information contained in the Official Statement dated October __, 2007, including any supplements or amendments thereto, in the sections titled "INTRODUCTION – The University of Idaho" and

"-- Purpose of the Series 2007 Bonds;" "PLAN OF FINANCE – The Refunding Project" and "-- The Series 2007B Project," "PRO FORMA AND HISTORICAL PLEDGED REVENUES," "THE UNIVERSITY," "SOURCES OF FUNDING FOR THE UNIVERSITY," "UNIVERSITY GOVERNANCE AND ADMINISTRATION," and "LITIGATION" and in Appendices A and B as of the Closing Date, does not contain any untrue statement of a material fact and does not omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

Section 8. Representation of the Remarketing Agent. The Remarketing Agent represents and warrants to the Regents as follows:

(a) The Remarketing Agent has been duly incorporated and is validly existing and in good standing under the laws of the state of its incorporation and is qualified and in good standing in all states and has all licenses necessary for it to perform its obligations hereunder;

(b) The Remarketing Agent has full power and authority to take all action required to be taken by it by or under, and to perform and observe the covenants and agreements on its part contained in this Remarketing Agreement and the Resolution;

(c) The Remarketing Agent has, on or before the date hereof, duly taken all action necessary to be taken by it prior to such date for the execution, delivery and performance of this Remarketing Agreement and the carrying out, giving effect to and the consummation and performance of the transactions and obligations contemplated hereby and by the Resolution;

(d) This Remarketing Agreement when executed and delivered by the parties hereto, will constitute a valid and binding obligation of the Remarketing Agent enforceable against the Remarketing Agent in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws, judicial decisions or principles of equity relating to or affecting the enforcement of creditors rights; and

(e) The execution and delivery of this Remarketing Agreement, the compliance with the terms, conditions or provisions hereof, and the consummation of the transactions herein contemplated do not, upon the date of execution and delivery hereof, and will not violate any presently existing law, regulation, order, writ, injunction or decree of any court or governmental instrumentality applicable to the Remarketing Agent.

Section 9. Dealing in Series 2007 Bonds by the Remarketing Agent. The Remarketing Agent, not in its individual capacity, but in its capacity as remarketing agent, either as principal or agent, may in good faith buy, sell, own, hold and deal in any of the Series 2007 Bonds, and may join in any action which any owner of Series 2007 Bonds tendered for purchase may be entitled to take with like effect as if it did not act in any capacity hereunder. The Remarketing Agent, in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Regents and may act as depository, trustee or agent for any committee or body of holders of Series 2007 Bonds or other obligations of the Regents as freely as if it did not act in any capacity hereunder.

Section 10. Fees and Expenses. For so long as a Weekly Interest Rate Period or a Term Interest Rate Period of less than one year applies to a Series of Series 2007 Bonds, the

Regents shall pay the Remarketing Agent an ongoing remarketing fee of 0.10% of the then weighted average outstanding principal amount of such Series of Series 2007 Bonds for the prior year multiplied by a fraction the numerator of which is the actual number of days elapsed since the last payment date and the denominator of which is 365, payable quarterly in arrears, on each February 1, May 1, August 1, and November 1, beginning on the first February 1, May 1, August 1 or November 1 following Conversion of a Series of Series 2007 Bonds into such Interest Rate Period. When Series 2007 Bonds of a Series are remarketed in connection with the Conversion of the then applicable Interest Rate Period to a period other than the Weekly Interest Rate Period or a Term Interest Rate Period of less than one year, the Regents and the Remarketing Agent will agree on a fee prior to such Conversion. In addition to the above, the Regents shall pay all reasonable expenses of delivering remarketed Series 2007 Bonds and reimburse the Remarketing Agent for all reasonable direct, out-of-pocket expenses incurred by the Remarketing Agent which relate, directly or indirectly, to the remarketing of the Series 2007 Bonds as contemplated hereby. The fees and other amounts payable under this Section 10 shall be payable in immediately available funds to the Remarketing Agent, at the Remarketing Agent's office at 717 17th Street, Suite 2500, Denver, Colorado 80202, Attention: Remarketing Department, or at such other address as the Remarketing Agent may provide in writing. Any fees due from the Regents hereunder which are not paid when due shall continue to accrue and be an obligation of the Regents until paid.

Section 11. Responsibilities of Remarketing Agent. The duties of the Remarketing Agent hereunder shall be solely as provided herein and in the Resolution, as amended and supplemented, and no implied covenant or obligation shall be read into this Remarketing Agreement against the Remarketing Agent. Unless otherwise agreed to in writing, the Remarketing Agent's obligations hereunder to remarket each Series of Series 2007 Bonds shall be on a best-efforts basis, and the Remarketing Agent shall not be obligated to underwrite the Series 2007 Bonds tendered for repurchase as provided in the Resolution, and nothing contained herein shall be construed so as to make the Remarketing Agent an underwriter of the Series 2007 Bonds. The Remarketing Agent may consult with counsel of its choice, including in-house counsel, and shall not be liable for any action taken in good faith and reliance upon advice of such counsel, except for liabilities, losses, damages, costs, expenses and fees arising out of the gross negligence or willful misconduct of the Remarketing Agent or any of its employees or agents. Except as otherwise provided herein, the Remarketing Agent may act or refrain from acting in reliance upon any resolution or other document transmitted to it on behalf of the Regents or the Trustee, if executed on behalf of such entity by any duly authorized representative thereof.

Section 12. Public Distribution. The parties hereto further acknowledge that a remarketing of Series 2007 Bonds in connection with establishing new Interest Rate Period for a Series of Series 2007 Bonds will require the preparation and distribution of a revised offering statement or a separate preliminary and/or final offering statement and a public distribution of such Series of Series 2007 Bonds. In connection with any such distribution, the Regents hereby agree to provide the Remarketing Agent with such information, opinions of counsel, accountants letters and certificates as may be reasonably requested by the Remarketing Agent and its counsel. All expenses related to the foregoing shall be paid by the Regents, except for expenses customarily paid for by placement or remarketing agents of similar securities.

Section 13. Notices. Unless otherwise provided herein, all notices, requests, certificates or other communications hereunder shall be sufficiently given if the same shall be duly mailed by registered or certified mail, return receipt requested, postage prepaid, or delivered by special courier or sent by an electronic method capable of creating written documents, in any case addressed as follows:

If to the Regents to: The Regents of the University of Idaho
Administration Building, Room 211
PO Box 443168
Moscow, Idaho 83844-3168
Attention: Vice President for Finance and
Administration and Bursar

If to the Trustee to: Wells Fargo Bank, National Association
877 W. Main Street, 3rd Floor
MAC U1858-033
Boise, ID 83702
Attention: Corporate Trust

If to the Remarketing Agent to: George K. Baum & Company
717 17th Street, Suite 2500
Denver, Colorado 80202
Attention: Short Term Desk

If to the Liquidity Facility Provider to: Dexia Credit Local
New York Branch
445 Park Avenue
New York, New York 10022
Attention: Manager, Public Finance

If to the Insurer to: Financial Security Assurance Inc.
31 West 52nd Street
New York, New York 10019
Attention: Managing Director-Surveillance

Section 14. Term of Remarketing Agreement. Subject to earlier termination in accordance with the terms hereof and the Resolution, this Remarketing Agreement shall terminate with respect to a Series of Series 2007 Bonds on the earlier of (i) the date of payment in full of such Series of Series 2007 Bonds or (ii) Conversion of such Series of Series 2007 Bonds to a Term Interest Rate Period which ends on the day immediately preceding the maturity date of such Series of Series 2007 Bonds.

Section 15. Miscellaneous.

(a) The Liquidity Facility Provider shall be a third party beneficiary of this Remarketing Agreement.

(b) This Remarketing Agreement shall be governed by and construed in accordance with the laws of the State of Idaho without giving effect to its choice of law principles and shall be binding upon the successors and assigns, if any, of the parties hereto.

(c) The Remarketing Agent's duties and obligations as Remarketing Agent for the Series 2007 Bonds shall be governed solely by the terms of this Remarketing Agreement and the Resolution. Any conflict between the terms of the Resolution and this Remarketing Agreement will be resolved in favor of the Resolution.

(d) Anything in this Remarketing Agreement or in the Resolution to the contrary notwithstanding, except as provided herein, the Remarketing Agent shall not be required to advance any of its own funds or otherwise incur financial liabilities in carrying out its duties hereunder.

(e) Any certificate authorized by any officer or agent of the Regents, signed by any officer or agent of the Regents and delivered to the Remarketing Agent, shall be deemed a representation by the Regents to the Remarketing Agent as to the statements made therein.

(f) This Remarketing Agreement may be amended only by written agreement signed by the Regents and the Remarketing Agent and consented to by the Liquidity Facility Provider.

(g) Any amendment or supplement of the Resolution which affects the rights, duties or obligations of the Remarketing Agent under the Resolution shall require the Remarketing Agent's prior written consent.

(h) This Remarketing Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall constitute an original, but such counterparts together shall constitute but one and the same agreement.

IN WITNESS WHEREOF, the Regents and the Remarketing Agent have caused this Agreement to be executed in their respective corporate capacities, all as of the date first written above.

GEORGE K. BAUM & COMPANY

By: _____
Its: Executive Vice President

THE REGENTS OF THE UNIVERSITY OF
IDAHO

By: _____
Lloyd Mues, Vice President for Finance and
Administration and Bursar

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CONTINUING DISCLOSURE AGREEMENT

Between

THE REGENTS OF THE UNIVERSITY OF IDAHO

and

**WELLS FARGO BANK, N.A.
as Trustee and Dissemination Agent**

Dated as of October 1, 2007

Relating to

**THE REGENTS OF THE UNIVERSITY OF IDAHO
\$ _____
Adjustable Rate General Revenue Refunding Bonds, Series 2007A**

and

**\$ _____
Adjustable Rate General Revenue Bonds, Series 2007B**

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "**Agreement**") dated as of October 1, 2007, is entered into by and between THE REGENTS OF THE UNIVERSITY OF IDAHO (the "**Regents**"), a body politic and corporate organized and existing under and pursuant to the Constitution and laws of the State of Idaho (the "**University**"), and WELLS FARGO BANK, N.A., (the "**Trustee**" and as more particularly defined below, the "**Dissemination Agent**") in connection with the issuance by the Regents of its \$_____ Adjustable Rate General Revenue Refunding Bonds, Series 2007A and \$_____ Adjustable Rate General Revenue Bonds, Series 2007B (collectively, the "**Series 2007 Bonds**"). The Series 2007 Bonds are being issued pursuant to a Supplemental Resolution adopted by the Regents on October __, 2007 (the "**2007 Supplemental Resolution**") supplementing that certain Resolution adopted by the Regents on November 22, 1991 (as subsequently amended and supplemented and together with the 2007 Supplemental Resolution, referred to herein as the "**Resolution**").

The Regents covenant and agree as follows:

SECTION 1. Purpose of the Agreement. This Agreement is being executed and delivered by the Regents for the benefit of the Bondowners and in order to allow the Participating Underwriters (as defined by Rule 15c2-12) to comply with Rule 15c2-12.

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Financial Information" means the financial information or operating data with respect to the University and the Pledged Revenues, delivered at least annually pursuant to Section 3 hereof, of the type set forth in the Official Statement, including but not limited to, such Pledged Revenues and debt service coverage information of the type set forth under the caption "PRO FORMA AND HISTORICAL PLEDGED REVENUES," provided that such information shall be provided only on an actual basis, financial information and operating data set forth under captions "SECURITY FOR THE SERIES 2007 BONDS – Student Fees," " – Sales and Services Revenues," " – Facilities and Administrative Recovery Revenues," " – Other Operating Revenues" and " – Investment Income," "THE UNIVERSITY – Housing and Student Union Facilities," "SOURCES OF FUNDING FOR THE UNIVERSITY – State Appropriations," " – Schedule of Outstanding Indebtedness," the table titled "Five-Year Historical Enrollment Summary" under the caption "THE UNIVERSITY – Student Body," and the table in Appendix B titled "Schedule of Student Fees."

"Audited Financial Statements" means the annual financial statements for the University, prepared in accordance with generally accepted accounting principles as in effect from time to time, audited by a firm of certified public accountants.

"Bondowner" or **"owner of the Series 2007 Bonds"** means the registered owner of the Series 2007 Bonds, and so long as the Series 2007 Bonds are subject to the book-entry system, any Beneficial Owner as such term is defined in the Resolution.

"Central Post Office" means Disclosure USA, a website accessible at www.disclosureusa.org or any other national central repository authorized by the Securities and Exchange Commission for continuing disclosure filings by issuers of municipal securities pursuant to the Rule 15c2-12.

"Dissemination Agent" means Wells Fargo Bank, N.A., acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Regents and which has filed with the Trustee under the Resolution a written acceptance of such designation.

"Events" means any of the events listed in Section 4(a) of this Agreement.

"MSRB" means the Municipal Securities Rulemaking Board. The address of the MSRB as of the date hereof is 1900 Duke Street, Suite 600, Alexandria, Virginia 22314; fax 703-797-6700.

"National Repository" means any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule 15c2-12.

"Official Statement" means the final Official Statement dated October __, 2007 delivered in connection with the original issue and sale of the Series 2007 Bonds.

"Repository" or **"Repositories"** means each National Repository and the State Repository.

"Rule 15c2-12" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State Repository" shall mean the public or private repository or entity, if any, designated by the State of Colorado as a state information depository for purposes of Rule 15c2-12. As of the date of this Agreement, there is no State Repository for the State of Colorado.

SECTION 3. Provision of Annual Information.

(a) Commencing with the Fiscal Year ended June 30, 2007, and annually while the Series 2007 Bonds remain outstanding, the Regents shall provide to the Dissemination Agent Annual Financial Information and Audited Financial Statements.

(b) Such Annual Financial Information shall be provided by the Regents not later than [180] days after the end of each Fiscal Year. The Audited Financial Statements will be provided when available but in no event later than 180 days after the end of each Fiscal Year.

(c) The Regents may provide Annual Financial Information and Audited Financial Statements with respect to the University and the Pledged Revenues by specific cross-reference to other documents which have been submitted by the Dissemination Agent to the Repositories or the Central Post Office or filed with the Securities and Exchange Commission. If the document so referenced is a final official statement within the meaning of Rule 15c2-12, such final official statement must also be available from the MSRB. The Regents shall clearly identify each such other document so incorporated by cross-reference.

(d) The Dissemination Agent shall provide Annual Financial Information and Audited Financial Statements to the Repositories or the Central Post Office on or before the tenth day after the Dissemination Agent receives such Annual Financial Information and Audited Financial Statements. The Regents shall include with each submission of Annual Financial Information to the Dissemination Agent a written representation addressed to the Dissemination Agent to the effect that the Annual Financial Information is the Annual Financial Information required by this Agreement and that it complies with the applicable requirements of this Agreement.

SECTION 4. Reporting of Events.

(a) This Section 4 shall govern the giving of notices of the occurrence of any of the following Events with respect to the Series 2007 Bonds:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on any credit enhancement relating to the Series 2007 Bonds 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 Series 2007 Bonds.
7. Modifications to the rights of the security holders.
8. Bond calls (other than mandatory sinking fund redemption).
9. Defeasances.
10. Release, substitution or sale of property securing repayment of the securities.
11. Rating changes.

(b) At any time when the Series 2007 Bonds are Outstanding and the Regents obtain knowledge of the occurrence of an Event, the Regents shall determine if such Event would constitute material information for owners of Series 2007 Bonds, *provided*, that any Event under subsection (a)(7), (8) or (11) will always be deemed to be material.

(c) If the Regents determine that knowledge of the occurrence of an Event would be material, the Regents shall provide, in a timely manner, to the Dissemination Agent and the Dissemination agent shall promptly file a notice of such occurrence with the MSRB and either the Repositories or the Central Post Office. Notwithstanding the foregoing, notice of Events described in subsections (a)(8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to owners of affected Series 2007 Bonds pursuant to the Resolution.

(d) The Dissemination Agent, if the Dissemination Agent is also the Trustee, shall promptly advise the Regents whenever, in the course of performing its duties as Trustee under the Resolution, it identifies an occurrence of an Event which, if material, would require the Regents to provide a notice pursuant to subsection (c) above; provided that the failure of the Dissemination Agent so to advise the Regents of such occurrence shall not constitute a breach by the Dissemination Agent, in its capacity as Trustee, of any of its duties and responsibilities hereunder or under the Resolution.

(e) At any time the Series 2007 Bonds are outstanding, the Dissemination Agent shall, without further direction or instruction from the Regents, provide in a timely manner to the MSRB and either the Repositories or the Central Post Office notice of any failure by the Regents to provide Annual Financial Information and Audited Financial Statements as specified in Section 3 hereof.

SECTION 5. Concerning the Dissemination Agent.

(a) The Dissemination Agent shall not have any obligation to examine or review the Annual Financial Information and Audited Financial Statements and neither shall it have a duty to verify the accuracy or completeness of the Annual Financial Information and Audited Financial Statements.

(b) Solely for the purpose of (i) defining the standards of care and performance, including indemnification, applicable to the Dissemination Agent in the performance of its obligations under this Agreement, (ii) the manner of execution by the Dissemination Agent of those obligations, and (iii) matters of removal, resignation, succession of the Dissemination Agent under this Agreement, Article VIII of the Resolution is hereby made applicable to this Agreement as if this Agreement was (solely for this purpose) contained in the Resolution; provided that the Dissemination Agent shall have only such duties under this Agreement as are specifically set forth in this Agreement. Except as provided in Section 4(e) hereof, the Dissemination Agent shall have no duty to investigate or monitor compliance by the Regents with the terms of this Agreement.

SECTION 5. Term. This Agreement shall be in effect from and after the issuance and delivery of the Series 2007 Bonds and shall extend to the earliest of (a) the date all principal and interest on the Series 2007 Bonds shall have been deemed paid pursuant to the terms of the Resolution; (b) the date that the Regents shall no longer constitute an "obligated person" with respect to the Series 2007 Bonds within the meaning of Rule 15c2-12; and (c) the date on which those portions of Rule 15c2-12 which require this Agreement are determined to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Series 2007 Bonds, which determination may be made in any manner deemed appropriate by the Regents, including by an opinion of any attorney or firm of attorneys experienced in federal securities laws selected by the Regents. The Regents shall provide a notice of any such termination with the Dissemination Agent who shall file such notice with either the Repositories or the Central Post Office and the MSRB.

SECTION 6. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the Regents may amend this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver is consistent with Rule 15c2-12. Written notice of any such amendment or waiver shall be provided by the Regents to the Dissemination Agent who shall file it with either the Repositories or the Central Post Office and to the MSRB, and the Annual Financial Information shall explain the reasons for the amendment and the impact of any change in the type of information being provided. If any amendment changes the accounting principles to be followed in preparing financial statements, the Annual Financial Information for the year in which the change is made will present a comparison between the financial statement or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 7. Additional Information. Nothing in this Agreement shall be deemed to prevent the Regents from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other annual information or notice of occurrence of an event which is not an Event, in addition to that which is required by this Agreement; provided that the Regents shall not be required to do so. If the Regents choose to include any annual information or notice of occurrence of an event in addition to that which is specifically required by this Agreement, the Regents shall have no obligation under this Agreement to update such information or include it in any future annual filing or notice of occurrence of an Event.

SECTION 8. Default and Enforcement. If the Regents fail to comply with any provision of this Agreement, any Bondowner may take action to seek specific performance by court order to compel the Regents to comply with its undertaking in this Agreement; provided that any Bondowner seeking to

require the Regents to so comply shall first provide at least 30 days' prior written notice to the Regents of the Regents' failure (giving reasonable details of such failure), following which notice the Regents shall have 30 days to comply and, provided further, that only the owners of no less than a majority in aggregate principal amount of the Series 2007 Bonds may take action to seek specific performance in connection with a challenge to the adequacy of the information provided by the Regents in accordance with this Agreement, after notice and opportunity to comply as provided herein, and such action shall be taken only in a court of jurisdiction in the State of Idaho. A DEFAULT UNDER THIS AGREEMENT SHALL NOT BE DEEMED AN EVENT OF DEFAULT UNDER THE RESOLUTION OR THE SERIES 2007 BONDS, AND THE SOLE REMEDY UNDER THIS AGREEMENT IN THE EVENT OF ANY FAILURE OF THE REGENTS TO COMPLY WITH THIS AGREEMENT SHALL BE AN ACTION TO COMPEL PERFORMANCE.

SECTION 9. Beneficiaries. The Agreement shall inure solely to the benefit of the Regents, the Participating Underwriters and owners from time to time of the Series 2007 Bonds, and shall create no rights in any other person or entity.

Date: October __, 2007

**THE REGENTS OF THE UNIVERSITY OF
IDAHO**

By: _____
Lloyd Mues, Vice President for Finance and
Administration and Bursar

STANDBY BOND PURCHASE AGREEMENT

among

THE REGENTS OF THE UNIVERSITY OF IDAHO,
as the Issuer,

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as the Trustee

and

DEXIA CREDIT LOCAL,
acting through its New York Branch,
as the Bank

in connection with

[\$[Par Amount]
THE REGENTS OF THE UNIVERSITY OF IDAHO
ADJUSTABLE RATE GENERAL REVENUE REFUNDING BONDS
SERIES 2007A

Dated as of October 1, 2007

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STANDBY BOND PURCHASE AGREEMENT

THIS STANDBY BOND PURCHASE AGREEMENT (this “Agreement”) dated October 1, 2007 is among THE REGENTS OF THE UNIVERSITY OF IDAHO, 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 (the “Issuer”), WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association having trust powers, as Trustee under that certain Resolution, as hereinafter defined (together with any successors thereto, the “Trustee”), and DEXIA CREDIT LOCAL, a banking corporation duly organized and existing under the laws of the Republic of France, acting through its New York Branch (the “Bank”).

WITNESSETH:

WHEREAS, the Regents of the University of Idaho (the “Regents”) are authorized, pursuant to the Educational Institutions Act of 1935, the same being chapter 38, Title 33, Idaho Code and Chapter 2, Title 57 (collectively, the “Act”), and the Constitution of the State of Idaho, to issue bonds for “projects” as defined in said Act;

WHEREAS, the Regents are authorized pursuant to said Act and pursuant to Title 57, chapter 5, Idaho Code, to issue refunding bonds and bonds for “projects” as defined in said Act;

WHEREAS, on November 22, 1991, the Regents adopted a Resolution, which has been subsequently amended, supplemented and restated (as more particularly defined herein, the “Resolution”) relating to the issuance and sale of certain bonds;

WHEREAS, the Regents have determined that certain of the bonds can be refunded in accordance with the Act, and to achieve savings and other objectives that the Regents find to be beneficial to the University in accordance with Title 57, chapter 5, Idaho Code;

WHEREAS, the Regents have determined that certain electrical equipment upgrades and capital maintenance on, and replacement of, portions of the University’s utility corridor, central steam plant and central chiller and related improvements (collectively, the “Series 2007B Project”) can be financed as a “project” in accordance with the Act;

WHEREAS, in order to refund certain bonds issued under the Resolution and finance the Series 2007B Project, the University desires to issue its \$[Par Amount] aggregate principal amount of Adjustable Rate General Revenue Refunding Bonds, Series 2007A (the “Series 2007A Bonds”) and \$[_____] aggregate principal amount of Adjustable Rate General Revenue Bonds, Series 2007B (the “Series 2007B Bonds”) pursuant to a Supplemental Resolution adopted on [_____] 2007 (as more particularly defined herein, the “Supplemental Resolution”);

WHEREAS, the payment of the principal of and interest on the Series 2007A Bonds (including Purchased Series 2007A Bonds, as hereinafter defined) when due is to be insured by a municipal bond insurance policy (together with any and all endorsements thereto, the “Bond Insurance Policy”) to be issued by Financial Security Assurance Inc., a New York stock

insurance company (together with its successors and assigns, the “Bond Insurer”), in favor of the holders of the Series 2007A Bonds (including the Bank); and

WHEREAS, the Series 2007A Bonds are subject to purchase from time to time at the option of the owners thereof and are required to be purchased in certain events and, to further assure the availability of funds for the payment of the purchase price therefor, the Issuer has provided for the remarketing of such Series 2007A Bonds and, to the extent such remarketing may not be successful, for the purchase of such Series 2007A Bonds by the provider of a liquidity facility, such provider initially being the Bank under the terms hereof.

NOW, THEREFORE, in consideration of the respective agreements contained herein, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. The following terms have the meanings indicated below or in the referenced Section of this Agreement, unless the context shall clearly indicate otherwise:

“Alternate Liquidity Facility” means a replacement standby bond purchase agreement or other liquidity facility meeting the requirements of the Resolution.

“Assignee” shall have the meaning assigned to such term in Section 8.03 hereof.

“Available Commitment” means on any day the sum of the Available Principal Commitment and the Available Interest Commitment on such day.

“Available Interest Commitment” initially means \$[Interest Amount], while the Series 2007A Bonds bear interest at a Term Interest Rate, an amount equal to 184 days of interest on the Series 2007A Bonds calculated at an assumed rate of [12]% per annum based on a year of 360 days consisting of twelve 30-day months and while the Series 2007A Bonds bear interest at a Weekly Interest Rate, an amount equal to [_____] days of interest on the Series 2007A Bonds calculated at an assumed rate of [12]% per annum based on a year of 365 days for the actual number of days elapsed payable monthly in arrears and thereafter means such amount adjusted from time to time as follows: (a) downward by an amount that bears the same proportion to such amount as the amount of any reduction in the Available Principal Commitment pursuant to the definition of “Available Principal Commitment” bears to the Available Principal Commitment prior to such reduction; (b) upward by an amount that bears the same proportion to such amount as the amount of any increase in the Available Principal Commitment pursuant to clause (c) of the definition of “Available Principal Commitment” bears to the Available Principal Commitment prior to such increase; and (c) downward by the amount of any reduction of the Available Interest Commitment pursuant to Section 2.03(b) hereof; *provided* that after giving effect to such adjustments the Available Interest Commitment shall never exceed \$[Interest Amount]. Any adjustments pursuant to clauses (a) and (b) above shall occur simultaneously with the event requiring such adjustment.

“Available Principal Commitment” initially means \$[Par Amount], constituting the principal amount of the Series 2007A Bonds, and thereafter means such amount adjusted from time to time as follows: (a) downward by the amount of any reduction of the Available Principal

Commitment pursuant to Section 2.03 hereof; (b) downward by the principal amount of any Series 2007A Bonds purchased by the Bank pursuant to Section 2.02 hereof; and (c) upward by the principal amount of any Series 2007A Bonds theretofore purchased by the Bank pursuant to Section 2.02 hereof that are resold by a Purchased Series 2007A Bondholder pursuant to Section 2.04(b) hereof or which are retained by a Purchased Series 2007A Bondholder and cease to bear interest at the Purchased Series 2007A Bond Rate pursuant to Section 2.04(d) hereof; *provided* that after giving effect to such adjustments the Available Principal Commitment shall never exceed \$[Par Amount]. Any adjustments pursuant to clauses (a), (b) and (c) above shall occur simultaneously with the event requiring such adjustment.

“Bank” shall have the meaning assigned to that term in the introductory paragraph of this Agreement.

“Base Rate” means the higher of (a) the fluctuating rate per annum equal to the “prime rate” listed daily in the “Money Rate” section of The Wall Street Journal, or if The Wall Street Journal is not published on a particular Business Day, then, the “prime rate” published in any other national financial journal or newspaper selected by the Bank, and if more than one such rate is listed in the applicable publication, the highest such rate shall be used, or (b) the Fed Funds Rate plus 0.50%. Any change in the Base Rate shall take effect on the date specified in the announcement of such change.

“Bond Insurance Policy” shall have the meaning assigned to that term in the recitals to this Agreement.

“Bond Insurer” shall have the meaning assigned to that term in the recitals to this Agreement.

“Bond Insurer Event of Insolvency” means the occurrence and continuance of one or more of the following events: (a) the issuance, under Article 74 of the Insurance Law of New York or any successor provision thereof (or any other law to which the Bond Insurer is at the time subject), of an order for relief, rehabilitation, reorganization, conservation, liquidation or dissolution of the Bond Insurer that is not dismissed within 90 days; (b) the commencement by the Bond Insurer of a voluntary case or other proceeding seeking an order for relief, liquidation, supervision, rehabilitation, conservation, reorganization or dissolution with respect to itself or its debts under the laws of the state of incorporation or formation of the Bond Insurer or any bankruptcy, insolvency or other similar law now or hereafter in effect including, without limitation, the appointment of a trustee, receiver, liquidator, conservator, custodian or other similar official for itself or any substantial part of its property; (c) the consent of the Bond Insurer to any relief referred to in the preceding clause (b) in an involuntary case or other proceeding commenced against it; (d) the making by the Bond Insurer of an assignment for the benefit of creditors; (e) the failure of the Bond Insurer generally to pay its debts or claims as they become due; provided that any failure by the Bond Insurer to make payment on any municipal bond insurance policy (i) that is being contested in good faith or (ii) with respect to which 30 days have not elapsed, shall not constitute a failure by the Bond Insurer generally to pay its debts or claims as they become due; or (f) the initiation by the Bond Insurer of any actions to authorize any of the foregoing.

“Bond Purchase Agreement” means the Bond Purchase Contract, dated October [___], 2007, between the Issuer and George K. Baum & Company, as amended or supplemented in accordance with the terms hereof or thereof.

“Bond Register” means the bond register maintained by the Trustee or other bond registrar designated in the Resolution in accordance with the Resolution.

“Bonds” shall have the meaning assigned to that term in the Resolution.

“Book-Entry Series 2007A Bonds” means the Series 2007A Bonds so long as the book-entry system with DTC is used for determining beneficial ownership of the Series 2007A Bonds.

“Business Day” shall have the meaning assigned to that term in the Resolution.

“Capped Rate” means the lesser of (i) 25% per annum and (ii) the maximum rate permitted by applicable law.

“Change of Law” means the adoption of, or change in, after the Effective Date, any law, rule, regulation, statute, treaty, guideline or directive of any Governmental Authority or the occurrence of the effective date of any of the foregoing if adopted prior to the Effective Date, or any change after the Effective Date in the application, interpretation or enforcement of any of the foregoing.

“Code” means the Internal Revenue Code of 1986, as amended.

“Debt” means (a) indebtedness or liability for borrowed money, or for the deferred purchase price of property or services; (b) obligations as lessee under leases which are, should be or should have been reported as capital leases in accordance with Generally Accepted Accounting Principles; (c) current liabilities in respect of unfunded vested benefits under plans covered by Title IV of ERISA; (d) all guarantees, endorsements (other than for collection or deposit in the ordinary course of business) and other contingent obligations to purchase, to provide funds for payment, to supply funds to invest in any Person or otherwise to assure a creditor against loss; (e) obligations secured by any mortgage, lien, pledge, security interest or other charge or encumbrance on property, whether or not the obligations have been assumed; and (f) all other items or obligations which would be included in determining total liabilities on the balance sheet of a Person; *provided, however*, that “Debt” shall not include trade payables and similar obligations incurred in the ordinary course of business.

“Defaulted Interest” means accrued interest payable on a Series 2007A Bond that was not paid when due under the terms of the Resolution.

“Default Rate” means a rate per annum equal to the Base Rate plus an amount equal to 3.00%.

“Differential Interest Amount” means, with respect to any Purchased Series 2007A Bond, the excess of (a) interest which has accrued and could actually be paid on such Purchased Series 2007A Bond at the Purchased Series 2007A Bond Rate, as determined in accordance with Section 3.01 hereof, up to but excluding the Sale Date, less (b) the amount of interest on such Purchased Series 2007A Bond received by the Purchased Series 2007A Bondholder on the Sale Date as part of the Sale Price. “Differential Interest Amount” shall not include the Final Excess Series 2007A Bond Interest Amount.

“Dollars” and “\$” means the lawful currency of the United States of America.

“DTC” means The Depository Trust Company.

“Effective Date” means October [___], 2007.

“Eligible Series 2007A Bonds” means any Series 2007A Bond other than Series 2007A Bonds owned by, for the account of, or on behalf of, the Issuer, and excludes, in any event, Purchased Series 2007A Bonds and Series 2007A Bonds that have been removed from coverage under this Agreement by redemption, defeasance or substitution of an Alternate Liquidity Facility.

“Event of Default” shall have the meaning assigned to that term in Section 7.02 hereof.

“Event of Termination” shall have the meaning assigned to that term in Section 7.01 hereof.

“Excess Series 2007A Bond Interest” shall have the meaning assigned to that term in Section 3.01(c) hereof.

“Excess Series 2007A Bond Interest Amount” shall have the meaning assigned to that term in Section 3.01(c) hereof.

“Extended Purchase Period” shall have the meaning assigned to that term in Section 8.10 hereof.

“Fed Funds Rate” means for any day, a fluctuating interest rate per annum equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not published for any day which is a Business Day, the average of the quotations for such day on such transactions received by the Bank from three federal funds brokers of recognized standing selected by it.

“Fee Payment Date” means the first Business Day of each January, April, July and October during the Purchase Period.

“Final Excess Series 2007A Bond Interest Amount” shall have the meaning assigned to that term in Section 3.01(c) hereof.

“Fitch” means Fitch, Inc., and any successor rating agency thereto, if Fitch has assigned a financial strength rating to the Bond Insurer.

“Generally Accepted Accounting Principles” means generally accepted accounting principles consistently applied and maintained throughout the period indicated and consistent with the prior financial practice of the Issuer, except for changes permitted by the Financial Accounting Standards Board or any similar accounting authority of comparable standing.

“Governmental Authority” means any national, state or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi governmental, judicial, public or statutory instrumentality, authority, body, agency, bureau, central bank or comparable authority.

“Interest Component” shall have the meaning assigned to that term in Section 2.01 hereof.

“Interest Payment Date” with respect to Purchased Series 2007A Bonds means the first Business Day of each calendar month and, with respect to Series 2007A Bonds that are not Purchased Series 2007A Bonds, shall have the meaning assigned to that term in the Resolution.

“Issuer” shall have the meaning assigned to that term in the introductory paragraph of this Agreement.

“Mandatory Purchase Date” means each date Series 2007A Bonds are required to be purchased pursuant to the Resolution.

“Maximum Recoverable Rate” means the lesser of (a) 30% per annum and (b) the maximum rate of interest on the relevant obligation permitted by applicable law.

“Moody’s” means Moody’s Investors Service, Inc., and any successor rating agency thereto.

“Non-Covered Interest Rate” means the Purchased Series 2007A Bond Rate or a Term Interest Rate on the Series 2007A Bonds fixed to maturity.

“Notice of Extension” means a notice in the form of Exhibit C attached hereto.

“Notice of Purchase” means a notice in the form of Exhibit A attached hereto.

“Notice of Termination” means a notice in the form of Exhibit B attached hereto.

“Notice of Unremarketed Series 2007A Bonds” means a notice in the form of Exhibit D attached hereto.

“Official Statement” means the Official Statement of the Issuer, dated October [___], 2007 with respect to the Series 2007 Bonds, and any supplement thereto used with respect to the Series 2007A Bonds.

“Outstanding” has the meaning assigned to such term in the Resolution.

“Participant” means any entity to which the Bank has sold a participation in this Agreement pursuant to Section 8.03 hereof.

“Permitted Minimum Bond Insurer Ratings” means a financial strength rating by Moody’s of “Aa3” (or its equivalent) or higher, by S&P of “AA-” (or its equivalent) or higher and by Fitch of “AA-” (or its equivalent) or higher.

“Person” means an individual, a corporation, a partnership, a limited liability corporation, an association, a trust or any other entity or organization, including a government or a political subdivision or an agency or instrumentality thereof.

“Pledged Revenues” has the meaning assigned to such term in the Resolution.

“Potential Event of Termination” shall have the meaning assigned to that term in Section 7.03(d) hereof.

“Purchase Date” means a Business Day during the Purchase Period on which the Bank is required to purchase Tendered Series 2007A Bonds pursuant to Section 2.02 hereof.

“Purchase Notice” shall have the meaning assigned to that term in Section 2.04(b) hereof.

“Purchase Period” means the period from the Effective Date to and including 5:00 p.m. on the earliest to occur of (a) the Stated Expiration Date, (b) the date of receipt by the Bank of a

certificate signed by the Trustee stating that this Agreement has been terminated pursuant to the terms of the Resolution because (i) an Alternate Liquidity Facility has been provided and become effective under the Resolution, provided that this Agreement shall not terminate until the Bank has purchased any Series 2007A Bonds required to be purchased pursuant to any mandatory tender resulting from the provision of any Alternate Liquidity Facility, (ii) no Series 2007A Bonds remain Outstanding under the Resolution or (iii) all of the Series 2007A Bonds have been converted to a Non-Covered Interest Rate, (c) the date specified in a written notice delivered by the Issuer to the Bank that the Issuer has elected to terminate this Agreement pursuant to Section 8.09(b) hereof, or (d) the Purchase Termination Date.

“Purchase Price” means an amount equal to 100% of the unpaid principal amount of any Tendered Series 2007A Bond, plus accrued and unpaid interest thereon from and including the Interest Payment Date next preceding the Purchase Date thereof, in each case, without premium, to the Purchase Date; *provided, however*, that if the Purchase Date is an Interest Payment Date, then the Purchase Price shall not include accrued and unpaid interest; and provided, further that the aggregate amount of the Purchase Price constituting the Interest Component shall not exceed the amount specified in Section 2.01 hereof.

“Purchase Termination Date” means the date on which the Bank is no longer required to purchase Tendered Series 2007A Bonds pursuant to Section 7.03(a), (b), (c) or (d) hereof.

“Purchased Series 2007A Bondholder” means the Bank (in its capacity as owner (which shall include beneficial owner if the Series 2007A Bonds are Book-Entry Series 2007A Bonds) of Purchased Series 2007A Bonds pursuant to this Agreement) and any Assignee and other Person to whom the Bank has sold Purchased Series 2007A Bonds or beneficial interests therein pursuant to Section 2.04(a) hereof.

“Purchased Series 2007A Bond Rate” means the interest rate applicable from time to time to Purchased Series 2007A Bonds, as specified in Section 3.01 of this Agreement.

“Purchased Series 2007A Bonds” means each Series 2007A Bond purchased with funds provided by the Bank under this Agreement, until such Series 2007A Bonds are remarketed in accordance with Section 2.04(b) hereof or cease to bear interest at the Purchased Series 2007A Bond Rate pursuant to Section 2.04(c) hereof and defined as “Liquidity Facility Provider Bonds” in the Resolution.

“Refunded Bonds” means [_____].

“Related Documents” means this Agreement, the Resolution, the Series 2007 Bonds, the Series 2007B Liquidity Facility, the Bond Insurance Policy, the Bond Purchase Agreement, the Official Statement, the Remarketing Agreement, any authorizing resolutions of the Issuer, and any exhibits, instruments or agreements relating thereto, as the same may be amended from time to time in accordance with their respective terms and the terms hereof.

“Remarketing Agent” means George K. Baum & Company and its successors and assigns or any successor remarketing agent appointed pursuant to the Resolution.

“Remarketing Agreement” means the Remarketing Agreement dated as of October 1, 2007 between the Issuer and the Remarketing Agent, as amended or supplemented in accordance with the terms hereof or thereof, or such other agreement as may be entered into with any remarketing agent with respect to the remarketing of the Series 2007A Bonds.

“Resolution” means the Resolution adopted by the Regents on November 22, 1991, as previously amended, supplemented and restated, including by the Supplemental Resolution.

“S&P” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., and any successor rating agency thereto.

“Sale Date” shall have the meaning assigned to that term in Section 2.04(b) hereof, and shall not be earlier than the second Business Day following the Business Day on which a Purchased Series 2007A Bondholder receives a Purchase Notice in accordance with Section 2.04(b) hereof.

“Sale Price” shall have the meaning assigned to that term in Section 2.04(b) hereof.

“Section 3.01(a) Rate” shall have the meaning set forth in Section 3.01(c) hereof.

“Series 2007 Bonds” means, collectively, the Series 2007A Bonds and the Series 2007B Bonds.

“Series 2007A Bonds” shall have the meaning assigned to that term in the recitals to this Agreement and shall include, unless the context otherwise requires, all Purchased Series 2007A Bonds.

“Series 2007B Bonds” shall have the meaning assigned to that term in the recitals to this Agreement.

“Series 2007B Liquidity Facility” means the Standby Bond Purchase Agreement dated as of October 1, 2007 among the Issuer, the Trustee and the Bank, as amended or supplemented in accordance with the terms hereof or thereof, or a replacement standby bond purchase agreement or other liquidity facility with respect to the Series 2007B Bonds meeting the requirements of the Resolution.

“Stated Expiration Date” means 5:00 p.m. on the later of (a) October [___], 2019, or (b) the last day of any extension of such date pursuant to Section 8.10 hereof; *provided, however*, that if the date specified in (a) or (b), as applicable, is not a Business Day, “Stated Expiration Date” shall mean the next preceding Business Day.

“Supplemental Resolution” means the Supplemental Resolution of the Issuer adopted on [_____], 2007, authorizing the Series 2007 Bonds.

“Taxes” has the meaning set forth in Section 2.07(c) hereof.

“Tendered Series 2007A Bonds” means, as of any date, Eligible Series 2007A Bonds that are tendered, or deemed tendered, for purchase pursuant to the Resolution.

“Term Interest Rate” shall have the meaning assigned to that term in the Supplemental Resolution.

“Term-Out Commencement Date” shall have the meaning assigned to that term in Section 3.03(a) hereof.

“Termination Event” shall have the meaning assigned to that term in Section 7.03(a) hereof.

“Trustee” shall have the meaning assigned to that term in the introductory paragraph of this Agreement.

“Underlying Bond Rating” means any unenhanced credit rating of the Series 2007A Bonds by Moody’s or S&P.

“Weekly Interest Rate” shall have the meaning assigned to that term in the Supplemental Resolution.

Section 1.02. Incorporation of Certain Definitions by Reference. Each capitalized term used but not defined herein shall have the meaning assigned to such term in the Resolution.

Section 1.03. Computation of Time Periods. In this Agreement, in the computation of a period of time from a specified date to a later specified date, the word “from” means “from and including” and the words “to” and “until” each mean “to but excluding.”

Section 1.04. Construction. Unless the context of this Agreement otherwise clearly requires, references to the plural include the singular, the singular includes the plural and the part includes the whole and “or” has the inclusive meaning represented by the phrase “and/or.” The words “hereof,” “herein,” “hereunder” and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. The word “including” has the meaning “including, but not limited to.” The section headings contained in this Agreement and the table of contents preceding this Agreement are for reference purposes only and shall not control or affect the construction of this Agreement or the interpretation thereof in any respect. Section, subsection and exhibit references are to this Agreement unless otherwise specified.

Section 1.05. Accounting Terms and Determinations. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared, in accordance with Generally Accepted Accounting Principles.

Section 1.06. Time. All times are the time then in effect in New York, New York.

ARTICLE II

THE COMMITMENT; FEES AND CERTAIN PAYMENTS

Section 2.01. Commitment to Purchase Series 2007A Bonds.

(a) Commitment. The Bank agrees, on the terms and subject to the satisfaction of the conditions contained in this Agreement, to purchase Eligible Series 2007A Bonds which are tendered or deemed tendered for purchase pursuant to Sections 4.7(a) and 4.8(b) of the Supplemental Resolution for which there are not sufficient remarketing proceeds available for such purchase, for the Bank’s own account, from time to time during the Purchase Period at the Purchase Price. The aggregate principal amount (or portion thereof) of any Series 2007A Bond purchased by the Bank on any Purchase Date shall be an authorized denomination applicable to Eligible Series 2007A Bonds pursuant to the Resolution, and the aggregate principal amount of all Series 2007A Bonds purchased on any Purchase Date shall not exceed the Available Principal Commitment on such date. The aggregate amount of the portion of the Purchase Price comprising interest on the Series 2007A Bonds (the “Interest Component”) purchased on any Purchase Date shall not exceed the lesser of (i) the Available Interest Commitment on such date

or (ii) the actual aggregate amount of interest accrued on each such Series 2007A Bond, other than Defaulted Interest, to such Purchase Date; *provided, however*, that in the event the Purchase Date is also an Interest Payment Date for the Series 2007A Bonds to be purchased, no accrued interest on such Series 2007A Bonds shall be included in the Purchase Price. Any Series 2007A Bonds so purchased shall thereupon constitute Purchased Series 2007A Bonds and shall, from the date of such purchase and while they are Purchased Series 2007A Bonds, bear interest at the Purchased Series 2007A Bond Rate and have other characteristics of Purchased Series 2007A Bonds as set forth herein and in the Resolution.

(b) Limited Commitment. The Bank's commitment under this Agreement is limited to the purchase of Tendered Series 2007A Bonds, and does not guarantee the payment of principal of or interest on the Series 2007A Bonds.

(c) Rights of Series 2007A Bondholder. In the event that the Bank purchases any Tendered Series 2007A Bonds in accordance with the provisions of this Section 2.01, in addition to its rights hereunder, the Bank shall be entitled to exercise all of the rights of (except the right to tender Series 2007A Bonds for purchase under the Resolution), and shall be secured to the same extent as, any other holder of Series 2007A Bonds under the Resolution, including, without limitation, the right to receive payments of principal and interest, all rights with respect to payments under the Bond Insurance Policy, the right to have such Purchased Series 2007A Bonds remarketed pursuant to the Resolution and the Remarketing Agreement and all rights under the Resolution upon the occurrence and continuation beyond any applicable grace period of any "event of default" under the Resolution.

Section 2.02. Method of Purchasing.

(a) Notice of Purchase. On the Business Day immediately preceding the date on which Series 2007A Bonds are subject to tender for purchase by the Bank pursuant to the Resolution, the Trustee shall give written notice to the Bank by facsimile, in the form of Exhibit D, of the principal amount of Series 2007A Bonds to be tendered on the next Business Day that were not remarketed or for which no notice of remarketing was received; *provided, however*, that the failure of the Trustee to provide such Notice of Unremarketed Series 2007A Bonds shall not, of itself, negate the obligation of the Bank to purchase Series 2007A Bonds upon and subject to the terms and conditions otherwise provided hereunder. By no later than 12:00 noon on the Business Day on which Series 2007A Bonds are subject to an optional tender or mandatory purchase, the Trustee shall give written notice of purchase, by facsimile, in the form of Exhibit A. If the Bank receives such notice at or before 12:00 noon, and subject to the satisfaction of the conditions set forth in Section 5.02 hereof, the Bank will transfer to the Trustee not later than 2:30 p.m. on such date (a "Purchase Date"), in immediately available funds, an amount equal to the aggregate Purchase Price of all or such portion of such Eligible Series 2007A Bonds as requested by the Trustee. Series 2007A Bonds purchased pursuant to this Section 2.02(a) shall be registered in the name of the Bank, or if directed in writing by the Bank its nominee or designee, on the Bond Register and shall be promptly delivered to the Trustee to be held as Purchased Series 2007A Bonds or as the Bank may otherwise direct in writing, and prior to such delivery shall be held in trust by the Trustee for the benefit of the Bank. If the Series 2007A Bonds purchased pursuant to this Section 2.02(a) are Book Entry Series 2007A Bonds, the beneficial ownership of such Series 2007A Bonds shall be credited to the account of the Bank, or

if directed in writing by the Bank, the Trustee or other nominee or designee of the Bank, maintained at DTC.

(b) Remittance of Extra Funds. In the event that any funds paid by the Bank to the Trustee pursuant to Section 2.02(a) hereof shall not be required to be applied to purchase Series 2007A Bonds as provided herein, such funds shall be returned to the Bank as soon as practicable by the Trustee and until so returned shall be held in trust by the Trustee for the account of the Bank. To the extent any such amounts are not returned to the Bank in immediately available funds by 3:30 p.m. on the same day on which such funds were advanced, such amounts shall bear interest, payable by the Issuer on demand and in any event on the date on which such funds are returned, at a rate equal to the Base Rate from the date disbursed until the date returned to the Bank (but in any event for not less than one day). The parties hereto acknowledge that such amount is not covered by the Bond Insurance Policy.

(c) No Liability of the Bank. The Bank shall not have any responsibility for, or incur any liability in respect of, any act, or any failure to act, by the Trustee (i) to credit the appropriate account with funds made available by the Bank pursuant to this Section 2.02 or (ii) to effect the purchase for the account of the Bank of Series 2007A Bonds with funds provided pursuant to this Section 2.02.

(d) Payment with Own Funds. All purchases of Tendered Series 2007A Bonds made by the Bank hereunder shall be made with the Bank's own funds.

(e) Use of Funds. The Trustee shall receive and hold in trust in non-commingled funds, the Purchase Price advanced by the Bank on a Purchase Date until such amounts are made available to the Holders of Tendered Series 2007A Bonds. No monies held by the Trustee shall be considered monies of the Issuer, and the Issuer shall not have any right, title or interest in or to such moneys; no such moneys shall be invested; and no Tendered Series 2007A Bonds purchased by the Trustee shall be deemed to have been purchased by, for or on behalf of the Issuer.

Section 2.03. Reduction or Termination of Commitment.

(a) Mandatory Reduction of Commitment. Upon (a) any redemption, prepayment or other payment pursuant to the Resolution of all or any portion of the principal amount of the Series 2007A Bonds (other than Purchased Series 2007A Bonds) such that such Series 2007A Bonds cease to be Outstanding or (b) any conversion of all or a portion of the Series 2007A Bonds to a Non-Covered Interest Rate, the Available Principal Commitment shall automatically be reduced by the principal amount of such Series 2007A Bonds so redeemed, paid, deemed paid or converted, as the case may be, and the Available Interest Commitment shall also be simultaneously reduced as provided in the definition thereof in Section 1.01 hereof. The Issuer shall cause notice to be provided to the Bank within one Business Day of such redemption, repayment or other payment or conversion of the Series 2007A Bonds. The Available Commitment shall automatically terminate when an Alternate Liquidity Facility has become effective pursuant to the Resolution, provided that this Agreement shall not terminate until the Bank has purchased any Series 2007A Bonds required to be purchased pursuant to any mandatory tender resulting from the provision of any Alternate Liquidity Facility.

(b) Optional Reduction of Commitment. At any time the Series 2007A Bonds are in a Weekly Interest Rate Period, the Trustee may reduce the outstanding amount of the Available Commitment by delivering to the Bank a Notice of Termination or Reduction in substantially the form of Exhibit E hereto; provided, that such Available Commitment shall be reduced to the stated amount set forth in such Notice of Termination or Reduction only if the statements set forth in paragraph (b) of such notice shall be true and correct and only if such Available Commitment, as so reduced, is greater than or equal to the amount required by Moody's or S&P, as applicable, to maintain a short-term rating on the Series 2007A Bonds; and provided further, that if the Available Commitment is being reduced to zero, such reduction shall be effective only after the Bank has purchased any outstanding Series 2007A Bonds required to be purchased on the Purchase Date with respect to such reduction.

Section 2.04. Sale of Purchased Series 2007A Bonds.

(a) Right to Sell Purchased Series 2007A Bonds. The Bank expressly reserves the right to sell, at any time, any Purchased Series 2007A Bond or the beneficial interest therein subject, however, to the express terms of this Agreement. The Bank agrees that such sales (other than sales made pursuant to Section 2.04(b) hereof or to Assignees pursuant to Section 8.03 hereof) will be made only to institutional investors or other entities or individuals, which customarily purchase commercial paper or tax-exempt securities in large denominations. The Bank agrees to notify the Bond Insurer, the Trustee and the Remarketing Agent promptly in writing of any such sale (other than a sale made pursuant to Section 2.04(b) hereof) and to notify the transferee in writing that (i) so long as such Series 2007A Bond remains a Purchased Series 2007A Bond, the Bank is not obligated to purchase it hereunder and that such Purchased Series 2007A Bondholder has no right to tender such Purchased Series 2007A Bond for purchase pursuant to the Supplemental Resolution, (ii) there may not be a short-term investment rating assigned to such Series 2007A Bond so long as it remains a Purchased Series 2007A Bond and (iii) such Series 2007A Bond is subject to sale, and may cease to be a Purchased Series 2007A Bond, as provided in Section 2.04(b) hereof. The Bank shall provide the Trustee with the written agreement of each Purchased Series 2007A Bondholder purchasing a Purchased Series 2007A Bond or beneficial interest therein (A) acknowledging the terms of this Agreement relating to Purchased Series 2007A Bonds, (B) agreeing not to sell such Purchased Series 2007A Bond or beneficial interest except for sales to the Bank, sales to a purchaser identified by the Remarketing Agent pursuant to Section 2.04(b) hereof and sales to institutional investors or other entities which customarily purchase commercial paper or tax-exempt securities and who agree to be bound by the sale restrictions of this Section 2.04(a), (C) acknowledging that such Purchased Series 2007A Bondholder has no right to tender such Purchased Series 2007A Bond for purchase pursuant to the Resolution and (D) specifying appropriate notice and account information for purposes of all notices and payments to such Purchased Series 2007A Bondholder.

(b) Sales by Remarketing Agent. The Bank and, by its acceptance of a Purchased Series 2007A Bond, each other Purchased Series 2007A Bondholder, subject to Section 2.04(c) hereof, hereby authorize the Remarketing Agent to sell Purchased Series 2007A Bonds on behalf of the Bank or such other Purchased Series 2007A Bondholder at a price equal to the principal amount thereof plus unpaid accrued interest thereon to the Sale Date at the interest rate to be borne by the Series 2007A Bonds after such sale or, if less, the Purchased Series 2007A Bond Rate (the "Sale Price"). If less than all Purchased Series 2007A Bonds are remarketed on any

date, the Purchased Series 2007A Bonds having the greatest aggregate amount of Excess Series 2007A Bond Interest payable with respect thereto shall be deemed to be remarketed first.

Prior to 11:30 a.m. on any Business Day on which a Purchased Series 2007A Bondholder holds Purchased Series 2007A Bonds, the Remarketing Agent may deliver a notice (a "Purchase Notice") to a Purchased Series 2007A Bondholder as registered on the Bond Register and to the Bank stating that the Remarketing Agent has located a purchaser for some or all of such Purchased Series 2007A Bonds and that such purchaser desires to purchase an authorized denomination of such Purchased Series 2007A Bonds at the Sale Price on the second Business Day following the date on which a Purchased Series 2007A Bondholder receives a Purchase Notice (a "Sale Date").

A Purchased Series 2007A Bondholder shall decide whether to sell any Purchased Series 2007A Bonds by giving written notice of such decision to the Trustee and the Remarketing Agent by 4:00 p.m. on the Business Day preceding the Sale Date. In the event such notice is not timely delivered by a Purchased Series 2007A Bondholder, such Purchased Series 2007A Bondholder shall be deemed to have determined to sell such Purchased Series 2007A Bonds. If a Purchased Series 2007A Bondholder determines or is deemed to have determined to sell such Purchased Series 2007A Bonds, such Purchased Series 2007A Bondholder shall deliver such Purchased Series 2007A Bonds to the Trustee (or, in the case of Purchased Series 2007A Bonds which are Book-Entry Series 2007A Bonds, shall cause the beneficial ownership thereof to be credited to the account of the applicable Remarketing Agent at DTC) by 10:00 a.m. on the Sale Date against receipt of the Sale Price therefor, plus the Differential Interest Amount, if any, in immediately available funds to the Bank at the account specified pursuant to Section 2.07(a) hereof or at the Purchased Series 2007A Bondholder's address listed in the Bond Register, as applicable, and such Series 2007A Bonds shall thereupon no longer be considered Purchased Series 2007A Bonds. Any sale of a Purchased Series 2007A Bond pursuant to this Section 2.04(b) shall be without recourse to the seller and without representation or warranty of any kind. When Purchased Series 2007A Bonds are purchased in accordance with this Section 2.04(b), the Trustee shall, upon receipt of authorization to transfer such Series 2007A Bonds and upon receipt by such Purchased Series 2007A Bondholder of the Sale Price and the Differential Interest Amount, if any, notify the Remarketing Agent, the Bond Insurer and the Issuer that such Series 2007A Bonds are no longer Purchased Series 2007A Bonds. The Trustee shall not instruct or authorize the bond registrar to transfer any such Purchased Series 2007A Bonds, or re-register the same, pursuant to the instructions of the Remarketing Agent until the Trustee has received from the Purchased Series 2007A Bondholder written confirmation of the receipt of such funds.

(c) Right to Retain Series 2007A Bonds. If a Purchased Series 2007A Bondholder notifies the Trustee and the Remarketing Agent by 4:00 p.m. on the Business Day preceding the Sale Date that it will not sell such Purchased Series 2007A Bonds, such Series 2007A Bonds shall no longer be Purchased Series 2007A Bonds as of the Sale Date, and the Trustee shall on the Sale Date give notice to such effect to the Bank and such Purchased Series 2007A Bondholder. Such election may be revoked in writing by the Purchased Series 2007A Bondholder at any time prior to 4:00 p.m. on the Business Day preceding the Sale Date.

(d) Series 2007A Bonds Ceasing to be Purchased Series 2007A Bonds. After any sale of Purchased Series 2007A Bonds by the Remarketing Agent pursuant to Section 2.04(b)

hereof, or any election to retain Series 2007A Bonds pursuant to Section 2.04(c) hereof, Purchased Series 2007A Bonds shall from such Sale Date or upon such election cease to bear interest at the Purchased Series 2007A Bond Rate and shall bear interest at the rate determined by the Remarketing Agent in accordance with the Resolution. Following any sale of Purchased Series 2007A Bonds pursuant to Section 2.04(b) hereof, Section 8.03 hereof or otherwise, or any election to retain Series 2007A Bonds pursuant to Section 2.04(c) hereof, the Bank and any other Purchased Series 2007A Bondholders shall retain the right to receive payment from the Issuer of any accrued Excess Series 2007A Bond Interest Amount and interest thereon as provided herein and any other amounts then due and owing under this Agreement.

Section 2.05. Fees and Payments.

(a) Commitment Fee. The Issuer hereby agrees to pay or cause to be paid to the Bank a commitment fee at the rate of [_____] % per annum on the average daily amount of the Available Commitment. Such commitment fee shall be payable quarterly in arrears on each Fee Payment Date, commencing January 2, 2008, with respect to the period or portion thereof ending on the last day of the preceding calendar month, and on the last day of the Purchase Period. Such commitment fee shall increase by 0.025% per annum for each ratings notch downgrade of any Underlying Bond Rating below the "A2/A" rating category through the "Baa1/BBB+" rating category, and shall increase by an additional 0.05% per annum for each ratings notch downgrade of any such Underlying Bond Rating below the "Baa1/BBB+" rating category, and shall increase by an additional 0.25% per annum if any such Underlying Bond Rating declines below the "Baa3/BBB-" rating category or is suspended or withdrawn; provided that, in the case of split ratings, the lowest Underlying Bond Rating shall apply. For purposes of this Section 2.05(a) only, the Available Commitment shall be deemed not to be reduced during any period the Bank's obligation to purchase Series 2007A Bonds has been suspended pursuant to Section 7.03(c) or 7.03(d) hereof.

(b) Expenses and Counsel. The Issuer shall pay to the Bank on the Effective Date its expenses and fees (in an amount not to exceed \$41,000) in connection with the preparation, execution and delivery of this Agreement, the Series 2007A Bonds and the other Related Documents.

(c) Amendments. The Issuer shall pay to the Bank a reasonable amendment fee for the Bank's consideration of any change in the terms of pledged security, collateral or covenants in the Related Documents or any change to this Agreement (other than extension of the Stated Expiration Date) and all reasonable costs or expenses (including, without limitation, reasonable attorney's fees and expenses) which the Bank may incur by reason of or in connection with said change.

(d) Payment of Interest Component. The Issuer shall pay the Bank interest at the Purchased Series 2007A Bond Rate on the amount of the Interest Component, if any, included in the Purchase Price from the Purchase Date until, and the Interest Component (together with interest thereon) shall be due and payable on, the earliest of (i) the Interest Payment Date next succeeding the Purchase Date, (ii) the date on which such Purchased Series 2007A Bonds are remarketed, paid at maturity or redeemed or (iii) the last day of the Purchase Period. Alternatively, the Bank may, in its sole discretion, require the Issuer to pay the amount of such

Interest Component (together with interest thereon) to the Bank not later than the second Business Day next following the date on which written notice from the Bank of such requirement and the amount thereof is received by the Issuer. The Bank and any Purchased Series 2007A Bondholder, by acceptance of the Purchased Series 2007A Bonds, acknowledges that the obligation of the Issuer to pay interest on the Interest Component pursuant to this Section 2.05(d) or to pay the Interest Component on a date other than the scheduled Interest Payment Date is not insured under the terms of the Bond Insurance Policy.

(e) Purchase Demand Fee. The Issuer agrees to pay or cause to be paid to the Bank a purchase demand fee in the amount of \$250 with respect to each demand for the Bank to purchase Series 2007A Bonds hereunder. Such fees shall be payable quarterly in arrears on each Fee Payment Date and shall include all unpaid purchase demand fees, if any, in respect of demands for the Bank to purchase Series 2007A Bonds that occurred prior to such Fee Payment Date.

(f) Transfer of Series 2007A Bonds Fee. The Issuer agrees to pay to the Bank on each Purchase Date or Sale Date, as applicable, an amount equal to any charge imposed on the Bank pursuant to the Resolution in connection with the transfer or exchange of Series 2007A Bonds. The Issuer agrees to cause the bond registrar to give the Bank timely notice of each such charge, including the amount thereof.

(g) Overdue Amounts. If the Issuer shall fail to pay when due any amount owing to the Bank under this Agreement, then to the extent permitted by law, the Issuer will pay to the Bank on demand interest on the amount in default from the date such payment became due until payment in full at the Default Rate.

(h) Termination Fee. Upon any termination of this Agreement, the Issuer agrees to pay all accrued and unpaid fees through and including the date of termination. If the Issuer terminates or reduces the Available Commitment on or before the date occurring 12 months from the date of the initial execution and delivery of the Series 2007A Bonds, the Issuer shall pay to the Bank a fee equal to the commitment fee required pursuant to Section 2.05(a) hereof which would have been paid to the Bank for the first 12 months subsequent to the Effective Date, based on the Available Commitment as of the Effective Date, less the commitment fee previously paid to the Bank pursuant to Section 2.05(a) hereof; *provided, however*, that no such termination fee will become payable if the Issuer terminates this Agreement upon the occurrence of the condition set forth in Section 8.09(b)(iii) hereof.

(i) Administration. The Issuer hereby agrees to pay all of the Bank's out-of-pocket expenses (including, without limitation, reasonable fees and disbursements of domestic and foreign counsel for the Bank and any local counsel retained by the Bank) arising in connection with the administration and enforcement of, preservation of rights in connection with a workout, restructuring or default under or amendment or waiver with respect to, this Agreement, the Series 2007A Bonds and the other Related Documents.

(j) Transfer of Agreement. The Issuer hereby agrees to pay or cause to be paid to the Bank a transfer fee of \$1,000, payable upon each transfer of this Agreement to any successor Trustee.

Section 2.06. Yield Protection.

(a) Reserves. If, after the Effective Date, any United States (or other Governmental Authority having jurisdiction over the Bank or any Participant or Assignee) federal, state or other law, rule, regulation or guideline, whether or not having the force of law, or the enforcement, interpretation or administration thereof by any court or any administrative or Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof shall at any time (i) impose, modify or deem applicable any reserve, special deposit or similar requirement (including, without limitation, pursuant to Regulation D of the Board of Governors of the Federal Reserve System) against credits or commitments to extend credit extended by, or assets (funded or contingent) of, deposits with or for the account of, or other acquisitions of funds or bonds by the Bank or any Participant or Assignee, or (ii) subject credits or commitments to extend credit extended by the Bank or any Participant or Assignee to any assessment or other cost imposed by the Federal Deposit Insurance Corporation or any successor thereto, or (iii) impose on the Bank or any Participant or Assignee any other or similar condition regarding this Agreement, the commitment or obligations of the Bank hereunder or the purchase or holding of Purchased Series 2007A Bonds, and the result of any event referred to in clause (i), (ii) or (iii) above shall be to increase the cost to the Bank or any Participant or Assignee of agreeing to issue, issuing or maintaining the Available Commitment or making, funding or maintaining (or agreeing to fund or maintain) purchases of Series 2007A Bonds hereunder or its holding Purchased Series 2007A Bonds by an amount which the Bank or any Participant or Assignee shall deem to be material (which increase in cost shall be the result of the reasonable allocation by the Bank or any Participant or Assignee of the aggregate of such cost increases resulting from such events), then, within 30 days after the Issuer's receipt of the Bank's written demand, the Issuer shall pay to the Bank (for itself or the account of such Participant or Assignee) from time to time as specified by the Bank, additional amounts which shall be sufficient to compensate the Bank or any Participant or Assignee for such increased cost from the date of such change, together with interest on each such amount from the date payment is due until the earlier of the date of payment in full thereof and the date on which such payment is due at the Base Rate, and thereafter at the Default Rate.

(b) Capital Charges. If the Bank or any Participant or Assignee shall have determined after the Effective Date that the applicability of any law, rule, regulation or guideline adopted or issued pursuant to or arising out of the July 1988 report of the Basle Committee on Banking Regulations and Supervisory Practices entitled "International Convergence of Capital Measurement and Capital Standards," or the adoption or issuance of any other law, rule, regulation or guideline (whether or not having the force of law) regarding capital adequacy, by any Governmental Authority (including, but not limited to any Governmental Authority having jurisdiction over the Bank or any Participant or Assignee), or any change in any applicable law, rule, regulation or guideline, as the case may be, or any change in the enforcement or interpretation or administration thereof by any court or any administrative or Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Bank (or any lending office thereof) or any Participant or Assignee with any request or directive regarding capital adequacy (whether or not having the force of law) of any such Governmental Authority, central bank or comparable agency has or would have the effect of reducing the rate of return on capital of the Bank or any such Participant or Assignee, if any, as a consequence of its obligations hereunder or its purchase or holding of Purchased

Series 2007A Bonds to a level below that which the Bank or such Participant or Assignee could have achieved but for such adoption, change or compliance (taking into consideration the policies of the Bank or such Participant or Assignee, with respect to capital adequacy) by an amount deemed by the Bank or such Participant or Assignee to be material, then within 30 days after the Issuer's receipt of the Bank's written demand, the Issuer shall pay to the Bank (for itself or for the account of such Participant or Assignee) such additional amount or amounts as will compensate the Bank or its Participant or Assignee, if any, as the case may be, for such reduction from the date of such adoption, change or compliance with respect to such law, rule, regulation, guideline, request or directive, together with interest on each such amount from the date payment is due until the earlier of the date of payment in full thereof and the date on which such payment is due at the Base Rate and thereafter at the Default Rate.

(c) Calculations. The amounts owed by the Issuer as compensation to the Bank or any Participant or Assignee pursuant to this Section 2.06 shall be calculated as though the Bank were the holder of all Purchased Series 2007A Bonds other than Purchased Series 2007A Bonds held by an Assignee or a Participant, and without regard to any sales of Purchased Series 2007A Bonds by the Bank pursuant to Section 2.04(a) hereof other than to an Assignee or Participant; provided, however that no Participant shall be entitled to receive any greater payment under this Sections 2.06 than the Bank would have been entitled to receive with respect to the rights so participated unless such participation is made with the Issuer's prior written consent.

(d) Demand for Payment. Each demand for compensation pursuant to Section 2.06(a) or 2.06(b) hereof shall be accompanied by a certificate of the Bank in reasonable detail setting forth the computation of such compensation (including the reason therefor), which certificate shall be conclusive, absent manifest error, as against all other Persons, including without limitation, the Issuer.

(e) Third Party Beneficiaries. The benefits of this Section 2.06 shall be available to each Assignee and each Participant.

Section 2.07. Payment Particulars.

(a) General. Except to the extent otherwise provided in the Resolution with respect to payments on Purchased Series 2007A Bonds and in Section 2.02(b) hereof, all payments by or on behalf of the Issuer under this Agreement shall be made to the Bank prior to 3:00 p.m. on the date such payment is due by wire transfer in Dollars and in immediately available funds to Citibank N.A. (ABA #021000089) for the account of Dexia Credit Local, New York Branch (Acct. #36240356) Ref: [_____] The Regents of the University of Idaho Revenue Refunding Bonds, Series 2007A. Any payment received by the Bank after 3:00 p.m. shall be deemed to be received by the Bank on the next succeeding day. Any amount owed to the Bank hereunder which is not paid when due shall bear interest from the date such payment was due until paid in full at a rate equal to the Default Rate, such interest to be payable on demand. All computations of fees and interest hereunder shall be made on the basis of a year of 365 days, actual days elapsed.

(b) Payment Dates. Except as may be otherwise provided herein, whenever any payment or action to be made or taken hereunder shall be stated to be due on a day which is not a

Business Day, such payment or action shall be made or taken on the next following Business Day, and such extension of time shall be included in computing interest or fees, if any, in connection with such payment or action.

(c) Net of Taxes. All payments by or on behalf of the Issuer under this Agreement shall be made without counterclaim, set-off, condition or qualification, and free and clear of and without deduction or withholding for or by reason of any present or future taxes, levies, imposts, deductions or charges of any nature whatsoever, excluding, however, taxes imposed on or measured by the net income or capital of the Bank by any jurisdiction or any political subdivision or taxing authority thereof or therein (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being referred to as “Taxes”). If requested, the Bank, any Assignee and Participant shall from time to time provide the Issuer, the Trustee and the United States Internal Revenue Service (to the extent such information and forms may be lawfully provided by the Bank or such Assignee or Participant) with such information and forms as may be required by Treasury Regulations Section 1.1411 or any other such information and forms as may be necessary to establish that the Issuer is not subject to any withholding obligation under Section 1442 or other comparable provisions of the Code. If as a result of a Change of Law, the Issuer shall be required by law to withhold or deduct any Taxes imposed by the United States or any political subdivision thereof from or in respect of any sum payable hereunder to the Bank, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.07(c)) the Bank receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Issuer shall make such deductions and (iii) the Issuer shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law. If the Issuer shall make any payment under this Section 2.07(c) to or for the benefit of the Bank with respect to Taxes and if the Bank shall claim any credit or deduction for such Taxes against any other taxes payable by the Bank to any taxing jurisdiction in the United States then the Bank shall pay to the Issuer an amount equal to the amount by which such other taxes are actually reduced; *provided, however*, that the aggregate amount payable by the Bank pursuant to this sentence shall not exceed the aggregate amount previously paid by the Bank with respect to such Taxes.

(d) Application of Payments. Payments received by the Bank (other than payments made pursuant to the Bond Insurance Policy) shall be applied, first, to any fees, costs, charges or expenses payable by the Issuer under this Agreement; second, to past due interest; third, to current interest; and, fourth, to principal.

Section 2.08. Limited Obligation; Security. Notwithstanding anything to the contrary herein, the Purchased Series 2007A Bonds and the obligations of the Issuer under this Agreement are limited obligations payable solely from and secured solely by the following: (a) the Purchased Bonds are payable from and secured solely by a first lien, pledge and security interest in and to all Pledged Revenues on a parity basis with the payment of the principal of, premium, if any, and interest on all Bonds Outstanding under the Resolution (including the Series 2007A Bonds) and (b) the obligations of the Issuer under this Agreement are payable from and secured solely by a lien, pledge and security interest in and to all Pledged Revenues on a basis subordinate to the payment of the principal of, premium, if any, and interest on all Bonds Outstanding under the Resolution (including the Series 2007A Bonds). The Issuer shall not be

obligated to pay the Purchased Series 2007A Bonds and the obligations of the Issuer under this Agreement and no recourse shall be had for the payment of such amounts against the Issuer or any member thereof or against the property or funds of the Issuer, except to the extent of the Pledged Revenues. This Agreement is an obligation of the Issuer payable solely in accordance the term 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 Issuer other than the Pledged Revenues.

ARTICLE III

THE PURCHASED BOND RATE

Section 3.01. Series 2007A Bonds to Bear Interest at Purchased Series 2007A Bond Rate; Other Interest Provisions.

(a) Purchased Series 2007A Bond Rate. As provided in the Series 2007A Bonds and the Resolution, any Series 2007A Bond purchased by the Bank pursuant to this Agreement shall thereupon become a Purchased Series 2007A Bond and shall bear interest, payable monthly in arrears, at the Purchased Series 2007A Bond Rate for the period commencing from the date that the Bank shall have purchased such Series 2007A Bond and, subject to Section 2.04(c) hereof, continuing until such Series 2007A Bond is paid in full or remarketed as provided in Section 2.04(b) hereof. Subject to Section 3.01(c) hereof, the Purchased Series 2007A Bond Rate for any Purchased Series 2007A Bond shall be (i) from and including the Purchase Date to and including the date 90 days following the Purchase Date, the Base Rate from time to time in effect, (ii) from and including the date which is 91 days following the Purchase Date to and including the date which is 180 days following the Purchase Date, the Base Rate from time to time in effect plus 1.00% per annum, and (iii) thereafter, the Base Rate from time to time in effect plus 2.00% per annum; *provided, however*, that immediately upon the occurrence and continuation of an Event of Termination or an Event of Default, the Purchased Series 2007A Bond Rate shall be equal to the Default Rate; and provided further that at no time shall the Purchased Series 2007A Bond Rate exceed the Capped Rate or be less than the applicable rate of interest on Eligible Series 2007A Bonds which are not Purchased Series 2007A Bonds.

(b) Overdue Rate. If the principal amount of any Purchased Series 2007A Bond or, to the extent permitted by law, any interest payment required thereunder, is not paid when due (whether by acceleration, redemption or otherwise), such overdue principal or interest payment shall bear interest from the date such obligation was due until paid in full (after as well as before judgment) at a rate per annum equal to the Default Rate (but not to exceed the Maximum Recoverable Rate), such interest to be payable on demand.

(c) Excess Series 2007A Bond Interest Amount. The rate set forth in Section 3.01(a) hereof, without giving effect to the reference therein to this Section 3.01(c) or to the last proviso therein limiting the Purchased Series 2007A Bonds Rate to the Capped Rate, is referred to in this Section 3.01(c) as the "Section 3.01(a) Rate." The amount of interest, if any, that would accrue on Purchased Series 2007A Bonds at the Section 3.01(a) Rate on any date but which does not so accrue due to the limitation of the Purchased Series 2007A Bond Rate to the Capped Rate, but

only up to the Maximum Recoverable Rate, shall constitute “Excess Series 2007A Bond Interest” (i.e., interest which would have been payable but for the Capped Rate, but only up to the Maximum Recoverable Rate). As of any date, the cumulative Excess Series 2007A Bond Interest, if any, on all days since the Effective Date hereof, reduced as set forth in the next sentence, shall constitute the “Excess Series 2007A Bond Interest Amount.” If there is any Excess Series 2007A Bond Interest Amount on any date when the Section 3.01(a) Rate is less than the Capped Rate, the Purchased Series 2007A Bond Rate for such date shall be the Capped Rate rather than the Section 3.01(a) Rate and the Excess Series 2007A Bond Interest Amount shall be reduced on such date by the excess of the amount of interest accrued on such date at the Capped Rate over the amount of interest that would have accrued on such date at the Section 3.01(a) Rate; provided that if the accrual of interest on Purchased Series 2007A Bonds at the Capped Rate on any date would result in a reduction of the Excess Series 2007A Bond Interest Amount to a negative number, such Purchased Series 2007A Bonds shall accrue interest on such date at such lesser rate as shall result in the reduction of the Excess Series 2007A Bond Interest Amount on such date to zero. For so long as a Series 2007A Bond remains a Purchased Series 2007A Bond, interest thereon at the Purchased Series 2007A Bond Rate as adjusted pursuant to this Section 3.01(c) shall be insured by the Bond Insurance Policy. If on the date of maturity, redemption or remarketing of any Purchased Series 2007A Bonds, or on the date any Purchased Series 2007A Bonds cease to constitute Purchased Series 2007A Bonds pursuant to Section 2.04(c) hereof, there remains any unpaid Excess Series 2007A Bond Interest Amount with respect to such Purchased Series 2007A Bonds (the “Final Excess Series 2007A Bond Interest Amount”), to the extent permitted by law, such Final Excess Series 2007A Bond Interest Amount shall be paid by the Issuer to the Purchased Series 2007A Bondholder on such date as a fee. Each Purchased Series 2007A Bondholder, by acceptance of the Purchased Series 2007A Bonds, acknowledges that payment of any Final Excess Series 2007A Bond Interest Amount and any interest thereon is not insured under the terms of the Bond Insurance Policy and is subordinate to the Issuer’s obligation to pay principal and interest then due and owing on the Series 2007A Bonds and other parity obligations.

Section 3.02. Purchased Series 2007A Bonds Interest Payment Dates; Notification of Rate.

(a) Purchased Series 2007A Bonds Interest Payment Dates. Notwithstanding anything to the contrary contained in the Series 2007A Bonds or the Resolution, the Issuer agrees that, with respect to each Purchased Series 2007A Bond, (i) the Interest Component, if any, included in the Purchase Price for such Series 2007A Bond shall be paid as set forth in Section 2.05(d) hereof; (ii) except with respect to the Differential Interest Amount, which shall be paid as set forth in Section 2.04(b) hereof, and Excess Series 2007A Bond Interest, the Excess Series 2007A Bond Interest Amount and the Final Excess Series 2007A Bond Interest Amount, which shall be payable in accordance with Section 3.01(c) hereof, interest payable pursuant to Section 3.01(a) hereof shall be payable on each Interest Payment Date, upon repurchase in accordance with Section 3.03(a) hereof, upon prepayment or redemption (to the extent of the interest accrued on the amount being prepaid or redeemed), at maturity (whether by acceleration or otherwise), and after maturity on demand. In the event any Purchased Series 2007A Bond is remarketed before payment in full of the funds provided by the Bank hereunder with respect thereto, together with interest thereon, the provisions of this Article III shall continue to apply to

such indebtedness until all sums owing for all periods during which the same was a Purchased Series 2007A Bond are paid.

(b) Notification of Rate. The Bank will give telephone notice (promptly confirmed in writing) to the Issuer and the Trustee not later than 10:00 a.m. on each Sale Date of the Differential Interest Amount owed by the Issuer hereunder as a result of any sale of Purchased Series 2007A Bonds pursuant to Section 2.04(b) hereof. Notwithstanding the preceding sentence, the Issuer's obligations to make payments in respect of any Differential Interest Amount (together with accrued interest thereon, if applicable) shall not be discharged or reduced in any way as a result of the Bank's failure to deliver any notice referred to in the preceding sentence. The Bank will, upon the request of the Issuer or the Trustee, notify the Issuer or the Trustee, as the case may be, of the Purchased Series 2007A Bond Rate in effect during any period in which Purchased Series 2007A Bonds are held by the Bank or any other Purchased Series 2007A Bondholders or during which any Differential Interest Amount, Excess Series 2007A Bond Interest, Excess Series 2007A Bond Interest Amount, Final Excess Series 2007A Bond Interest Amount or any amount in respect of the Interest Component remains unpaid. Absent manifest error, the Bank's determination of any of the foregoing shall be binding upon the Issuer and the Trustee.

Section 3.03. Purchased Series 2007A Bonds.

(a) Repurchase of Purchased Series 2007A Bonds. The Purchased Series 2007A Bonds shall be repurchased from the Bank on the date of successful remarketing of the Purchased Series 2007A Bonds in amounts equal to the principal amount of the Purchased Series 2007A Bonds so remarketed. The Purchased Series 2007A Bonds shall be repurchased in full from the Bank on the date all of the Series 2007A Bonds have been converted to a Non-Covered Interest Rate and on the date an Alternate Liquidity Facility has been provided and become effective under the Resolution. Subject to the special redemption of Purchased Series 2007A Bonds pursuant to Section 3.04 below, the Purchased Series 2007A Bonds shall be repurchased from the Bank on the date (the "Term-Out Commencement Date") which is the earliest of (i) the last day of the Purchase Period; or (ii) the 180th day after the Purchase Date.

(b) Redemption of Purchased Series 2007A Bonds First. Amounts applied for the redemption of Series 2007A Bonds (whether optional, pursuant to sinking fund requirements or otherwise) shall be used first to redeem Purchased Series 2007A Bonds.

(c) Other Payment of Purchased Series 2007A Bonds. The Purchased Series 2007A Bonds shall also be subject to the scheduled amortization, defeasance, redemption or other payment of the Series 2007A Bonds pursuant to the Resolution.

Section 3.04. Special Redemption of Purchased Series 2007A Bonds; Prepayment. If on the Term-Out Commencement Date there shall exist no Event of Termination or Event of Default, and all representations and warranties made by the Issuer in this Agreement or in any of the Related Documents to which it is a party shall be true and correct with the same effect as though such representations and warranties had been made at and as of such time, the Purchased Series 2007A Bonds shall be subject to special mandatory redemption over a seven-year period with principal payable in 14 equal semi-annual installments and interest at the Purchased

Series 2007A Bonds Rate or the Default Rate, as applicable, payable monthly in arrears, the first such installment to be due on the six-month anniversary of the day on which such Purchased Series 2007A Bonds first became Purchased Series 2007A Bonds. All accrued and unpaid interest and principal of Purchased Series 2007A Bonds shall be due and paid no later than the seventh anniversary of the commencement of the special redemption period. The installments of principal and interest required pursuant to this Section 3.04 are to be covered under and insured by the Bond Insurance Policy. The Issuer may prepay the Purchased Series 2007A Bonds in whole or in part at any time, in denominations of \$500,000 or any \$100,000 multiple in excess thereof, without premium or penalty.

Section 3.05. Limitations of Bond Insurance Policy. The Bank hereby agrees that the Excess Series 2007A Bond Interest Amount, the Final Excess Series 2007A Bond Interest Amount and interest thereon and interest on the Interest Component are not entitled to the benefits of the Bond Insurance Policy and that payment of Excess Series 2007A Bond Interest Amount, the Final Excess Series 2007A Bond Interest Amount and interest thereon is subordinate to the Issuer's obligation to pay principal and interest then due and owing on the Series 2007A Bonds and other parity obligations.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Section 4.01. Representations of the Issuer. To induce the Bank and the Trustee to enter into this Agreement and for the Bank to purchase Series 2007A Bonds as provided herein, the Issuer makes the following representations and warranties to, and agreements with the Bank and the Trustee (which representations, warranties and agreements shall survive the execution and delivery of this Agreement and any purchases of Series 2007A Bonds by the Bank):

(a) Existence and Standing. The Issuer is a state institution of higher education and body politic and corporate duly organized and validly existing under and pursuant to the Constitution and laws of the State of Idaho with all requisite power and authority to conduct its business as currently conducted, to own its assets and to execute and deliver, and to perform its obligations under, this Agreement, the Resolution, and the other Related Documents to which it is a party and to issue, execute and deliver the Series 2007A Bonds.

(b) Authorization, Validity and Binding Obligations. The execution, delivery and performance by the Issuer of this Agreement, the Resolution, and the other Related Documents and the issuance, execution and delivery of the Series 2007A Bonds have been duly authorized by all necessary action of the governing body of the Issuer, including all required material and requisite approvals of the State of Idaho and of federal, regional and local governmental bodies required to be obtained prior to the date of delivery of the Series 2007A Bonds, the Related Documents and this Agreement. Each of this Agreement, the Resolution, and the other Related Documents (other than the Series 2007A Bonds) to which the Issuer is a party constitutes a legal, valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms, except as such enforceability may be limited by applicable reorganization, insolvency,

liquidation, readjustment of debt, moratorium or other similar laws affecting the enforcement of the rights of creditors generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). The Series 2007A Bonds, when issued and delivered against payment therefor as contemplated by the Bond Purchase Agreement, will have been duly issued, executed and delivered in conformity with the Resolution and will constitute legal, valid and binding obligations of the Issuer, enforceable in accordance with their terms, except as such enforceability may be limited by applicable reorganization, insolvency, liquidation, readjustment of debt, moratorium or other similar laws affecting the enforcement of the rights of creditors generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), and entitled to the benefit and security of the Resolution.

(c) Compliance with Laws and Contracts. Neither the execution and delivery by the Issuer of this Agreement and the Related Documents to which the Issuer is a party, nor the consummation of the transactions herein and therein contemplated, nor compliance with the provisions hereof or thereof will violate any constitutional provision or any law, rule, regulation, order, writ, judgment, injunction, decree or award of any court or Governmental Authority, arbitration, agency or other instrumentality applicable to the Issuer binding on the Issuer, the Issuer's charter, bylaws or other organizational documents or the provisions of any indenture, instrument or agreement to which the Issuer is a party or is subject, or by which it or its property is bound, or conflict with or constitute a default under or result in the creation or imposition of any security interest, lien, charge or encumbrance (other than the lien of the Resolution) on any of its assets pursuant to the provisions of any of the foregoing.

(d) Litigation. There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending or, to the knowledge of the Issuer, threatened against or affecting the Issuer wherein an unfavorable decision, ruling or finding would materially adversely affect (i) the transactions contemplated by or the validity of this Agreement, any of the Related Documents or any indenture, instrument or agreement to which the Issuer is a party, (ii) the status of the Issuer as 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, (iii) the status of the exemption of interest on the Series 2007A Bonds from federal income tax or (iv) the Issuer's property, assets, operations or conditions, financial or otherwise, or its ability to perform its obligations under this Agreement or under the Related Documents.

(e) No Defaults. No Event of Default, Event of Termination or Potential Event of Termination has occurred and is continuing.

(f) Financial Statements. The audited financial statements for the period ended June 30, 2006, including the balance sheet as of such date of said period, all examined and reported on by Deloitte & Touche LLP, the Issuer's independent public accountants, as heretofore delivered to the Bank, correctly and fairly present the financial condition of the Issuer as of said date and the results of the operations of the Issuer for

such period, and have been prepared in accordance with Generally Accepted Accounting Principles consistently applied except as stated in the notes thereto; and there has been no material adverse change in the condition, financial or otherwise, of the Issuer since June 30, 2006, from that set forth in said financial statements as of, and for the period ended on, that date.

(g) Series 2007A Bonds; Parity of Obligations. The Series 2007A Bonds (including all Purchased Series 2007A Bonds) will be duly issued under the Resolution and entitled to the benefits thereof. Except as provided in Section 3.05 hereof, the Issuer's obligations under this Agreement are secured by, and are on parity with the Issuer's obligations under, the Related Documents.

(h) Official Statement. The information contained in the Official Statement, other than the information concerning the Bank contained in Appendix G-2 thereto, as to which the Issuer makes no representation or warranty, is correct in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(i) Consents. All consents, licenses, approvals, validations and authorizations of, and registrations, validations or declarations by or with any court or any Governmental Authority required to be obtained in connection with the execution, delivery, performance, validity or enforceability of this Agreement and the Related Documents (including the Series 2007A Bonds) have been obtained and are in full force and effect.

(j) Incorporation of Representations and Warranties. The Issuer hereby makes to the Bank the same representations and warranties as were made by it in each Related Document to which it is a party, which representations and warranties, together with the related definitions of terms contained therein, are hereby incorporated by reference with the same effect as if each and every such representation and warranty and definition were set forth herein in its entirety. No amendment to such representations and warranties or definitions made pursuant to the relevant Related Documents, which amendment could have a material adverse effect on the Bank, shall be effective to amend such representations and warranties and definitions as incorporated by reference herein without the prior written consent of the Bank.

(k) Accurate Information. No representation, warranty or other statement made by the Issuer in or pursuant to this Agreement or any Related Document or any other document or financial statement provided by the Issuer or its agents to the Bank in connection with this Agreement or any other Related Document, contains any untrue statement of a material fact or omits (as of the date made or furnished) any material fact necessary to make the statements herein or therein not misleading in light of the circumstances under which they are made. All information, reports and other papers and data with respect to the Issuer furnished to the Bank by the Issuer or its agents were, at the time the same were so furnished, accurate in all material respects. Any financial, budget and other projections furnished to the Bank by the Issuer or its agents were

prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of conditions existing at the time of delivery of such financial, budget or other projections, and represented, and as of the date of this representation, represent, the Issuer's best estimate of its future financial performance. No fact is known to the Issuer that materially and adversely affects, or in the future may (so far as it can reasonably foresee) materially and adversely affect, the security for any of the Series 2007A Bonds or the Issuer's ability to repay when due its obligations under this Agreement, any of the Series 2007A Bonds and the Related Documents.

(l) Business of the Issuer. The Issuer is not engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any margin stock as defined in Regulation U of the Board of Governors of the Federal Reserve System.

(m) Assignment of Series 2007A Bonds. The Bank will hold the sole legal and beneficial interest in and to all Purchased Series 2007A Bonds purchased pursuant to Article II hereof, subject to no lien, security interest or claim of any Person claiming by or through the Issuer other than the Bank, except for consensual liens or other security interests as may be created by the Bank.

(n) Series 2007A Bond. Each Series 2007A Bond (including all Purchased Series 2007A Bonds) has been or will be duly and validly issued under the Resolution and entitled to the benefits thereof.

(o) Purchased Series 2007A Bonds. The Purchased Series 2007A Bonds will be transferred to or held for the benefit of the Purchased Series 2007A Bondholder, free and clear of all liens, security interests or claims of any Person other than the Purchased Series 2007A Bondholder, except for consensual liens or other security interests as may be created by the Bank.

(p) Pledged Revenues. The Resolution creates, for the benefit of the Purchased Series 2007A Bonds, a legally valid and binding first lien, pledge and security interest in the Pledged Revenues on a parity basis with the payment of the principal of, premium, if any, and interest on all Bonds Outstanding under the Resolution (including the Series 2007A Bonds) and, for the benefit of the obligations of the Issuer under this Agreement, a legally valid and binding lien, pledge and security interest in the Pledged Revenues on a basis subordinate to the payment of the principal of, premium, if any, and interest on all Bonds Outstanding under the Resolution (including the Series 2007A Bonds). No filing, registering, recording or publication of the Resolution or any other instrument is required to establish the pledges under the Resolution or to perfect, protect or maintain the liens created thereby on the Pledged Revenues. There are no obligations of the Issuer that are entitled to a prior benefit of the Pledged Revenues relative to the benefit of the Pledged Revenues conferred by the Resolution upon the Purchased Series 2007A Bonds and the obligations of the Issuer under this Agreement.

ARTICLE V

CONDITIONS PRECEDENT

Section 5.01. Conditions Precedent to Effectiveness. This Agreement shall become effective on the Effective Date provided that each of the conditions enumerated in this Section 5.01 has been fulfilled to the satisfaction of the Bank. The Bank's execution and delivery of this Agreement shall evidence its agreement that such conditions have been met to its satisfaction or have been waived and that the Effective Date has occurred.

(a) Representations. On the Effective Date (and after giving effect to the issuance of the Series 2007A Bonds and the effectiveness of this Agreement), (i) there shall exist no Event of Termination or Event of Default, and (ii) all representations and warranties made by the Issuer in this Agreement or in any of the Related Documents to which it is a party shall be true and correct with the same effect as though such representations and warranties had been made at and as of such time.

(b) Supporting Documents. On or prior to the Effective Date, the Bank shall have received, in form and substance satisfactory to the Bank, the following:

(i) true and complete executed originals of this Agreement, the Resolution, the Remarketing Agreement and the Official Statement and photocopies of the Bond Insurance Policy and the Series 2007A Bonds;

(ii) resolutions of the Issuer authorizing this Agreement and the Related Documents to which it is a party and the execution of the Official Statement, certified prior to the Effective Date by an authorized officer of the Issuer;

(iii) signature and incumbency certificates, dated the Effective Date, of the signatories of the Issuer executing this Agreement, the Related Documents to which it is a party, and the Official Statement;

(iv) a certificate of an authorized officer of the Issuer, dated the Effective Date, to the effect set forth in Section 5.01(a) hereof;

(v) executed copies of the legal opinions, certificates, reports and other documents rendered or delivered in connection with the issuance of the Series 2007A Bonds, the Official Statement, the sale of the Series 2007A Bonds pursuant to the Bond Purchase Agreement, the delivery of this Agreement and the delivery of the Related Documents; and

(vi) executed legal opinions, dated the Effective Date, addressed to the Bank and in form and substance satisfactory to the Bank (A) of counsel to the Bond Insurer, as to (1) the due organization of the Bond Insurer and the due authorization, execution and delivery of the Bond Insurance Policy and (2) the legality, validity, binding effect and enforceability of the Bond Insurance Policy; (B) of counsel to the Issuer, to the effect set forth in Section 4.01(a) through (d)

hereof inclusive, and covering such other matters as the Bank may reasonably request; (C) of Bond Counsel, covering such matters relating to the Purchased Series 2007A Bonds and the Issuer's obligations under the Related Documents as the Bank may reasonably request; and (D) of counsel to the Trustee, covering such matters as the Bank may reasonably request.

(c) Bond Insurance Policy. On or prior to the Effective Date, the Bond Insurance Policy, in form and substance satisfactory to the Bank, shall have been issued by the Bond Insurer and delivered to the Trustee, insuring the payment of regularly scheduled principal of and interest on the Series 2007A Bonds and the special redemption of Purchased Series 2007A Bonds pursuant to Section [4.2(__)] of the Supplemental Resolution, and such Bond Insurance Policy shall be in full force and effect on the Effective Date.

(d) Other Supporting Documents. There shall have been delivered to the Bank such information and copies of documents, approvals (if any) and records (certified, where appropriate) of corporate and legal proceedings as the Bank may have requested relating to the entering into and performance by each of the parties (other than the Bank) thereto, of each of the Related Documents or the transactions contemplated thereby or the tax-exempt status of the Series 2007A Bonds. The Bank shall have received such other documents, instruments, approvals (and, if requested by the Bank, certified duplicates or executed copies thereof) or opinions as the Bank may reasonably request.

(e) Certain Payments. The Issuer shall have paid all the fees then due referred to in Section 2.05(a) hereof and the fees and expenses of local, if applicable, domestic and foreign counsel to the Bank as provided in Section 2.05(b) hereof.

(f) Rating. The Bank shall have received satisfactory evidence that the Series 2007A Bonds shall have been rated "Aaa" by Moody's and "AAA" by S&P and satisfactory evidence of an Underlying Bond Rating of at least "A1" by Moody's and "A+" by S&P.

Section 5.02. Conditions Precedent to Purchase. The obligation of the Bank to purchase Series 2007A Bonds on any date is subject to the satisfaction of the following conditions, unless waived in writing by the Bank:

(a) No Termination Event. No Event of Termination specified in Section 7.01(a), (b), (c) or (d) hereof or Potential Event of Termination shall have occurred and be continuing or, with respect to a suspension in accordance with Section 7.03(c) hereof, the Available Commitment shall have been reinstated upon a finding or ruling by a court with jurisdiction, that the Bond Insurance Policy is valid and binding on the Bond Insurer; and

(b) Notice of Purchase. The Bank shall have timely received by no later than 11:00 a.m. on the Business Day on which Series 2007A Bonds are to be purchased, a Notice of Purchase as provided in Section 2.02 hereof; provided that if a Notice of Purchase is received after 11:00 a.m. on a Business Day, the Bank will be obligated to

purchase Eligible Series 2007A Bonds on the Business Day following receipt thereof, and provided further that if a Notice of Purchase is received before the end of the Purchase Period, the end of the Purchase Period shall not, in and of itself, relieve the Bank of its obligation to purchase Series 2007A Bonds.

ARTICLE VI

COVENANTS

Section 6.01. Covenants of the Issuer. During the term of this Agreement, and until the obligations of the Issuer to the Bank under this Agreement are paid in full and the Bank has no further commitment under this Agreement and until payment in full of all Purchased Series 2007A Bonds, unless the Bank shall otherwise consent in writing, the Issuer covenants and agrees as follows:

(a) Notices. The Issuer will promptly furnish, or require to be furnished by including appropriate provisions in the Resolution, to the Bank notice of (i) the failure by the Bond Insurer to perform any of its obligations under the Bond Insurance Policy, (ii) each demand for payment made under the Bond Insurance Policy, (iii) the failure by the Remarketing Agent or the Trustee to perform any of its obligations under the Remarketing Agreement or the Resolution, (iv) any proposed substitution of this Agreement or of the Bond Insurance Policy, (v) each event or occurrence of which notice is required to be given to the Bank pursuant to the Resolution, (vi) the occurrence of any Event of Termination or Event of Default; (vii) any change in the ratings of the Series 2007A Bonds of which the Issuer has actual knowledge; (viii) any ratings which may be assigned to uninsured debt of the Issuer which ranks on a parity with the Series 2007A Bonds (or any changes in such ratings); and (ix) any Underlying Bond Rating (or changes therein) of which the Issuer has knowledge.

(b) Compliance With Laws. The Issuer shall comply with all laws, rules and regulations, and with all final orders, writs, judgments, injunctions, decrees or awards to which it may be subject; *provided, however*, that the Issuer may contest the validity or application thereof and appeal or otherwise seek relief therefrom, and exercise any and all of the rights and remedies which it may have with regard thereto, so long as such acts do not affect the Issuer's power and authority to execute this Agreement and the Related Documents to which it is a party or to perform its obligations and pay all amounts payable by it hereunder and thereunder.

(c) Use of Proceeds. The Issuer shall (i) use its best efforts to cause the proceeds from purchases of Series 2007A Bonds made hereunder to be used solely to pay the Purchase Price of such Series 2007A Bonds as more fully described in Sections 2.01 and 2.02 hereof and (ii) use the proceeds of the Series 2007A Bonds solely for the purposes set forth in the Resolution.

(d) Related Obligations. The Issuer shall promptly pay all amounts payable by it under this Agreement and the Related Documents according to the terms hereof and thereof and shall duly perform each of its obligations under this Agreement and the

Related Documents to which it is a party. The Issuer shall take such action as may be necessary to enforce the obligations of other Persons owed to the Issuer and the Trustee pursuant to the Related Documents.

(e) Reporting Requirements. The Issuer shall keep proper books of record and account in which full, true and correct entries will be made of all dealings and transactions of or in relation to affairs, operations, transactions and activities of the Issuer in accordance with Generally Accepted Accounting Principles consistently applied, and will furnish to the Bank a copy of each of the following:

(i) As soon as available, and in any event within 180 days after the close of each fiscal year of the Issuer, audited financial statements including the balance sheet as of the end of such fiscal year, setting forth in each case in comparative form the corresponding figures for the preceding fiscal year, all in reasonable detail, certified by an independent certified public accountant as having been prepared in accordance with Generally Accepted Accounting Principles, consistently applied, such audit having been conducted with generally accepted auditing standards;

(ii) Promptly, and in any event within five days after any financial officer of the Issuer obtains knowledge thereof, a certificate of the chief financial officer for the Issuer setting forth the occurrence of any Event of Default or Event of Termination, the details thereof and the action which the Issuer is taking or proposes to take with respect thereto;

(iii) Copies of the financial statements of and other information pertaining to the Issuer required to be delivered to the Bond Insurer, no later than the date on which such deliveries are required to be made to the Bond Insurer;

(iv) Promptly, and in any event within five days after any officer of the Issuer obtains knowledge thereof, a written description of any pending or threatened litigation, the existence of which causes the representation set forth in Section 4.01(d) hereof to be untrue or inaccurate in any material respect;

(v) As soon as available, and in any event within 30 days of the beginning of each fiscal year of the Issuer, a copy of the annual operating budget of the Issuer;

(vi) Within ten (10) days after the sale of any securities by the Issuer secured (directly or indirectly) by a pledge of or lien on the Pledged Revenues with respect to which any disclosure document was prepared, a copy of such disclosure document;

(vii) Copies of any “material events notices” as set forth in the United States Securities and Exchange Commission Rule 15c2-12(b)(5)(I)(C) the Issuer files with any nationally recognized municipal securities repository with respect to any event occurring which relates to the Issuer (as opposed to a credit enhancer of the Issuer’s obligation) and to any of its securities secured (directly or

indirectly) by a pledge of or lien on the Pledged Revenues pursuant to any continuing disclosure certificate or agreement;

(viii) As soon as possible after the Issuer acquires knowledge of the occurrence of (i) the certification of any initiative or referendum for placement on the ballot which could lead to the diminution or reallocation of any Pledged Revenues or any portion thereof or (ii) any other event which, in the reasonable judgment of such officer, is likely to have a material adverse effect on the ability of the Issuer to perform its obligations under this Agreement or under any Related Document to which it is a party, written notice thereof; and

(ix) Such other information respecting the affairs, condition and/or operations, financial or otherwise, of the Issuer or the Pledged Revenues as the Bank may from time to time reasonably request.

(f) Inspection Rights. The Issuer will permit the Bank, upon reasonable notice and during normal business hours, to meet with officers, directors and employees of the Issuer to discuss the affairs, finances, business and accounts of the Issuer and to visit the Issuer's properties in order to enable the Bank to monitor the Issuer's compliance with the Agreement. The Trustee will permit the Bank, upon reasonable notice and during normal business hours, to inspect its books and records relating to the Series 2007A Bonds.

(g) Amendments. The Issuer and the Trustee shall not amend, modify, terminate, substitute or permit the amendment, modification, termination or substitution of, or consent to, or permit or suffer to occur any action or omission which results in, or is equivalent to, an amendment, termination or modification of the Related Documents (other than the Bond Insurance Policy), other than an amendment to the Resolution permitted under Section 10.1 of the Resolution (including, without limitation, an amendment permitted under Section 10.1 to provide for the issuance of a Series of Bonds subject to and in accordance with the provisions of Article VII of the Resolution).

(h) Voluntary Redemption or Conversion. The Issuer shall not voluntarily redeem any Series 2007A Bonds pursuant to the Resolution prior to redeeming Purchased Series 2007A Bonds in full or if, after giving effect to such redemption, there would be any unpaid Excess Series 2007A Bond Interest Amount owing under this Agreement or any other amount in respect of such Purchased Series 2007A Bonds which shall not have been paid in full. The Issuer shall not voluntarily convert any Series 2007A Bonds to a Non-Covered Interest Rate pursuant to the Resolution if, after giving effect to such conversion, there would be any unpaid Excess Series 2007A Bond Interest Amount owing under this Agreement or any other amount in respect of such Purchased Series 2007A Bonds which shall not have been paid in full.

(i) Alternate Liquidity Facility or Conversion to a Non-Covered Interest Rate.

(i) The Issuer agrees to use its best efforts to obtain an Alternate Liquidity Facility to replace this Agreement or to convert all of the Series 2007A

Bonds to a Non-Covered Interest Rate in the event (A) the Bank shall determine not to extend the Stated Expiration Date (such replacement or conversion to occur on or before the mandatory purchase date established pursuant to the Resolution), (B) the Bank shall give a Notice of Termination in accordance with Section 7.03(b) hereof (such replacement or conversion to occur on or before the mandatory purchase date established pursuant to the Resolution), (C) a mandatory purchase of Series 2007A Bonds shall have been effected with any funds made available under this Agreement, or (D) the Issuer terminates this Agreement pursuant to Section 8.09(b) hereof.

(ii) The Issuer agrees that, as a condition to the effectiveness of any Alternate Liquidity Facility, the provider of the Alternate Liquidity Facility will provide funds, to the extent necessary, in addition to other funds available, on the date the Alternate Liquidity Facility becomes effective for the purchase of all Purchased Series 2007A Bonds at a purchase price of par plus accrued interest (at the Purchased Series 2007A Bond Rate) through the purchase date, and that, as a condition to the effectiveness of the conversion to a Non-Covered Interest Rate, all Purchased Series 2007A Bonds will be purchased on the conversion date at a purchase price of par plus accrued interest (at the Purchased Series 2007A Bond Rate) through the purchase date. On the effective date of such Alternate Liquidity Facility or conversion to a Non-Covered Interest Rate, as the case may be, the Issuer shall pay in full all other amounts due under this Agreement (including the Excess Series 2007A Bond Interest Amount and unpaid interest thereon).

(iii) The Issuer shall not permit an Alternate Liquidity Facility to become effective with respect to less than all of the Series 2007A Bonds without the prior written consent of the Bank.

(j) Appointment of Successors.

(i) The Issuer shall not, without the prior written consent of the Bank, permit the appointment of a successor Trustee or Remarketing Agent. Any successor Trustee shall have capital of not less than \$50,000,000.

(ii) The Issuer shall not, without the prior written consent of the Bank, (A) permit the surrender, cancellation, termination, modification or amendment of the Bond Insurance Policy or (B) permit a substitute or additional bond insurance policy to become effective.

(k) Incorporation of Covenants. The covenants of the Issuer set forth in each of the Related Documents to which the Issuer is a party are hereby incorporated by reference in this Agreement for the benefit of the Bank and other Purchased Series 2007A Bondholders. To the extent that any such incorporated provision permits any Person to waive compliance with or consent to such provision or requires that a document, opinion, report or other instrument or any event or condition be acceptable or satisfactory to any Person, for purposes of this Agreement, such compliance shall be waived, or such provision shall be consented to, only if it is waived or consented to, as the case may be,

by the Bank and such document, opinion, report or other instrument shall be acceptable or satisfactory to the Bank. No amendment to such covenants (or the defined terms relating thereto) made pursuant to the Related Documents shall be effective to amend such incorporated covenants without the written consent of the Bank.

(l) Maintenance of Existence. The Issuer will maintain its corporate existence. The Issuer will not merge or consolidate with another entity or transfer substantially all of its assets to another entity in a way that adversely affects the Issuer's obligations under this Agreement or the Related Documents.

(m) Maintenance and Approvals; Filings, Etc. The Issuer shall at all times maintain in effect, renew and comply with all the terms and conditions of all consents, licenses, approvals and authorizations as may be necessary or appropriate under any applicable law or regulation for its execution, delivery and performance of this Agreement and the Related Documents to which it is a party.

(n) Regulation U. The Issuer is not engaged principally, or as one of its important activities, in the business of extending credit for the purposes of purchasing or carrying margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System), and will not use the proceeds of the Series 2007A Bonds or any amounts paid by the Bank hereunder so as to violate Regulation U as it may be amended or interpreted from time to time by the Board of Governors of the Federal Reserve System.

(o) Resolution a Contract. The provisions of the Resolution constitute a contract between the Issuer and the owner or owners of the Series 2007A Bonds, the Bond Insurer and the Bank, and any such owner or owners, the Bond Insurer or the Bank may at law or in equity, by suit, action, mandamus or other proceedings, enforce and compel the performance of all duties required to be performed by the Issuer as a result of issuing the Series 2007A Bonds.

(p) Audit. Not later than six months after the close of each Fiscal Year, the Issuer shall cause an audit of its general fund books and accounts to be made by an independent firm of certified public accountants showing the receipts and disbursements made by the Issuer during the previous Fiscal Year.

(q) Subsequent Documents and Instruments. The Issuer shall execute and deliver to the Bank (or as directed by the Bank) all such documents and instruments as may be necessary or reasonably required by the Bank to enable the Bank or the holders of the Series 2007A Bonds to exercise and enforce their rights under this Agreement or with respect to the Series 2007A Bonds and to realize thereon, and the Issuer shall record and file and re-record and re-file all such documents and instruments, at such time or times, in such manner and at such place or places, all as may be necessary or reasonably required by the Bank to validate, preserve and protect the rights of the Bank or the holders of the Series 2007A Bonds under this Agreement or with respect to the Series 2007A Bonds.

(r) No Sales to Issuer. The Issuer shall not permit the Remarketing Agent to sell Series 2007A Bonds to the Issuer.

(s) Substitution of the Bond Insurer.

(i) The Issuer shall at all times maintain the Bond Insurance Policy so that such Bond Insurance Policy (A) provides coverage in an amount equal to all regularly scheduled payments of principal of and interest on the Series 2007A Bonds (whether at the stated rate for Series 2007A Bonds not purchased hereunder or at the Purchased Series 2007A Bond Rate or the Default Rate, if applicable), (B) includes an endorsement insuring the scheduled repayment of the mandatory redemption of Purchased Series 2007A Bonds pursuant to the Resolution and (C) remains in full force and effect for so long as any payment of principal or interest is outstanding with respect to any Series 2007A Bond (including any Purchased Series 2007A Bond).

(ii) The Issuer and the Trustee will not substitute the Bond Insurer as insurer of the Series 2007A Bonds or cancel the Bond Insurance Policy without the Bank's prior written consent, which shall be within the Bank's sole and absolute discretion. If at any time any rating of the financial strength of the Bond Insurer falls below the Permitted Minimum Bond Insurer Ratings, the Issuer will use its best efforts, within 60 days after the request of the Bank, to (A) obtain a substitute bond insurance policy on terms comparable to the Bond Insurance Policy or as to which the Bank may otherwise consent, in form and substance and from an insurer satisfactory to the Bank, (B) convert the interest rate on the Series 2007A Bonds to a Non-Covered Interest Rate, (C) obtain an Alternate Liquidity Facility or (D) provide other additional insurance or other credit enhancement in respect of principal and interest on the Series 2007A Bonds (including Purchased Series 2007A Bonds) on terms comparable to the Bond Insurance Policy or as to which the Bank may otherwise consent, in form and substance and from an insurer satisfactory to the Bank.

(iii) The Issuer shall promptly forward to the Bank all material notices, if any, received by the Issuer from the Bond Insurer under the Bond Insurance Policy.

(t) Underlying Bond Rating. The Issuer shall at all times maintain an Underlying Bond Rating.

(u) Short-Term Rating. At any time the Series 2007A Bonds do not have a short-term rating, the Issuer shall timely apply for a short-term rating on the Series 2007A Bonds so as to receive a short-term rating on the Series 2007A Bonds by no later than 180 days prior to the last day of the then-current Term Interest Rate Period. If upon such application, the Issuer is unable to obtain a short-term rating for the Series 2007A Bonds by the date set forth in the preceding sentence, the Issuer shall on or before the last day of the then-current Term Interest Rate Period (i) cause the

Series 2007A Bonds to be remarketed into another Term Interest Rate Period or (ii) obtain an Alternate Liquidity Facility.

ARTICLE VII

EVENTS OF TERMINATION; EVENTS OF DEFAULT; REMEDIES

Section 7.01. Events of Termination. Each of the following shall constitute an “Event of Termination” under this Agreement:

(a) Non Payment of Insured Amounts. Any principal or interest due on the Series 2007A Bonds is not paid when due and such principal or interest is not paid by the Bond Insurer when, as, and in the amounts required to be paid pursuant to the terms of the Bond Insurance Policy; or

(b) Invalidity or Contest of Validity of Bond Insurance Policy. The Bond Insurer shall in writing to the Trustee claim that the Bond Insurance Policy with respect to the payment of principal of or interest on the Series 2007A Bonds is not valid and binding on the Bond Insurer, and repudiate the obligations of the Bond Insurer under the Bond Insurance Policy with respect to payment of principal of or interest on the Series 2007A Bonds, or the Bond Insurer shall initiate any legal proceedings to seek an adjudication that the Bond Insurance Policy, with respect to the payment of principal, interest, or the special redemption of the Series 2007A Bonds pursuant to Section 3.04 hereof, is not valid and binding on the Bond Insurer, or any court or Governmental Authority with jurisdiction to rule on the validity of the Bond Insurance Policy shall announce, find or rule that the Bond Insurance Policy is not valid and binding on the Bond Insurer; or

(c) Bond Insurer Insolvency; Bond Insurer Downgrade Below Investment Grade. Either (i) the occurrence of a Bond Insurer Event of Insolvency, or (ii) each of Moody’s, S&P, and Fitch withdraw or suspend the financial strength rating of the Bond Insurer or reduce such rating, in the case of S&P, below “BBB-”, in the case of Moody’s, below “Baa3,” and in the case of Fitch, below “BBB-”; or

(d) Bond Insurer Default on other Policies. Any default by the Bond Insurer in making payment when, as and in the amounts required to be made pursuant to the express terms and provisions of any other bond insurance policy issued by the Bond Insurer insuring publicly rated bonds and such failure shall continue for seven (7) days unless the obligation of the Bond Insurer to pay is being contested by the Bond Insurer in good faith by appropriate proceedings; or

(e) Permitted Minimum Bond Insurer Ratings. The Bond Insurer shall fail to maintain the Permitted Minimum Bond Insurer Ratings for a period of 30 consecutive days.

Section 7.02. Events of Default. Each of the following shall constitute an “Event of Default” under this Agreement.

(a) Misrepresentation. Any material representation or warranty made by the Issuer under or in connection with this Agreement shall prove to be untrue in any material respect on the date as of which it was made; or

(b) Non Payment of Fees. Non payment of any amounts payable under Section 2.05 hereof (together with interest thereon at the Default Rate) within ten days after the Trustee, the Bond Insurer and the Issuer have received written notice from the Bank that the same were not paid when due; or

(c) Other Non Payments. Non payment of any other fees or amounts payable under this Agreement (together with interest thereon at the Default Rate) within 20 days after written notice thereof to the Issuer, Trustee and the Bond Insurer by the Bank; or

(d) Certain Breaches. The breach by the Issuer of any of the terms or provisions of Section 6.01(c)(i) (in respect of proceeds from the purchases of Series 2007A Bonds hereunder), (g) (in a material respect), (i), (j)(i) (with respect to the Remarketing Agent only) and (l) hereof; or

(e) Other Breaches. The breach by the Issuer of any terms or provisions of this Agreement for which no cure period is otherwise specifically provided with respect thereto which is not remedied within 30 days after written notice thereof from the Bank shall have been received by the Issuer and the Bond Insurer; or

(f) Insolvency.

(i) The Issuer shall commence any case, proceeding or other action under any existing or future law of any jurisdiction, domestic or foreign, (A) relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition or other relief with respect to it or its debts, (B) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its assets, or the Issuer shall make a general assignment for the benefit of its creditors; or

(ii) There shall be commenced against the Issuer any case, proceeding or other action of a nature referred to in clause (i) above which (A) results in an order for such relief or in the appointment of a receiver or similar official or (B) remains undismissed, undischarged or unbonded for a period of 60 days; or

(iii) There shall be commenced against the Issuer any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets, which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or

(iv) The Issuer shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or

(v) The Issuer shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts.

(g) Invalidity. Any material provision of this Agreement or any Related Document (other than the Bond Insurance Policy) shall at any time for any reason cease to be valid and binding on the Issuer or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by the Issuer or by any Governmental Authority having jurisdiction, or the Issuer shall deny that it has any further liability or obligation under any such document, or such document is cancelled or terminated without the Bank's prior written consent; or

(h) Cross Default. The occurrence of any "event of default" as defined in any of the Related Documents (which is not waived pursuant to the terms thereof) which is not otherwise described in this Section 7.02, other than the failure of the Bank to provide funds for the purchase of Tendered Series 2007A Bonds when required by the terms and conditions of this Agreement; or

(i) Other Debt. The Issuer shall have defaulted in the payment or performance of any obligation of a principal amount of \$5,000,000 or more that constitutes Debt, and such default permits the acceleration of the payment of moneys.

Section 7.03. Remedies. If any Event of Termination or Event of Default shall have occurred and be continuing:

(a) Immediate Termination. In the case of an Event of Termination specified in Section 7.01(a), (c) or (d) hereof, the Available Commitment and Purchase Period and the obligation of the Bank to purchase Series 2007A Bonds shall immediately terminate without notice or demand (a "Termination Event"), and thereafter the Bank shall be under no obligation to purchase Series 2007A Bonds. Promptly upon the Bank obtaining knowledge of an Event of Termination specified in Section 7.01(a), (c) or (d), the Bank shall give written notice of the same to the Trustee, the Issuer, the Remarketing Agent and the Bond Insurer; provided, that the Bank shall incur no liability or responsibility whatsoever by reason of its failure to give such notice and such failure shall in no manner affect the immediate termination of the Available Commitment and of the Bank's obligation to purchase Series 2007A Bonds pursuant to this Agreement.

(b) Termination with Notice. In the case of an Event of Termination specified in Section 7.01(e) or an Event of Default specified in Section 7.02(b), (c), (d) (as it relates to Section 6.01(g)), (f), (g), or (i) hereof, the Bank may terminate the Available Commitment and Purchase Period by giving written notice to the Trustee, the Issuer, the Remarketing Agent and the Bond Insurer, specifying the date on which the Available Commitment and Purchase Period shall terminate (a "Notice of Termination"), which date, the Purchase Termination Date, shall be not less than 30 days from the date of

receipt of such notice by the Trustee. On and after the Purchase Termination Date, the Bank shall be under no further obligation to purchase Series 2007A Bonds hereunder.

(c) Suspension relating to Bond Insurance Policy. In the case of an Event of Termination specified in Section 7.01(b) hereof, the Bank's obligations to purchase Series 2007A Bonds shall be immediately suspended without notice or demand and thereafter the Bank shall be under no obligation to purchase until the Available Commitment is reinstated as described in this Section 7.03(c). Promptly upon the Bank obtaining knowledge of any such Event of Termination specified in Section 7.01(b), the Bank shall give written notice of the same to the Issuer, the Trustee, the Remarketing Agent and the Bond Insurer of such suspension; provided, that the Bank shall incur no liability or responsibility whatsoever by reason of its failure to give such notice and such failure shall in no way affect the suspension of the Bank's obligations to purchase Series 2007A Bonds. If a court with jurisdiction to rule on the validity of the Bond Insurance Policy shall thereafter enter a final, non appealable judgment that the Bond Insurance Policy is not valid and binding on the Bond Insurer, then the Bank's obligation to purchase Series 2007A Bonds shall immediately terminate. If a court with jurisdiction to rule on the validity of the Bond Insurance Policy shall find or rule that the Bond Insurance Policy is valid and binding on the Bond Insurer, the Bank's obligations to purchase Series 2007A Bonds under this Agreement shall be automatically reinstated and the terms of this Agreement will continue in full force and effect (unless this Agreement shall otherwise have terminated or been suspended by its terms or in accordance with Section 7.03(a), (b) or (d)) hereof. Notwithstanding the foregoing, if, upon the earlier of the Stated Expiration Date or the date which is three years after the effective date of suspension of the Bank's obligations pursuant to this Section 7.03(c), litigation is still pending and a judgment regarding the validity of the Bond Insurance Policy as is the subject of such Event of Termination has not been obtained, then the Available Commitment and the obligation of the Bank to purchase Series 2007A Bonds shall at such time immediately terminate, and thereafter the Bank shall be under no obligation to purchase Series 2007A Bonds.

(d) Other Suspensions. During the pendency of an Event of Termination pursuant to Section 7.01(c) hereof (with respect to an order described in clause (a) of the definition of Bond Insurer Event of Insolvency) or Section 7.01(d) hereof (prior to the expiration of the 30 day period specified in Section 7.01(d) (each a "Potential Event of Termination")), the Bank's obligations to purchase Series 2007A Bonds shall be immediately suspended without notice or demand and thereafter the Bank shall be under no obligation to purchase Series 2007A Bonds until the Available Commitment is reinstated as described in this Section 7.03(d). Promptly upon the Bank obtaining knowledge of any such Potential Event of Termination, the Bank shall give written notice of the same to the Issuer, the Trustee, the Remarketing Agent and the Bond Insurer of such suspension; *provided, however*, that the Bank shall incur no liability or responsibility whatsoever by reason of its failure to give such notice and such failure shall in no way affect the suspension of the Bank's obligations under this Agreement. In the event such Potential Event of Termination is cured prior to becoming a Termination Event, the Bank's obligations shall be automatically reinstated and the terms of this Agreement will continue in full force and effect (unless this Agreement shall otherwise

have terminated or been suspended by its terms or in accordance with Section 7.03(a), (b) or (c) hereof).

(e) Other Remedies. In addition to the rights and remedies set forth in Section 7.03(a), (b), (c) and (d) hereof, in the case of any Event of Termination specified in Section 7.01 hereof or in the case of any Event of Default specified in Section 7.02 hereof, upon the election of the Bank: (i) all amounts payable hereunder (other than payments of principal and redemption price of and interest on the Series 2007A Bonds or payments of Excess Series 2007A Bond Interest) shall upon notice to the Issuer become immediately due and payable without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Issuer; and (ii) the Bank shall have all the rights and remedies available to it under this Agreement, the Related Documents, the Bond Insurance Policy or otherwise pursuant to law or equity; *provided, however,* that the Bank shall not have the right to terminate its obligation to purchase Series 2007A Bonds or to declare any amount due hereunder due and payable except as expressly provided herein, or to accelerate the maturity date of any Series 2007A Bonds except as provided in the Resolution. Without limiting the generality of the foregoing, the Bank agrees to purchase Series 2007A Bonds on the terms and conditions of this Agreement notwithstanding the institution or pendency of any bankruptcy, insolvency or similar proceeding with respect to the Issuer. The Bank will not assert as a defense to its obligation to purchase Series 2007A Bonds under this Agreement (x) the institution or pendency of a bankruptcy, insolvency or similar proceeding with respect to the Issuer, or (y) a determination by a court of competent jurisdiction in a bankruptcy, insolvency or similar proceeding with respect to the Issuer that this Agreement is not enforceable against the Issuer under applicable bankruptcy, insolvency or similar laws. This subsection shall not limit the exercise of the Bank's remedies expressly provided for under any other subsection of this Section 7.03.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. No Waiver of Remedies. No failure or delay on the part of the Bank in exercising any right, power or privilege hereunder and no course of dealing shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein expressly provided are cumulative and not exclusive of any rights or remedies which the Bank would otherwise have. No notice to or demand on the Issuer or any other party hereto in any case shall entitle the Issuer or such other party to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the Bank to any other or further action in any circumstances without notice or demand.

Section 8.02. Amendments. No provision of this Agreement may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the parties hereto and only with the consent of the Bond Insurer; *provided, however,* that the provisions of Sections 2.05, 2.06 and 2.07 hereof, Articles IV, V and VI and Sections 8.07 and 8.08 hereof may be changed, waived, discharged or terminated and the Stated Expiration Date may be extended in

accordance with Section 8.10 hereof by instruments in writing signed solely by the Bank and the Issuer, and with written notice to the Trustee; provided, further, however, that the provisions of Section 5.02 hereof relating to conditions precedent to the purchase of Series 2007A Bonds and the provisions hereof relating to the coverage or application of proceeds of the Bond Insurance Policy may not be changed, waived, discharged or terminated without the prior written consent of the Bond Insurer. The Issuer shall give notice to Moody's and S&P of any amendments to this Agreement.

Section 8.03. Binding Effect; Assignment; Participations. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the parties hereto; *provided, however*, that the Issuer may not assign or transfer any of its rights or obligations hereunder without the prior written consent of the Bank, and any purported assignment in contravention hereof shall be void; and such assignee shall not be any Person registered as an investment company under the Investment Company Act of 1940, as amended, substantially all of the assets of which are invested in obligations exempt from federal income taxation under Section 103 or 103A of the Code or any similar or successor provision. The Bank may assign to one or more banks or other entities (collectively, "Assignees") all or any part of any of its rights or obligations hereunder, including, without limitation, the Purchased Series 2007A Bonds, and to the extent of any such assignment the Bank shall be relieved of its obligations hereunder and each Assignee shall have the same rights and benefits hereunder and under the Series 2007A Bonds, as it would have if it were the Bank hereunder; *provided, however*, that any such assignment by the Bank which would relieve the Bank of any of its duties or obligations hereunder shall not result in the withdrawal or reduction of the ratings, if any, then assigned by Moody's or S&P to the Series 2007A Bonds and, unless the intended assignee is an affiliate of the Bank and the then current ratings on the Series 2007A Bonds have been confirmed in writing by any of Moody's or S&P, as applicable, which then maintain a rating on the Series 2007A Bonds, such assignment shall not be effected without the prior written consent of the Issuer, the Bond Insurer and written notice to the Trustee. Additionally, the Bank shall have the right at any time to sell, assign, grant or transfer participations in all or part of its obligations hereunder and the obligations of the Issuer hereunder to any Participant without the consent of or notice to the Issuer, Trustee, the Bond Insurer or any other party; provided, that any such participation shall not relieve the Bank from any of its obligations hereunder and the Issuer, the Remarketing Agent, the Trustee and the Bond Insurer may deal exclusively with the Bank for all purposes of this Agreement, including the making of payment on Purchased Series 2007A Bonds, notwithstanding such participation. The Bank may disclose to any Participants or prospective Participants any information or other data or material in the Bank's possession relating to this Agreement, any Related Document and the Bond Insurer, without the consent of or notice to the Issuer or the Bond Insurer.

Section 8.04. Governing Law; Venue; Waiver of Jury Trial.

(a) This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York without regard to its choice of law rules; provided, however, that the powers and legal capacity of the Issuer shall be governed by and construed in accordance with the laws of the State of Idaho.

(b) To the extent permitted by law, the parties hereto each hereby irrevocably submit to the nonexclusive jurisdiction of any court of the State of New York or the United States District Court for the Southern District of the State of New York for the purpose of any suit, action or other proceeding arising out of this Agreement, at the election of the party initiating any such suit, action or proceeding which is brought by or against the Bank, the Trustee or the Issuer, and the parties each hereby irrevocably agree that all claims in respect of any such suit, action or proceeding may be heard and determined by any such court.

(c) To the fullest extent permitted by law, the Issuer and the Bank agree to waive their respective rights to a jury trial of any and all claims or causes of action based upon or arising out of this Agreement and the other related documents. It is hereby acknowledged that the waiver of a jury trial is a material inducement for the Issuer and the Bank to enter into this Agreement and that the execution and delivery of this Agreement by the Issuer and the Bank is made in reliance upon such waiver. The Issuer and the Bank each further warrant and represent that such waiver has been knowingly and voluntarily made by each party hereto, following consultation with their respective legal counsel.

(d) To the fullest extent permitted by law the Issuer waives and represents that the Issuer is not entitled to sovereign immunity from any legal proceedings to enforce or collect upon this Agreement or any Related Document to which it is a party or with respect to the transactions contemplated hereby or thereby (including, without limitation, immunity from service of process and immunity from jurisdiction of any court or tribunal in respect of itself). To the extent that the Issuer has or hereafter may acquire under any applicable law any right to immunity from set off or legal proceedings on the grounds of sovereignty, the Issuer hereby irrevocably waives, to the extent permitted by law, such rights to immunity for itself in respect of its obligations arising under or related to this Agreement or the Related Documents to which it is a party.

(e) The Bank hereby waives the benefit of Article 15 of the French Civil Code relating to general and exclusive jurisdiction in any action or proceeding arising out of or relating to this Agreement or any of the related documents.

(f) The waivers made pursuant to this Section 8.04 shall be irrevocable and unmodifiable, whether in writing or orally, and shall be applicable to any subsequent amendments, renewals, supplements or modifications of this Agreement. In the event of litigation, this Agreement may be filed as a written consent to a trial by the court sitting without a jury.

Section 8.05. Indemnification. To the greatest extent permitted under state law, the Issuer agrees to indemnify and hold harmless the Bank from and against any and all claims, damages, losses, liabilities and reasonable costs or expenses (including, without limitation, reasonable attorney's fees and expenses) whatsoever which the Bank may incur (or which may be claimed against the Bank by any Person or entity whatsoever) by reason of, in connection with or relating to (a) the offering, sale, remarketing or resale of the Series 2007A Bonds (including, without limitation, by reason of any untrue statement or alleged untrue statement of any material fact contained or incorporated by reference in the Related Documents, the Official Statement (other than with respect to the information relating to the Bank in Appendix G-2

thereto) or in any supplement or amendment thereof or remarketing circular in accordance therewith, or the omission or alleged omission to state therein a material fact necessary to make such statements, in the light of the circumstances in which they are or were made, not misleading); (b) the validity, sufficiency or genuineness of the Related Documents or the Official Statement; (c) the execution and delivery of this Agreement, or the making or the failure to make purchases of Series 2007A Bonds under this Agreement, (d) the use of any proceeds of the Series 2007A Bonds or (e) any other act or activity (or failure to act) of the Issuer or any other party to the Related Documents, including but not limited to any act or activity financed with the proceeds of the Series 2007A Bonds, provided that the Issuer shall not be required to indemnify the Bank for any losses, claims, damages, liabilities, costs and expenses to the extent that there has been a final, non appealable determination by a court of competent jurisdiction that such losses, claims, damages, liabilities, costs and expenses were caused by the willful misconduct or gross negligence of the Bank.

Section 8.06. Obligations Absolute. The obligations of the Issuer under this Agreement shall be absolute, unconditional and irrevocable, and shall be paid and performed strictly in accordance with the terms of this Agreement, under all circumstances whatsoever, including, without limitation, the following circumstances:

- (a) any lack of validity or enforceability of all or any of the Related Documents; or
- (b) any amendment or waiver of or any consent to or departure from the terms of all or any of the Related Documents; or
- (c) any exchange, release or non perfection of any collateral or any release or amendment or waiver of or consent to departure from any of the Related Documents; or
- (d) the existence of any claim, set off, defense, or other right which the Issuer may have at any time against the Trustee, the Remarketing Agent, the Bond Insurer, the Bank (other than the defense of the payment to the Bank in accordance with the terms of this Agreement) or any other Person, whether in connection with this Agreement, the Related Documents or any unrelated transactions; or
- (e) any certificate, notice or any other document presented other than by the Bank under this Agreement or any of the Related Documents proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever; or
- (f) any other circumstances or happening whatsoever, whether or not similar to any of the foregoing.

Section 8.07. Liability of Bank. The Issuer and the Trustee agree that the Bank shall have no liability or responsibility for the acts or omissions of the Remarketing Agent or the Trustee in respect of the use of this Agreement or any amounts made available by the Bank hereunder. The Bank shall have no responsibility for, nor incur any liability in respect of, any act, or any failure to act, by the Trustee or the Remarketing Agent which results in the failure of the Trustee to effect the purchase of Tendered Series 2007A Bonds for the account of the Bank

with funds provided by the Bank pursuant to Section 2.02 hereof or to comply with the applicable provisions of the Resolution or any Related Document to which the Trustee is a party. Neither the Bank nor any of its officers or directors shall be liable or responsible for: (a) the use which may be made of this Agreement or any amounts made available by the Bank hereunder or for any acts or omissions of the Trustee or the Remarketing Agent or their agents in connection therewith; (b) the validity, sufficiency or genuineness of documents, or of any endorsement(s) thereon, even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged; or (c) any other circumstances whatsoever in making or failing to make payment under this Agreement, except only that the Issuer shall have a claim against the Bank and the Bank shall be liable to the Issuer to the extent of any direct, as distinguished from consequential, damages suffered by the Issuer when the Issuer proves in a final, non appealable judgment that such direct damages were caused by the Bank's willful failure to purchase Tendered Series 2007A Bonds when required under the terms and conditions of this Agreement or were caused by the gross negligence of the Bank.

Section 8.08. Notice. Any notice, demand, direction, request or other instrument authorized or required by this Agreement to be given to or filed with Issuer, the Trustee, the Remarketing Agent, the Bank or the Bond Insurer, shall be deemed or have been sufficiently given or filed for all purposes when delivered by hand, nationally recognized overnight delivery service, or when sent by registered mail, return receipt requested, postage prepaid, or, if given by facsimile transmission when receipt is acknowledged by the individual or an authorized representative of the entity specified below; provided that any such notice, demand, direction, request or other instrument to the Bank shall be effective only when actually received by the Bank:

If to the Issuer:

The Regents of the University of Idaho

[_____]

[_____]

Tax Identification Number: [_____]

Attention: [_____]

Telephone: [_____]

Facsimile: [_____]

If to the Trustee:

Wells Fargo Bank, National Association

[_____]

[_____]

Attention: [_____]

Telephone: [_____]

Facsimile: [_____]

If to the Bond Insurer: Financial Security Assurance Inc.
31 West 52nd Street
New York, New York 10019
Attention: Managing Director–Surveillance
Re: Policy No. _____
Telephone: (212) 826-0100
Facsimile: (212) 339-3529

If to the Remarketing Agent: George K. Baum & Company
[_____]
[_____]
Attention: [_____]
Telephone: [_____]
Facsimile: [_____]

If to the Bank: Dexia Credit Local
New York Branch
445 Park Avenue
New York, New York 10022

For operations and funding: Attention: Vice President, Operations
Telephone: (212) 515-7007
Facsimile: (212) 753-7522

For administration: Attention: Manager, Public Finance
Telephone: (212) 515-7003
Facsimile: (212) 753-5516

Copies of any notices hereunder shall be sent to the Bond Insurer.

Section 8.09. Term of the Agreement; Right of Issuer to Terminate Upon Certain Events.

(a) General. The term of this Agreement shall be until the later of (i) the last day of the Purchase Period (as it may be extended pursuant to Section 8.10 hereof) or (ii) the payment in full of the principal of and interest on all Series 2007A Bonds purchased by the Bank hereunder together with all other amounts due and owing to the Bank pursuant to this Agreement.

(b) Issuer's Right to Terminate. To the extent permitted by the Resolution, this Agreement may, with the written consent of the Bond Insurer, be terminated at any time by written notice from the Issuer to the Bank if:

(i) the Bank fails to purchase Series 2007A Bonds when obligated to do so in accordance with the provisions of this Agreement; or

(ii) a proceeding is instituted in a court having jurisdiction in the premises seeking an order for relief, rehabilitation, reorganization, conservation, liquidation or dissolution in respect of the Bank or for any substantial part of its property under any

applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or for the appointment of a receiver, liquidator, assignee, custodian, trustee or sequestrator (or other similar official) and such proceeding is not terminated for a period of 60 consecutive days or such court enters an order granting the relief sought in such proceeding or the Bank shall institute or take any corporate action for the purpose of instituting any such proceeding; or the Bank shall become insolvent or unable to pay its debts as they mature, shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, shall consent to the entry of an order for relief in an involuntary case under any such law or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian or sequestrator (or other similar official) of the Bank or for any substantial part of its property, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action in furtherance of any of the foregoing; or

(iii) the short-term rating of the Bank is withdrawn or reduced below “P-1” by Moody’s and “A-1+” by S&P and the Issuer elects to replace the Bank with an Alternate Liquidity Facility from a provider with a higher rating than the Bank; or

(iv) the Bank and the Issuer fail to agree on an amendment to this Agreement as set forth in Section 8.12 hereof and the Issuer elects to replace the Bank with an Alternate Liquidity Facility; or

(v) (A) the Bank shall have notified the Issuer that pursuant to Section 2.06 hereof it requires compensation for an increase in costs, reduction in income or additional expense specified therein, (B) the Issuer shall have delivered to the Bank a certificate to the effect that the Issuer has identified a financial institution which will furnish an Alternate Liquidity Facility at a price which is equal to or less than the price charged by the Bank after giving effect to such increased cost, reduction in income or additional expense and (C) within ten Business Days following receipt by the Bank of such certificate the Bank shall not have withdrawn or modified its imposition of such increased costs so that the commitment fee charged by the Bank is not in excess of the amount proposed to be charged by such other financial institution; or

(vi) the Issuer for any other reason elects to replace the Bank with an Alternate Liquidity Facility or to convert all of the Series 2007A Bonds to a Non-Covered Interest Rate.

The effective date of a termination on account of an event described in clause (i) or (ii) shall be the earlier of the effective date of an Alternate Liquidity Facility or 45 days from the date of receipt by the Bank of the notice of termination. The effective date of a termination on account of an event described in clause (iii), (iv), (v) or (vi) shall be the effective date of an Alternate Liquidity Facility. The Issuer agrees to send to the Trustee a copy of any termination notice given by the Issuer to the Bank pursuant to this Section 8.09 promptly after delivery of such notice to the Bank.

Section 8.10. Extension of Purchase Period. The Stated Expiration Date may be extended from time to time by agreement in writing between the Bank and the Issuer (the period

from the preceding Stated Expiration Date to such new Stated Expiration Date being herein sometimes called the “Extended Purchase Period”). The Extended Purchase Period may itself be extended in a like manner for additional periods. If no Event of Termination or Event of Default is continuing, the Issuer may make written request to the Bank, no later than six months prior to the then current Stated Expiration Date and no earlier than one year prior to the Stated Expiration Date, that the Bank extend the Stated Expiration Date. The Issuer has no obligation to request an Extended Purchase Period, and the Bank has no obligation to agree to any Extended Purchase Period, and all terms of the extension (including the term, commitment and other fees, interest rates and other provisions) shall be mutually acceptable to the Bank and the Issuer. The Bank agrees to respond to a written extension request by the Issuer (with a copy to the Bond Insurer) within 90 days of receipt of such request. If the Bank and the Issuer agree to an Extended Purchase Period, the Bank shall give written notice in the form of a Notice of Extension substantially in the form of Exhibit C hereto of its determination to extend to the Issuer, with a copy to the Trustee, the Bond Insurer and the Remarketing Agent. If under the terms of the Resolution, an extension (giving effect to any such changes in the terms and conditions of this Agreement) requires the consent of the Bond Insurer, such extension shall not become effective unless the Bond Insurer shall have consented thereto.

Section 8.11. Survival. All representations, warranties, covenants and agreements of the Issuer contained in this Agreement as amended or supplemented from time to time or made in writing in connection herewith shall survive the execution and delivery hereof and the purchase of Series 2007A Bonds by the Bank hereunder and shall continue in full force and effect until payment in full of all the obligations of the Issuer hereunder and with respect to the Series 2007A Bonds, it being understood that the agreements of the Issuer found in Sections 2.05, 2.06 and 8.05 hereof shall survive the termination of this Agreement and payment in full of such obligations.

Section 8.12. Enforcement by Trustee. The Bank agrees that the Trustee may enforce the provisions of this Agreement on behalf of the Series 2007A Bondholders against the Bank. The Bank further agrees that if any provision of this Agreement shall be held or deemed to be or shall in fact be illegal, inoperative or unenforceable, as between the Bank and the Issuer, the same shall not affect any other provisions herein contained or render the same invalid, inoperative or unenforceable as between the Bank and the Trustee, nor shall the same affect the Bank’s rights and remedies hereunder, including, under certain circumstances, causing the mandatory tender of the Series 2007A Bonds or terminating the obligation of the Bank to purchase the Series 2007A Bonds as expressly provided herein. The Trustee is executing this Agreement solely in its capacity as Trustee under the Resolution.

Section 8.13. Right of Setoff. The Bank may, at any time and from time to time, without notice to the Issuer or any other Person (any such notice being expressly waived), set off and appropriate and apply, against and on account of, any obligations and liabilities of the Issuer to the Bank arising under or connected with this Agreement and the Related Documents, without regard to whether or not the Bank shall have made any demand therefor, and although such obligations and liabilities may be contingent or unmatured, any and all deposits (general or special, including but not limited to indebtedness evidenced by certificates of deposit, whether matured or unmatured, but not including trust accounts) and any other indebtedness at any time held or owing by the Bank to or for the credit or the account of the Issuer. Within 30 days of the

exercise of its rights under this Section 8.13, the Bank shall notify the Issuer of the amount of deposits set off.

Section 8.14. Assignment to Federal Reserve Bank. The Bank may assign and pledge all or any portion of the obligations owing to it to any Federal Reserve Bank or the United States Treasury as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Bank, provided that any payment in respect of such assigned obligations made by the Issuer to the Bank in accordance with the terms of this Agreement shall satisfy the Issuer's obligations hereunder in respect of such assigned obligation to the extent of such payment. No such assignment shall release the Bank from its obligations hereunder.

Section 8.15. Beneficiaries. This Agreement is not intended and shall not be construed to confer upon any Person other than the parties hereto and their successors and permitted assigns and participants any rights or remedies hereunder provided that (a) the agreement of the Bank to purchase Series 2007A Bonds in accordance with the terms and conditions of this Agreement is made for the benefit of the holders from time to time of the Series 2007A Bonds and (b) the Bond Insurer shall be a third-party beneficiary of this Agreement.

Section 8.16. USA Patriot Act. The Bank hereby notifies the Issuer that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107 56 (signed into law October 26, 2001)) (the "Patriot Act"), it is required to obtain, verify and record information that identifies the Issuer, which information includes the name and address of the Issuer and other information that will allow the Bank to identify the Issuer in accordance with the Patriot Act, and the Issuer hereby agrees to take any action necessary to enable the Bank to comply with the requirements of the Patriot Act.

Section 8.17. Severability. If any provision of this Agreement shall be held or deemed to be or shall in fact be illegal, inoperative or unenforceable, the same shall not affect any other provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

Section 8.18. Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same instrument.

Section 8.19. Complete and Controlling Agreement. This Agreement and the Related Documents completely set forth the agreements between the Bank and the Issuer and fully supersede all prior agreements, both written and oral, between the Bank and the Issuer relating to the matters set forth in this Agreement and the Related Documents.

Section 8.20. Contractual Interpretation. The parties acknowledge that they have read and fully understand the terms of this Agreement, have consulted with such attorneys, accountants, advisors, or other professionals as they have deemed appropriate prior to executing this Agreement with adequate opportunity and time for review thereof, and are fully aware of its contents and of its legal effect. Accordingly, this Agreement shall not be construed against any

party on the grounds that such party drafted this Agreement and instead, this Agreement shall be interpreted as though drafted equally by all parties.

[Remainder of this pages intentionally left blank]

IN WITNESS WHEREOF, the parties hereto, by their officers thereunto duly authorized, have executed and delivered this Agreement, effective as of the day and year first above written.

DEXIA CREDIT LOCAL, acting through its New
York Branch, as the Bank

By _____
Vice President

THE REGENTS OF THE UNIVERSITY OF
IDAHO, as the Issuer

By _____
Name
Title

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as the Trustee

By _____
Name
Title

EXHIBIT A

NOTICE OF PURCHASE

The undersigned, a duly authorized officer of Wells Fargo Bank, National Association, as trustee (the "Trustee"), hereby certifies to Dexia Credit Local, New York Branch (the "Bank"), in accordance with the Standby Bond Purchase Agreement (the "Standby Agreement"), dated as of October 1, 2007 among The Regents of the University of Idaho, 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, the Trustee and the Bank (all capitalized terms herein having the meanings ascribed thereto in the Standby Agreement), that:

1. [Notice of tender of Eligible Series 2007A Bonds for purchase having a Purchase Price of \$_____ has been received] [Eligible Series 2007A Bonds having a Purchase Price of \$_____ have been called for mandatory purchase] pursuant to Section [4.7(a)]/[4.8(a)] of the Supplemental Resolution, of which \$_____ constitutes principal and \$_____ constitutes accrued interest.*

2. Amounts available for the payment of the Purchase Price of such Eligible Series 2007A Bonds are \$_____, of which \$_____ is available to pay principal and of which \$_____ is available to pay accrued interest.

3. The total principal amount requested hereby for the payment of the principal portion of the Purchase Price of Eligible Series 2007A Bonds is \$_____, which amount does not exceed the Available Principal Commitment or the principal amount referred to in Paragraph 1 above less the principal amount referred to in Paragraph 2 above.

4. The total amount requested hereby to pay the portion of the Purchase Price for Eligible Series 2007A Bonds constituting accrued interest is \$_____, which amount does not exceed the Available Interest Commitment or the amount of interest referred to in Paragraph 1 above less the amount of interest referred to in Paragraph 2 above.

5. Eligible Series 2007A Bonds referred to above having a Purchase Price of \$_____ [the amount in Paragraph 3 plus the amount in Paragraph 4] are hereby tendered to the Bank for purchase pursuant to the Standby Agreement on the date hereof.

6. Upon completion of purchase, the Trustee will [register such Series 2007A Bonds or, if a Series 2007A Bond for which notice of optional tender or mandatory purchase has been given is not delivered, a new Series 2007A Bond issued in replacement of the undelivered Series 2007A Bond, in the name of the Bank or if directed in writing by the Bank its nominee or designee on the Bond Register] [cause the beneficial ownership of such Series 2007A Bonds to be credited to the account of the Bank or if directed in writing by the Bank its nominee or designee with the DTC], and

* If the Eligible Series 23007A Bonds are to be purchased on an Interest Payment Date, this amount will exclude the interest payable on such date.

will promptly hold such Series 2007A Bonds in trust for the benefit of the Bank or deliver such Series 2007A Bonds as the Bank may otherwise direct in writing, and prior to such delivery will hold such Series 2007A Bonds in trust for the benefit of the Bank.

7. The Purchase Date is _____.

8. The purchase price for such Series 2007A Bonds is to be paid to the Trustee as follows:

(a) _____;

(b) _____.

9. To the Trustee's knowledge, no Termination Event specified in Section 7.03(a), (c) or (d) or Potential Event of Termination specified in Section 7.03(d) has occurred and is occurring.

IN WITNESS WHEREOF, the Trustee has executed and delivered this Certificate as of the ____ day of _____, ____.

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Trustee

By _____
Name
Title

EXHIBIT B**NOTICE OF TERMINATION**

The undersigned, a duly authorized officer of Dexia Credit Local, acting through its New York Branch (the “Bank”), hereby notifies the Trustee, the Bond Insurer, the Remarketing Agent and the Issuer, each as defined in the Standby Bond Purchase Agreement (the “Standby Agreement”), dated as of October 1, 2007 among the Issuer, the Trustee and the Bank (all capitalized terms herein having the meanings ascribed thereto in the Standby Agreement), that this notice constitutes a “Notice of Termination” in accordance with Section 7.03(b) of the Standby Agreement as a result of the occurrence of [an Event of Termination under Section 7.01(e)] [an Event of Default under Section 7.02(____)] of the Standby Agreement. The Available Commitment and Purchase Period shall terminate on _____, which date is not earlier than 30 days from the date of receipt of this notice by the Trustee.

DEXIA CREDIT LOCAL, acting through its New
York Branch

By _____
Name
Title

EXHIBIT C

NOTICE OF EXTENSION

The undersigned, a duly authorized officer of Dexia Credit Local, acting through its New York Branch (the “Bank”), hereby notifies the Trustee, the Bond Insurer, the Remarketing Agent and the Issuer, each as defined in the Standby Bond Purchase Agreement (the “Standby Agreement”), dated as of October 1, 2007 among the Issuer, the Trustee and the Bank (all capitalized terms herein having the meanings ascribed thereto in the Standby Agreement), that effective upon the Issuer’s acceptance as indicated by its signature below, the Stated Expiration Date has been extended from [INSERT CURRENT EXPIRATION DATE] to [INSERT NEW EXPIRATION DATE].

DEXIA CREDIT LOCAL, acting through its New
York Branch

By _____
Name
Title

ACCEPTED:

THE REGENTS OF THE UNIVERSITY
OF IDAHO

By _____
Name
Title

EXHIBIT D**NOTICE OF UNREMARKETED BONDS**

The undersigned, a duly authorized officer of Wells Fargo Bank, National Association, as Trustee (the "Trustee"), hereby certifies to Dexia Credit Local, acting through its New York Branch (the "Bank"), in accordance with the Standby Bond Purchase Agreement (the "Standby Agreement"), dated as of October 1, 2007, among the Issuer, the Trustee and the Bank (all capitalized terms herein having the meanings ascribed thereto in the Standby Agreement), that:

[Notice of tender of Eligible Series 2007A Bonds for purchase having a Purchase Price of \$_____ having been received] [Eligible Series 2007A Bonds having a Purchase Price of \$_____ having been called for mandatory purchase] pursuant to the Resolution, pursuant to Section 2.02(a) of the Standby Agreement, as of 4:00 p.m. on _____ there is no commitment to purchase Series 2007A Bonds in the principal amount of \$_____ which are to be tendered on the next Business Day.

IN WITNESS WHEREOF, the Trustee has executed and delivered this Certificate as of the ____ day of _____, ____.

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Trustee

By _____
Name
Title

EXHIBIT E

NOTICE OF TERMINATION OR REDUCTION

The undersigned, a duly authorized officer of Wells Fargo Bank, National Association, as Trustee (the "Trustee"), hereby certifies to Dexia Credit Local, acting through its New York Branch (the "Bank"), in accordance with the Standby Bond Purchase Agreement (the "Standby Agreement"), dated as of October 1, 2007, among the Issuer, the Trustee and the Bank (all capitalized terms herein having the meanings ascribed thereto in the Standby Agreement), that:

[(1)(a) The Trustee hereby requests that the Available Commitment be reduced from [insert amount as of the date of this Certificate] to [insert new amount], of which [insert new amount] constitutes the Available Principal Commitment and [insert new amount] constitutes the Available Interest Commitment, such reductions to be effective on _____.]

(b) Upon the foregoing reductions, the amount of the Available Commitment will not be less than the Purchase Price of all outstanding Eligible Series 2007A Bonds.]

or

[(1)(a) The Trustee hereby requests that the Available Commitment be reduced to zero and terminated in accordance with the Standby Agreement.

(b) The Bank has purchased any outstanding Eligible Series 2007A Bonds required to be purchased on the Purchase Date with respect to such reduction.]

IN WITNESS WHEREOF, the Trustee has executed and delivered this Certificate as of the ____ day of _____, ____.

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Trustee

By _____
Name
Title

SF DRAFT: 09/06/07

ESCROW AGREEMENT

Dated as of October 1, 2007

Between

THE REGENTS OF THE UNIVERSITY OF IDAHO

and

WELLS FARGO BANK, NATIONAL ASSOCIATION

ESCROW AGREEMENT

This ESCROW AGREEMENT, dated as of October 1, 2007, between the REGENTS OF THE UNIVERSITY OF IDAHO (the "Issuer"), a state institution of higher education and body politic and corporate under the laws of the State of Idaho and Wells Fargo Bank, National Association, Boise, Idaho (in its capacity as escrow agent hereunder, the "Escrow Agent"), a national banking association organized and existing under the laws of the United States of America;

W I T N E S S E T H

WHEREAS, the Issuer has heretofore issued its Student Fee Revenue Bonds (Recreation Center Project), Series 1999 (the "1999 Bonds"), its Student Fee Revenue Bonds, Series 2001 (University Housing Improvement Projects) (the "2001 Bonds") its Student Fee Revenue Bonds, Series 1999A (Elmwood Apartments Acquisition Project) (the "1999A Bonds"), and its Student Fee Revenue Bonds, (Sweet Avenue and University Campus Improvement Project), Series 1999B (the "1999B Bonds") (collectively the "Prior Obligations"); and,

WHEREAS, the Issuer has determined to cause the refunding of the Prior Obligations set forth on Exhibit "A".

WHEREAS, in order to accomplish the refunding, the Regents of the Issuer have authorized the execution and delivery of Issuer's Adjustable Rate General Revenue Refunding Bonds, Series 2007A ((the "Bonds") in the aggregate principal amount of \$_____ pursuant to the provisions of Issuer's General Bond Resolution November 22, 1991, and Supplemental Resolution adopted on October 11, 2007 (collectively, the "Resolution");

WHEREAS, the Issuer and the Escrow Agent enter into this Escrow Agreement in order to provide for the advance refunding and defeasance of certain of the Prior Obligations; and

NOW, THEREFORE, to secure all Prior Obligations referenced in Exhibit "A", the payment of the principal thereof and interest thereon, the Issuer does hereby sell, assign, transfer, set over and pledge unto the Escrow Agent its successors in the trust and its assigns forever, all of the right, title and interest of the Issuer in and to all amounts in the funds established hereunder,

TO HAVE AND TO HOLD the same and any other revenues, property, contracts or contract rights, accounts receivable, chattel paper, investments, general intangibles or other rights and the proceeds thereof, which may, by delivery, assignment or otherwise, be subject to the lien and security created by this Escrow Agreement.

IN ESCROW AND TRUST, NEVERTHELESS, for the equal and ratable benefit and security of all present and future holders of such Prior Obligations, without preference, priority or distinction as to such Prior Obligations.

SECTION 1. Creation of Escrow Fund. There is hereby created and established with the Escrow Agent a special and irrevocable escrow fund designated the University of Idaho 2007 Refunding Escrow Fund (the "Escrow Fund") to be held by the Escrow Agent as a trust fund for the benefit of the owners of said Prior Obligations. The Escrow Fund shall be held by the Escrow Agent separate and apart from other funds of the Issuer and of the Escrow Agent.

SECTION 2. Receipt of Funds. The Escrow Agent hereby acknowledges receipt of the sum of \$_____ from the proceeds of the Bonds.

SECTION 3. Application of Proceeds of Bonds.

(a) Upon receipt by the Escrow Agent of the amount of the proceeds of the Bonds as set forth in Section 2 hereof the Escrow Agent shall immediately deposit said amount in the Escrow Fund.

The Escrow Agent shall apply \$_____ of the amount to be deposited in the Escrow Fund pursuant to this Section 3 to the purchase of non callable United States Treasury Obligations, as described in Exhibit "B" hereto (the "Government Obligations"). The remainder of said amount to be deposited to the Escrow Fund (\$____) shall be held in cash. The Escrow Agent acknowledges receipt of book entry credit for the Government Obligations from an office of the Federal Reserve Bank.

(b) In reliance on the computations prepared by George K. Baum & Company and verified by Causey Demgen & Moore, Inc., attached hereto as Exhibit "C", the Issuer represents that the amounts deposited in the Escrow Fund pursuant to this Escrow Agreement together with income from the investment thereof, will provide sufficient funds to redeem on April 1, 2009 all of the 1999 Bonds set forth in Exhibit "A-1" and to pay interest thereon through April 1, 2009, to redeem on April 1, 2011 all of the 2001 Bonds set forth in Exhibit "A-2" and to pay the interest thereon on the through April 1, 2011, to redeem the 1999A Bonds set forth in Exhibit "A-3" on April 1, 2009 and to pay the interest thereon through April 1, 2009 and to redeem on April 1, 2009 the 1999B Bonds set forth in Exhibit "A-4" and to pay the interest thereon through April 1, 2009.

Any portion of the amounts received from the Government Obligations not needed at the time of receipt to make the payments of interest and principal and premium to the holders of the Prior Obligations shall remain uninvested in the Escrow Fund until applied for such purpose. For the purposes of the immediately preceding sentence "uninvested" shall mean (i) cash, if in an amount of less than \$5,000, or (ii) the purchase of additional Government Obligations bearing interest at such other rate or rates not exceeding the yield on the Bonds as stated in Issuer's Tax Certificate of even date herewith or as may be authorized by an approving opinion of nationally recognized bond counsel to the effect that such use of funds will not cause the Bonds or the Prior Obligations to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended; provided, however, that such additional Government Obligations shall be in an amount at least equal to their purchase price and shall mature on or before the dates and in the amounts needed to pay principal and interest on the said Prior Obligations. The

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Escrow Agent shall at no time invest any amounts held in the Escrow Fund in any unit trust or mutual fund, nor shall the Escrow Agent enter into any agreement or contract for the investment of cash balances held in the Escrow Fund provided that the Escrow Agent may enter into one or more of said investments if the Escrow Agent has received the written opinions of Moody's Investors Service and Standard & Poor's that the rating on the Prior Obligations will not be lowered or withdrawn as a result of such investment.

SECTION 4. Issuance Costs. All costs and expenses related to the issuance of the Bonds shall be paid from the proceeds of the Bonds or other legally available sources of the Issuer.

SECTION 5. Application of Escrow. The Escrow Agent agrees that the amounts deposited in the Escrow Fund pursuant to Section 3 hereof and the interest income to be earned thereon and any other moneys and investments deposited in the Escrow Fund will be held in trust for the holders of the said Prior Obligations described on Exhibit "A-1". The Escrow Agent shall cause to be applied the principal of, and interest earned, on the Government Obligations (a) to the redemption on April 1, 2009 of all said 1999 Bonds set forth in Exhibit "A-2", and payment of all interest due thereon until April 1, 2009 accrued thereon, (b) to the redemption on April 1, 2011 of all said 2001 Bonds set forth in Exhibit "A" and payment of all interest due thereon until April 1, 2011, (c) to the redemption on April 1, 2009 of all said 1999A Bonds set forth in Exhibit "A-3" on April 1, 2009 and to the payment of all interest due thereon until April 1, 2009 and (d) to the redemption on April 1, 2009 of all the 1999B Bonds set forth in Exhibit "A-4" and to the payment of interest due thereon until April 1, 2009.

SECTION 6. Investment of Escrow Funds.

(a) Except as provided in Section 3 hereof, the Escrow Agent shall have no power or duty to invest any funds held under this Escrow Agreement or to sell, transfer or otherwise dispose of or make substitutions of the Government Obligations.

(b) The Issuer and Escrow Agent hereby covenant that no part of the moneys or funds held at any time in the Escrow Fund shall be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause the Bonds or the Prior Obligations or the obligations to which they relate to be "arbitrage bonds" as defined in subsections (a) and (b) of Section 148 of the Internal Revenue Code of 1986, as amended, and to be subject to treatment under subsection 103(b)(2) of the Internal Revenue Code of 1986 as obligations not described in subsection 103(a)(1).

(c) At the written request of the Issuer and upon compliance with the conditions hereinafter stated, the Escrow Agent shall have the power to sell, transfer or otherwise dispose of or request the redemption of the Government Obligations acquired hereunder and to substitute therefor non callable United States Treasury Obligations meeting the requirements of this subsection (the "Substitute Government Obligations"). The Escrow Agent shall purchase such Substitute Government Obligations with the proceeds derived from the sale, transfer, disposition or redemption of the Government Obligations, together with any other funds available for such purpose. Any such transaction may be effected only if (i) an independent certified public accountant shall certify or have

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certified that after such transaction (A) the principal amount of and interest on the Government Obligations to be held in the Escrow Fund, after giving effect to such transaction (including the Substitute Government Obligations to be acquired), will, together with any other cash to be held in the Escrow Fund, after giving effect to such transaction, be sufficient to pay without regard to further investment, as the same become due at maturity or earlier redemption, all principal of and premium, if any, and interest on the Prior Obligations that have not been paid previously, and (B) the amounts and dates of the anticipated payments from the Escrow Fund to the registered owners of the Prior Obligations will not be diminished or postponed thereby; and (ii) an opinion of counsel nationally recognized on the subject of municipal bonds shall be delivered to the Escrow Agent, which opinion shall be to the effect that such transaction will not result in the interest on the Prior Obligations or the Bonds becoming subject to federal income taxes then in effect. . Copies of the verification report and opinion shall be provided to the bond insurer for the 1999A Bonds. At no time shall the Escrow Agent invest any amounts held in the Escrow Fund in any unit trust or mutual fund provided that the Escrow Agent may enter into one or more of said investments if the Escrow Agent has received the written opinions of Moody's Investors Service and Standard and Poor's that the rating on the Prior Obligations will not be lowered or withdrawn as a result of such investment.

SECTION 7. Notice to Bond Holders and Redemption. The Escrow Agent acknowledges receipt of a certified copy of the Resolution, in which the refunding of the said Prior Obligations is approved. The Escrow Agent further agrees for each of the Prior Obligations set forth in Exhibit "A" hereto, to cause a notice of the advance refunding of the Prior Obligations, in the applicable form attached hereto in Exhibit "D" to be mailed as soon as possible by certified mail, postage prepaid, to all registered owners of the Prior Obligations, to each insurer of the Prior Obligations, to Moody's Investment Service, New York, New York, and to Standard and Poor's, New York, New York and by certified or registered mail or overnight delivery service, to all registered securities depositories and to national information services that disseminate redemption notices.

The Escrow Agent shall cause a notice of redemption, in substantially the form as provided in Exhibit "E" attached hereto, of the 1999 Bonds set forth in Exhibit "A" hereto to be mailed by the Trustee and the insurer for the 1999 Bonds to all registered owners of the said 1999 Bonds at least thirty-five (35) days and not more than sixty (60) days prior to April 1, 2009. The Escrow Agent shall cause a notice of redemption, substantially in the form set forth in Exhibit "F" attached hereto, of the 2001 Bonds set forth in Exhibit "A" hereto to be mailed by the Trustee and the insurer for the 2001 Bonds and to all registered owners of said 2001 Bonds at least thirty-five (35) and not more than sixty (60) days prior to April 1, 2011. The Escrow Agent shall cause a notice of redemption, substantially in the form set forth in Exhibit "G" attached hereto, of the 1999A Bonds set forth on Exhibit "A" to be mailed by the Trustee and the insurer for the 1999A Bonds to all registered owners of said 1999A Bonds at least thirty-five (35) days and not more than sixty (60) days prior to April 1, 2009. The Escrow Agent shall also cause a notice of redemption, substantially in the form set forth in Exhibit "H", attached hereto, of the 1999B Bonds set forth in Exhibit "A", to be mailed by the Trustee and the insurer for the 1999B Bonds to all registered owners of the 1999B Bonds at least thirty-five (35) days and not more than sixty (60) days prior to April 1, 2009. A similar notice shall

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also be sent by certified or registered mail simultaneously and preferably not less than thirty-five (35) days prior to the said redemption date, or as soon thereafter as possible, to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the said Prior Obligations (such depositories including Depository Trust Company of New York, New York and other similar holders) and to one or more national information services that disseminate notices of redemption of obligations such as the Prior Obligations (such as MUNIFACTS). On April 1, 2009, the Escrow Agent shall cause to be redeemed from monies in the Escrow Fund all 1999 Bonds, 1999A Bonds and 1999B Bonds set forth in Exhibit "A". On April 1, 2011 the Escrow Agent shall cause to be redeemed from monies in the Escrow Fund all 2001 Bonds set forth in Exhibit "A".

SECTION 8. Disposition of Remaining Amounts, If Any. On or after April 1, 2011, after payment of the principal of, and interest on, all the Prior Obligations set forth in Exhibit "A" has been made, all remaining moneys and securities in the Escrow Fund shall be transferred by the Escrow Agent to the Issuer, and provided that such amounts may be paid to such other person or applied to such other purpose as may be approved in a written opinion of nationally recognized bond counsel satisfactory to the Issuer to the effect that such other application of such amounts will not cause the Bonds to become "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986.

SECTION 9. Lien and Irrevocable Pledge; Perfection of Security. The Escrow Fund created hereby is hereby irrevocably pledged to the payment of the Prior Obligations irrevocable and the holders of the Prior Obligations shall have an express lien on and security interest in all amounts deposited in the Escrow Fund, including all amounts representing principal and all amounts representing interest on the Government Obligations in the Escrow Fund, until used and applied in accordance herewith. The Issuer agrees that financing statements may be filed with respect to this Escrow Agreement in such manner and in such places as may be required by law to fully protect the security of the holders of the Prior Obligations and the right, title and interest of the Escrow Agent, to all amounts deposited in the Escrow Fund and the principal and interest with respect to the Government Obligations, and shall take or cause to be taken all action necessary to preserve the aforesaid security so long as any of the Prior Obligations remain unpaid.

SECTION 10. Escrow Agent Compensation and Liability; Resignation.

(a) The Escrow Agent shall be compensated for its reasonable fees, expenses and disbursements, including legal fees, as more particularly set out in Exhibit "I" attached hereto. This right to receive compensation notwithstanding, the Escrow Agent acknowledges that it has no claim for any such payment under the Resolution, and that it has no lien on the moneys in the Escrow Fund for any such payment. On or within thirty (30) days after each April 1, beginning on April 30, 2008 and continuing on April 30 of each year thereafter until the termination of the escrow herein, the Escrow Agent shall submit to the Issuer a report covering all money it shall have received and all payments it shall have made or caused to be made hereunder during the preceding 12 months. Such report shall also list all obligations held in the Escrow Account, if any, and the amount of money existing in the Escrow Account as of each such April 1.

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(b) The Escrow Agent may act in reliance upon any signature believed by it to be genuine, and may assume that any person purporting to give any notice or receipt or advice or make any statements in connection with the provisions hereof has been duly authorized to do so.

(c) The Escrow Agent may act relative hereto in reliance upon advice of nationally recognized bond counsel in reference to any matter connected herewith, and shall not be liable for any mistake of fact or error of judgment, or for any acts or omissions of any kind, unless caused by its negligence or willful misconduct. None of the provisions contained in this Escrow Agreement shall require the Escrow Agent to use or advance its own funds in the performance of any of its duties or the exercise of any of its rights or powers hereunder. The Escrow Agent's liabilities and obligations in connection with this Escrow Agreement are confined to those specifically described herein. The Escrow Agent shall not be responsible or liable for the sufficiency, correctness, genuineness or validity of the Government Obligations or any Substitute Government Obligations deposited with it.

(d) The Escrow Agent may resign and be discharged of its duties hereunder provided that: (i) it has given thirty (30) days written notice to the Issuer of such resignation; (ii) the Issuer has appointed a successor to the Escrow Agent hereunder; (iii) the Escrow Agent and the Issuer have received an instrument of acceptance executed by the successor to the Escrow Agent and (iv) the Escrow Agent has delivered to its successor hereunder all of the escrowed documents, Government Obligations, moneys and investments held by the Escrow Agent in the Escrow Fund. Such resignation shall take effect only upon the occurrence of all of the events listed in clauses (i) through (iv) above. Upon receipt by the Issuer of the written notice described in clause (i) above, the Issuer shall use its best efforts to obtain a successor to the Escrow Agent hereunder as soon as possible.

SECTION 11. Governing Law, Counterparts, Termination. This Escrow Agreement may be executed in several counterparts as part of one and the same instrument and shall be governed by the laws of the State of Idaho. This Escrow Agreement shall terminate when the principal of, and premium and interest on, all the said Prior Obligations has been paid.

SECTION 12. Amendments or Supplements. This Escrow Agreement shall not be repealed, revoked, rescinded, altered, amended or supplemented in whole or in part without the written consent of 100% of the then holders of the said unpaid Prior Obligations, and the written consent of the Escrow Agent; provided, however, that this Escrow Agreement may be amended with the consent of the Issuer and the Escrow Agent with written notice to Trustee for the Prior Obligations to correct, cure or supplement any ambiguous or defective provision in a manner not inconsistent with the security of the holders of the said Prior Obligations, upon delivery of an opinion of nationally recognized bond counsel satisfactory to the Issuer that such amendment will not adversely affect the exemption from federal income tax of the interest on either the Prior Obligations or the Bonds. The Escrow Agent shall give notice (including draft copies of such amendments) to the bond insurers of the Prior Obligations, Moody's Investors Service, Standard & Poor's or any other rating service then rating the Bonds or the Prior Obligations, as the case

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may be, of any amendment proposed pursuant to this Section if the Bonds or the Prior Obligations have been assigned a rating by either such agency.

SECTION 13. Severability. If any one or more of the covenants or agreements provided in this Escrow Agreement on the part of the Issuer or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Escrow Agreement. In such event, the Escrow Agent shall give notice thereof to Moody's Investors Service and Standard and Poor's.

SECTION 14. Successors and Assigns and Bond Insurers are Third Party Beneficiaries. All of the covenants, promises and agreements in this Escrow Agreement contained by or on behalf of the Issuer or the Escrow Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not. The bond insurers for the Prior Obligations shall be deemed third party beneficiaries of this Escrow Agreement.

SECTION 15. Headings. Any headings preceding the text of the several Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Escrow Agreement, nor shall they affect its meaning, construction or effect.

SECTION 16. Notices. Any notices or communications to or among the Escrow Agent, the Issuer or the Trustee of Prior Obligations may be given as follows:

To the Issuer:

University of Idaho
Finance and Administration
Administration Building, Room 213
Moscow, Idaho 83844-3166
Attention: Vice President for Finance
and Administration
Telephone: (208) 885-6530 Fax: (208) 885-8931.

To the Escrow Agent:

Wells Fargo Bank, National Association
877 W. Main St., 3rd Floor
MAC Code U 1858-033
Boise, Idaho 83702
Attn: Corporate Trust Department
Telephone: (208) 393-5491 Fax: (208) 393-5404

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To the Trustee of Prior Obligations:

Wells Fargo Bank, National Association
877 W. Main St., 3rd Floor
MAC Code U 1858-033
Boise, Idaho 83702
Attn: Corporate Trust Department
Telephone: (208) 393-5491 Fax: (208) 393-5404

Addresses for Bond Insurers shall be those on file with the Escrow Agent which is also Trustee for the Prior Obligations. Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

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IN WITNESS WHEREOF, the parties hereto have each caused this Escrow Agreement to be executed by their duly authorized officers as of the date first above written.

**THE REGENTS OF THE UNIVERSITY
OF IDAHO**

By: _____
Bursar

**WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Escrow Agent**

By: _____
AUTHORIZED OFFICER

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EXHIBIT "A-1"

Schedule of the Regents of the University of Idaho
Student Fee Revenue Bonds, (Recreation Center Project), Series 1999

<u>Maturity Date</u> <u>(April 1)</u>	<u>Par Amount</u>	<u>Interest Rate</u>	<u>CUSIP</u>
2010	670,000	4.300%	914318 VV9
2011	695,000	4.500%	914318 VW7
2014	2,320,000	6.000%	914318 VX5
2015	865,000	6.500%	914318 VY3
2019	3,975,000	4.900%	914318 VZ0
2025	7,610,000	5.000%	914318 WA4

NOTE: The above 1999 Bonds are in denominations of \$5,000 each, or integral multiples thereof, and are not callable prior to April 1, 2009 (for 1999 Bonds maturing on April 1, 2010 and thereafter). 1999 Bonds maturing on April 1, 2010 and thereafter are callable at the option of the Issuer on April 1, 2009 and any interest payment date thereafter in inverse order of maturity and by lot within a maturity in such manner as the Trustee shall determine at the redemption price of 101% and accrued interest to the date fixed for redemption.

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EXHIBIT "A-2"

Schedule of the Regents of the University of Idaho
 Student Fee Revenue Bonds, Series 2001
 (University Housing Improvement Projects)

<u>Maturity Date</u> <u>(April 1)</u>	<u>Par Amount</u>	<u>Interest Rate</u>	<u>CUSIP</u>
2013	\$1,000,000	5.000%	914318 YA2
2023	10,125,000	5.375%	914318 YB0
2026	4,245,000	5.200%	914318 YC8
2031	5,695,000	5.250%	914318 YD6
2041	16,970,000	5.400%	914318 YE4

NOTE: The above 2001 Bonds are in denominations of \$5,000 each, or integral multiples thereof, and are not callable prior to April 1, 2011. The 2001 Bonds maturing on April 1, 2012 and thereafter are callable on April 1, 2011 and any date thereafter in inverse order of maturity (and by lot within a maturity in such manner as the Trustee shall determine) at the redemption price of 100% of the principal amount thereof and accrued interest to the date fixed for redemption.

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EXHIBIT "A-3"

Schedule of the Regents of the University of Idaho
 Student Fee Revenue Bonds, Series 1999A
 (Elmwood Apartments Acquisition Project)

<u>Maturity Date</u> <u>(April 1)</u>	<u>Par Amount</u>	<u>Interest Rate</u>	<u>CUSIP</u>
2010	\$50,000	4.450%	914318 WJ5
2014	220,000	5.250%	914318 WM8
2019	350,000	5.000%	914318 WN6
2025	555,000	5.000%	914318 WP1

NOTE: The above 1999A Bonds are in denominations of \$5,000 each, or integral multiples thereof, and are not callable prior to April 1, 2009 (for 1999A Bonds maturing on April 1, 2010 and thereafter). 1999A Bonds maturing on April 1, 2010 and thereafter are callable at the option of the Issuer on April 1, 2009 and any date thereafter in the inverse order of maturity (and by lot within a maturity in such manner as the Trustee shall determine) at the price of 101% of the principal amount thereof and accrued interest to the date fixed for redemption.

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EXHIBIT "A-4"

Schedule of the Regents of the University of Idaho
 Student Fee Revenue Bonds, Series 1999B
 (Sweet Avenue and University Campus Improvement Projects)

Maturity Date

<u>(April 1)</u>	<u>Par Amount</u>	<u>Interest Rate</u>	<u>CUSIP</u>
2014	\$1,130,000	5.625%	914318 WX4
2019	1,475,000	5.250%	914318 WY2
2025	2,365,000	5.250%	914318 WZ9

NOTE: The above 1999B Bonds are in denominations of \$5,000 each, or integral multiples thereof, and are not callable prior to April 1, 2009 (for 1999B Bonds maturing on April 1, 2010 and thereafter). 1999B Bonds maturing on April 1, 2010 and thereafter are callable at the option of the Issuer on April 1, 2009 and any date thereafter in the inverse order of maturity (and by lot within a maturity in such manner as the Trustee shall determine) at the price of 101% of the principal amount thereof and accrued interest to the date fixed for redemption.

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EXHIBIT "B"

The Government Obligations set forth on Schedule B-1 attached hereto shall be purchased pursuant to Section 3 of this Escrow Agreement.

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EXHIBIT "C"

REFUNDING REPORT

Prepared By George K. Baum & Company

With Verification by Causey, Demgen & Moore, Inc.

(Attached)

EXHIBIT "D-1"

FORM OF NOTICE OF REFUNDING

Regents of the University of Idaho
Student Fee Revenue Bonds (Recreation Center Project), Series 1999

NOTICE IS HEREBY GIVEN that, for the payment of the interest and principal of the above-designated Bonds, (the "Bonds") as are more fully described on Schedule "1" attached hereto, funds have been deposited in escrow with Wells Fargo Bank, National Association, of Boise, Idaho, which, except to the extent maintained in cash, have been invested in direct obligations of the United States of America. The projected principal payments to be received from such investments and the projected interest income therefrom have been calculated to be sufficient to pay the interest on all said Bonds through April 1, 2009, and to redeem on April 1, 2009, the Bonds which mature on April 1, 2010 and thereafter at the redemption price of 101% of the par amount thereof plus accrued interest to the date of redemption.

DATED this _____ day of _____, 2007.

**WELLS FARGO BANK, NATIONAL
ASSOCIATION**, as Trustee

By: _____
Authorized Officer

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SCHEDULE "1" TO NOTICE OF REFUNDING

Regents of the University of Idaho
Student Fee Revenue Bonds, (Recreation Center Project), Series 1999

<u>Maturity Date</u> <u>(April 1)</u>	<u>Par Amount</u>	<u>Interest Rate</u>	<u>CUSIP</u>
2010	670,000	4.300%	914318 VV9
2011	695,000	4.500%	914318 VW7
2014	2,320,000	6.000%	914318 VX5
2015	865,000	6.500%	914318 VY3
2019	3,975,000	4.900%	914318 VZ0
2025	7,610,000	5.000%	914318 WA4

NOTE: The above 1999 Bonds are in denominations of \$5,000 each, or integral multiples thereof, and are not callable prior to April 1, 2009 (for 1999 Bonds maturing on April 1, 2010 and thereafter). 1999 Bonds maturing on April 1, 2010 and thereafter are callable at the option of the Issuer on April 1, 2009 and any interest payment date thereafter in inverse order of maturity and by lot within a maturity in such manner as the Trustee shall determine at the redemption price of 101% and accrued interest to the date fixed for redemption.

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EXHIBIT "D-2"

FORM OF NOTICE OF REFUNDING

Regents of the University of Idaho
Student Fee Revenue Bonds, Series 2001
(University Housing Improvement Projects)

NOTICE IS HEREBY GIVEN that, for the payment of the interest and principal of the above-designated Bonds, (the "Bonds") as are more fully described on Schedule "1" attached hereto, funds have been deposited in escrow with Wells Fargo Bank, National Association, of Boise, Idaho, which, except to the extent maintained in cash, have been invested in direct obligations of the United States of America. The projected principal payments to be received from such investments and the projected interest income therefrom have been calculated to be sufficient to pay the interest on all said Bonds through April 1, 2011, and to redeem on April 1, 2009, the Bonds which mature on April 1, 2012, and thereafter at the redemption price of 100% of the par amount thereof plus accrued interest to the date of redemption.

DATED this _____ day of _____, 2007.

**WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Trustee**

By: _____
Authorized Officer

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SCHEDULE “1”
TO NOTICE OF REFUNDING

Regents of the University of Idaho
Student Fee Revenue Bonds, Series 2001
(University Housing Improvement Projects)

<u>Maturity Date</u> <u>(April 1)</u>	<u>Par Amount</u>	<u>Interest Rate</u>	<u>CUSIP</u>
2013	\$1,000,000	5.000%	914318 YA2
2023	10,125,000	5.375%	914318 YB0
2026	4,245,000	5.200%	914318 YC8
2031	5,695,000	5.250%	914318 YD6
2041	16,970,000	5.400%	914318 YE4

NOTE: The above 2001 Bonds are in denominations of \$5,000 each, or integral multiples thereof, and are not callable prior to April 1, 2011. The 2001 Bonds maturing on April 1, 2012 and thereafter are callable on April 1, 2011 and any date thereafter in inverse order of maturity (and by lot within a maturity in such manner as the Trustee shall determine) at the redemption price of 100% of the principal amount thereof and accrued interest to the date fixed for redemption.

EXHIBIT "D-3"

FORM OF NOTICE OF REFUNDING

Regents of the University of Idaho
Student Fee Revenue Bonds, Series 1999A
(Elmwood Apartments Acquisition Project)

NOTICE IS HEREBY GIVEN that, for the payment of the interest and principal of the above-designated Bonds, (the "Bonds") as are more fully described on Schedule "1" attached hereto, funds have been deposited in escrow with Wells Fargo Bank, National Association, of Boise, Idaho, which, except to the extent maintained in cash, have been invested in direct obligations of the United States of America. The projected principal payments to be received from such investments and the projected interest income therefrom have been calculated to be sufficient to pay the interest on all said Bonds through April 1, 2009, and to redeem on April 1, 2009, the Bonds which mature on April 1, 2010 and thereafter at the redemption price of 101% of the par amount thereof plus accrued interest to the date of redemption.

DATED this _____ day of _____, 2007.

**WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Trustee**

By: _____
Authorized Officer

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SCHEDULE "1"
TO NOTICE OF REFUNDING

Regents of the University of Idaho
Student Fee Revenue Bonds, Series 1999A
(Elmwood Apartments Acquisition Project)

<u>Maturity Date</u> <u>(April 1)</u>	<u>Par Amount</u>	<u>Interest Rate</u>	<u>CUSIP</u>
2010	\$50,000	4.450%	914318 WJ5
2014	220,000	5.250%	914318 WM8
2019	350,000	5.000%	914318 WN6
2025	555,000	5.000%	914318 WP1

NOTE: The above 1999A Bonds are in denominations of \$5,000 each, or integral multiples thereof, and are not callable prior to April 1, 2009 (for 1999A Bonds maturing on April 1, 2010 and thereafter). 1999A Bonds maturing on April 1, 2010 and thereafter are callable at the option of the Issuer on April 1, 2009 and any date thereafter in the inverse order of maturity (and by lot within a maturity in such manner as the Trustee shall determine) at the price of 101% of the principal amount thereof and accrued interest to the date fixed for redemption.

EXHIBIT "D-4"

FORM OF NOTICE OF REFUNDING

Regents of the University of Idaho
Student Fee Revenue Bonds, Series 1999B
(Sweet Avenue and University Campus Improvement Projects)

NOTICE IS HEREBY GIVEN that, for the payment of the interest and principal of the above-designated Bonds, (the "Bonds") as are more fully described on Schedule "1" attached hereto, funds have been deposited in escrow with Wells Fargo Bank, National Association, of Boise, Idaho, which, except to the extent maintained in cash, have been invested in direct obligations of the United States of America. The projected principal payments to be received from such investments and the projected interest income therefrom have been calculated to be sufficient to pay the interest on all said Bonds through April 1, 2009, and to redeem on April 1, 2009, the Bonds which mature on April 1, 2010, and thereafter at the redemption price of 101% of the par amount thereof plus accrued interest to the date of redemption.

DATED this _____ day of _____, 2007.

**WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Trustee**

By: _____
Authorized Officer

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SCHEDULE "1"
TO NOTICE OF REFUNDING

Regents of the University of Idaho
Student Fee Revenue Bonds, Series 1999B
(Sweet Avenue and University Campus Improvement Projects)

Maturity Date <u>(April 1)</u>	<u>Par Amount</u>	<u>Interest Rate</u>	<u>CUSIP</u>
2014	\$1,130,000	5.625%	914318 WX4
2019	1,475,000	5.250%	914318 WY2
2025	2,365,000	5.250%	914318 WZ9

NOTE: The above 1999B Certificates are in denominations of \$5,000 each, or integral multiples thereof, and are not callable prior to April 1, 2009 (for 1999B Bonds maturing on April 1, 2010 and thereafter). 1999B Bonds maturing on April 1, 2010 and thereafter are callable at the option of the Issuer on April 1, 2009 and any date thereafter in the inverse order of maturity (and by lot within a maturity in such manner as the Trustee shall determine) at the price of 101% of the principal amount thereof and accrued interest to the date fixed for redemption.

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EXHIBIT "E"NOTICE OF REDEMPTION
To the Owners of

Regents of the University of Idaho
Student Fee Revenue Bonds (Recreation Center Project), Series 1999

NOTICE IS HEREBY GIVEN, pursuant to the provisions of the general resolution (the "Resolution") adopted by the Regents of the University (the "Issuer") on January 25, 1999, authorizing the issuance of the Issuer's above-referenced bonds (the "Bonds") all of the following Bonds will be redeemed as provided in the Resolution on April 11, 2009 (the "Redemption Date"), at a redemption price equal to 101.00% of the par amount thereof plus accrued interest to the Redemption Date:

<u>Maturity Date</u> <u>(April 1)</u>	<u>Par Amount</u>	<u>Interest Rate</u>	<u>CUSIP</u>
2010	670,000	4.300%	914318 VV9
2011	695,000	4.500%	914318 VW7
2014	2,320,000	6.000%	914318 VX5
2015	865,000	6.500%	914318 VY3
2019	3,975,000	4.900%	914318 VZ0
2025	7,610,000	5.000%	914318 WA4

Interest on the Bonds to be redeemed shall cease to accrue from and after the Redemption Date.

Upon presentation and surrender of the Bonds to be redeemed, the redemption price is due and payable and payment of the redemption price will be made.

Payment of the redemption price on the Bonds to be redeemed will be made upon presentation and on surrender of the Bonds on or before the redemption date at the office of WELLS FARGO BANK, National Association, _____, as Paying Agent, telephone number ____-____.

**WELLS FARGO BANK, NATIONAL
ASSOCIATION**, as Trustee, Paying Agent and
Registrar for the Bonds

By: _____
Authorized Officer

EXHIBIT "F"

NOTICE OF REDEMPTION
To the Owners of

Schedule of the Regents of the University of Idaho
Student Fee Revenue Bonds, Series 2001
(University Housing Improvement Projects)

NOTICE IS HEREBY GIVEN, pursuant to the provisions of the general resolution of the Regents of the University of Idaho (the "Issuer") adopted on November 22, 1991 and supplemental resolution adopted on September 20, 2001 (collectively, the "Resolution") authorizing the execution and delivery of the above-referenced Bonds (the "Bonds"), all of the following Bonds will be redeemed as provided in the Resolution on April 1, 2011 (the "Redemption Date"), at a redemption price equal to 100% of the par amount thereof plus accrued interest to the Redemption Date:

<u>Maturity Date</u> <u>(April 1)</u>	<u>Par Amount</u>	<u>Interest Rate</u>	<u>CUSIP</u>
2013	\$1,000,000	5.000%	914318 YA2
2023	10,125,000	5.375%	914318 YB0
2026	4,245,000	5.200%	914318 YC8
2031	5,695,000	5.250%	914318 YD6
2041	16,970,000	5.400%	914318 YE4

Interest on the Bonds to be redeemed shall cease to accrue from and after the Redemption Date.

Upon presentation and surrender of the Bonds to be redeemed, the redemption price is due and payable and payment of the redemption price will be made.

Payment of the redemption price on the Bonds to be redeemed will be made upon presentation and surrender of the Bonds on or before the Redemption Date at WELLS FARGO BANK, National Association, as Paying Agent _____, telephone _____.

Dated: _____

**WELLS FARGO BANK, NATIONAL
ASSOCIATION**, as Trustee and Paying Agent

By: _____
Authorized Officer

EXHIBIT "G"NOTICE OF REDEMPTION
To the Owners ofSchedule of the Regents of the University of Idaho
Student Fee Revenue Bonds, Series 1999A
(Elmwood Apartments Acquisition Project)

NOTICE IS HEREBY GIVEN THAT, pursuant to the provisions of the general resolution of the Regents of the University of Idaho adopted on November 22, 1991 and the supplemental resolution adopted on January 25, 1999 (the "Issuer") (collectively, the "Resolution") authorizing the execution and delivery of the Issuer's above Bonds (the "Bonds"). All of the following Bonds will be redeemed as provided in the Resolution on April 1, 2009 (the "Redemption Date"), at a redemption price equal to 101% of the par amount thereof plus accrued interest to the Redemption Date:

<u>Maturity Date</u> <u>(April 1)</u>	<u>Par Amount</u>	<u>Interest Rate</u>	<u>CUSIP</u>
2010	\$50,000	4.450%	914318 WJ5
2014	220,000	5.250%	914318 WM8
2019	350,000	5.000%	914318 WN6
2025	555,000	5.000%	914318 WP1

Interest on the Bonds to be redeemed shall cease to accrue from and after the Redemption Date.

Upon presentation and surrender of the Bonds to be redeemed, the redemption price is due and payable and payment of the redemption price will be made.

Payment of the redemption price on the Bonds to be redeemed will be made upon presentation and surrender of the Bonds on or before the Redemption Date at Wells Fargo Bank, National Association, as Paying Agent _____, _____, _____, telephone _____.

Dated: _____

**WELLS FARGO BANK, NATIONAL
ASSOCIATION**, as Trustee and Paying Agent

By: _____
Authorized Officer

EXHIBIT "H"NOTICE OF REDEMPTION
To the Owners of

Schedule of the Regents of the University of Idaho
Student Fee Revenue Bonds, Series 1999B
(Sweet Avenue and University Campus Improvement Projects)

NOTICE IS HEREBY GIVEN THAT, pursuant to the provisions of the general resolution of the Regents of the University of Idaho adopted on November 22, 1991 and the supplemental resolution adopted on June 18, 1999 (collectively, the "Resolution") authorizing the execution and delivery of the Issuer's above Bonds (the "Bonds"). All of the following Bonds will be redeemed as provided in the Resolution on April 1, 2009 (the "Redemption Date"), at a redemption price equal to 101% of the par amount thereof plus accrued interest to the Redemption Date:

<u>Maturity Date</u> <u>(April 1)</u>	<u>Par Amount</u>	<u>Interest Rate</u>	<u>CUSIP</u>
2014	\$1,130,000	5.625%	914318 WX4
2019	1,475,000	5.250%	914318 WY2
2025	2,365,000	5.250%	914318 WZ9

Interest on the Bonds to be redeemed shall cease to accrue from and after the Redemption Date.

Upon presentation and surrender of the Bonds to be redeemed, the redemption price is due and payable and payment of the redemption price will be made.

Payment of the redemption price on the Bonds to be redeemed will be made upon presentation and surrender of the Bonds on or before the Redemption Date at Wells Fargo Bank, National Association, as Paying Agent _____, _____, _____, telephone _____.

Dated: _____

**WELLS FARGO BANK, NATIONAL
ASSOCIATION**, as Trustee and Paying Agent

By: _____
Authorized Officer

EXHIBIT "I"

FEE SCHEDULE

University of Idaho

REFUNDING ESCROW

ESCROW AGENT FEE

ADMINISTRATIVE FEE (one time) payable at closing.....\$3,000

Plus out-of-pocket expenses, including but not limited to publication and other expenses of the notice and proceedings for redemption of Bonds, billed at the time such costs are incurred.

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[Skinner Fawcett Letterhead]

[Ballard Spahr Letterhead]

Regents of the University of Idaho
Moscow, Idaho

Re: The Regents of the University of Idaho, Adjustable Rate General Revenue Refunding Bonds, Series 2007A and Adjustable Rate General Revenue Bonds, Series 2007B

We have acted as co-bond counsel to the Regents of the University of Idaho (the "Regents") in connection with the issuance by the Regents of their Adjustable Rate General Revenue Refunding Bonds, Series 2007A in the aggregate principal amount of \$_____ (the "Series 2007A Bonds") and its Adjustable Rate General Revenue Bonds, Series 2007B in the aggregate amount of \$_____ (the "Series 2007B Bonds" and together with the Series 2007A Bonds, the "Series 2007 Bonds"). The Series 2007 Bonds are being issued pursuant to (i) Title 57, Chapter 5 and Title 33, Chapter 38, Idaho Code, as amended; and (ii) a Resolution, adopted by the Regents on November 22, 1991 as heretofore amended and supplemented and restated (the "Original Resolution") and as further supplemented and amended by a supplemental resolution of the Regents adopted on October 11, 2007 (collectively, the "Resolution"). The Series 2007 Bonds are being issued for the purpose of paying all or part of the cost of (i) advance refunding certain outstanding bonds, (ii) funding certain capital improvements of the University of Idaho (the "University"), and (iii) paying costs of issuance associated with the Series 2007 Bonds. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Resolution.

Our services as co-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 Regents have

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 Regents 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 Regents and constitutes a valid and binding obligation of the Regents enforceable upon the Regents.
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 Regents, 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:

(i) 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;

(ii) 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

(iii) 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,

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[Skinner Fawcett Letterhead]

[Ballard Spahr Letterhead]

Regents of the University of Idaho
Moscow, Idaho

George K. Baum & Company
Denver, Colorado

Re: \$_____ The Regents of the University of Idaho, Adjustable Rate
 General Revenue Refunding Bonds, Series 2007A and Adjustable Rate
 General Revenue Bonds, Series 2007B

This letter is being delivered to you pursuant to Section ____ of the Bond Purchase Agreement (the "Purchase Agreement") dated _____, 2007 between George K. Baum & Company (the "Underwriter"), and the Regents of the University of Idaho (the "Regents"), which Purchase Agreement relates to the purchase by the Underwriter of \$_____ aggregate principal amount of the Regents Adjustable Rate General Revenue Refunding Bonds, Series 2007A (the "Series 2007A Bonds") and \$_____ aggregate principal amount of its Adjustable Rate General Revenue Bonds, Series 2007B Bonds (the "Series 2007B Bonds" and together with the Series 2007A Bonds, 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 co-bond counsel to the Regents 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 Regents 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 [“INTRODUCTION—Authority for Issuance;—Terms of the Series 2007 Bonds; —Payment and Security for the Series 2007 Bonds,” “THE SERIES 2007 BONDS,” “SECURITY FOR THE SERIES 2007 BONDS—Pledged Revenues, —Covenants” “—No Debt Service Reserve Account for the Series 2007 Bonds,” “—Consent to Amendments” and “TAX EXEMPTION,” and in APPENDIX C, APPENDIX D and APPENDIX H] 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, the Resolution and our opinion with respect to the tax-exempt status of interest on the Series 2007 Bonds, 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 co-bond counsel, during the course of preparation of the Official Statement, we met in conferences with representatives of and counsel to the Regents and the University, your representatives and counsel, 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, Financial Security Assurance Inc., its municipal bond insurance policy, Dexia Credit Local or the Standby Bond Purchase Agreement and information contained in Appendix A, Appendix E, Appendix F, Appendix G-1 and Appendix G-2 to the Official Statement).

We have on this day rendered our approving opinion as Co-Bond Counsel to the Regents 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 co-bond counsel to the Regents. 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,

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New Issue: [University of Idaho](#)

MOODY'S ASSIGNS A1 UNDERLYING RATING TO UNIVERSITY OF IDAHO'S \$96.3 MILLION OF ADJUSTABLE RATE GENERAL REVENUE BONDS, SERIES 2007A AND 2007B; OUTLOOK IS STABLE

UNIVERSITY WILL HAVE \$161.4 MILLION OF RATED DEBT OUTSTANDING

Regents of the University of Idaho
Higher Education
ID

Moody's Rating

ISSUE	UNDERLYING RATING	RATING
Adjustable Rate General Revenue Bonds, Series 2007A	A1	Aaa ¹
Sale Amount \$35,345,000		
Expected Sale Date 10/18/07		
Rating Description Public University Revenue Bonds		
Adjustable Rate General Revenue Bonds, Series 2007B	A1	Aaa
Sale Amount \$60,940,000		
Expected Sale Date 10/18/07		
Rating Description Public University Revenue Bonds		

¹ Bonds are expected to be rated Aaa based on municipal bond insurance

Moody's Outlook Stable

Opinion

NEW YORK, Aug 30, 2007 -- Moody's Investors Service has assigned an A1 underlying rating to University of Idaho's \$96.3 million of Adjustable Rate General Revenue Bonds, Series 2007A and 2007B. At this time, we are also affirming the A1 underlying rating on the University's outstanding debt (see RATED DEBT at the end of this report). The outlook for the rating is stable. Pending review of the appropriate documentation, the bonds are expected to be assigned a Aaa long-term rating based upon municipal bond insurance. Moody's will continue to maintain the underlying rating.

USE OF PROCEEDS: Series 2007A bond proceeds will advance refund the Series 1999, 1999A, 1999B and 2001 Bonds. Proceeds from the Series 2007B bonds will finance building and infrastructure improvements to create energy savings.

LEGAL SECURITY: The bonds are secured by Pledged Revenues of the University of Idaho which include student fees, auxiliary revenues, facilities and administrative recovery revenues. In addition, there is an additional bonds test and rate covenant of 1.0 time coverage of annual debt requirements. There is no debt service reserve fund.

DEBT STRUCTURE: The Adjustable Rate General Revenue Bonds will be initially issued at a Term Interest Rate with the initial term ending on April 1 of 2011 and 2018 for the Series 2007A and 2007B bonds, respectively. No short-term rating will be assigned because the initial term is greater than three years. The University intends to secure a liquidity facility in the form of a Stand by Bond Purchase Agreement in the event of a failed remarketing.

STRENGTHS

* Position as the land-grant and flagship university in the State of Idaho, with Fall 2006 enrollment of 10,252 full-time equivalents (FTEs) across undergraduate, graduate and professional programs.

* Demonstrated support from Aa2-rated state of Idaho, with state support constituting 40.4% of operating revenue in FY 2006. State support on a per student basis has continued to increase since FY 2003 combined with consistent annual capital support.

* Healthy operating performance relative to A1-rated peers, with an annual operating margin of 6.3% in FY 2006 compared to the median of 1.3%. We expect some tightening of performance as the University plans to make strategic investments in programs and personnel.

* Continued growth in total financial resources of \$274.8 million, an increase of nearly 13% over the prior year, through successful fundraising, favorable operating performance and investment returns. Unrestricted reserves have also increased from under \$11 million in FY2003 to over \$43 million in FY2006.

CHALLENGES

* Recent enrollment declines (7% decline in full-time equivalent enrollment since fall 2003) due to increased competition and improved economic conditions within the State of Idaho. Management expects enrollment to be flat for fall 2007 relative to the prior year.

* Additional identified capital plans to be debt financed likely to further increase leverage over next three to four years before.

* Heavy reliance on state funding, leaving the University vulnerable to shortfalls in the event of state funding cuts.

MARKET/COMPETITIVE STRATEGY: MID-SIZED ENROLLMENT BASE AT LAND-GRANT AND FLAGSHIP PUBLIC UNIVERSITY

The University of Idaho's role as the land-grant and flagship public university for the State of Idaho (Aa2 Issuer Rating) provides the fundamental underpinning for its A1 underlying debt rating. The University also has the primary research mission among the State's public institutions, with moderate research expenditures of nearly \$70 million in FY 2006. The University offers a broad array of undergraduate, graduate, and professional programs, enrolling more than 10,200 full-time equivalent students. The University's main campus is in Moscow, a relatively rural area in the northwest portion of the state. This campus is supplemented by instructional centers in Boise, Coeur d'Alene, and Idaho Falls. In addition, other outreach activities, such as its seven agricultural research and extension centers, give the University a statewide presence.

We expect the University of Idaho to maintain a mid-sized enrollment base, despite a modest decline of 7% since 2003. Management expects another modest decline in enrollment for fall 2007. Pressure on student demand can be attributed to increased competition from other public institutions in neighboring states offering substantial financial aid as well as the State's healthy economy which has led to an increase in high school graduates choosing to work instead of enroll in higher education. In an effort to combat these trends, the University is actively targeting recruitment of out-of-state students and transfer students. Out-of-state enrollment currently represents about 34% of enrollment. We believe that given competitive and demographic challenges in the state, stabilizing enrollment may be challenging and will likely require close management.

OPERATING PERFORMANCE: FAVORABLE OPERATING PERFORMANCE; HEAVILY RELIANT ON STATE SUPPORT

We believe the University of Idaho will continue to produce balanced to positive operating performance. In fiscal year 2006, the University posted a 6.3% annual operating surplus, including the recognition of depreciation expense, a non-cash expense totaling nearly \$19 million for FY 2006. Operating cash flow provided a solid 4 times coverage of annual debt service responsibilities. However, we anticipate tighter operating performance in the near term as the University makes strategic investments in programs and personnel.

The University derives more than 40% of its revenue from the State, although this is down materially from nearly 48% contribution ratio in FY 2002, as a result of reductions in State support at the beginning of the decade and compensating increases in tuition and fees. Favorably, state funding has increased for the last several years with state appropriations per student increasing to \$11,746 in FY 2006, an increase of 11% over FY 2003. Year over year increases in state appropriations continue, with the University expecting to receive an 8% increase in appropriations in FY 2008 over the prior fiscal year. The University's heavy reliance on state support leaves it vulnerable to shortfalls in the event of state funding cuts.

Moody's maintains an Aa2 issuer rating for the State of Idaho, with a stable outlook. Idaho's issuer rating reflects the state's strong financial management, expanding economy, well-managed financial operations, and modest state debt levels. Offsetting these strengths are an above average dependence on the natural resource sector remains, particularly outside of the Boise area; volatile individual and corporate tax receipts;

and lack of certain fiscal planning tools common among highly rated states. For more information, please see Moody's report dated September 20, 2006.

BALANCE SHEET POSITION: GROWING FINANCIAL RESOURCE BASE PROVIDES SUFFICIENT COVERAGE ON DEBT OUTSTANDING AND ANNUAL OPERATIONS

Moody's believes that the University's growing balance sheet should continue to provide a sufficient cushion for debt and operations. Total financial resources at the end of FY 2006 exceeded \$275 million, reflecting a 13% increase over the prior fiscal year. Expendable financial resources totaled \$97 million for FY 2006 and provided 0.6 times coverage of the University's \$165 million of pro-forma debt and 0.33 times coverage of operations.

Moody's anticipates that ongoing fundraising efforts and favorable operating results will continue to boost the University's financial resource base. The University of Idaho is in the planning stages of its next capital campaign. The University's previous campaign, which concluded in 2003, raised \$125 million.

Additional borrowing over the three to four years appears manageable at the current rating level, with an expected additional \$80 million of long-term debt, assuming the University is able to stabilize its enrollment profile and maintain healthy operating cash flow and growing revenues in support of additional debt service requirements. The additional debt financed projects include renovations to residential housing, research infrastructure and academic facilities.

Outlook

The stable rating outlook for the University of Idaho reflects its fundamental market and operational strengths despite its high leverage and modest enrollment declines. Stabilization of enrollment and continued balanced operational performance are important to maintaining a stable credit profile as the University adds additional debt in coming years.

What could change the rating-UP

Unlikely at this time given recent enrollment declines and additional borrowing plans; Dramatic increase in financial resources to better support debt and operations combined with stabilization of enrollment levels and continued debt service coverage would improve the University's credit strength

What could change the rating-DOWN

Continued enrollment declines; deterioration of balance sheet cushion due to operating deficits or greater borrowing than currently anticipated

KEY INDICATORS (Fall 2006 enrollment and FY 2006 financial statements)

Total Enrollment: 10,252 full-time equivalent students

Total Pro-Forma Direct Debt: \$165.7million

Total Financial Resources: \$274.8 million

Expendable Resources to Pro-Forma Direct Debt: 0.59 times

Expendable Resources to Operations: 0.33 times

Share of Revenues from State Appropriations: 40.4%

State of Idaho Issuer Rating: Aa2, stable outlook

RATED DEBT

Student Fee Revenue Bonds:

Series 1996, 1997B, 1997, 1999, 1999A, 1999B, 1999C, 2001, 2003: A1 underlying, Aaa insured (various insurers)

General Revenue Bonds:

Series 2005A, 2007A, 2007B: A1 underlying, Aaa insured (various insurers)

CONTACTS

University: Tyrone Brooks, Senior Director, (208) 885-5255 or Jana Stotler, Associate Vice President
Strategic Budgeting and Finance & Controller (208) 885-6530

Underwriter: George K. Baum & Company, Lee White (303) 391-5498 or Michael Mahon (303) 391-5414

Analysts

Karen Dulitz
Analyst
Public Finance Group
Moody's Investors Service

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Research Clients: (212) 553-1653

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RATINGS DIRECT®

August 31, 2007

University of Idaho; Public Coll/Univ - Unlimited Student Fees

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University of Idaho; Public Coll/Univ - Unlimited Student Fees

Credit Profile		
US\$67.68 mil adj rate gen rev rfdg bnds (University Of Idaho) ser 2007A due 04/01/2041		
Long Term Rating	A+/Stable	New
US\$38.38 mil adj rate gen rev bnds (University Of Idaho) ser 2007B due 04/01/2041		
Long Term Rating	A+/Stable	New
University of Idaho Regents, Idaho		
University of Idaho, Idaho		
Univ of Idaho Regents (Sweet Ave & Univ Campus Imp Projs) (AMBAC)		
Unenhanced Rating	A+(SPUR)/Stable	Affirmed
Univ of Idaho Regents (Univ Of Idaho)		
Long Term Rating	A+/Stable	Affirmed
University of Idaho Regents, Idaho		
University of Idaho, Idaho		
University of Idaho Regents (University of Idaho) adj rate gen rev bnds (University Of Idaho) ser 2007B due 04/01/2041		
Long Term Rating	A+/Stable	New Rating

Rationale

Standard & Poor's Ratings Services assigned its 'A+' rating to the University of Idaho (UI) Regents' adjustable-rate revenue refunding bonds, series 2007A, and revenue bonds, series 2007B. In addition, Standard & Poor's affirmed its 'A+' underlying rating (SPUR) on the university's outstanding debt. The rating reflects:

- A lead position in the state funding hierarchy;
- Historical strong financial support from Idaho and stabilized annual-appropriation environment with 5% increases in both fiscals 2006 and 2007; and
- Increasing, although still slightly low, levels of liquidity with unrestricted net assets (UNA) representing 14% of operating expenses and 26% of pro forma debt.

These credit strengths are offset by the investment mismanagement at the university's foundation, resulting in initially negative, although now positive, UNA. Additionally, the university has experienced declines in enrollment, applications, and fundraising, due in part to the foundation's troubles. The university is however, aggressively addressing demand and fundraising concerns.

Proceeds of the series 2007A (\$67.6 million) bonds will refund portions of student fee revenue bonds series 1999, 1999A, 1999B, and 2001. Proceeds of the series 2007B (\$38.4 million) bonds will fund a comprehensive overhaul of the university's utilities infrastructure, steam plant, and central chiller including maintenance, upgrades, and replacement. The university expects to save about \$1.3 million in the first year it is operational (fiscal 2010) and then expects savings to grow about 5% per year. This is the first time that the university is issuing variable-rate debt. The issues are adjustable rate, with series 2007A's initial interest rate period ending in April 2011 and series 2007B's initial interest rate ending in April 2018. Management expects the bonds will be insured by FSA.

University of Idaho; Public Coll/Univ - Unlimited Student Fees

This issuance continues the university's process of combining its debt into a single revenue bond system from the student fees and revenues it has previously pledged as security on a stand-alone basis for individual prior issues of its bonds. Covenants were adjusted with required pledged revenues of 1x instead of 1.25x, and a debt service reserve fund was deleted. We look at this pledge as a general obligation of the university due to its breadth. Pledged revenues include a variety of student fees, sales and service revenue, facilities and administration recovery, and other revenues. Pledged revenues were \$108.8 million in fiscal 2006; they increased by about \$2 million in fiscal 2007. Two bond issues have a senior lien on these revenues: the activity center fee system series 1996 (\$4.9 million outstanding) and the student recreation center system series 1999 (\$17 million outstanding). Combined, debt service on these two issues was \$2.7 million in fiscals 2006 and 2007. These liens are closed.

Post-issuance UI's outstanding debt will be approximately \$165.4 million, yielding a debt burden of approximately 4.4%, average for the rating category. Maximum annual debt service will be \$13.5 million in 2009. UI plans to issue an additional \$76 million in the next three to four years for housing, arena, and administrative renovations and for research infrastructure. The university plans to use increased student fees (already approved) in part to support future debt.

Outlook

The stable outlook anticipates stabilized demand and improved fundraising. It also reflects continued state financial support and the university's further efforts to achieve balanced financial operations. We anticipate that future debt will be matched with additional financial resources.

Background

The university was established in 1889, in Moscow, Idaho, as a territorial university and is the state's oldest institution of higher learning. UI is charged with the primary responsibility in the state for advanced research and graduate education. The board of regents of the university is responsible for policy direction, and the members also serve as the Idaho State Board of Education. The university has been slightly reorganized and is composed of 10 colleges: agricultural and life science; art and architecture; business and economics; education; engineering; graduate studies; natural resources; law; letters, arts, and social sciences; and science. In addition to degree programs, the university offers medical training for students in association with the University of Washington. Also, UI has several cooperative programs with Washington State University. A new president started in August 2004, and the majority of the senior staff is new to their current roles.

Demand

Enrollment has dropped 13% since fall 2003 due in part to the challenges that the foundation has had and the resulting backlash. Additionally, the university has new competition, with a private two-year university becoming four year. The drop in overall enrollment to 11,408 (a 6.6% decrease from the previous year) was driven by a 16.5% decrease in graduate enrollment (2,281 in fall 2006) in part due to reorganization of the education school and a more competitive research environment. Full-time equivalent enrollment for fall 2005 and 2006 were 11,040 and 10,792 respectively. Fall 2007 enrollment is projected to be on par with 2006. Fall 2006 was also the first year that applications to the university had not increased in at least a decade; they were down slightly by 2.7%.

University of Idaho; Public Coll/Univ - Unlimited Student Fees

Management is undertaking new marketing efforts. The number of applications for fall 2007 is projected to be similar to that of fall 2006. UI's selectivity has remained the same since 2001: The university has admitted 80% to 84% of first-year applicants from falls 2001 to 2006; the rate was actually 80% in fall 2006. During the past three years, 46%-47% of admitted students have enrolled. Three-quarters of the students are from Idaho.

Finances

UI received \$120.4 million in state appropriations for fiscal 2006--a good increase of 5.3% from the prior year. Appropriations for fiscal 2007 are expected to be at the least similar to those of 2006. State appropriations, representing about 38% of revenues, are the university's largest revenue source. Student fees and associated auxiliaries make up another 25%, as do research grants. As a percentage of revenues, appropriations are decreasing slightly while fees and associated auxiliaries are increasing. In the 2007-2008 school year, student fees were raised 5% to a still affordable \$4,410 per year for resident undergraduates. This percentage of increases continues a trend of smaller tuition fee increases.

UI's net assets for fiscal 2006 were \$349.9 million, an increase of more than 10% from the previous year. Of this amount, \$43.3 million was unrestricted, a 4% increase from the previous year. This was equal to 14% of total adjusted operating expenditures (an improvement of 3.4% from two years ago) and 26% of pro forma debt (a 4.5% increase from two years ago). Total adjusted net operating income for UI is about \$3.5 million (including income); depreciation was \$18.8 million in fiscal 2006. Management expects fiscal 2007 results to be similar to those of 2006.

Investments, Endowments, And Fundraising

The foundation and its relationship to the university has been restructured. Overall university investments were \$216.9 million at June 30, 2006. Of this, the foundation holds \$125.4 million. UNA of the foundation was newly positive in fiscal 2006, after several years of negative UNA that stemmed from the loan write-off. In fiscal 2007 they are expected to be positive again. In fiscal 2007 overall university investments were \$273.2 million. Investment allocations are shifting slightly with 11% of the previous 66% earmarked for stocks (being reduced to 60% overall) going toward private equities and 6% toward REITs. The private equity target has not yet been met. Additionally, the target is to have a 40% allocation in fixed income.

In 2002 the university concluded a five-year capital campaign of \$100 million, raising \$125 million. An impressive 30% of alumni made donations to the campaign. Annual giving was increasing before the foundation's troubles; it dipped in fiscals 2004 and 2005, but management reports the rate is beginning to pick up again. In 2006, 13.1% of alumni gave to the annual fund.

Contact

Obligor: Lloyd Mues, Vice President for Finance and Administration, University of Idaho, 208-885-7090

Underwriter: Lee White, Executive Vice President, George K. Baum & Company, 800-722-1670

Ratings Detail (As Of August 31, 2007)

University of Idaho; Public Coll/Univ - Unlimited Student Fees

Ratings Detail (As Of August 31, 2007) (cont)		
University of Idaho Regents		
<i>Unenhanced Rating</i>	A+(SPUR)/Stable	Affirmed
University of Idaho Regents (FGIC)		
<i>Unenhanced Rating</i>	A+(SPUR)/Stable	Affirmed
Univ of Idaho Regents std fee rev bnds (Elmwood Apts Acquisition Proj) ser 1999A dtd 02/15/1999 due 04/01/2003-2010 2014 2019 2025		
<i>Unenhanced Rating</i>	A+(SPUR)/Stable	Affirmed
Univ of Idaho Regents stud fee rfdg & rev bnds ser 2003 dtd 01/08/2003 due 04/01/2003-2014 2022		
<i>Unenhanced Rating</i>	A+(SPUR)/Stable	Affirmed
University of Idaho Regents, Idaho		
University of Idaho, Idaho		
University of Idaho Regents (University of Idaho) adj rate gen rev rfdg bnds (University Of Idaho) ser 2007A due 04/01/2041		
<i>Long Term Rating</i>	A+/Stable	New Rating
Univ of Idaho Regents std fee rev bnds (Univ Commons Supplemental Proj) ser 97 dtd 12/1/97 due 4/1/00-2012 2017 2022		
<i>Unenhanced Rating</i>	A+(SPUR)/Stable	Affirmed
Univ of Idaho Regents stud fee rev bnds (Kibble & Enrollment Scvs Ctrs Imp Proj) ser 1999D dtd 12/01/1999 due 04/01/2024 2026		
<i>Unenhanced Rating</i>	A+(SPUR)/Stable	Affirmed
Univ of Idaho Regents stud fee rev bnds (Univ Infrs & Fac Imp Projs) ser 1999C dtd 12/01/1999 due 04/01/2001-2005 2014 2019		
<i>Unenhanced Rating</i>	A+(SPUR)/Stable	Affirmed
Univ of Idaho Regents (Univ of Idaho) (Recreation Center Project) Unltd Std fee (FSA)		
<i>Unenhanced Rating</i>	A+(SPUR)/Stable	Affirmed
Many issues are enhanced by bond insurance.		

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REFERENCE – APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: V. FINANCIAL AFFAIRS

Subsection: F. Bonds and Other Indebtedness

April 2002

F. Bonds and Other Indebtedness

1. General Powers

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

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

2. Attorney General's Opinion

The Board or the institution may request the Attorney General of Idaho to review and pass upon the validity of a proposed bond issue. If found valid, the bond is an incontestable, binding obligation on the institution.

3. Private Sale

A private sale of bonds is permitted only with the prior approval of the Board as the governing body of the institution. The chief executive officer of the institution must justify why a public sale is not desirable and explain the benefits of a private sale of bonds.

4. Responsibility of the Chief Executive Officer

The chief executive officer of the institution is responsible for compliance with state law and these provisions when any indebtedness is incurred.

5. Expenditure of Excess Revenue

Expenditure of project revenues over and above that pledged or otherwise encumbered to meet the indebtedness is limited to expenditures for projects identified in the bond's Official Statement. Expenditure of excess revenue for other projects requires prior Board approval. Expenditures between two hundred fifty thousand dollars (\$250,000) and five hundred thousand dollars (\$500,000) require prior approval from the executive director and expenditures greater than five hundred thousand dollars (\$500,000) require prior Board approval.

REFERENCE – APPLICABLE STATUTE, RULE OR POLICY - continued

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
OCTOBER 11-12, 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
OCTOBER 11-12, 2007

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO

SUBJECT

Request approval for an amendment to the March 8, 2002 commercial loan agreement in the amount of \$1,300,000 with Wells Fargo Bank Northwest, N.A. (now Wells Fargo Bank, National Association).

REFERENCE

January 21-22, 2002 University of Idaho commercial loan with Wells Fargo Bank, N.A. for the University of Idaho Post Falls Facility

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.F.1.
Section 33-3804, Idaho Code

BACKGROUND

A capital project to design and construct a multi-tenant facility at the University of Idaho Post Falls Research Park (UIRP) was originally authorized by the Regents with the FY2000 Capital Improvement Plan. A U.S. Department of Housing and Urban Development grant provided funding for initial construction of the building shell and associated site preparation and infrastructure. In April 2000, approval was received from the Regents to proceed with the second phase of construction to include a 10,000 gross square foot addition to the existing structure, completion of finish work for office and conference spaces, and completion of a portion of the tenant improvements. This phase of work was funded by a grant from the Economic Development Administration. In June 2001, additional authorization was received from the Regents to enable finish work to be completed for the entire building interior in order to meet increased demand for tenant spaces, with the funding source to be debt financing supported by business tenant and research facility rent revenue. In January 2002, authorization was received from the Regents for a commercial loan to fund this final phase of work. The loan was for an amount not to exceed \$1,300,000 at a fixed rate of 4.75%. Repayment of the loan agreement was based on a thirteen-year level payment amortization and required a review at the end of five years, at which time the University of Idaho would be required to repay the remaining balance or to negotiate a new or amended loan agreement to extend repayment past the initial five-year period.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO - continued

DISCUSSION

The University of Idaho is now seeking approval for the amendment to the loan originally approved in January 2002 and taken out in March 2002. This amendment will extend the maturity of the existing loan by seven years and establish the interest rate and amortization schedule for the remaining principal balance of \$868,377.80. Final loan documents are being prepared and will be reviewed by staff and in final form prior to the October meeting.

IMPACT

Repayment of the loan will continue to be made from rental revenues from the facility and other local fund sources. The financing will be at a fixed tax-exempt rate not to exceed 6.2% and will be amortized on the basis of a seven-year level payment amortization beginning October 31, 2007. Principal payments, plus accrued interest, will be made on a quarterly basis on the last days of January, April, July and October through October 31, 2014 when a final payment of the remaining principal balance, plus accrued interest, will be paid.

ATTACHMENTS

Attachment 1 – Modification of Promissory Note	Page 3
Attachment 2 – Amendment to Loan Agreement	Page 5
Attachment 3 – Authorizing Resolution	Page 7

STAFF COMMENTS AND RECOMMENDATIONS

Although the quarterly payment would increase by \$4,753.11, the amended loan would be paid off one year earlier and result in no additional interest paid over the life of the loan.

Staff recommends approval.

BOARD ACTION

I move that the State Board of Education approve a Resolution of the Board of Regents of the University of Idaho for Modification of Promissory Note and the Amendment to Loan Agreement in substantially the same form as attached to the board materials under this agenda item.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

[Roll call vote required.]

MODIFICATION OF PROMISSORY NOTE

THIS MODIFICATION OF AMENDED AND RESTATED PROMISSORY NOTE (this "Modification") is dated effective as of October 31, 2007, and entered into between THE REGENTS OF THE UNIVERSITY OF IDAHO, a body politic and corporate and an institution of higher education of the State of Idaho (the "Borrower") and WELLS FARGO BANK, NATIONAL ASSOCIATION, formerly Wells Fargo Bank Northwest, N.A., a national banking association organized under the laws of the United States (the "Bank" or "Lender").

R E C I T A L S :

WHEREAS, the Borrower executed a promissory note dated March 8, 2002 (the "Note"), in favor of the Bank in the original principal amount of \$1,300,000 (the "Note");

WHEREAS, the Borrower has requested that the Bank extend the time for repayment of the Note and the Bank is agreeable to doing so under certain conditions;

NOW THEREFORE, in consideration of the continuing loan relationship of the parties, the Bank and the Borrower agree as follows:

1. The effective date of this Modification is October 31, 2007.
2. The Promise to Pay and Payment sections of the Note are amended to read in full as follows:

PROMISE TO PAY. The Regents of the University of Idaho ("Borrower") promises to pay to Wells Fargo Bank, National Association ("Lender"), or order, in lawful money of the United States of America, the principal amount of Eight Hundred Sixty-Eight Thousand Three Hundred Seventy Seven & 80/100 Dollars (\$868,377.80), together with interest on the unpaid principal balance from October 31, 2007, until paid in full.

PAYMENT. Borrower will pay this loan in accordance with the following payment schedule: interest calculated on the unpaid principal balances at an interest rate of _____% per annum; _____ quarterly consecutive principal and interest payments of \$_____ each, beginning January 31, 2008, with interest calculated on the unpaid principal balances at an interest rate of _____% per annum; and one principal and interest payment of \$_____ on October 31, 2014, with interest calculated on the unpaid principal balances at an interest rate of _____% per annum. This estimated final payment is based on the assumption that all payments will be made exactly as scheduled; the actual final payment will be for all principal and accrued interest not yet paid, together with any other unpaid amounts under this Note. Unless otherwise agreed or required by applicable law, payments will be applied first to accrued unpaid interest, then to principal, and any remaining amount to any unpaid collection costs. Interest on this Note is computed on a 365/365 simple interest basis; that is, by applying the ratio of the annual interest rate over the number of days in a year (366 during leap years), multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

3. The parties agree that all other terms and conditions of the Note shall remain the same and be unaffected by this Modification.

4. Borrower certifies that as of the date of this Modification there exists no Event of Default under the Note, nor any condition, act or event which with the giving of notice or the passage of time or both would constitute any such Event of Default.

ATTACHMENT 1

IN WITNESS WHEREOF, the undersigned persons have executed this instrument as the authorized representatives of the signers hereto.

THE REGENTS OF
THE UNIVERSITY OF IDAHO

By: _____
Title: _____

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: _____
John P. McCabe, Vice President

AMENDMENT TO LOAN AGREEMENT

THIS AMENDMENT TO LOAN AGREEMENT is dated effective as of the 31st day of October, 2007, and is made between THE REGENTS OF THE UNIVERSITY OF IDAHO (the "Borrower") and WELLS FARGO BANK, NATIONAL ASSOCIATION successor by merger to WELLS FARGO BANK NORTHWEST, N.A. (the "Bank").

R E C I T A L S :

WHEREAS, the parties entered into a Loan Agreement dated March 8, 2002, (the "Loan Agreement"), the terms of which are hereby incorporated by reference as if set forth here in full;

WHEREAS, the parties wish to amend the Loan Agreement as to amount, rate, term and related matters; and

NOW THEREFORE, in consideration of the continued loan relationship between the parties, the parties hereby amend the Loan Agreement as follows:

Section 1.2 shall be amended to read in its entirety as follows:

1.2 Promissory Note. On March 8, 2002, the Borrower executed its Promissory Note (the "Note") to Bank in the principal amount of \$1,300,000. The Borrower shall execute a Modification of the Note providing for a principal amount of Eight Hundred Sixty-Eight Thousand Three Hundred Seventy Seven and 80/100 Dollars (\$868,377.80) and a fixed interest rate of _____ and _____ 100ths percent (_____%) per annum, in the form attached to this Amendment to Loan Agreement as Exhibit A. Interest will be payable on the outstanding balance of the loan at a fixed rate of _____%, pursuant to Section 1.5 hereunder. The Loan shall be amortized on the basis of a seven (7)-year level payment amortization beginning October 31, 2007. A principal payment, plus accrued interest shall be due on January 31, 2008, with amortized quarterly principal and interest payments due thereafter on the last days of January, April, July, and October, until October 31, 2014, when the remaining balance of the Loan, plus accrued interest, shall be due and payable. The Note is issued under the provisions of Title 33, chapter 38, Idaho Code, for the purpose of financing the Project, and for the payment of expenses properly incident thereto and to the issuance of the Note. The principal of and interest on the Note are payable solely from the sources identified in the Note.

The Note is an obligation of the Borrower payable solely in accordance with the terms hereof and thereof 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 Borrower other than rental income and other revenues, fees, charges, and other monies legally available therefor.

Section 1.3 shall be amended to read in its entirety as follows:

1.3 Method of Making Loan. The loan has been fully disbursed and funded.

Section 1.5 shall be amended to read in its entirety as follows:

1.4 Interest Rate. The interest rate on the Note is _____ and _____ hundredths percent (_____%) per annum. Interest on the outstanding balance shall be calculated on the basis of a three hundred sixty-five/three hundred sixty-six (365/366) day year for the actual number of days elapsed.

Section 1.6 shall be amended to read in its entirety as follows:

1.6 Term. The Note of the Borrower shall mature October 31, 2014.

In all other respects, the Loan Agreement as previously amended and as amended hereby shall remain in full force and effect. This Amendment and the Loan Agreement shall be read together, as one document.

Borrower hereby remakes all representations and warranties contained in the Loan Agreement and reaffirms all covenants set forth therein. Borrower further certifies that as of the date of this Amendment there exists no Event of Default as defined in the Loan Agreement, nor any condition, act or event which with the giving of notice or the passage of time or both would constitute any such Event of Default.

IN WITNESS WHEREOF, the parties have hereto set their hands the day and year first above written.

BORROWER:

THE REGENTS OF THE
UNIVERSITY OF IDAHO

By _____
TITLE Bursar

LENDER:

WELLS FARGO BANK, NATIONAL
ASSOCIATION

By _____
John P. McCabe, Vice President

**AUTHORIZING RESOLUTION OF THE BOARD OF
REGENTS OF THE UNIVERSITY OF IDAHO**

A RESOLUTION OF THE BOARD OF REGENTS OF THE UNIVERSITY OF IDAHO, AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDMENT TO A LOAN AGREEMENT AND MODIFICATION OF PROMISSORY NOTE WITH WELLS FARGO BANK, NATIONAL ASSOCIATION AND RELATED DOCUMENTS WITH RESPECT TO CERTAIN RESEARCH PARK FACILITIES IN POST FALLS, IDAHO; AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION.

WHEREAS, THE BOARD OF REGENTS OF THE UNIVERSITY OF IDAHO (the “University”), a body politic and corporate and institution of higher education duly organized, existing and authorized by the Constitution and laws of the State of Idaho, to borrow money and issue notes or bonds to finance the construction and acquisition of University research facilities in Post Falls, Idaho (the “Project”); and

WHEREAS, on March 8, 2002, the University entered into a Loan Agreement (the “Agreement”) and Promissory Note (the “Note”) in the amount of \$1,300,000 with Wells Fargo Bank Northwest, N.A., now Wells Fargo Bank, National Association (the “Bank”), evidencing a loan (the “Loan”) for the Project;

WHEREAS, the University desires to refinance and extend the maturity of said Loan for the Project; and

WHEREAS, in order to extend the maturity of the Loan on certain conditions, the University proposes to enter into that certain Amendment to Loan Agreement, Modification of Promissory Note and related documents with the Bank (the “Financing Documents”), the form of which have been presented to the Board of Regents at this meeting, with an outstanding principal amount of not more than \$868,400 and an interest rate not to exceed 6.20% per annum; and

WHEREAS, the Board of Regents of the University deems it for the benefit of the University and for the efficient and effective administration thereof to enter into the Financing Documents on the terms and conditions therein provided;

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED BY THE BOARD OF REGENTS OF THE UNIVERSITY OF IDAHO as follows:

Section 1. Approval of Documents.

The form, terms and provisions of the Financing Documents are hereby approved in substantially the forms presented at this meeting; and the Bursar of the University is hereby authorized and directed to execute the Financing Documents and to deliver the Financing Documents to the respective parties thereto.

Section 2. Other Actions Authorized.

The officers and employees of the University shall take all action necessary or reasonably required by the parties to the Agreement and all related documents to carry out, give effect to and consummate the transactions contemplated thereby and to take all action necessary in conformity therewith, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the Agreement.

Section 3. Severability.

If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 4. Repealer.

All bylaws, orders and resolutions or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order, resolution or ordinance or part thereof.

Section 5. Effective Date.

This Resolution shall be effective immediately upon its approval and adoption.

ADOPTED AND APPROVED by the BOARD OF REGENTS OF THE UNIVERSITY OF IDAHO this 11th day of October, 2007.

**THE REGENTS OF THE UNIVERSITY OF
IDAHO**

By: _____
Printed Name: _____
Title: President, State Board of Education and
Board of Regents of the University of Idaho

By: _____
Name: _____
Title: Bursar

ATTEST:

By: _____
Printed Name: _____
Title: Secretary of The Board

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REFERENCE – APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: V. FINANCIAL AFFAIRS

Subsection: F. Bonds and Other Indebtedness

April 2002

F. Bonds and Other Indebtedness

1. General Powers

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

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

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007

REFERENCE – APPLICABLE STATUTE, RULE OR POLICY

Idaho Statutes

TITLE 33
EDUCATION
CHAPTER 38
STATE INSTITUTIONS OF HIGHER EDUCATION BOND ACT

33-3804. POWERS AND DUTIES OF STATE INSTITUTIONS.

Every institution shall have power in its proper name as aforesaid:

- (a) To have a corporate seal and alter the same at pleasure;
- (b) To sue and be sued;
- (c) To acquire by purchase, gift or the exercise of the right of eminent domain and hold and dispose of real or personal property or rights or interests therein and water rights;
- (d) To make contracts and to execute all instruments necessary or convenient;
- (e) To acquire any project or projects, and to own, operate, and maintain such project;
- (f) To accept grants of money or materials or property of any kind from a federal agency, upon such terms and conditions as such federal agency may impose;
- (g) To borrow money, with or without the issuance of bonds and to provide for the payment of the same and for the rights of the holders of such bonds and/or of any other instrument of such indebtedness, including the power to fix the maximum rate of interest to be paid thereon and to warrant and indemnify the validity and tax exempt character;
- (h) To perform all acts and do all things necessary or convenient to carry out the powers herein granted, to obtain loans or grants or both from any federal agency, and to accomplish the purposes of sections 33-3801--33-3813, Idaho Code, and secure the benefits of the Recovery Act;
- (i) To issue refunding bonds, for the purpose of paying, redeeming, or refunding any outstanding bonds theretofore issued under authority of this chapter. Refunding bonds so issued shall have such details, shall bear such rate or rates of interest and shall be otherwise issued and secured as provided by the board authorizing the issuance of such bonds and as otherwise provided in this chapter, provided, however, that such changes in the security and revenues pledged to the payment thereof may be made by such board as may be provided by it in the proceedings authorizing such bonds, but in no event shall such refunding bonds ever be secured by revenues not authorized by this chapter to be pledged to the payment of bonds issued for other than refunding purposes. Refunding bonds issued hereunder may be exchanged for a like principal amount of the bonds to be refunded, may be sold in the manner provided in this chapter for the sale of other bonds, or may be exchanged in part and sold in part. If sold, the proceeds of such bonds may be deposited in escrow for the payment of the bonds to be refunded, provided such bonds mature or are callable for redemption under their

terms within six (6) months from the date of the delivery of the refunding bonds. No refunding bonds may be issued hereunder in a principal amount in excess of the principal amount of the bonds to be refunded nor may any bonds not maturing or callable for redemption under their terms as above provided be refunded hereunder without the consent of the holders thereof. Refunding bonds so authorized and issued may in the discretion of the board be combined with other bonds to be authorized and issued under this chapter, and a single issue of bonds may be so authorized in part for improvement and in part for refunding purposes.

- (j) In connection with borrowing without the issuance of bonds, to fix fees, rents or other charges for utilization of any facility or project being financed by said borrowing and to pledge the same, together with any other revenue from such project or facility, as collateral for repayment of principal and interest in the same manner and to the same extent as provided in this chapter for securing the payment of bonds issued pursuant to this chapter.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO

SUBJECT

Change the name of Bureau of Public Affairs Research to The James A. and Louise McClure Center for Public Policy Research.

APPLICABLE STATUTE, RULE, OR POLICY

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

BACKGROUND

The Bureau of Public Affairs Research was established in 1959 as a unit of the Department of Social Sciences within the College of Letters and Science, University of Idaho. The Bureau currently is an integral part of the Department of Political Science, College of Letters, Arts & Social Sciences. The Bureau provides consulting services for state and local government agencies in Idaho; sponsors forums on public policy topics, and provides logistical support for the James McClure Endowment for the Sciences and Public Policy.

DISCUSSION

The University of Idaho seeks to re-name the Bureau, The James A. and Louise McClure Center for Public Policy Research in acknowledgement of the many contributions that Senator James McClure and Louise McClure have made to the nation, the state of Idaho, and the University of Idaho and in recognition of the McClures' continuing interest in matters of public policy. During their distinguished public careers, James McClure and Louise McClure have represented Idaho on the national stage, where James McClure served in the United States Congress for 24 years. Their service to the University of Idaho is wide ranging. They have been inveterate boosters and contributors, they have served on the Lionel Hampton International Jazz Festival Advisory Board, the College of Law Advisory Board, the University of Idaho Foundation, and are members of the College of Letters, Arts & Social Sciences Advancement Council. The James McClure Endowment for the Sciences and Public Policy (established in 2001) provides funds to facilitate the education of University of Idaho students and other citizens of Idaho in decision making around public policy issues that intersect with scientific research. James McClure and Louise McClure have indicated they would be pleased to have this administrative unit named in their honor.

IMPACT

The name change will impose minimal costs, not in excess of \$500, on the University of Idaho.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO - continued

ATTACHMENTS

Attachment 1 – Letter from President Timothy P. White

Page 5

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends approval.

BOARD ACTION

A motion to approve the request by the University of Idaho to change the name of the Bureau of Public Affairs Research, to The James A. and Louise McClure Center for Public Policy Research.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

**Office of the President**

Administration Building, Suite 105

PO Box 443151

Moscow, ID 83844-3151

Phone: 208-885-6365

Fax: 208-885-6558

timwhite@uidaho.edu

September 10, 2007

The Idaho State Board of Education and
Board of Regents of the University of Idaho
P.O. Box 83720
Boise, ID 83720-0037

Dear Regents:

The University of Idaho seeks to change the name of the Bureau of Public Affairs Research (BPAR), a unit within the College of Letters, Arts & Social Sciences, to the James A. and Louise McClure Center for Public Policy Research.

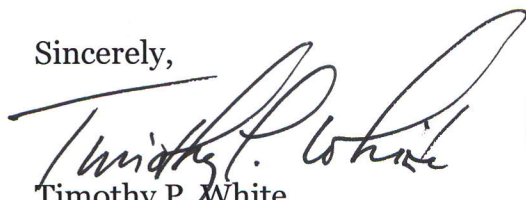
The Bureau was established in 1959 and currently sponsors faculty research projects, forums on public policy topics, and consulting services for various public entities. The Bureau also provides logistical support for the lectures conducted under the auspices of the James A. McClure Endowment for the Sciences and Public Policy.

During their exemplary public careers, Jim and Louise McClure have represented Idaho in the nation's capital—where Jim served in the United States Congress for 24 years—and throughout the United States and in many other parts of the world. Senator McClure has a longstanding interest in issues of public policy, as evidenced through the establishment of the James McClure Endowment for the Sciences and Public Policy (established in 2001).

The McClures are tireless in their efforts to support University of Idaho programs. Jim served on the College of Law Advisory Board and both Jim and Louise are members of the University of Idaho Foundation, the Lionel Hampton International Jazz Festival Advisory Board, and the College of Letters, Arts & Social Sciences Advancement Council.

In recognition of their significant contributions, it is appropriate to honor James McClure and Louise McClure. I enthusiastically endorse changing the name of the BPAR to the James A. and Louise McClure Center for Public Policy for this reason. Senator McClure and Louise McClure have indicated that they would be pleased to have this administrative unit named in their honor.

Sincerely,



Timothy P. White
President

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REFERENCE – APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: I. GENERAL GOVERNING POLICIES AND PROCEDURES

SUBSECTION: K. Naming/Memorializing Building and Facilities

April 2002

K. Naming/Memorializing Buildings and Facilities

Prior approval of the State Board of Education is required for the naming or memorializing of a building or administrative unit for other than functional use. This policy also includes the naming of facilities.

As used in this policy, the terms "facility" and "facilities" include any building, structure, room, laboratory, administrative unit, open space, or other physical improvement or natural feature of a campus or of other property under the administrative control of the State Board of Education.

2. The Board will consider the following factors in addressing requests for naming of a building, facility, or administrative unit.
 - A. Naming for an administrator, member of the faculty or employee of a unit responsible to the State Board of Education:
 1. No building, facility, or administrative unit shall be named for a person currently employed within the system of higher education in Idaho, except when authorized by the Board.
 2. Memorialization of a building, facility, or administrative unit for a former employee retired or deceased shall be considered on the basis of the employee's service to education in the state of Idaho. Significant factors will include, but shall not be limited to:
 - a. Recommendation of the chief executive officer of the institution and the recommendation of the institutional community.
 - b. Contributions rendered to the academic area to which the building, facility, or administrative unit is primarily devoted.
 - B. Naming of a building, facility, or administrative unit for other than a former employee of the system of higher education will be considered by the Board in accordance with 1.a. Additionally, the following shall apply:
 1. When deemed appropriate, a facility, building, or administrative unit may be given a nonfunctional name intended to honor and memorialize a specific individual who has made a distinguished contribution to the University.
 2. Name for an individual in recognition of a gift.
 - a. No commitment for naming shall be made to a prospective donor of a gift prior to Board approval of the proposed name.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007

- b. In reviewing requests for approval to name a facility, building, or administrative unit for a donor, the Board shall consider:
 - i. The nature of the proposed gift and its significance to the institution;
 - ii. The eminence of the individual whose name is proposed; and
 - iii. The individual's relationship to the institution.
- 3. The Board exclusively has authority to name administrative units, buildings, and facilities of a campus or of other property under the administrative control of the State Board of Education and Regents of the University of Idaho.
- 4. The Board delegates to the presidents the authority to name rooms and open spaces located within buildings or structures.
 - A. The presidents shall follow the same guidelines for naming as set forth in this policy.
 - B. All such names designated by the presidents shall be reported annually in August to the Board.

All requests for naming outside the presidents' delegated authority, and all delegated naming authority reporting, shall be made to the Board's Business Affairs and Human Resources Committee. When applicable, concurrent request shall be made to the Board's Instruction, Research and Student Affairs Committee.

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO

SUBJECT

A request to establish an independent trust to fund future liability for retiree health benefits.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.C.1.d.

BACKGROUND

The Retiree Health Benefits trust is being established to fund the obligation of post-employment (retiree) health benefits as required by the Government Accounting Standards (GASB) 45.

As of July 1, 2007, GASB 45 requires disclosing the amount of post-employment benefits liability on financial statements. The liability must be recorded and funded, or the amortized value may be recorded annually, plus interest on any unfunded amount. GASB 45 refers to the amortized value as the annual required contribution or ARC. Because of the interest accumulation on any part of the liability associated with ARC that is unfunded, the requirements of GASB 45 create a clear financial incentive to fund the amortized value of this liability each year.

GASB 45 requires funding to be specifically established for the sole purpose of funding the retiree health or obligations of post-employment benefits. Using a trust to hold the GASB 45 liability ensures that the use of the funds will be limited to the single purpose of the trust. Establishing the trust and funding the full ARC each year also will allow the University to leverage the best discount rates available in offsets to the liability. Funds held in trust for this purpose can be directed to longer term investments resulting in a greater return as compared to assets invested for our general operating budget.

The University previously has discussed with the Board the work of the Retiree Task Force, which researched and submitted recommendations for dealing with rising retiree health care costs and recognition of the GASB 45 liability. The recommendations of the Retiree Task Force as adopted have created a plan to presently sustain the program. Funding of the ARC through a trust along with changes in eligibility, retiree life insurance, retiree cost sharing, and integration of prescription drug coverage with Medicare were key factors in reducing the ARC from \$13.6M based on actuarial valuation conducted in 2005 to \$7.7 for FY08.

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO - continued

DISCUSSION

The trust is being established for the exclusive purpose of holding and investing assets to cover future liability for health and welfare benefits for retired employees of the University, and including reasonable administrative expenses. The assets in the trust, and the income thereon, are necessary for the exercise of the essential governmental function of funding health and welfare benefits for retired employees of the University, accordingly the trust is intended to be exempt from federal income taxation under Code Section 115.

The trust agreement is drafted to establish a trust with a single trustee, who will be an employee. The trustee will be responsible for investing the trust assets as directed by the University/Trustor (or an investment manager appointed by the trustor). The trustee shall be covered by a bond or equivalent crime insurance policy.

The trust primarily shall serve as a holding trust, responsible for maintaining and investing the ARC as funded by the University. Payments out of the trust for the purpose of covering the cost of retiree health benefits shall be made to the University of Idaho Health Benefits Trust, which is the trust established by the University for its self-funded health benefits plan. The only other payments authorized by the trust are for administrative expenses of the trust. And in no way shall any part of the principal or income of the Trust be paid to or revested in the University or be used other than for the exclusive purposes set out in the trust agreement.

IMPACT

The current actuarial valuation of the University's ARC for fiscal year 08 is \$7.7 million. The \$7.7M ARC includes the pay-as-you go expenses that are covered in part by retiree contributions and paid through the self-funded and insured costs of retiree medical, dental and life insurance benefits. For FY08 the retiree pay-as-go expenses are estimated at approximately \$3,463,000. Funds intended for payment of current benefits shall be directed towards the University of Idaho Health Benefits Trust for payment under the University's benefits plan. The remaining \$4,237,000 of the \$7.7M ARC are funds that will be placed in and remain in the Retiree Benefits Trust and accumulate from year to year to cover the cost of the future liability. These funds may be used to cover retiree benefits liabilities in the future as the retiree population grows.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007**

**INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO - continued**

The liability, ARC and all other actuarial assumptions are updated annually and subject to audit and concurrence by an independent accounting firm. Due to the increasing cost of health care, and the length of service and age of the University of Idaho workforce, the ARC is expected to grow each year. However, the eligibility criteria and other factors of the retiree health program have been designed to help manage increases to the ARC.

ATTACHMENTS

Attachment 1 – University of Idaho Retiree Benefits Trust

Page 5

STAFF COMMENTS AND RECOMMENDATIONS

The actuarial calculations were provided by the University's health benefits consulting firm. The actuarial assumptions will be audited at the end of 2008. The University provided its estimate for 2007 in the notes to the 2006 audited financial statements.

Staff recommends approval.

BOARD ACTION

A motion to approve the request by the University of Idaho to enter into the University of Idaho Retiree Benefits Trust in substantially the same form as the draft attached hereto, and to continually authorize the University of Idaho to transfer University funds to the Trust in a manner consistent with the Trust Agreement.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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**UNIVERSITY OF IDAHO
RETIREE BENEFITS TRUST**

TRUST AGREEMENT

Effective _____, 2007

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**UNIVERSITY OF IDAHO
RETIREE HEALTH AND WELFARE PLAN TRUST**

TRUST AGREEMENT

Effective _____, 2007

PARTIES

THIS TRUST AGREEMENT is effective as of _____, 2007, by and between the Board of Regents of the University of Idaho, a public corporation, state educational institution, and a body politic and corporate organized and existing under the Constitution and laws of the state of Idaho, hereinafter referred to as the "Trustor," and the undersigned trustee, hereinafter referred to as the "Trustee."

RECITALS

The Trustor desires to adopt the University of Idaho Retiree Benefits Trust (the "Trust"), to hold certain assets that will be used to pay the cost of future liability for retiree health and welfare benefits and associated administrative expenses.

ADOPTION

In consideration of the mutual covenants contained herein, the Trustor and the Trustee hereby covenant and agree that the University of Idaho Retiree Benefits Trust is hereby adopted to read in its entirety as set forth herein as of the above stated effective date.

ARTICLE 1

TRUST

1.1 Exclusive Purpose. The assets of this Trust shall be held and invested for the exclusive purpose of covering future liability for health and welfare benefits to retired employees of the Trustor, including reasonable administrative expenses.

1.2 Effective Date. The initial effective date of this Trust as set forth above.

1.3 Trust Year. The initial accounting year of the Trust shall begin _____, 2007, and end December 31, 2007. Commencing January 1, 2008, the accounting year of the Trust shall be the calendar year.

1.4 Federal Law.

(a) Internal Revenue Code. The assets in this Trust, and the income thereon, are necessary for the exercise of the essential governmental function of funding health and welfare benefits for retired employees of the Trustor. Accordingly, this Trust is intended to be exempt from federal income taxation under Code Section 115.

(b) ERISA. The Plan is a governmental plan within the meaning of Section 3(32) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and the Plan and this Trust are therefore exempt from regulation under ERISA.

1.5 Definitions.

(a) Code. The Internal Revenue Code of 1986, as amended, and successor Codes thereto.

(b) Plan. The Plan is the group health plan as set forth in the Plan document(s) adopted by the Trustor for the provision of retiree health and welfare benefits, and as further defined in the University of Idaho Health Benefits Trust, effective June 27, 2007.

(c) Trust. The Trust funding vehicle established by this Trust Agreement.

(d) Trust Agreement. The trust agreement, as set forth herein and as subsequently amended.

(e) Trust Fund. The trust estate of the Trust, including any income from investments, and any other property received and held by the Trustee for uses, purposes, and trusts set forth in this Trust Agreement.

(f) Trustee. The person, committee, or entity appointed by the Trustor to serve as Trustee hereunder, and any successors to the original Trustee.

(g) Trustor. The Board of Regents of the University of Idaho.

ARTICLE 2

TRUST FUND

2.1 Pooling of Funds; Payments from Trust Fund. The Trustee shall pool the Trust assets for investment.

The Trustee shall make payments from the Trust Fund as needed to fund liability for Trustor retirees' Plan benefits and for reasonable expenses of administering the Trust. The Trustee shall rely wholly on the direction of the Trustor in paying expenses of the Trust and in making payments for Trustor retirees' Plan benefits. All payments for retirees' Plan benefits shall go to the University of Idaho Health Benefits Trust, a separate trust effective June 27, 2007, or its successor.

ARTICLE 3

INVESTMENT AND ADMINISTRATION

3.1 Investment Standards. The pooled Trust Fund shall be invested in securities and other property in accordance with applicable law. Subject to this requirement, permissible investments shall include, but not be limited to, the following:

- (a) Notes, debentures, bonds, or other securities.
- (b) Commercial paper, savings and loan accounts, certificates of deposit, and savings accounts.
- (c) Other property of the same or a dissimilar kind to any of those named above.

The funds may be held in cash to the extent considered advisable by the Trustee without liability for interest.

The Trustee may, on general or specific direction from the Trustor, invest any portion of the Trust Funds in an appropriate common or collective trust fund or pooled investment fund.

In acquiring, investing, reinvesting, exchanging, retaining, selling, loaning, and managing the Trust Fund, the Trustee shall exercise the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person, acting in a like capacity, and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims.

3.2 Investment Managers.

(a) **Appointment.** The Trustor may appoint one or more investment managers for all or part of the Trust assets. Except as provided below, any such manager shall have exclusive responsibility for and control over the investment of the assets for which responsibility is allocated to the manager by the Trustor.

(b) **The Trustor's Reservation of Rights.** The Trustor may, as to any investment manager, reserve any or all of the following rights:

- (1) To fix investment objectives and guidelines.
- (2) To fix permissible investments.
- (3) To require consultation by the investment manager at regular intervals or with respect to certain kinds of transactions.
- (4) To receive notification of all transactions before or after consummation.

(5) To have proposed transactions submitted in advance and not consummated if disapproved by notice given within 15 days after submission.

(c) **Trustee's Authority.** The Trustee shall have the exclusive responsibility for and control over the investment of any assets except those for which responsibility is allocated to any investment manager. The Trustee shall have authority to do the following even though assets are being managed by an investment manager:

- (1) To dispose of fractional shares;
- (2) To roll over treasury obligations, commercial paper, and similar investments; and
- (3) To make short term investments in highly liquid low risk interest bearing deposits or securities.

(d) **Effect of Appointment.** An investment manager shall act in a fiduciary capacity and the Trustee shall act only as an administrative agent in carrying out directed investment transactions. The Trustee shall have no duty to investigate any transaction and shall not be liable to any person for the transaction. If a transaction violates the duty to diversify, to maintain liquidity, or to meet any other trust standard under this Trust or applicable law, the entire responsibility and liability, if any, shall rest upon the fiduciary giving the direction.

(e) **Qualification of Investment Manager.** Each investment manager shall verify to the Trustor in writing that the manager:

- (1) Is a registered investment adviser under the Investment Adviser's Act of 1940, a bank as defined in that Act, or a qualified insurance company;
- (2) Is bonded for the protection of the Trust in conformity with applicable law; and
- (3) Acknowledges that the manager is a fiduciary with respect to this Trust.

(f) **Notification Requirements.** The Trustor shall notify the Trustee of the appointment, removal, or resignation of any investment manager. The Trustee may rely upon the continued authority of an appointed manager until notified of resignation or removal. Each investment manager shall, on request, furnish the Trustee and the Trustor with the names and specimen signatures of persons authorized to act on behalf of the manager.

3.3 Powers of Trustee.

(a) **General Authority.** The Trustee shall have all necessary powers to discharge the Trustee's duties under this Trust, including, without limitation, the powers to do the following, subject to investment authority allocated to any appointed investment manager:

- (1) To own and hold all assets and retain and exercise all incidents of

such ownership, subject to the terms of this Trust, either directly or through nominees, with or without disclosing the Trust.

(2) To deal in any way with any assets through a public or private transaction and to receive all proceeds from the assets.

(3) As the holder of any security in the Trust Fund, to exercise any right or power to take any action that could be exercised or taken by a beneficial owner holding the security of record.

(b) **Cash and Fiduciary Accounts.** The Trustee shall retain in cash and keep unproductive of income such amount of the Trust Fund as the Trustee finds necessary or advisable to make payments pursuant to paragraph 2.1 herein. The Trustee is specifically authorized to invest such portion of the Trust Fund in deposits that bear a reasonable interest rate in a bank or similar financial institution supervised by the United States or a state, irrespective of whether such bank is a fiduciary with respect to the Plan.

(c) **Litigation.** The Trustee's costs in any litigation relating to the Trust assets shall be an administrative expense of the Trust. The Trustee may decline to commence or respond to any legal action unless the Trustor indemnifies the Trustee to the Trustee's satisfaction for any expense not covered by the Trust Fund. The Trustee may compromise claims on terms approved by the Trustor, which shall be binding on all parties.

(d) **Employment of Agents; Counsel.** The Trustee may employ agents for assistance and may consult and rely upon the advice of counsel, who may be counsel for the Trustor.

3.4 Organization and Operation of Trustee. The Trustee named in or appointed under this agreement shall act by resolution adopted by the Trustee.

The Trustee may delegate and allocate by resolution specific non-investment duties, responsibilities, and obligations for the operation and administration of this Trust which are imposed upon the Trustee by this Trust and applicable law, to one or more persons.

The Trustee may adopt such bylaws and regulations as the Trustee deems desirable for the conduct of the Trustee's affairs.

3.5 Expenses and Fees. The Trustee shall be reimbursed for all expenses and shall be paid reasonable fees approved from time to time by the Trustor, except that no Trustee who already receives full-time or part-time compensation from the Trustor shall receive full-time compensation or duplicative part-time compensation from the Trust Fund, except for reimbursement of expenses properly and actually incurred. The Trustee shall notify the Trustor periodically of expenses and fees and the Trustor may elect to pay them. Otherwise, the expenses and fees shall be charged to the Trust to the extent permitted by applicable law.

ARTICLE 4

RECORDS; VALUATION; ACCOUNTINGS

4.1 Records; Additional Information. The Trustee shall keep complete records of the Trust open to inspection by the Trustor at all reasonable times.

In addition to reports required below, the Trustee shall furnish to the Trustor any information about the Trust Fund that the Trustor requests.

4.2 Valuation. As of each valuation date specified by the Trustor, the Trustee shall value the Trust Fund in accordance with applicable law and report the value to the Trustor.

4.3 Accountings. The Trustee shall furnish the Trustor with a complete statement of account annually within 60 days after the end of the Trust Year showing assets and liabilities and income and expenses for the year. The form and content of the account shall be sufficient for the Trustor to comply with reporting and disclosure requirements under applicable law.

The Trustor may object to an accounting within seven months after it is furnished and require that it be settled by audit by a qualified, independent certified public accountant. The auditor shall be chosen by the Trustee from a list of at least five such accountants furnished by the Trustor at the time the audit is requested. Either the Trustor or the Trustee may require that the account be settled by a court of competent jurisdiction, in lieu of or in conjunction with the audit. All expenses of any audit or court proceedings, including reasonable attorneys' fees, shall be allowed as administrative expenses of the Trust.

If the Trustor does not object to an accounting within the time provided, the account shall be settled for the period covered by it.

When an account is settled, it shall be final and binding on all parties, including the Trustor and all participants and persons claiming through them.

ARTICLE 5

TRUSTEE LIABILITY

5.1 **Indemnification.** The Trustor shall indemnify and defend the Trustee from any claim, loss, liability, or expense arising from any action or inaction in the administration of this Trust, to the extent that such action or inaction was in reliance on information or in response to direction from the Trustor or an investment manager appointed pursuant to 3.2.

5.2 **Bonding.** The Trustee shall be bonded or have insurance coverage deemed by Trustor to be the equivalent of a fidelity bond for performance of their duties under this Trust to the extent required by applicable law.

ARTICLE 6

SUCCESSOR TRUSTEE

6.1 Resignation and Removal. The Trustee may resign at any time by written notice to the Trustor, which shall be effective in 60 days or an earlier or later date agreed to by the Trustor and the Trustee.

The Trustor may remove the Trustee on 60 days' prior written notice or such shorter written notice accepted by the Trustee.

The Trustor may remove the Trustee immediately for any alleged breach of duty under this Trust Agreement.

6.2 Appointment of Successor. The Trustor may appoint a successor Trustee to replace a Trustee upon resignation or removal. The Trustor shall appoint a successor Trustee if no other Trustee is then serving.

The appointment shall be effective when accepted in writing by the successor Trustee, who shall have all of the rights and powers of the former Trustee, including ownership rights in the Trust assets. A former Trustee shall execute any instrument necessary or reasonably desired by the Trustor or a successor Trustee to evidence the transfer.

A successor Trustee need not examine the records and acts of any prior Trustee and may retain or dispose of assets in the Trust at the time of the appointment, subject to directions from the Trustor or an investment manager. A successor Trustee shall not be responsible for, and the Trustor shall indemnify and defend the successor Trustee from, any claim or liability because of any action or inaction of any prior Trustee, because of any other prior event or condition or because of any existing assets.

6.3 Final Accounting; Continuity. If the Trustee resigns or is removed, the Trustee shall submit a final accounting to the Trustor as soon as practicable. The accounting shall be received and settled as provided in 4.3 for regular accountings.

No resignation or removal of any Trustee or change in identity of the Trustee for any reason shall terminate this Trust.

ARTICLE 7

AMENDMENT AND TERMINATION

7.1 **Amendment.** The Trustor may amend this Trust at any time by written instrument executed and delivered to the Trustee, with the following limitations:

- (a) All amendments shall be signed by the Trustee.
- (b) No amendment shall revest any of the Trust Fund in the Trustor or otherwise modify the Trust so that it would not be for the exclusive benefit of the participants of the Plan and their beneficiaries.

Amendments may be made retroactively to the extent permitted by applicable law and regulations.

7.2 **Termination.** The Trustor may terminate the Plan at any time. If the Trustor terminates the Plan and does not continue the Trust, the Trustee, when so notified, shall promptly make payment of the Trust Funds as directed by the Trustor to the persons having interests. Upon completion of the payments, the Trust shall end.

If the Trustor terminates the Plan and continues the Trust, the Trustee shall continue to administer the Trust unless the Trustor later terminates it. When all appropriate assets have been paid out in the regular course of administration, or by liquidation after a later termination by the Trustor, the Trust shall end.

In no event shall any part of the principal or income of this Trust be paid to or revested in the Trustor or be used other than for the exclusive purpose described in 1.1.

ARTICLE 8

GENERAL PROVISIONS

8.1 Applicable Law. This Trust shall be governed by and construed according to the laws of the state of Idaho.

8.2 Agreement Binding on All Parties. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of any and all present and future parties.

8.3 Notices and Directions. Any notice or direction under this Trust shall be in writing and shall be effective when actually delivered or, if mailed, when deposited as registered or certified mail directed to the address stated in this Trust or to such other address as any party may specify by notice to the other parties.

8.4 Reliance on Information. The Trustee may accept as correct and rely on any information furnished by the Trustor. The Trustee may not require an audit or disclosure of the Trustor's records.

This original Trust Agreement is effective _____, 2007.

**UNIVERSITY OF IDAHO
TRUSTOR**

By: _____

Title: _____

Date: _____

TRUSTEE

By: _____

Title: _____

Date: _____

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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

C. SPENDING AUTHORITY

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.

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**INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO**

SUBJECT

University of Idaho group life and disability insurance policies.

APPLICABLE STATUTE, RULE, OR POLICY

N/A

BACKGROUND

This agenda item is intended to provide an update on the current status of the University's group life and disability insurance programs, which together represent an annual expenditure of approximately \$1,000,000. In the absence of a directly applicable board policy, the University is providing this update at this time to continue to inform the Board of changes to its benefits package, and its continuing efforts to obtain the highest value benefit in its insurance coverage while preparing to transfer to a flexible benefits (cafeteria) program in 2008.

The University began to directly procure its employer-provided life, short and long-term disability (STD and LTD) beginning July 1, 2003. At that time, the University obtained both coverages through Principal Financial Group. Prior to 2003, the University was insured with Principal through the State of Idaho. In 2006, the University elected to conduct market research and a RFP process through Aon Consulting for life and disability insurance. As a result, the University has placed the coverage with two different carriers: Hartford for disability services and Standard for group life insurance.

DISCUSSION

The University, in electing to market the two insurance programs, had four primary objectives:

- Continue to provide competitive life, STD and LTD benefits, while seeking the most financially favorable rates without compromising on high quality service
- Find a vendor with the flexibility and willingness to offer alternative designs and funding arrangements to accommodate the planned transfer to a flexible benefits (cafeteria) program
- Have the ability to offer retirees a ported basic life insurance option that limits the University's exposure
- Select the most qualified carrier for each coverage, without requiring life and disability coverage to be provided by the same carrier

Standard (group life) and Hartford (disability) were selected from among the thirteen carriers who responded to the request for proposals based on significant financial impact, their ability to service an account the size of the University and their ability to meet the above stated objectives.

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO - continued

IMPACT

The change to Standard for life insurance saved the University \$176,153 or 25 percent compared to the price of renewal with Principle. The change to Hartford for disability insurance saved the University \$77,741 or 18 percent compared to the price of renewal with Principle. The comparison premium rates for 2006 are set out below:

Life Insurance:

Principle Renewal: \$783,111

Standard: \$586,604

Short and Long Term Disability Insurance:

Principle Renewal: \$423,074

Hartford: \$345,333

Both the policy with Standard and the policy with Hartford have a three year rate guarantee, with the rate based on the number of employees, so the rate per employee for employer paid life and disability insurance are guaranteed from July 1, 2006 to July 1, 2009, except for short term disability, which rates are guaranteed through July 1, 2008.

The policy with Standard also includes employee paid supplemental life insurance. The cost of this employee paid coverage under the Standard policy remains unchanged from the former Principle policy.

Insurance costs that are reduced or avoided in the life and disability area help offset the rapidly rising costs of medical coverage and helps maintain cost effective and competitive overall health programs. The University will continue to assess opportunities for maximizing its value without loss of quality across its insurance and benefits portfolio.

ATTACHMENTS

None. The University has submitted the insurance policies to the Board office and will provide them upon request.

STAFF COMMENTS AND RECOMMENDATIONS

University personnel will be available to answer questions. Staff recommends approval.

BOARD ACTION

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

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007

INSTITUTION/AGENCY AGENDA
COLLEGE AND UNIVERSITIES OF THE STATE BOARD

SUBJECT

Request to Carry-Over FY 2007 Authorized Unspent Funds into FY 2008

APPLICABLE STATUTES, RULE OR POLICY

State Board of Education Governing Policies and Procedures, Section V.C.1.b. and V.C.1.d.

BACKGROUND

The agencies and institutions noted below received legislative carryover spending authority.

FY 2008 appropriation bills for the College and Universities (HB299), Health Programs (SB1201), and Division of Professional-Technical Education (HB286). The institutions and agencies request approval to carry over authorized but unspent funds from FY 2007, to be expended in FY 2008.

Board Policy V.C.1.b(2) states "Certain special account monies, such as direct federal appropriations, state endowment income and trust accounts, and miscellaneous receipts, are the subject of continuing or perpetual spending authority." Board Policy V.C.1.d states "...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..."

DISCUSSION

The ability to carry over funds from one fiscal year to another is very valuable in managing institution or agency budget planning across fiscal years. Expenditures can be strategically planned instead of attempting to spend all funds by the end of a particular fiscal year. The institutions and agencies have identified the funds available to be carried over and the planned expenditure of these funds. Since carry-over revenues are one-time, the expenditures must be limited to one-time items.

IMPACT

Approval will authorize an increase in spending authority for FY 2008 so the institutions and agencies can expend the funds. These expenditure plans are included in the FY 2008 institutional operating budgets.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007**

**INSTITUTION/AGENCY AGENDA
COLLEGE AND UNIVERSITIES OF THE STATE BOARD - continued**

STAFF COMMENTS AND RECOMMENDATIONS

Staff has reviewed the information provided by the institutions, and recommends approval of carryover spending authority, as authorized by legislative appropriation.

BOARD ACTION

A motion to approve the requests by Boise State University, Idaho State University, University of Idaho, Lewis-Clark State College, ISU Dental Education Program, UI Agricultural Research & Extension Service, UI WWAMI Medical Education Program, and Division of Professional-Technical Education, to carry over authorized but unspent funds from FY 2007 to FY 2008.

Moved by_____ Seconded by_____ Carried Yes____ No____

**BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007**

**INSTITUTION/AGENCY AGENDA
BOISE STATE UNIVERSITY**

General Education

The source of funds carried over are: General Account - \$0.00; Student Fees \$20,428,500; Economic Recovery Fund - \$619,800; Total \$21,048,300.

All carryover funds will be used for non-recurring expenses as follows:

Encumbered Funds as of 6/30/2007	826,091
These are purchase orders issued and commitments made as of June 30, although the goods or services were not received as of June 30, 2007.	
HERC and Technology Incentive Grants - projects spanning multiple years	579,608
Academic Departments - Instructional support, accreditation costs, and adjunct funding	2,184,735
Academic Reserves	2,100,000
Physical Plant - on-going approved safety, ADA and maintenance projects	1,723,622
Library	458,366
Student Services	992,967
Research start-up and grant matching funds	1,396,000
Institutional Support - includes funding for Professional Staff Salary Study, equipment replacement, and infrastructure support	1,719,800
Remodel costs for teaching laboratories and office space	1,774,000
Emergency Equipment-including generators and notification system	1,500,000
Information technology infrastructure, software, system upgrades and licensing costs	1,315,438
Property acquisitions and purchase of modular space to meet growth needs	1,977,673
General reserve for emergencies - one-time funds	2,500,000
TOTAL	21,048,300

**BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007**

**INSTITUTION/AGENCY AGENDA
IDAHO STATE UNIVERSITY**

General Education

The source of funds carried over are: General Account \$0; Student Fees \$2,247,472; Endowment \$0; **TOTAL \$2,247,472.** All carryover funds will be used for non-recurring expense as summarized:

Encumbered Funds as of 6/30/07	\$ 727,560
Purchase orders issued and commitments made, but goods or services not received as of 6/30/07.	

HERC and Technology Grants	\$ 324,730
Research & Technology grants and projects are made for a two or three year period. Carryover is necessary to complete those grants and projects.	

Other Carryover Funds		
Instructional Support/Equipment	\$350,300	
Faculty Research Projects	277,376	
General Institutional Reserve	567,506	
Total Other Carryover Funds		\$1,195,182

Total Carryover	\$2,247,472

Idaho Dental Education Program

The source of funds carried over are: General Account \$6,038; Student Fees \$78,337; **Total \$84,375.** All carryover funds will be used for non-recurring expense as summarized:

Planned expenditures for uncommitted funds are:

Instructional Support/Equipment	\$78,337
Reserve for Trustee Benefit	6,038

Total IDEP Carryover	\$84,375

Budget Stabilization Fund

Encumbrances	\$133,591
Reserve for Equipment	118,301

Total Budget Stabilization Fund Carryover	\$251,892

**BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007**

**INSTITUTION/AGENCY AGENDA
UNIVERSITY OF IDAHO**

General Education

The sources of funds carried over are: General Account \$0; Matriculation Fee \$793,255; Miscellaneous Receipts to the Appropriation \$15,210,351 and Land Grant Endowments \$155,762. **TOTAL \$16,003,606.**

- Fiscal year 2007 carryover funds are nearly equal to fiscal year 2006 carryover amounts. Long-range plans, new initiatives, strategic plan implementation and other operating obligations typically span multiple fiscal years. Maintaining liquidity or operating reserves minimizes disruptions in the delivery of academic programs and student services as internal reorganizations and reallocations are made. It is also important to note that sound liquidity and operating reserves contribute to a healthy financial statement and good bond ratings for the university.

All carryover funds will be used for non-recurring expenses as follows:

Encumbered Funds as of 6/30/06	\$395,158
Purchase orders issued and commitments made, but goods not received as of 6/30/06.	
HERC, Tech Incentive, EPSCoR Projects	1,108,200
Faculty Development and Start-Up	1,500,000
Extra Sections, Part-time Faculty Appointments	400,000
Summer Appointments, Faculty Overload	900,000
Teaching Assistantships,	331,600
Research Activities, Matching Funds, Outreach	1,491,300
Student Recruitment and Retention	484,100
Searches, Recruitment Costs, Replacement Costs	600,000
Academic Area Action Plans and Reserves	3,525,248
Academic Area Special Initiatives	996,500
Facility Repairs, Modifications, Updates	1,272,700
Equipment, Vehicle Acquisitions and Replacements	1,108,300
All Other Department Operations, Reserves, Action Plans	1,890,500
 Total carryover including encumbrances	 \$16,003,606

**BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007**

**INSTITUTION/AGENCY AGENDA
UNIVERSITY OF IDAHO**

Agricultural Research and Extension Service

The sources of funds carried over are: General Account \$0; Miscellaneous Receipts to the Appropriation \$93,910; and Federal Formula Funds \$3,317,050.

All carryover funds will be used for non-recurring expenses as follows:

Encumbered Funds as of 6/30/07	\$395,112
Purchase orders issued and commitments made, but goods not received as of 6/30/07.	
Faculty and staff salaries	2,666,493
Department operating support	276,855
Equipment replacement/acquisition	72,500
Total carryover including encumbrances	\$3,410,960

UI Special Programs and Health Programs

WWAMI Medical Education: Funds carried over for one-time expenses in FY2007 are \$205,426 of Miscellaneous Receipts. These funds will be used for new faculty start-up.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007**

**INSTITUTION/AGENCY AGENDA
LEWIS-CLARK STATE COLLEGE**

General Education

The source of funds carried over are: General Account \$0; Student Fees \$1,435,047; Endowment \$44,268; **TOTAL \$1,479,315.**

All carryover funds will be used for non-recurring expenses.

Encumbered Funds as of 6/30/2007	\$ 172,331
Purchase orders issued and commitments made, but goods and services not received as of 6/30/2007.	

Other Carryover Funds	\$1,306,984

Total Carryover	\$1,479,315

**BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007**

**INSTITUTION/AGENCY AGENDA
DIVISION OF PROFESSIONAL-TECHNICAL EDUCATION**

Section 2. of House Bill No. 286 reappropriated to the State Board for Professional-Technical Education for the Division of Professional-Technical Education any unexpended and unencumbered balance of any appropriation contained in Section 1, Chapter 389, Laws of 2006, to be used for nonrecurring expenditures, for the period of July 1, 2007 through June 30, 2008.

The Division requests approval to expend FY2007 authorized, but unexpended Professional-Technical Education funds of \$187,246.44 reappropriated to the State Board for Professional-Technical Education for the Division of Professional-Technical Education for nonrecurring expenditures for the period of July 1, 2007 through June 30, 2008 as per House Bill 286.

IMPACT

One-time Personnel Costs	\$ 10,406.72
One-time Operating Expenses	156,138.63
One-time Capital Outlay	<u>20,701.09</u>
Total	\$187,246.44

**BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007**

REFERENCE: APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: V. FINANCIAL AFFAIRS
C. Spending Authority

October 2002

C. Spending Authority

1. Monies subject to appropriation
- b. General Account and Special Accounts.
 - (1) All General Account monies are subject to annual or continuing appropriations by the Idaho Legislature.
 - (2) Certain special account monies, such as direct federal appropriations, state endowment income and trust accounts, and miscellaneous receipts, are the subject of continuing or perpetual spending authority. (*See, for example*, Sections 67-3608 and 67-3611, Idaho Code (miscellaneous receipts); Section 67-3607 and Section 33-3301 *et seq.*, Sections 33-2909 and 33-2910, Sections 33-2913 and 33-2914, Sections 33-2911 and 33-2912, Sections 66-1106 and 66-1107, Idaho Code (state endowment income and trust accounts).)

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BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007

SUBJECT

Idaho Promise Scholarship – Category B Award

APPLICABLE STATUTE, RULE, OR POLICY

IDAPA 08.01.05.102.01

33-4305, 33-4307, and 33-4308, Idaho Code

BACKGROUND

The Idaho Promise Scholarship Category B award is for all Idaho students attending college for the first time and who have a high school grade point average of at least 3.0 or an ACT score of 20 or above. This scholarship is limited to two years and to students younger than 22 years of age. Students must maintain at least a 2.5 GPA while taking an average of 12 credits to remain eligible for the scholarship. State law requires the State Board of Education to annually set the amount of the award based on the legislative appropriation and the number of eligible students.

DISCUSSION

The Legislative appropriation for the Promise Category B scholarship for FY08 is \$4,446,470. Idaho's colleges and universities have identified eligible Promise Category B recipients for the fall 2007 semester at a rate of \$250/eligible student. Distribution of funds for fall 2007 students has occurred. Remaining funds available for distribution for the spring 2008 semester allow the Board to increase the spring 2008 award to \$315. This will allow for maximum use of the state appropriation for this program, and will assist eligible Idaho students in paying for postsecondary education.

IMPACT

The Idaho Promise Scholarship Category B provides a merit-based scholarship to Idaho high school graduates in an attempt to motivate students to excel in high school and attend a higher education institution in Idaho. Estimated number of students participating in the program for Fall 07 is 7,437 and 8,012 for Spring 08. By increasing the spring award, the estimated expenditure will be \$4,383,030. The State appropriation for this program is \$4,446,700, leaving a balance of approximately \$63,670.

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends approval of the Promise Category B scholarship in the amount of \$315 for the Spring semester, 2008. This would equal \$565 for the 2007-2008 academic year. This will allow a small amount to remain in the FY 2008 appropriation.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007

BOARD ACTION

A motion to approve the amount of the Idaho Promise Scholarship, Category B, to be \$315 for the Spring semester, 2008, for a total of \$565 for the 2007-2008 academic year.

Moved by_____ Seconded by_____ Carried Yes_____ No_____

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007

Promise B Scholarship Adjustment for Spring 2008 - October 11-12, 2007 Board Meeting

Actual Fall Award Amount	\$250
Proposed Spring Award Amount	\$295

<u>Institution</u>	<u>Fall Students</u>	<u>Fall Awards</u>	<u>% of Total \$\$</u>
Boise State University	1,698	424,500	22.83%
Idaho State University	1,155	288,750	15.53%
University of Idaho	1,540	385,000	20.71%
Lewis-Clark State College	200	50,000	2.69%
College of Southern Idaho	570	142,500	7.66%
North Idaho College	490	122,500	6.59%
Albertson College	246	61,500	3.31%
Eastern Id. Tech. College	36	9,000	0.48%
N. W. Nazarene University	147	36,750	1.98%
BYU-Idaho	<u>1,355</u>	<u>338,750</u>	<u>18.22%</u>
Total Fall 2007 Recipients:	7,437	\$1,859,250	100.00%
BYU-Idaho Summer session estimate	<u>575</u>	<u>143,750</u>	
Est. Spring Recipients, inc. BYU-I summer: (spring estimate Provided by Brenda Reeser@BYU-I)	8,012	\$2,003,000	

FY 2008 Appropriation, Promise B	\$ 4,446,700

Actual Fall 2007 Students	7,437
Total Fall 2007 Award @ \$250	1,859,250

Available for Spring 2007	\$ 2,587,450
Estimated Spring 2008 and BYUI summer Stu	8,012
Proposed Spring 2008 Award	\$ 315
Proposed Spring 2008 Total	\$ 2,523,780

Amount Remaining	\$ 63,670
% of Original Appropriation Remaining	1.4%

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REFERENCE - APPLICABLE STATUTE, RULE, OR POLICY

ADMINISTRATIVE RULES

IDAPA 08.01.05.102.01

102. MONETARY VALUE OF THE SCHOLARSHIP.

01. Monetary Value. The monetary value of each scholarship shall be set annually by the Board in accordance with Sections 33-4307(3) et seq., Idaho Code. (3-15-02)

02. Duration. The grant covers up to one (1) educational year or equivalent for attendance at an eligible postsecondary educational institution. . (3-15-02)

REFERENCE - APPLICABLE STATUTE, RULE, OR POLICY - continued

IDAHO STATUTES

TITLE 33
EDUCATION
CHAPTER 43
SCHOLARSHIPS

33-4305. PURPOSES. The purpose of this act is:

- (1) To establish a state scholarship program for the most talented Idaho secondary school graduates or the equivalent, consisting of category A students with outstanding academic qualifications and category B students with a cumulative grade point average for grades nine (9) through twelve (12) of 3.0 or better or achieving an ACT score of 20 or better or who become eligible after the student's first semester or who meet any other criteria as may be established by the state board of education and the board of regents of the university of Idaho, who will enroll in undergraduate nonreligious academic and professional-technical programs in eligible postsecondary institutions in the state; and
- (2) To designate the state board of education and the board of regents of the university of Idaho as the administrative agency for the state scholarship program.

33-4307. ELIGIBILITY -- MAXIMUM AMOUNTS -- CONDITIONS.

A grant may be awarded to an eligible student for matriculation at an eligible postsecondary educational institution in the state of Idaho if:

- (1) The individual is accepted for enrollment as a full-time undergraduate or professional-technical student, as follows:
 - (a) In the case of an individual beginning his first year or freshman year of postsecondary education, he has satisfied the requirements for admission and has enrolled in an eligible postsecondary institution.
 - (b) In the case of an individual enrolled in an eligible postsecondary institution following the successful completion of the first term, he continues to meet the requirements of this act and has maintained such high standards of performance as may be required. Provided that high academic standards are maintained in accordance with requirements of this chapter, a student continues to be eligible when transferring from one (1) major program to another.
 - (c) In the case of an individual transferring from one (1) eligible postsecondary institution in Idaho to another eligible postsecondary institution in Idaho, he continues to meet the requirements of this act, is accepted and enrolled at the eligible postsecondary institution to which he is transferring, and has maintained such high standards of performance as may be required.

- (2) The grant for category A students is as follows:
- (a) The grant payment to an individual per educational year for attendance on a full-time basis is not in excess of an amount determined annually by the state board of education or in excess of the total educational costs as certified by an official of the eligible postsecondary institution to be attended by the individual receiving the grant, whichever is less.
 - (b) The total grant payments over a period of six (6) years to an individual may not exceed four (4) annual grants or the total educational costs for four (4) educational years completed as certified by an official of the eligible postsecondary institution or institutions attended by the individual receiving the grant, whichever is less.
 - (c) The individual receiving such a grant signs an affidavit stating that the grant will be used for educational costs only.
 - (d) The grant is awarded on the basis of extraordinary performance in standardized, unweighted competitive examination and high school record.
 - (e) The individual receiving the grant is not precluded from receiving other financial aid, awards, or scholarships, provided the total of the grant and such other financial aids, awards or scholarships does not exceed the total educational costs for attendance at an eligible postsecondary institution as certified by an official of the eligible postsecondary institution to be attended by the individual receiving the grant.
 - (f) Grant payments shall correspond to academic terms, semesters, quarters or equivalent time periods at an eligible postsecondary institution; in no instance may the entire amount of a grant for an educational year, as defined in section 33-4306(10), Idaho Code, be paid to or on behalf of such student in advance.
 - (g) The individual has complied with such rules as may be necessary for the administration of this act.
- (3) The grant for category B students is as follows:
- (a) The grant payment to an individual per educational year for attendance on a full-time basis is not in excess of an amount determined annually by the state board of education and the board of regents of the university of Idaho and not to exceed one thousand two hundred dollars (\$1,200) per year including the required match.
 - (b) The total grant payments over a period of four (4) years to an individual may not exceed two (2) annual grants.
 - (c) The individual receiving such a grant signs an affidavit stating that the grant will be used for educational costs only.
 - (d) The grant is awarded on the basis of a high school record of a 3.0 grade point average or an ACT composite score of 20 or better and other criteria as may be established by the state board of education and the board of regents of the university of Idaho.
 - (e) The individual receiving the grant is not precluded from receiving

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007

other financial aid, awards or scholarships except that category A student award recipients are not eligible for category B awards.

(f) Grant payments shall correspond to academic terms, semesters, quarters or equivalent time periods at an eligible postsecondary institution; in no instance may the entire amount of a grant for an educational year, as defined in section 33-4306(8), Idaho Code, be paid to or on behalf of such student in advance. The first grant payments pursuant to this section for category B students shall be made in the fall of 2001 or in the first fall academic term following an appropriation and when moneys are available to implement the category B scholarship program, whichever date is later.

(g) The individual has complied with such rules as may be necessary for the administration of this chapter.

(h) All eligible postsecondary institutions will report annually to the state board of education and the board of regents of the university of Idaho the number of students for each term receiving a grant award and the number of awards that were matched by the institution.

33-4308. MAXIMUM NUMBER OF GRANTS.

- (1) The total number of grants to eligible category A students shall not exceed one hundred (100) per year, nor a cumulative total number of grants of four hundred (400) outstanding at any given time.
- (2) The total number of grants to category B students will be determined annually by the state board of education and the board of regents of the university of Idaho based on the number of eligible students, the individual award amount and the availability of funds.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007

SUBJECT

Idaho Opportunity Scholarship line item for \$10 million one-time appropriation

REFERENCE

August, 2007

Board approved FY 2009 Scholarships & Grants line item budget requests.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V. B.1
House Bill 329, 2007 Legislative Session

BACKGROUND

In the 2007 session, the Legislature appropriated to the State Board of Education for Special Programs for Scholarships and Grants, \$10 million one-time, for trustee and benefit payments from the General Fund for fiscal year 2008. These moneys were deposited into the Opportunity Scholarship Program Account for the purpose of creating the corpus of the account.

DISCUSSION

During the 2007 JFAC hearings, some Committee members expressed their intent to build upon the initial \$10 million until an amount was reached that would be able to sustain itself with no further ongoing funds. Staff understands this to mean the Board would request \$10 million in the Scholarships & Grants budget in one-time funds for four successive years until the corpus reached \$40 million, the original amount recommended by the Governor in 2007. The request for FY 2009 was not included in the August Board agenda due to an oversight by Staff. DFM has been contacted and is supportive of the board making this request.

IMPACT

By approving the request for \$10 million one-time funds for the Idaho Opportunity Scholarship, this amount will be included in the FY 2009 budget request for Scholarships & Grants and forwarded to the Division of Financial Management.

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends approval of the line item of \$10 million for the Idaho Opportunity Scholarship to be included in the FY 2009 Scholarships & Grants budget request.

BOARD ACTION

A motion to approve the line item of \$10,000,000 for the Idaho Opportunity Scholarship to be included in the FY 2009 Scholarships & Grants budget request.

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 B. Budget Policy

April 2002

1. Budget Requests

For purposes of Item 1., the community colleges (CSI and NIC), the State Historical Society, and the State Library are included.

a. Submission of Budget Requests

The Board is responsible for submission of budget request for the institutions, school and agencies under its governance to the executive and legislative branches of government. Only those budget requests which have been formally approved by the Board will be submitted by the office to the executive and legislative branches.

b. Direction by the Office of the State Board of Education

The preparation of all annual budget requests is to be directed by the Office of the State Board of Education which designates forms to be used in the process. The procedures for the preparation and submission of budget requests apply to operational and capital improvements budgets.

c. Preparation and Submission of Annual Budget Requests

Annual budget requests to be submitted to the Board by the institutions, school and agencies under Board governance are due in the Office of the State Board of Education on the date established by the executive director.

d. Presentation to the Board

Annual budget requests are formally presented to the designated committee by the chief executive officer of each institution, school or agency or his or her designee. The designated committee will review the requests and provide recommendations to the Board for their action.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007

REFERENCE: APPLICABLE STATUTE, RULE, OR POLICY - continued

]]]] LEGISLATURE OF THE STATE OF IDAHO]]]]
Fifty-ninth Legislature First Regular Session - 2007

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 329

BY APPROPRIATIONS COMMITTEE

1 AN ACT
2 APPROPRIATING ADDITIONAL ONE-TIME MONEYS TO THE STATE BOARD OF
EDUCATION FOR
3 SPECIAL PROGRAMS FOR FISCAL YEAR 2008; APPROPRIATING ADDITIONAL
ONGOING
4 MONEYS TO THE STATE BOARD OF EDUCATION FOR SPECIAL PROGRAMS FOR
FISCAL
5 YEAR 2008; PROVIDING FOR THE USE OF FUNDS; APPROPRIATING
ADDITIONAL MONEYS
6 FOR THE OFFICE OF THE STATE BOARD OF EDUCATION FOR FISCAL YEAR
2008; AND
7 EXPRESSING LEGISLATIVE INTENT REGARDING USE OF FUNDS.

8 Be It Enacted by the Legislature of the State of Idaho:

9 SECTION 1. In addition to any other appropriation provided by
law, there
10 is hereby appropriated to the State Board of Education for Special
Programs
11 for Scholarships and Grants, \$10,000,000, one-time, for trustee and
benefit
12 payments from the General Fund for the period July 1, 2007, through
June 30,
13 2008. These moneys shall be deposited into the Opportunity Scholarship
Program
14 Account as established in House Bill No. 217, as enacted by the First
Regular
15 Session of the Fifty-ninth Idaho Legislature, for the purpose of
creating the
16 corpus of said account. Earnings therefrom shall be distributed
annually as
17 prescribed by law and subject to the conditions set forth in Section 3
of this
18 act.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007

SUBJECT

Add 1.0 FTP for GEAR UP Regional Coordinator

REFERENCE

August, 2007

Board approved FY 2009 OSBE line item budget requests.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V. B.1

BACKGROUND

The status of the GEAR UP program at the time of agenda preparation was uncertain. Currently, the OSBE budget provides for one Program Manager and one Regional Coordinator. If the GEAR UP program proceeds as planned, two Regional Coordinators will be required as stated in the approved GEAR UP grant application.

DISCUSSION

If the GEAR UP program goes forward, an additional Regional Coordinator will be required. Each Regional Coordinator position will provide technical assistance and contract monitoring to half of the twenty-four GEAR UP schools throughout the state. A second Regional Coordinator is already included in the GEAR UP Program budget, and no additional funding is being requested for this federal program. Should the GEAR UP program not proceed, then this FTP will not be requested from the Division of Financial Management (DFM).

IMPACT

By approving the request for 1.0 FTP for the GEAR UP program, OSBE will be able to request the additional FTP from DFM should the program go forward.

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends approval of the 1.0 FTP for the GEAR UP program.

BOARD ACTION

I move to approve the line item of 1.0 FTP for a Regional Coordinator for the GEAR UP program.

Moved by_____ Seconded by_____ Carried Yes____ No____

REFERENCE: APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: V. FINANCIAL AFFAIRS

Subsection B. Budget Policy

April 2002

1. Budget Requests

For purposes of Item 1., the community colleges (CSI and NIC), the State Historical Society, and the State Library are included.

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b. Direction by the Office of the State Board of Education

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d. Presentation to the Board

Annual budget requests are formally presented to the designated committee by the chief executive officer of each institution, school or agency or his or her designee. The designated committee will review the requests and provide recommendations to the Board for their action.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007

SUBJECT

Funding for the Idaho English Language Assessment (IELA) Program.

REFERENCE

August, 2007

Board approved FY 2009 Office of the State Board of Education line item budget requests.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V. B.1
Senate Bill 1237, Section 9
Title III, Section 3113(3)(D)

BACKGROUND

The Board has negotiated with the State Department of Education (SDE) and Data Recognition Corporation (DRC) in order to reduce current year FY 2008 Assessment Program expenditures to be in line with current year appropriations. Included in the overall plan to reduce expenditures outside of the DRC contract was the shifting of IELA costs in the amount of \$600,000 from the Office of the State Board (OSBE) Assessment budget for FY 2009 and thereafter to the State Department of Education's LEP program budget.

DISCUSSION

The SDE budget request for FY 2009 does not include a request for an additional \$600,000 for the IELA program. The \$600,000 would be redirected from general Limited English Proficiency (LEP) funds which will reduce the \$5.29m in FY 2008 that is intended to go directly to districts to \$4.69m in FY 2009. The intent language for LEP funding under SDE states the "State Department of Education shall distribute \$5,290,000 to school districts pro rata, based upon the population of limited-English proficient students under criteria established by the department." An additional \$750,000 has been made available in the past two years by the legislature to allocate to districts in the form of competitive grants struggling to meet AYP. Only about 15 districts receive these grants, which are contingent on annual legislative approval. In order for the \$600,000 to be used for the IELA, the Legislature would need to approve modifications to the intent language or appropriate additional funds for this purpose.

Federal law requires that the Board, as the State educational agency, will ensure that eligible entities receiving a subgrant annually assess the English proficiency of all limited English proficient children participating in a program funded under Title III, Section 3113(B)(3)(D).

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007

The OSBE Assessment budget is comprised mostly of the Idaho Standards Achievement Test (ISAT), however it also includes the IELA. The ISAT contract was previously provided by Northwest Evaluation Association (NWEA) through 2006. An RFP was sent out and the only company to submit a responsive bid on the RFP for the new contract starting in 2007 was DRC. The contract price went up considerably due to technical quality issues that needed to be corrected, retention of ownership of all test items, and development costs. The new base contract included only those items required by No Child Left Behind (NCLB), and the assessments not required by federal law, but required under Board rule, were included as cost options which could be accepted by OSBE at an additional cost. The Board approved the base contract, and at a later date some cost options were accepted, which contributed to the increased cost of the DRC contract. On September 12, 2007, the Board approved the negotiation of contract revisions with DRC in order to reduce current year expenditures by eliminating some, but not all, of the cost options.

The OSBE appropriation for Assessment in 2006 was \$6,464,100 including \$2,355,700 in General Funds and \$4,108,400 in Federal Funds.

OSBE Assessment Program costs for fiscal year 2006 were as follows:

NWEA (ISAT)	\$3,733,660
PLATO	2,056,300
IELA (Questar Assessment)	279,150
Other	<u>314,090</u>
Total Costs	\$6,383,200

In 2007, the State appropriated \$1,700,000 in one-time general funds for NWEA to provide the Fall/Winter assessments which included 2nd/9th Grade assessments.

OSBE Assessment Program costs for fiscal year 2007 were as follows:

NWEA (ISAT)	\$1,840,650
PLATO	583,700
DRC	6,184,750
IELA (Questar Assessment)	605,500
Other	<u>193,100</u>
Total	\$9,407,700

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007

In 2008, one-time general funds were appropriated for development of Cut Scores and Performance Level Descriptors in the amount of \$865,000, and for the conduct of an independent alignment study and the addition of class score reports.

The Assessment Program costs are projected to reduce by \$597,200 from 2007 to 2008 with a decrease in the appropriation of \$835,000, resulting in a shortfall of \$237,800. This shortfall will be paid using carryover Federal funds from the prior year.

OSBE Assessment Program costs for fiscal year 2008 are estimated as follows:

DRC (ISAT)	\$8,036,000
IELA (Questar Assessment)	600,000
Other	<u>174,500</u>
Total	\$8,810,500

IMPACT

The contract revisions with DRC eliminate 2nd grade and winter testing, but still provide for fall testing, winter retesting, and 9th Grade assessments. Only by deferring over \$700k in payments to DRC into the subsequent year can the OSBE budget cover the IELA expenses of \$600,000. For 2009, there are no carryover Federal funds anticipated from the prior year and the \$865,000 in one-time funds will not be available. Therefore, the OSBE budget in 2009 and beyond will not be able to cover the \$600,000 in IELA costs, necessitating funding from other sources, such as an additional appropriation or the SDE budget, or a reduction in costs.

The Board has assumed the responsibility of running the ISAT and IELA, and both contracts are staffed and managed through the Board office.

Options available to the Board are as follows:

1. State provide \$600,000 for the federally required IELA program
2. Funds provided by the existing OSBE budget
3. Funds provided by the existing SDE budget

Option 1:

Under option 1, which would need to be approved by the Governor and Legislature, the OSBE budget would be increased to permit it to administer the federally required IELA program while leaving the SDE intent language intact and allowing all LEP Program funds to go to the school districts as authorized by the Legislature. No additional contract negotiations with DRC would be necessary.

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007

Option 2:

Under option 2, additional cost options under the DRC contract would need to be eliminated, including the 9th grade test, Winter retest, or Fall administration, none of which are required by No Child Left Behind, but are required by Board Rule. This would require the renegotiation of the DRC contract, and impact concessions already made by the company. The estimated costs for 9th grade administration, Winter retest, Fall administration, and Fall retest are as follows:

Test	2008	2009
9 th grade administration	\$1,111,324	\$782,859
Winter retest	228,355	228,355
Fall administration	688,745	439,447
Fall retest	228,355	228,355

Option 3:

Under option 3, approved, the Legislature would need to change intent language for the SDE's LEP funds and reduce the amount intended as a direct allocation to school districts. The intent language could be changed within the direct \$5.29 Mil allocation, which would reduce the current allocation from \$292 per student, to approximately \$259 per student, significantly impacting districts' ability to provide quality services for LEP students. Or the intent language could be changed for the \$750,000 competitive grant funds for districts struggling to meet AYP.

The SDE would transfer the \$600,000 to OSBE in order to continue the IELA program which is staffed and contracted out of OSBE.

STAFF COMMENTS AND RECOMMENDATIONS

Staff is proceeding to implement Option 3 pending further guidance or direction by the Board. Staff provides the information for Board reference in order to keep the Board apprised of the fiscal impact the IELA program may have on the OSBE budget should the Legislature not change intent language.

BOARD ACTION

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

REFERENCE: APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: V. FINANCIAL AFFAIRS
Subsection B. Budget Policy

April 2002

1. Budget Requests

For purposes of Item 1., the community colleges (CSI and NIC), the State Historical Society, and the State Library are included.

a. Submission of Budget Requests

The Board is responsible for submission of budget request for the institutions, school and agencies under its governance to the executive and legislative branches of government. Only those budget requests which have been formally approved by the Board will be submitted by the office to the executive and legislative branches.

b. Direction by the Office of the State Board of Education

The preparation of all annual budget requests is to be directed by the Office of the State Board of Education which designates forms to be used in the process. The procedures for the preparation and submission of budget requests apply to operational and capital improvements budgets.

c. Preparation and Submission of Annual Budget Requests

Annual budget requests to be submitted to the Board by the institutions, school and agencies under Board governance are due in the Office of the State Board of Education on the date established by the executive director.

d. Presentation to the Board

Annual budget requests are formally presented to the designated committee by the chief executive officer of each institution, school or agency or his or her designee. The designated committee will review the requests and provide recommendations to the Board for their action.

Idaho English Language Proficiency Assessment (IELA)

II. SDE Legislative intent language for Limited English Proficiency (LEP) program funds

2007 Legislative session – (no intent has been written yet for 2008 Legislative session).

SENATE BILL NO. 1237 BY FINANCE COMMITTEE

DIRECTING THAT \$6,040,000 BE ALLOCATED FOR PROGRAMS FOR STUDENTS WITH NON-ENGLISH OR LIMITED-ENGLISH PROFICIENCY;

8 SECTION 9. Of the moneys appropriated in Section 3 of this act,
9 \$6,040,000 shall be distributed for support of programs for students with non-
10 English or limited-English proficiency, as follows:
11 (1) The State Department of Education shall distribute \$5,290,000 to
12 school districts pro rata, based upon the population of limited-English
13 proficient students under criteria established by the department.
14 (2) The State Department of Education shall distribute \$750,000 to
15 schools in which the population of English language learners failed to
16 meet Adequate Yearly Progress (AYP) in math or reading, as defined in fed-
17 eral law. The department shall develop the program elements governing the
18 use of these funds, modeled on the training, intervention and remediation
19 elements of the program described in Section 7 of this act. The purpose of
20 these funds is to improve the English language skills of English language
21 learners, to enable such students to better access the educational oppor-
22 tunities offered in public schools. Such funds shall be distributed on a
23 one-time basis, and the Superintendent of Public Instruction shall report
24 to the Joint Finance-Appropriations Committee and the House of Representa-
25 tives and the Senate Education Committees, by no later than February 1,
26 2008, on the program design, uses of funds, and effectiveness of the pro-
27 gram.

III. Federal requirement for administration of the Idaho English Language Assessment (IELA).

Title I: Section 1111(b)(7)

(7) ACADEMIC ASSESSMENTS OF ENGLISH LANGUAGE PROFICIENCY- Each State plan shall demonstrate that local educational agencies in the State will, beginning not later than school year 2002-2003, provide for an annual assessment of English proficiency (measuring students' oral language, reading, and writing skills in English) of all students with limited English proficiency in the schools served by the State educational agency, except that the Secretary may provide the State 1 additional year if the State demonstrates that exceptional or uncontrollable circumstances, such as a natural disaster or a precipitous and unforeseen decline in the financial resources of the

BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 11-12, 2007

State, prevented full implementation of this paragraph by that deadline and that the State will complete implementation within the additional 1-year period.

Title III: Section 3116(b)(3)(C)

(b) CONTENTS- Each plan submitted under subsection (a) shall —

(3) describe how the eligible entity will hold elementary schools and secondary schools receiving funds under this subpart accountable for —

(A) meeting the annual measurable achievement objectives described in section 3122*;

(B) making adequate yearly progress for limited English proficient children, as described in section 1111(b)(2)(B); and

(C) annually measuring the English proficiency of limited English proficient children, so that such children served by the programs carried out under this part develop proficiency in English while meeting State academic content and student academic achievement standards as required by section 1111(b)(1);

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**STATE DEPARTMENT OF EDUCATION
CONSENT AGENDA
OCTOBER 11-12, 2007**

TAB	DESCRIPTION	ACTION
1	APPOINTMENT TO THE PROFESSIONAL STANDARDS COMMISSION FOR PUBLIC HIGHER EDUCATION/LETTERS AND SCIENCES REPRESENTATIVE	Motion to approve
2	ELEMENTARY SCHOOLS WITH LESS THAN 10 AVERAGE DAILY ATTENDANCE	Information Item
3	ANNUAL REPORT - HARDSHIP STATUS FOR ALBION ELEMENTARY SCHOOL	Information Item

**STATE DEPARTMENT OF EDUCATION
CONSENT AGENDA
OCTOBER 11-12, 2007**

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**STATE DEPARTMENT OF EDUCATION
OCTOBER 11-12, 2007**

SUBJECT

Appointment to the Professional Standards Commission Nomination

APPLICABLE STATUTE, RULE, OR POLICY

Section 33-1252, Idaho Code

BACKGROUND

Idaho Code Section 33-1252 requires that “. . . three (3) nominees for each position on the (*Professional Standards*) Commission shall be submitted to the state superintendent of public instruction, for the consideration of the State Board of Education . . . “

DISCUSSION

Idaho Code 33-1252 provided a specific breakdown of the membership required on the Professional Standards Commission. This nomination is submitted for appointment consideration by the State Board of Education to complete the last two years of a three-year term (July 1, 2006 – June 30, 2009) as a result of a resignation on the Commission due to a retirement at the University of Idaho.

The nomination recommended by the State Department of Education is as follows: Public Higher Education/Letters and Sciences Representation – Dr. Katherine Aiken, Dean; College of Letters, Arts and Social Sciences; University of Idaho.

IMPACT

N/A

ATTACHMENTS

Attachment 1 – Katherine Aiken Resumé

Page 3

STAFF COMMENTS AND RECOMMENDATIONS

BOARD ACTION

A motion to approve the request by the State Department of Education for the nomination appointment consideration of Dr. Katherine Aiken to complete the last two years of a three-year term as public higher education/letters and sciences representation on the Professional Standards Commission.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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**STATE DEPARTMENT OF EDUCATION
OCTOBER 11-12, 2007**

**CURRICULUM VITAE
University of Idaho**

NAME: Aiken, Katherine G.

DATE: June 5, 2007

RANK OR TITLE: Dean, College of Letters, Arts and Social Sciences
Professor of History

DEPARTMENT: College of Letters, Arts and Social Sciences

OFFICE LOCATION AND CAMPUS ZIP: Administration 111, 3154

OFFICE PHONE: (208) 885-7885

FAX: (208) 885-8964

EMAIL: kaiken@uidaho.edu

DATE OF FIRST EMPLOYMENT AT UI: January 1984

DATE OF TENURE: July 1, 1994

DATE OF PRESENT RANK OR TITLE: July 1, 2006; August 1, 2000

EDUCATION BEYOND HIGH SCHOOL:

Degrees:

Ph.D., History, 1980, Washington State University

M.A., History, 1974, University of Oregon

B.A., History, 1972, University of Idaho

Post-Doctoral Education:

National Endowment for the Humanities Fellowship for College Teachers, "Mary Heaton Vorse," 1983

National Endowment for the Humanities Summer Seminar, "Labor History," Wayne State University, Robert Zieger, Director, 1981

EXPERIENCE:

Teaching, Extension and Research Appointments:

Professor, History Department, University of Idaho, 2000-present

Associate Professor, History Department, University of Idaho, 1994-2000

Assistant Professor, History Department, University of Idaho, 1988-94

Visiting Assistant Professor, History Department, University of Idaho, 1984-88

Graduate Teaching Assistant, Washington State University, 1974-80

Graduate Teaching Fellow, University of Oregon, 1972-74

**STATE DEPARTMENT OF EDUCATION
OCTOBER 11-12, 2007**

Academic Administrative Appointments:

Dean, College of Letters, Arts and Social Sciences 2006 to present
Associate Dean, College of Letters, Arts and Social Sciences, 2005-06
Acting Associate Dean, College of Graduate Studies, 2003, 2004
Chair, University of Idaho History Department, 2000-05
Project Director, National Endowment for the Humanities project, "Humanities Program for Rurally Isolated Nontraditional Students," Lewis-Clark State College, 1985-87
Director of Extended Learning/Assistant Dean of Continuing Education, Lewis-Clark State College, Lewiston, Idaho, 1980-84

TEACHING ACCOMPLISHMENTS:

Areas of Specialization:

20th Century United States, Social and Cultural History, Women and Labor

Courses Taught:

American Studies 101, American Identities
Core 101, 102, Contemporary American Experience
Core 160, 161, Sport in American Society
History 101, 102, History of Civilization
History 111, 112, Introduction to United States History
History 404/504, History of the Vietnam War
History 404/504, America's Game: Baseball and History
History 404/504, Sports and American Society
History 501, Seminar in Twentieth Century America
History 409/509, Colloquium: American Business and Labor
History 415/515, Civil War and Reconstruction
History 417/517, United States, 1900-1945
History 418/518, United States, 1945 to present
History 420/520, Women in American Society
History 430/530, United States Social and Cultural History

Students Advised:

Undergraduates:
Advise approximately 30 a year.

Graduate Students Advised to Completion:

Mark Schreiter, Ph.D., 2007
Leah Evans-Janke, Ph.D., 2007
Wilma Woods-Davis, Ph.D., 2005
Christopher Schlect, M.A., 2005
Linnea Marshall, M.A., 2005

**STATE DEPARTMENT OF EDUCATION
OCTOBER 11-12, 2007**

Donna Smith, M.A., 2004
Kristen Hughes, M.A.T., 2004
Robbin Johnston, Ph.D., 2004
Kaylene Nielson, M.A., 2003
Wayne Cochrane, M.A., 2003
Lori Lahlum, Ph.D., 2003
Kirk Leichner, M.A., 2002
Colleen Reynolds, M.A., 2002
Jeff Middleton, M.A., 2002
Mark Hoffman, MAT, 2001
Paul John Sadin, M.A., 2001
Kathleen L. Graham, M.A., 2001
Debra E. Lish, Ph.D., 2000
Rosemary Joyce Huskey, M.A., 2000
Kathryn T. Bonzo, MAT, 1999
Randall Jordan Doyle, Ph.D., 1996
Debra E. Lish, M.A., 1994
David Martin Ballard, M.A., 1993
Chin-Yu Chen, Ph.D., 1992
Corinne M. Davis, M.A., 1992
Brent Bjornn, MAT, 1991
Claibourne G. Williams, M.A., 1991
Nancy F. Renk, M.A., 1991
Wallace Glen Lewis, Ph.D., 1991
Sally Jo Greene, M.A., 1990

Professional Activities:

Panelist, National Endowment for the Humanities, Education Division, 2006.
Project Evaluator, “It’s Our Country, too!’: Alvin Josephy and American Indians,” funded by the Idaho Humanities Council, 2006.
Team Member, State Board of Education Teacher Preparation Program Review, Northwest Nazarene University, 2006.
Team Member, State Board of Education, Teacher Preparation Program Review, BYU-Idaho, 2004.
Steering Committee, ITEACH Teaching American History grant, Grangeville School District 2003-06.
Project Evaluator, “University of Idaho American Indian Film Festival,” funded by the Idaho Humanities Council, 2004.
Social Studies Standards Review Team, Professional Standards Commission, Idaho State Department of Education, 2004.
Panelist, Education Programs, National Endowment for the Humanities, 2004.
Project Humanist, “Steinbeck Teacher Institute,” funded by the Idaho Humanities Council, 2003.
Team Member, State Board of Education, Teacher Preparation Program Review, Albertson College, 2002.

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Project Evaluator, "At the North End of the Long Bridge: A Sandpoint Centennial Project," funded by the Idaho Humanities Council, 2002.

Panelist, Media Projects, National Endowment for the Humanities, 2002.

Lead Scholar, Idaho Online Encyclopedia, funded by National Endowment for the Humanities, 2002-04.

Project Evaluator, "A Century of Change," Latah County Historical Society, funded by the Idaho Humanities Council, 2001.

Project Evaluator, "A Journey in Search of the Human Spirit," North Idaho College, funded by the Idaho Humanities Council, 2001.

Project Humanist, "Raices Culturales/Cultural Roots: A Model for Integrating Folklife in the Classroom," Idaho Humanities Council Summer Institute for Teachers, 2001.

Program Chair, Pacific Northwest History Conference, 2000.

Program Co-Chair, American Historical Association -- Pacific Coast Branch, 2000.

Project Evaluator, "Personal Calendars: A Female Geography of the Twentieth Century," Coeur d'Alene, Flathead, and Spokane Indian Reservations, funded by the Idaho Humanities Council, 2000.

Project Evaluator, "Journey through Time," North Idaho College, funded by the Idaho Humanities Council, 2000.

Panelist, National Endowment for the Humanities, Humanities and Social Sciences Projects, 1999.

Project Evaluator, North Idaho College Forum, funded by the Idaho Humanities Council, 1999.

Project Evaluator, "Victorian Dickens Festival," Kellogg, Idaho, funded by the Idaho Humanities Council, 1999.

Project Humanist, Hemingway Institute, funded by the Idaho Humanities Council, 1999.

Project Evaluator, "Journey Through Time," funded by Idaho Humanities Council, 1998.

Project Humanist, Idaho State Historical Society Teacher's Institute on Women in Idaho, funded by the Idaho Humanities Council, 1997.

Project Evaluator, "Sacred Encounters" (Cataldo Mission), funded by Idaho Humanities Council, 1997.

Project Humanist, "Saga of a Mining Town: Burke Idaho," funded by Idaho Humanities Council, 1993-97.

Essay Reader, Advanced Placement Examinations in United States History, 1996.

Panelist, National Endowment for the Humanities, Development and Demonstration Projects, 1996.

Project Humanist, Wallace Mining Museum traveling exhibit, funded by the Idaho Humanities Council, 1995-96.

Project Humanist, Idaho State Historical Society program for teachers, funded by the Idaho Humanities Council, 1995.

Project Evaluator, "Fred E. Miller, Photographer of the Crows," funded by the Idaho Humanities Council, 1994.

Project Humanist, "North Idaho's Silver Legacy: A Portrait of the Historical Coeur d'Alene Mining District," funded by the Idaho Humanities Council, 1993-94.

Panelist, National Endowment for the Humanities, Programs in Libraries and Archives, 1993.

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Project Humanist, "Idaho History Project," funded by the Idaho Humanities Council and the National Endowment for the Humanities, 1992-94.
Project Director, "Women's Suffrage in Idaho," funded by the Idaho Humanities Council, 1991.
Project Director, "Women's Organizations in Idaho," funded by the Idaho Humanities Council and Idaho Centennial Commission, 1990-91.
Project Humanist, "The Home Front," funded by the Idaho Humanities Council, 1991.
Project Humanist, "Bill of Rights," funded by the Idaho Humanities Council and National Endowment for the Humanities.
Project Humanist, "Mormon Migration," funded by the Idaho Humanities Council, 1990.
Panelist, National Endowment for the Humanities, Programs in Libraries and Archives, 1990.
Project Humanist, "Let's Talk About It," funded by the Idaho Humanities Council, 1989-94, 1996-2000.
Project Humanist, "Two Constitutions Project," funded by the National Endowment for the Humanities, 1989.
Project Humanist, "Old Alturas County," funded by the Idaho Humanities Council, 1988.
Project Humanist and Evaluator, "Moscow Centennial Celebration," funded by the Idaho Humanities Council, 1987.
Project Humanist and Evaluator, "County Nights," funded by the Idaho Humanities Council, 1987.
Project Humanist, "A More Perfect Union," funded by the Idaho Humanities Council, 1987.
Project Evaluator, "Men, Money, and Mining: The History of Mining and Labor in the Coeur d'Alene Mining District," funded by the Idaho Association for the Humanities, 1986.
Project Humanist and Evaluator, "Who are These Children? The History of the Children's Home in State and National Context," funded by the Association for the Humanities in Idaho, 1983.
Participating Humanist, "Happy Birthday Franklin D. Roosevelt," a symposium funded by the Washington Commission for the Humanities, 1981.

Honors and Awards:

Phi Kappa Phi Distinguished Professor, 2005
ASUI Outstanding Faculty Award, 2004
ATHENA (University of Idaho Professional Women's Organization) Woman of the Year, 2003
Student Disabilities Services Outstanding Faculty Award, 2001
ASUI Outstanding Faculty Award, 2000
University of Idaho Award for Teaching Excellence, 2000
Inaugural Faculty Fellow, Excellence in Teaching the Humanities Program, 1998-99
Alumni Award for Excellence, 1989, 1996, 2000, 2003
Naval ROTC Faculty Excellence Award, 1998 and 1999

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University of Idaho Panhellenic Council Outstanding Faculty Award, 1989

SCHOLARSHIP ACCOMPLISHMENTS:

Books:

Aiken, Katherine G., Kevin Marsh, Laura Woodworth-Ney, *Idaho: The Heroic Journey*, Cherbo Publishing, 2006.

Idaho's Bunker Hill: The Rise and Fall of a Great Mining Company, 1885-1981, University of Oklahoma Press, 2005.

Harnessing the Power of Motherhood: The National Florence Crittenton Mission, 1883-1925, University of Tennessee Press, 1998. (Nominated for the Berkshire Women's Historical Award)

Chapters in Books

"Idaho," in Benjamin F. Shearer, ed., *The United States: The Story of Statehood for the Fifty United States*, Greenwood Press, 2004, Vol. 1: 325-356.

"Sister Aimee Semple McPherson and the Interwar West, 1920-1940," in Richard Eutlain, ed. *Western Lives: A Biographical History of the American West*, University of New Mexico Press, 2004, pp. 305-326. (Refereed)

"Western Smelters and the Problems of Smelter Smoke," in Dale Goble, Paul Hirt, ed., *Northwest Lands and Peoples*, University of Washington Press, 1999, pp. 501-522. (Refereed)

"The Struggles for Equality and Diversity, 1854-1975," Terrill, Bukowski, Isserman, Hammack, Karl, Coven, Steigerwald, and **Aiken**, *Documents Collection*, Worth Publishers, 1993, pp. 337-362.

"Don Samuelson," in *Idaho Governors: Historical Essays on Their Administrations*, edited by Robert Sims, Boise State University Press, 1992, pp. 176-181.

"Introduction" to *Silver Strike*, by William Stoll, University of Idaho Press, 1991, pp. ix-xix. (Introduction to 1991 reprint of a 1932 work, part of the *Idaho Yesterdays* series.)

Articles in Refereed Journals:

"Idaho Exchanges," *Idaho Yesterdays* 48 (Spring/Summer 2007): 7-9.

"Gender and the Congressional Career of Idaho's Gracie Pfof, 1952-1962," *Journal of the West* 42 (Summer 2003):44-51.

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“A Woman’s Place is in the House, Women in the U.S. House of Representatives: Idaho’s Gracie Pfof as Case Study,” *Rikkyo University American Studies Journal*, 24 (March 2002):1-39.

“Odyssey of a Union: Communism and the Rise of the Northwest Metal Workers, 1960-1971,” *Montana: The Magazine of History*, 47 (Autumn 1997):46-61.

“‘When I Realized How Close Communism Was to Kellogg, I Was Willing to Donate Day and Night’: Anti-Communism and the Bunker Hill Strike of 1960,” *Labor History*, 36 (Spring 1995):165-186.

“‘Not Long Ago a Smoking Chimney was a Sign of Prosperity’: Corporate and Community Response to Pollution at the Bunker Hill Smelter in Kellogg, Idaho,” *Environmental History Review*, 18 (Summer 1994):67-86.

“Bunker Hill versus the Lead Trust: The Struggle for Control of the Metals Market in the Coeur d’Alene Mining District, 1885-1918,” *Pacific Northwest Quarterly*, 84 (April 1993):42-49. Charles Gates Award.

“‘It May Be Too Soon to Crow’: Bunker Hill and Sullivan Company Efforts to Defeat the Miners’ Union, 1890-1900.” *Western Historical Quarterly*, XXIV (August 1993):309-331. Nominated for the Bryant Spann Memorial Prize.

“From Mission to Hospital: The Detroit Florence Crittenton Home, 1897-1930,” *Detroit in Perspective*, 6 (1982):50-64.

Contributions to Edited Works:

“The National Florence Crittenton Mission,” *Praeger Handbook of Adoption*, 2006, 235-237.

“May Arkwright Hutton,” *Encyclopedia of the American West*, Macmillan Publishing Company, 1996.

“Applying the Constitution: The Congress vs. the President in the Conduct of Foreign Policy,” *Rendezvous*, XXIII (Fall 1987):35-53 (with David Adler).

“Kate Waller Barrett,” in *Biographical Dictionary of Social Welfare in America*, edited by Walter Trattner, Greenwood Press, 1986, pp. 61-64.

“The National Florence Crittenton Mission in the Pacific Northwest,” *Northwest Women’s Heritage*, University of Washington, 1985, pp. 87-109.

Other Publications:

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“Mining in the Coeur d’Alenes,” “Idaho and the American West,” The Idaho Humanities Council 1994, 16-18.

“Women in Comics Can Be Good Role Models,” *The University of Idaho Magazine*, Vol. 10 (April 1993):16.

“A Meeting Ground for those of Purpose Great’: Women’s Organizations in Idaho,” pamphlet, Idaho Humanities Council and Idaho Centennial Commission, 1991, 12 pp.

Book Review Essays:

“Working and Living: Women and Mining Communities,” *Oral History Review* 26 (Winter/Spring 1999):119-125.

Book Reviews:

Boise Idaho, 1882-1910: Prosperity in Isolation, Carol Lynn MacGregor, in *Western Historical Quarterly*, forthcoming.

Citizen: Jane Addams and the Struggle for Democracy, Louise Knight, in *American Historical Review*, forthcoming, April 2007.

Sick Building Syndrome and the Problem of Uncertainty: Environmental Politics, Technoscience, and Women Workers, Michelle Murphy in *Technology and Culture* 48 (April 2007):444-6.

Mining Women: Gender in the Development of a Global Industry, 1670-2005, Jaclyn Gier and Laurie Mercier, eds. in *Montana: The Magazine of Western History* (Winter 2006):78-9.

The Reconstruction of White Southern Womanhood 1865-1895, Jane Turner Censer in *American Historical Review* (December 2004):1577-1578.

Old Paint: A Medical History of Childhood Lead-Paint Poisoning in the United States to 1980, Peter C. English in *Technology and Culture* 44 (April 2003): 405-407.

Jane Addams and the Dream of American Democracy: A Life, Jean Bethke Elshtain, in *American Historical Review* (December 2002):1567-568.

Progressivism and the New Democracy, Sidney M. Milkis and Jerome M. Mileur, eds., in *The Journal of Policy History* 14 (2002):219-222.

Atlantic Crossings: Social Politics in a Progressive Age by Daniel T. Rodgers, H-Pol, H-Net Reviews, January 2000. URL: <http://222.h-net.msu.edu/reviews/showrev.cgi?path=32096949068197>.

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Wood River or Bust: Idaho's Silver Boom of the 1880's, by Clark C. Spence in *Oregon Historical Quarterly* 101 (Spring 2000):106-7.

Oil, Wheat and Wobblies: The Industrial Workers of the World in Oklahoma, 1905-1930, by Nigel Anthony Sellers in *Western Historical Quarterly* XXX (Spring 1999):93-94.

Hazards of the Job: From Industrial Disease to Environmental Health Science, by Charles Sellers and *Radium Girls: Women and Industrial Health Reform, 1910-1935*, by Claudia Clark in *Technology and Culture* 39 (October 1998):794-797.

Working the North: Labor and the Northwest Defense Projects, 1942-1946, by William R. Morrison and Kenneth A. Coates, *Western Historical Quarterly*, 26 (Summer 1995):259-260.

The Psychiatric Persuasion: Knowledge, Gender, and Power in Modern America, by Elizabeth Lunbeck, *History*, 23 (Summer 1995):155.

Margaret Fuller, An American Romantic Life: The Private Years, by Charles Capper, *History*, 22 (Winter 1994):92.

Idaho Women in History: Big and Little Biographies and Other Gender Stories by Betty Penson-Ward, *Idaho Yesterdays*, 36 (Spring 1992):33-34.

Sexual Anarchy: Gender and Culture at the Fin De Siecle by Elaine Showalter, *History*, 20 (Winter 1992):81.

Hecla: A Century of Western Mining by John Fahey, *Oregon Historical Quarterly*, 92 (Winter 1991-2):433-435.

Siringo: The True Story of Charles A. Siringo, Texas Cowboy, Longhorn Train Driver, Private Detective, Rancher, and Author. . . by Ben E. Pingnot, *Montana: The Magazine of Western History*, 40 (Spring 1990):5.

Walking to Work by Eric Monkonnen, *The Historian*, 49 (November 1986):132-133.

Presentations and Other Creative Activities:

“Silver Valley History,” teacher in-service Spokane, Washington, May 4, 2007

“Senator Frank Church and the Idaho Connection,” Bellwood Lecture Panel, University of Idaho College of Law, October 12, 2006

“The Trial of the Century,” Invited Address, National Convention, Association of Attorneys General, Coeur d’Alene, Idaho, June 28, 2006.

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“Big Trouble,” Invited address, Museum of Arts and Culture, Spokane, Washington, May 6, 2006.

“Women and Mining in the Coeur d’Alenes,” Invited Address, Central Washington University, April 10, 2006.

“Civil Rights in the 1950s and 1960s,” Teacher Inservice, Ellensburg, Washington, March 8, 2006.

“Idaho’s Bunker Hill,” Log Cabin Literary Center, Boise, Idaho, February 23, 2006.

“Korea and Vietnam,” Teacher Inservice, Ellensburg, Wasnington, November 2, 2005

“Labor and Ethnicity in the Coeur d’Alenes,” Idaho’s Journey for Human Rights, Wallace, Idaho, July 15-16, 2005.

“Terrorism and History,” Teacher Inservice, McCall, Idaho, June 5-10, 2005.

“Wonder Woman and Phi Beta Kappa: The Life of the Mind Meets Real Life in a Comic Strip,” banquet address, Phi Beta Kappa initiation, April 11, 2005.

“Let’s Talk About It,” *Home Below Hells Canyon*, Bonners Ferry Idaho, January 21, 2005.

“Suffrage and Prohibition,” Teacher Workshop, Ellensburg, Washington, November 3, 2004.

“Much More Than a Hole in the Ground: Kellogg, Idaho’s Bunker Hill Company,” keynote address, Idaho State Historical Society Annual Meeting, Boise, Idaho, October 21, 2004.

Brown v. Board and Civil Rights, Teacher Workshop, McCall, Idaho, June 21-22, 2004.

Pedagogy and Primary Sources: The Lewis and Clark Example, Teacher inservice workshop, Grangeville, Idaho, February 25, 2004

“Let’s Talk About It,” *Their Eyes Were Watching God*, Lewiston, Idaho, February 10, 2004.

Gracie Pfof and Helen Chenoweth: Idaho Women in the House, University of Idaho Women’s Center, March 23, 2004.

“The Women’s History Context for *Reed v. Reed*,” presentation and panel discussion with United States Supreme Court Justice Ruth Bader Ginsberg, September 18, 2003.

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- “May Arkwright Hutton,” public presentation, Wallace, Idaho, June 28, 2003.
- “The Left in the 1930s and 1950s: Making Historical Connections,” Idaho Humanities Council Summer Institute, Nampa, Idaho, July 26, 2003.
- “From Boycott to Consciousness Raising: Ella Baker and Jo Ann Robinson,” University of Idaho Women’s Center, March 27, 2003.
- “Let’s Talk About It,” *A Victorian Gentlewoman in the Far West*, Orofino, Idaho, January 14, 2003.
- “What’s a Nice Girl Like Me Doing in a Profession Like This?” University of Idaho Interdisciplinary Colloquium, 2002.
- “Water and the West,” Idaho Humanities Council Summer Institute, Nampa, Idaho, July 2002.
- “Kellogg, Idaho’s Bunker Hill Company,” Banquet Address, Mining History Conference, Wallace, Idaho, June 21, 2002.
- “That ‘Motley Irish Crowd’: Ethnicity and the Coeur d’Alene Mining Wars of the 1890s,” Idaho State University Centennial Academic Celebration of Idaho, January 30, 2002.
- “Let’s Talk About It,” *Grapes of Wrath*, Priest River, Idaho, October 23, 2001.
- “Racial Diversity in Idaho: Hispanics in the Silver Valley as a Case Study,” Idaho Humanities Council Summer Institute, Nampa, Idaho, July 10, 2001.
- “Let’s Talk About It,” *Their Eyes Were Watching God*, Sandpoint, Idaho, January 22, 2001.
- “Let’s Talk About It!” *Invisible Man*, Bonners Ferry, Idaho, January 31, 2000.
- “Let’s Talk About It!” *Balsamroot*, Sandpoint, Idaho, November 11, 1999.
- “The United States in the 1920s: Hemingway’s Milieu,” public presentation, Ketchum, Idaho, July 21, 1999.
- “The Coeur d’Alene Mining Wars, 100 Years Later,” public presentation, Wallace, Idaho, April 29, 1999.
- “Let’s Talk About It,” *A Mormon Mother: An Autobiography*, Sandpoint, Idaho, September 24, 1998.

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- “Mining and Idaho History,” Teacher In-Service, “Institute on Idaho and the American West,” Boise, July 23, 1998, sponsored by Idaho Humanities Council.
- “Let’s Talk About It,” *Home Below Hell’s Canyon*, Bonners Ferry, Idaho, March 2, 1998.
- “Women’s Suffrage in Idaho,” Teacher In-Service, “Writing Women into Western History,” Boise, July 15, 1997, sponsored by Idaho State Historical Society and Idaho Humanities Council.
- “Idaho History,” half-day Elderhostel workshop, Sandpoint, Idaho, March 8, 1997.
- “Let’s Talk About It,” *Invisible Man*, Sandpoint, Idaho, November 25, 1996.
- “Women and the Teaching Curriculum,” University of Idaho Fall Teaching Forum, September 24, 1996.
- “Baseball as a Case Study for Historical Inquiry,” Troy High School, May 13, 1996.
- “Using History as a Lens to Explore Challenges Women Face in Nontraditional Employment Situations,” Workshop at Hewlett-Packard Company, Spokane, Washington, March 28, 1996.
- “Gender as an Issue in the Career of Idaho Member of Congress Gracie Pfof,” keynote address, Women’s History Week, Boise State University, March 11, 1996.
- “The Seventy-Fifth Anniversary of the Woman’s Suffrage Amendment,” University of Idaho Women’s Center, September 20, 1995.
- “Environmental Issues and Mining,” Teacher In-Service, Boise, Idaho, June 26, 1995.
- “Women and Social Welfare During the Progressive Era,” University of Idaho Women’s Center, February 15, 1995.
- “Mining and the Depression,” Public Presentation, Wallace, Idaho, December 5, 1994.
- “A New Look at Mining in Idaho,” Public Presentation, Orofino, Idaho, November 8, 1994.
- “The Silver Valley--Spokane Connection,” Keynote Address, National University Continuing Education Association Regional Meeting, Spokane, Washington, October 20, 1994.
- “Mining and the Environment,” Public Presentation, Moscow, Idaho, October 19, 1994.
- “Mining Technology,” Public Presentation, Lewiston, Idaho, October 12, 1994.

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- “Mining in Idaho,” Teacher In-Service, Moscow, Idaho, October 6, 1994.
- “Mining in North Idaho,” Public Presentation, Coeur d’Alene, Idaho, September 22, 1994.
- “The Coeur d’Alene Mining Wars,” Public Presentation, Wallace, Idaho, May 6, 1994.
- “Let’s Talk About It, *We Sagebrush Folk*, Orofino, Idaho, April 4, 1994.
- “Let’s Talk About It,” *Billy the Kid*, Sandpoint, Idaho, October 26, 1993.
- “Western Women’s Voices,” Pacific Northwest Library Association, Kalispell, Montana, August 13, 1993.
- “Mining in Idaho,” Teacher Summer Institute, sponsored by National Endowment for the Humanities and Idaho Humanities Council, Boise, Idaho, June 21, 1993.
- “Let’s Talk About It,” *Ceremony*, Bonners Ferry, Idaho, March 8, 1993.
- “Women in Comics,” University of Idaho Women’s Center, February 17, 1993.
- “Idaho and WWII,” Keynote Address, Latah County Historical Society Annual Meeting, January 28, 1993.
- “The Bill of Rights,” Teacher In-Service, Coeur d’Alene, Idaho, March 20-21, 1992.
- “Let’s Talk About It!” *A Bride Goes West*, Bonners Ferry, Idaho, March 9, 1992.
- “Idaho Congresswoman Gracie Pfof,” University of Idaho Women’s Center, February 26, 1992.
- “Idaho, the Homefront, and World War II,” Public Presentation, Moscow, Idaho, December 7, 1991.
- “Women’s Organizations in Idaho,” Public Presentation, Coeur d’Alene, Idaho, November 4, 1991.
- “The Bill of Rights,” Teacher In-Service, Moscow, Idaho, October 3 and 4, 1991.
- “Women’s Suffrage in Idaho,” Public Presentation, Latah County Historical Society, Moscow, Idaho, July 21, 1991.
- “Women and the Bill of Rights,” Public Presentation, Boise, Idaho, June 11, 1991.
- “The English Background to the Bill of Rights,” Whittenberger Foundation Teacher Summer Institute, Caldwell, Idaho, June 10 and 11, 1991.

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- “The University of Idaho Then and Now,” speech to University of Idaho, College of Letters and Science, Fifty Year Graduates, May 11, 1991.
- “The Bill of Rights,” Public Presentation, Boise, Idaho, April 11, 1991.
- “May Hutton,” University of Idaho Women’s Center, February 13, 1991.
- “Let’s Talk About It!” *A Bride Goes West*, Moscow, Idaho, February 13, 1991.
- “Women in History,” Coeur d’Alene Women’s Forum, October 26, 1990.
- “Let’s Talk About It!” *We Sagebrush Folk*, Potlatch, Idaho, October 16, 1990.
- “Mormon Migration,” Exhibit Opening Address, Bonner County Historical Society, Sandpoint, Idaho, October 4, 1990.
- “Mormon Migration,” Exhibit Opening Address, Latah County Historical Society, Moscow, Idaho, September 19, 1990.
- “Two Constitutions Project,” Western States Humanities Council Conference, Sun Valley, Idaho, May 31, 1990.
- “Let’s Talk About It!” *We Sagebrush Folk*, Coeur d’Alene, Idaho, April 11, 1990.
- “Let’s Talk About It!” *We Sagebrush Folk*, Kellogg, Idaho, April 3, 1990.
- “Abigail Scott Duniway,” University of Idaho Women’s Center, February 21, 1990.
- “Let’s Talk About It!” *We Sagebrush Folk*, Sandpoint, Idaho, October 18, 1989.
- “Labor Relations and the Bunker Hill Company,” invited address, Lewis Clark State College Business Students, October 14, 1989.
- Teacher In-Service Workshop, “Women’s Suffrage and the Idaho Constitution,” Sandpoint, Idaho, October 5 and 6, 1989.
- “The Idaho Constitutional Convention,” Public Presentation, Sandpoint, Idaho, October 5, 1989.
- Teacher In-Service Workshop, “Women’s Suffrage and the Idaho Constitution,” Wallace, Idaho, September 24 and 25, 1989.
- “William Clagett and the Idaho Constitutional Convention,” Public Presentation, Wallace, Idaho, September 24, 1989.

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Teacher In-Service Workshop, "Women's Suffrage and the Idaho Constitution," Salmon, Idaho, April 20 and 21, 1989.

"The Idaho Constitutional Convention," Public Presentation, Salmon, Idaho, April 20, 1989.

Teacher In-Service Workshop, "The Idaho Constitution," Lewiston, Idaho, April 3 and 4, 1989.

"The Idaho Constitutional Convention," Public Presentation, Lewiston, Idaho, April 3, 1989.

"Anti-Communism and the Bunker Hill Strike of 1960," Phi Alpha Theta Initiation Banquet Address, March 8, 1989.

"Margaret Sanger," University of Idaho Women's Center, February 6, 1989.

"Emma Goldman," University of Idaho Women's Center, February 16, 1988.

"Foreign Affairs and the United States Constitution," Public Presentation, Boise, Idaho, November 8, 1987.

"Foreign Affairs and United States Constitution," Public Presentation, Coeur d'Alene, Idaho, October 9, 1987.

Teacher In-Service Workshop, "The United States Constitution," University of Idaho Coeur d'Alene Center, October 8 and 9, 1987.

"Foreign Affairs and the United States Constitution," Public Presentation, Pocatello, Idaho, September 18, 1987.

Teacher In-Service Workshop, "The United States Constitution," Idaho State University, September 17 and 18, 1987.

"Elizabeth Cady Stanton," University of Idaho Women's Center, February 10, 1987.

Professional Meeting Papers:

"New Technology, Industrial Organization, and the Coeur d'Alene Mining Wars," Pacific Northwest Labor History Association, 2000.

"Gracie Pfof and Helen Chenoweth, An Unlikely Duo: Gender as an Issue in Idaho Politics," Women's West Conference, 2000.

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- “‘The Proliferation of Government Regulation and Interference’: Kellogg, Idaho’s Bunker Hill Company and Government Efforts to Protect the Environment, 1970-1981,” American Society for Environmental History, 1995.
- “Gender as an Issue in the 1952 Election of Idaho’s Gracie Pfost,” American Historical Association--Pacific Coast Branch, 1995.
- “Idaho Representative Gracie Pfost and the Hells Canyon Controversy,” Pacific Northwest History Conference, 1992.
- “An Independent Labor Union’s Odyssey: The Northwest Metal Workers, Kellogg, Idaho, 1960-1971,” American Historical Association, Pacific Coast Branch, 1992.
- “Entrepreneurial Risk-Taking at the Bunker Hill and Sullivan Company: Construction of the Lead Smelter, 1917,” Pacific Northwest History Conference, 1991.
- “A Company, the Community and the Environment: Environmental Impact and the Bunker Hill Company of Kellogg, Idaho,” American Historical Association, Pacific Coast Branch, 1991.
- “CIO! Labor Organization and the New Deal in Idaho’s Silver Valley, 1933-1942,” Pacific Northwest History Conference, 1990.
- “Miners and Smeltermen in the Silver Valley,” Miner’s Culture or Mining Culture: A Conference on Occupational Tradition in the Silver Valley, 1990.
- “Images of Women and the 1960 Mine-Mill Strike at the Bunker Hill Company,” Pacific Northwest History Conference, 1989.
- “From Mine to Company: The Bunker Hill, 1885-1900,” NEH Centennial West Conference, 1989.
- “Labor Relations at the Bunker Hill and Sullivan Company, 1892-1900,” Pacific Northwest History Association, 1988.
- “The Shoshone County Anti-Communist Association vs. the Mine, Mill, and Smelter Workers’ Auxiliary: Women and Anti-Communism in Kellogg, Idaho, 1950-1960,” Pacific Coast Branch, American Historical Association, 1988.
- “War in the Coeur d’Alenes: The Bunker Hill and Sullivan Company and the Miners’ Union, 1892-1900,” North American Labor History Conference, 1987.
- “Mary Heaton Vorse: A Preliminary Report,” The Northwest Women’s Studies Association, 1982.

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“Florence Crittenton Homes and the Idea of Unwed Motherhood,” Northwest Women’s Studies Association Conference, 1979.

“Militant Tactics and the Women’s Social and Political Union,” West Coast Conference on British Studies, 1974.

Grants and Contracts Awarded:

“Silver Mining in the West: Conflict and Community on the Frontier,” National Endowment for the Humanities, Landmarks in American History and Culture program, \$168,944.00, 2005-06.

“Much More than a Hole in the Ground: Kellogg, Idaho’s Bunker Hill Company 1885-1981 -- Photographs,” John Calhoun Smith Fund, \$727, 2004.

“Much More than a Hole in the Ground-Kellogg, Idaho’s Bunker Hill Company,” John Calhoun Smith Fund, \$2,360, 1997.

Summer Sessions Innovative Program Grant for “America’s Game: American Society and Baseball, 1845-present,” \$2,000, 1997.

Summer Sessions Innovative Program Grant for “America’s Game: American Society and Baseball, 1845-present,” \$2,000, 1996.

“History of the Bunker Hill and Sullivan Mining and Smelting Company in Kellogg, Idaho, 1885-1982, Part VII,” John Calhoun Smith Fund, \$1,289, 1995.

“Gender and the Congressional Career of Idaho’s Gracie Pfost,” paper at American Historical Association, Pacific Coast Branch, August 1995, Small Travel Grant, \$800.

“History of the Bunker Hill and Sullivan Mining and Smelting Company in Kellogg, Idaho, 1885-1982, Part VI,” John Calhoun Smith Fund, \$1,050, 1992.

“History of the Bunker Hill and Sullivan Mining and Smelting Company in Kellogg, Idaho, 1885-1982, Part V,” John Calhoun Smith Fund, \$11,050, 1991.

“Women’s Suffrage in Idaho,” Seed Grant, University of Idaho, \$2,960, 1991.

Planning Grant from the Idaho Humanities Council, “Women’s Suffrage in Idaho,” \$858.98, 1990.

“Women’s Clubs in Idaho,” Idaho Humanities Council, \$7,770, 1990.

“History of the Bunker Hill and Sullivan Mining and Smelting Company in Kellogg, Idaho, 1885-1982, Part IV,” John Calhoun Smith Fund, \$5,006.26, 1990.

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“Women’s Suffrage in Idaho,” Idaho Humanities Council, \$1,996, 1990.

“Women’s Organizations in Idaho,” Idaho Centennial Commission, \$4,341, 1990.

“History of the Bunker Hill and Sullivan Mining and Smelting Company in Kellogg, Idaho, 1885-1982, Part III,” John Calhoun Smith Fund, \$3,388.33, 1989.

“Workshops on the Care and Management of Historical Photograph Collections,” Idaho Centennial Commission, \$4,950, 1989.

“History of the Bunker Hill and Sullivan Mining and Smelting Company in Kellogg, Idaho, 1885-1982, Part II,” John Calhoun Smith Fund, \$2,424, 1988.

“History of the Bunker Hill and Sullivan Mining and Smelting Company in Kellogg, Idaho, 1885-1982,” John Calhoun Smith Fund, \$3,147, 1987.

Faculty Development Grant, University of Idaho NEH Project, \$4,655, 1986.

“Humanities Program for Rurally Isolated Nontraditional Students,” National Endowment for the Humanities, \$90,000 (at Lewis-Clark State College), 1985-87.

Course Development Grant, University of Idaho NEH Project, \$10,000, 1985.

Coeur d’Alene Humanities Program, Idaho Humanities Council, \$2,943, 1985.

“Cooperative Education Program,” Department of Education, Cooperative Education Administration, \$72,100 (at Lewis-Clark State College), 1984.

“Developing Programs for Adult Learners,” Department of Education, Title III, \$160,000 (at Lewis-Clark State College), 1982.

“International Trade Awareness Program,” Shelby Collum Davis Foundation, \$28,750 (at Lewis-Clark State College), 1982.

Scholarly Work in Progress:

“Women’s Suffrage in Idaho.”

“Idaho United States Representative Gracie Pfost.”

Honors and Awards:

Organization of American Historians/Japanese Association for American Studies Residency in Japan, Rikkyo University, 2001

Charles Gates Award for the best article in Pacific Northwest Quarterly, 1994

**STATE DEPARTMENT OF EDUCATION
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Idaho Humanities Council Fellowship, 1991-92

SERVICE:

Major Committee Assignments:

American Studies Committee
History Committee, University of Idaho Centennial
History Scholarship Committee, Chair
Honors Program Committee
Institutional Planning and Budget Advisory Committee, 2004
John Calhoun Smith Committee, 2001-05
Letters and Science Dean's Advisory Committee, 1997-98
Letters and Science Diversity Task Force
Letters and Science Tenure and Promotion Committee, 1996-98
Strategic Enrollment Management Steering Committee, 2003-05
Teacher Education Coordinating Committee, 2004-06
Teacher Education Re-Design Steering Committee
University Committee on General Education, 2003-06
University Finance and Budget Committee, 2004-05
University Research Council, 1998-2000
University Tenure and Promotion Committee, 2003, 2004
University Vision and Resources Task Force, 2004
Women's Center Advisory Board

Professional and Scholarly Organizations:

American Historical Association - Pacific Coast Branch
 Nominating Committee, 1994-96
 Council, 1998-2000
 W. Turrentine Jackson Dissertation Award Committee, 2000-02 (Chair 2002)
Northern Rockies Consortium for Higher Education
 Board of Directors, 1981-83
Organization of American Historians
 Membership Committee
Phi Beta Kappa
 Idaho Alpha Chapter President, 2005
Phi Kappa Phi
Phi Alpha Theta

Editorial Boards:

Idaho Yesterdays
Pacific Northwest Quarterly

Outreach Service:

**STATE DEPARTMENT OF EDUCATION
OCTOBER 11-12, 2007**

Elected to Idaho Humanities Council, 2007
Phi Alpha Theta history honorary advisor, 1991-2000
University of Idaho Representative, Idaho Council for the Social Studies, 1998-present
History Department Newsletter Editor
Elderhostel State Director, 1982-92
Idaho Centennial History Committee

Honors and Awards:

Virginia Woolf Distinguished Service Award, 2006

ADMINISTRATIVE ACCOMPLISHMENTS:

Instituted a History Department program to provide for a research-only semester for each faculty member
Created a permanent History Department Endowment fund
Fostered communication through publication of unit executive meeting minutes
Created position of College of Letters, Arts and Social Sciences Business Manager and regularized budget processes in the college
Designed and instituted CLASS Fellows program in lieu of associate dean position
Developed CLASS Hiring Plan in consultation with unit administrators
Facilitated CLASS strategic planning process
Aided units in promulgating learning outcomes and creating assessment plans
Worked to re-vitalize CLASS Advancement Council
Launched "Come to CLASS" college awareness program
Instigated greater administrative/faculty involvement with International Studies program
Renewed interest in Institute for Pacific Northwest Studies
Served on CLASS Transition Task Force and engaged in efforts to re-define the college
Sponsored CLASS online newsletter
Encouraged CLASS scholarship/creative activity through Kurt O. Olsson Early Career Fellowships and Key Fund program

**STATE DEPARTMENT OF EDUCATION
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REFERENCE: APPLICABLE STATUTE, RULE, OR POLICY

**IDAHO STATUTES
TITLE 33
EDUCATION
CHAPTER 12
TEACHERS**

33-1252. PROFESSIONAL STANDARDS COMMISSION -- MEMBERS -- APPOINTMENT -- TERMS. A professional standards commission is hereby created in the department of education, consisting of eighteen (18) members, one (1) of whom shall be a member of the staff of the state department of education, and one (1) of whom shall be a member of the staff of the division of professional-technical education, to be appointed by the state board of education. The members shall be representative of the teaching profession of the state of Idaho, and not less than seven (7) members shall be certificated classroom teachers in the public school system of the state and shall include at least one (1) teacher of exceptional children and at least one (1) teacher in pupil personnel services. Such expansion of membership on the professional standards commission shall not require reaffirmation of the codes and standards of ethics and rules of procedure used by the professional standards commission.

Except for the member from the staff of the state department of education, and the member from the staff of the division of professional-technical education, three (3) nominees for each position on the commission shall be submitted to the state superintendent of public instruction, for the consideration of the state board of education. Any state organization of teachers whose membership is open to all certificated teachers in the state may submit nominees for positions to be held by classroom teachers; the Idaho association of school superintendents may submit nominees for one (1) position, the Idaho association of secondary school principals may submit nominees for one (1) position; the Idaho association of elementary school principals may submit nominees for one (1) position; the Idaho school boards association may submit nominees for one (1) position; the Idaho association of special education administrators may submit nominees for one (1) position; the education departments of the private colleges of the state may submit nominees for one (1) position, the community colleges and the education departments of the public institutions of higher education may submit nominees for two (2) positions, and the colleges of letters and sciences of the institutions of higher education may submit nominees for one (1) position.

The state board of education shall appoint or reappoint members of the commission for terms of three (3) years.

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**STATE DEPARTMENT OF EDUCATION
OCTOBER 11-12, 2007**

SUBJECT

Approval to operate an elementary school with less than ten (10) pupils in average daily attendance.

APPLICABLE STATUTE, RULE, OR POLICY

Section 33-1003 (2)(f), Idaho Code

BACKGROUND

Section 33-1003 (2)(f), Idaho Code, states that *"Any elementary school having less than ten (10) pupils in average daily attendance shall not be allowed to participate in the state or county support program unless the school has been approved for operation by the state board of education."* At the November 1999 meeting, the State Board of Education delegated authority to the State Superintendent of Public Instruction to approve elementary schools to operate with less than ten (10) average daily attendance. A report listing the elementary schools that have requested to operate with less than ten (10) average daily attendance and whether approval was granted is to be provided to the State Board of Education at the October meeting.

DISCUSSION

Nine of the ten school districts that requested approval to operate an elementary school during the 2007-2008 school year with less than ten (10) pupils in average daily attendance were approved for the 2006-2007 school year. One school district has an elementary school with estimated enrollment of greater than 10 for the upcoming year, but requested approval in the event that the average daily attendance falls below 10. Superintendent Luna approved all of the requests to operate an elementary school during the 2007-2008 school year with less than ten (10) pupils in average daily attendance (see attachment).

IMPACT

There is no impact on the distribution of the FY 2008 Public School appropriation.

ATTACHMENTS

Attachment 1 – List of approved districts / schools.

Page 3

STAFF COMMENTS AND RECOMMENDATIONS

N/A

BOARD ACTION

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

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**Elementary Schools Approved to Operate with Less Than 10 ADA
School Year 2007-2008**

School District	School	Estimated Enrollment	Requested Approval Last Year?
Garden Valley School District # 071	Lowman Elementary	10	YES
Soda Springs Joint School District # 150	Grays Lake Elementary	< 10	YES
Challis Joint School District # 181	Clayton Elementary	9	YES
Prairie Elementary School District # 191	Prairie Elementary - Junior High	< 10	YES
Mountain Home School District # 193	Pine Elementary - Junior High	11	YES
South Lemhi School District # 292	Tendoy Elementary	9	NO
Oneida School District # 351	Stone Elementary	10	YES
Pleasant Valley School District # 364	Pleasant Valley Elementary - Junior High	10	YES
Arbon Elementary School District # 383	Arbon Elementary	8	YES
Three Creek School District # 416	Three Creek Elementary - Junior High	5	YES

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**STATE DEPARTMENT OF EDUCATION
OCTOBER 11-12, 2007**

REFERENCE: APPLICABLE STATUTE, RULE, OR POLICY

**IDAHO STATUTES
TITLE 33
EDUCATION
CHAPTER 12
FOUNDATION PROGRAM --
STATE AID -- APPORTIONMENT**

33-1003. SPECIAL APPLICATIONS OF EDUCATIONAL SUPPORT PROGRAM.

(2) Application of Support Program to Separate Schools/Attendance Units in District.

(f) Minimum Pupils Required. -- Any elementary school having less than ten (10) pupils in average daily attendance shall not be allowed to participate in the state or county support program unless the school has been approved for operation by the state board of education.

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**STATE DEPARTMENT OF EDUCATION
OCTOBER 11-12, 2007**

SUBJECT

Annual Report - Hardship Elementary School - Cassia County School District #151, Albion Elementary School.

APPLICABLE STATUTE, RULE, OR POLICY

Section 33-1003 (2)(b), Idaho Code

BACKGROUND

At the October 1999 meeting, the State Board of Education approved the request by Cassia County School District #151 for Albion Elementary School to be designated as a hardship elementary school for one year, and required an annual report. However, the 2000 Legislature amended 33-1003 (2)(b) by adding, "An elementary school operating as a previously approved hardship elementary school shall continue to be considered as a separate attendance unit, unless the hardship status of the elementary school is rescinded by the state board of education." Therefore, no action is required unless the State Board of Education chooses to rescind the hardship status.

DISCUSSION

Conditions supporting the October 1999 decision approve the Albion Elementary School as a Hardship Elementary School have not changed.

IMPACT

Cassia County School District #151 would have received \$103,431.25 less in FY 2007 if Albion Elementary School was not considered a separate school.

ATTACHMENTS

Attachment 1 – Letter from Gaylen Smyer to Tom Luna (8/15/2007) Page 3
Attachment 2 – Letter from Jerry Doggett to Marilyn Howard (9/29/1999) Page 5

STAFF COMMENTS AND RECOMMENDATIONS

The Department of Education recommends that the State Board of Education does not rescind the hardship status of Albion Elementary School in Cassia County District #151.

BOARD ACTION

No action is required unless the State Board of Education chooses to rescind the hardship status.

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CASSIA SCHOOL DISTRICT NO. 151

237 EAST 19TH STREET • BURLEY, ID 83318-2444 • (208) 878-6600 • FAX (208) 878-4231

August 15, 2007

Deborah Critchfield
Board Chairman

Mike Matthews
Vice Chairman

Steve Lynch
Board Member

Dee L. Jones
Board Member

Linda Petersen
Board Member

Gaylen Smyer
Superintendent

Pamela Wade
Business Manager

Superintendent Tom Luna
State Department of Public Instruction
P. O. Box 83720
Boise, Idaho 83720-0027

Re: Albion Elementary School

Dear Supt. Luna:

Since October, 1999 the State Board of Education has granted Albion Elementary School a *hardship* status. As noted in the minutes of the State Board of Education this status was granted for one year and identified the State Superintendent as the person responsible to present this request annually to the Board through the State Board of Education agenda.

Please accept this letter as a request for a *hardship status* for Albion Elementary School.

Thank you for your support of the children in Idaho. Please contact me if you need further information.

Sincerely,

Gaylen Smyer,
Superintendent

GS:kp

Pc: Tim Hill

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CASSIA COUNTY SCHOOL DISTRICT 151

O. GERALD DOGGETT, SUPERINTENDENT

237 EAST 19TH STREET • BURLEY, ID 83318-2444 • (208) 678-6600 • FAX (208) 678-4231

September 29, 1999

Dr. Marilyn Howard
State Superintendent
State Department of Education
P. O. Box 83720
Boise, Idaho 83720-0027

Dear Dr. Howard:

The Cassia County School District 151 is respectfully requesting the Albion Elementary School be designated a Hardship Elementary School Status under Idaho Code 33-1003, 2.b., special applications of educational support program.

In addition, Idaho Code 33-1001 states that: Upon application of the Board of Trustees of a school district, the State Board of Education is empowered to determine that a given elementary school not otherwise qualifying, are entitled to be counted as a separate elementary school....When in the discretion of the State Board of Education, special conditions exist warranting the retention of the school as a separate attendance unit and the retention results in a substantial increase in cost per pupil in average daily attendance of the district's elementary grade school pupils (33-1003, 2b., Idaho Code).

The Cassia County School District believes Albion Elementary School meets the criteria of a "hardship elementary school" for the following reason:

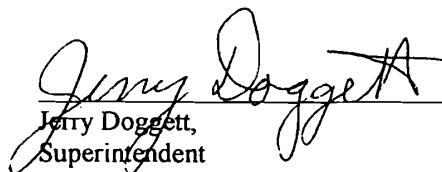
1. *"not otherwise qualifying"*:
 - a. Albion Elementary School does not meet the 10 mile standard required for designation as a "separate elementary school". However the 10 mile standard is substantially met (9.2 miles) and hazardous conditions on the "all-weather highway" are frequently encountered on a two mile mountain pass section of road involving a five percent (5%) grade, ice, blowing snow and a precipitous ravine immediately adjacent to the west side of the road. Severe winter weather conditions from the foot of the Albion grade into the Albion valley are frequently magnified by strong westerly winds resulting from mountain wave activity. These mountain waves are reinforced winds produced by winds moving across the Snake River Plain and over the Albion Mountain foothills. The foothills are oriented approximately perpendicular to winter prevailing winds.

AN EQUAL OPPORTUNITY EMPLOYER

- b. A request for "hardship elementary school" status based on age (grades K – 5), health or safety of Albion elementary students transiting the Albion grade is not unlike the rationale for legislative guidance in 33-1501, Idaho Code, which provides public school boards of trustees with the authority to waive the minimum 1.5 mile distance for bussing students based on considerations of "age or health or safety of the pupil."
2. *"special conditions....warranting retention..."*
- a. Historically (since 1973) Albion has been designated as a remote elementary school. Along that line of thought and planning by the District the Albion community has been built around their school. The citizens don't understand ADA, hardship designation, or Idaho Code. All they know is in that tiny, isolated mountain-top community, the closing of their school isn't just an end to educating their kids in their community, it is an end to a way of life. We hasten to point out that the District is not requesting additional funding, only to reinstate the funding which the State Board approved in 1973. Although 26 years have passed the same conditions still exist.
3. *"...substantial increase in cost per pupil..."*
- b. In a comparative study between two elementary schools in Burley the annual cost of an FTE student in approximately \$2,638. In Albion Elementary that same cost is \$4,348. This does not include bussing nor maintenance which is a very nebulous and always changing dollar amount. Included in this average is salaries, benefits, utilities, equipment, supplies and text books. In addition, each time a utility company, such as telephone or electric or heating has to make a trip the expense is greater....in addition to our own maintenance crews.
 - c. If the Albion Elementary loses its special funding designation (which it had since 1973) the Cassia Co. School District will lose \$88,000 per year (as per the State Department of Education finance department).

We thank you for your consideration.

Sincerely,


Jerry Doggett,
Superintendent

OJD:kp

**STATE DEPARTMENT OF EDUCATION
OCTOBER 11-12, 2007**

REFERENCE: APPLICABLE STATUTE, RULE, OR POLICY

**IDAHO STATUTES
TITLE 33
EDUCATION
CHAPTER 12
FOUNDATION PROGRAM --
STATE AID -- APPORTIONMENT**

33-1003. SPECIAL APPLICATIONS OF EDUCATIONAL SUPPORT PROGRAM.

(2) Application of Support Program to Separate Schools/Attendance Units in District.

(b) Hardship Elementary School. -- Upon application of the board of trustees of a school district, the state board of education is empowered to determine that a given elementary school or elementary schools within the school district, not otherwise qualifying, are entitled to be counted as a separate elementary school as defined in section 33-1001, Idaho Code, when, in the discretion of the state board of education, special conditions exist warranting the retention of the school as a separate attendance unit and the retention results in a substantial increase in cost per pupil in average daily attendance above the average cost per pupil in average daily attendance of the remainder of the district's elementary grade school pupils. An elementary school operating as a previously approved hardship elementary school shall continue to be considered as a separate attendance unit, unless the hardship status of the elementary school is rescinded by the state board of education.

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**STATE DEPARTMENT OF EDUCATION
OCTOBER 11-12, 2007**

TAB	DESCRIPTION	ACTION
1	SUPERINTENDENT'S UPDATE	Information Item
2	ISAT SCIENCE GRADUATION TEST	Motion to approve
3	PRESENTATION OF THE FY 2009 PUBLIC SCHOOL BUDGET REQUEST	Information Item
4	IDAHO COUNCIL FOR TECHNOLOGY IN LEARNING "CONNECTIONS 2007: A STATEWIDE K-20 PLAN FOR TECHNOLOGY IN IDAHO PUBLIC SCHOOLS AND HIGHER EDUCATION INSTITUTIONS"	Motion to approve

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**STATE DEPARTMENT OF EDUCATION
OCTOBER 11-12, 2007**

SUBJECT

Superintendent of Public Instruction Update to the State Board of Education

APPLICABLE STATUTE, RULE, OR POLICY

N/A

BACKGROUND

N/A

DISCUSSION

N/A

IMPACT

N/A

STAFF COMMENTS AND RECOMMENDATIONS

N/A

BOARD ACTION

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

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**STATE DEPARTMENT OF EDUCATION
OCTOBER 11-12, 2007**

SUBJECT

Passing 10th grade Science ISAT as a Graduation Requirement

REFERENCE

August 23, 2007

During the August 23, 2007 special Board meeting President Terrell recommended the State Department of Education gather feedback and make a recommendation whether 10th grade students in 2008 must pass the science ISAT to graduate.

APPLICABLE STATUTE, RULE, OR POLICY

Section 33-105, Idaho Code; Section 33-107, Idaho Code

BACKGROUND

In 2003 the State Board of Education passed rules requiring students in grade 10 to pass the ISAT for graduation beginning with the class of 2006. The House Education Committee in January 2004 allowed the rule to go forward. At the time the rule was passed, the ISAT included tests in language arts, math and reading. In 2005 the Board piloted the science ISAT as required by the No Child Left Behind Act in grades 5, 7, and 10. In 2007 cut scores were determined. There is a question when students must pass the science portion of the ISAT now proficiency scores are established.

DISCUSSION

After seeking feedback from educators throughout Idaho including superintendents and staff at the State Department, Superintendent Luna proposes the following:

Students currently enrolled in 8th grade would be required to pass the science ISAT when they take the test in 10th grade. This would mean the class of 2012 would be the first class required to pass the science ISAT. Students currently in 8th grade have taken the science ISAT as 7th graders and therefore have some knowledge of the test's format and content. This will help prepare them for the test as 10th graders. This action will also give students advance notice of the requirements they must attain to graduate.

IMPACT

Students graduating in the class of 2012 will be required to meet proficiency on the science portion of the ISAT. A temporary rule must be passed to approve this action. Because there is not enough time to forward the rule to the legislature, the rule will expire at the end of the Legislative session and the Board must pass a proposed rule in 2008.

**STATE DEPARTMENT OF EDUCATION
OCTOBER 11-12, 2007**

ATTACHMENTS

Attachment 1 – Memo from Margo Healy, Office of the State Board	Page 3
Attachment 2 – Temporary Rule for IDAPA 08.02.03.107	Page 5

STAFF COMMENTS AND RECOMMENDATIONS

Department of Education staff recommends approval of the temporary rule for students to pass the science ISAT beginning with the class of 2012.

BOARD ACTION

Motion to approve the temporary rule, IDAPA 08.02.03.107, Rules Governing Thoroughness, Science ISAT as a Graduation Requirement.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

**STATE DEPARTMENT OF EDUCATION
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Dear Board Members,

August 13, 2007

In response to districts, your board office staff has taken the strictest interpretation of the administrative rule regarding science and students re-testing for graduation in 2008. Science becomes a required part of the ISAT in 2008, and therefore it is a required part of the Graduation Test. We are requesting direction from you.

Strict interpretation of administrative rule requires retesting 11th and 12th graders testing after Jan 1, 2008 to take the Graduation Test for 2008. The 2008 Graduation Test requires students to pass the ISAT 10th grade science in addition to math, reading and language usage.

Your ruling affects the students who failed one or more content areas of the test in May 06, and 07, and have not passed all three contents (math, language usage and reading) before January 1, 2008, when science is added to the Graduation Test.

- Districts feel that adding science for retesting 11th and 12th graders is an unfair burden.
- Before we impose this additional requirement for students who are in jeopardy, we want to be sure that the board's intention is correctly represented in this strict representation of rule.

Sample options

1. The Board could interpret the rule to allow re-testers to take only the portions that they took in the spring of their 10th grade.

This relaxed interpretation will affect this year's 11th and 12 graders and those current 11th graders who will still be retesting when they are 12th graders. The requirement will phase in for this year's 10th graders who will take the graduation test for the first time in May 08.

2. The Board could maintain a strict interpretation.

A strict interpretation will, 1) add a burden for re-testers after January 1, 2008 this year, and, 2) require that districts add a science component immediately for alternate routes for graduation.

I will appreciate any feedback you can give so that you can formalize your intention, if necessary, at the special board meeting later this month. This is time sensitive as it greatly affects the path for those re-testing 11th and 12 graders.

Thank you.
Margo Healy
ISAT Program Manager
Margo.healy@osbe.idaho.gov

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**STATE DEPARTMENT OF EDUCATION
OCTOBER 11-12, 2007**

105. GRADUATION FROM HIGH SCHOOL.

A student must meet all of the following requirements before the student will be eligible to graduate from an Idaho high school: (4-11-06)

01. Credit Requirements. (3-30-07)

a. (Effective for all students that graduate prior to January 1, 2013.) Each students shall demonstrate achievement in the CORE and other required subjects to include forty-two (42) semester credits, one (1) semester equaling one-half (1/2) year. (3-30-07)

b. (Effective for all students that enter the ninth grade in the fall of 2009 or later.) Each student shall complete the requirements found in Section 107 and other subjects to include forty-six (46) semester credits, one (1) semester equaling one-half (1/2) year. (3-30-07)

02. Achievement Standards. Each student shall meet locally established subject area achievement standards (using state standards as minimum requirements) demonstrated through various measures of accountability including examinations or other measures. (4-11-06)

03. Proficiency (Effective January 1, 2006). Each student shall achieve a proficient or advanced score on the High School Idaho Standards Achievement Test (ISAT) in math, reading and language usage in order to graduate. Effective on January 1, 2012, each student shall also achieve a proficient or advanced score on the science portion of the ISAT in order to graduate. A student who does not attain at least a proficient score prior to graduation may appeal to the school district or LEA, and, at the discretion of the school district or LEA, may be given an opportunity to demonstrate proficiency of the achievement standards through some other locally established mechanism. All locally established mechanisms used to demonstrate proficiency shall be forwarded to the State Board of Education for review and information. (10-12-07)T

a. Before appealing to the school district or LEA for an alternate measure, the student must be: (4-11-06)

i. Enrolled in a special education program and have an Individual Education Plan (IEP), or (3-20-04)

ii. Enrolled in an Limited English Proficient (LEP) program for three (3) academic years or less, or (3-20-04)

iii. Enrolled in the fall semester of the senior year. (3-20-04)

b. The measure must be aligned at a minimum to tenth grade state content standards; (3-20-04)

c. The measure must be aligned to the state content standards for the subject matter in question; (3-20-04)

d. The measure must be valid and reliable; and (3-20-04)

e. Ninety percent (90%) of the criteria of the measure, or combination of measures, must be based on academic proficiency and performance. (3-20-04)

04. Foreign Exchange Students. Foreign exchange students may be eligible for graduation by completing a comparable program as approved by the school district or LEA. (4-11-06)

05. Special Education Students. A student who is eligible for special education services under the Individuals With Disabilities Education Improvement Act must, with the assistance of the student's Individualized Education Program (IEP) team, refer to the current Idaho Special Education Manual for guidance in addressing graduation requirements. (4-11-06)

**STATE DEPARTMENT OF EDUCATION
OCTOBER 11-12, 2007**

107. HIGH SCHOOL GRADUATION REQUIREMENTS.

01. Requirements. (Effective for all students that graduate prior to January 31, 2013.) The State minimum graduation requirement for all Idaho public high schools is forty-two (42) semester credits and a proficient or advanced score on the ISAT (effective January 1, 2006). The core of instruction required by the State Board of Education is twenty-five (25) semester credits. Local school districts may establish graduation requirements beyond the state minimum. The local school district has the responsibility to provide education opportunities that meet the needs of students in both academic and professional-technical areas. It is the intent of the State Board of Education to give local school districts the flexibility to provide rigorous and challenging curriculum that is consistent with the needs of students and the desire of their local patrons. (3-30-07)

02. Requirements. (Effective for all students that enter the ninth grade in the fall of 2009 or later.) The State minimum graduation requirement for all Idaho public high schools requires that a student take a minimum of forty-six (46) semester credits and achieve a proficient or advanced score on the ISAT, as described in section 105.03. (10-12-07)T

a. Twenty-nine (29) semester credits are required as listed in Subsections 107.03 through 107.08; and (3-30-07)

b. A minimum of seventeen (17) elective credits. (3-30-07)

c. All credit-bearing classes must be aligned with state high school standards in the content areas for which standards exist. (3-30-07)

d. Local school districts or LEAs may establish graduation requirements beyond the state minimum. The local school district or LEA has the responsibility to provide educational opportunities that meet the needs of students in both academic and professional technical areas. It is the intent of the State Board of Education to give local school districts the flexibility to provide rigorous and challenging curriculum that is consistent with the needs of students and the desire of their local patrons. (3-30-07)

03. Secondary Language Arts and Communication. Eight (8) credits required that includes four (4) years of instruction in English, each year will consist of language study, composition, and literature. One (1) credit of instruction in communications including oral communication and technological applications that includes a course in speech, a course in debate, or a sequence of instructional activities that meet the state high school communications standards requirements. (3-30-07)

04. Mathematics. (3-30-07)

a. Mathematics. (Effective for all students that graduate prior to January 31, 2013.) Eight (8) credits required, a minimum of four (4) credits in math and four (4) credits in science, two (2) of which will be laboratory based. Secondary mathematics includes Applied Mathematics, Business Mathematics, Algebra, Geometry, Trigonometry, Fundamentals of Calculus, Probability and Statistics, Discrete Mathematics, and courses in mathematical problem solving and reasoning. Secondary sciences will include instruction in applied sciences, earth and space sciences, physical sciences, and life sciences. (3-30-07)

b. Mathematics. (Effective for all students that enter the ninth grade in the fall of 2009 or later.) Six (6) credits required. Secondary mathematics shall include instruction in the following areas: (3-30-07)

i. Two (2) semesters of Algebra I or courses that meet Algebra I standards as approved by the State Department of Education; (3-30-07)

ii. Two (2) semesters of Geometry or courses that meet Geometry standards as approved by the State Department of Education; and (3-30-07)

iii. Two (2) semesters of mathematics of the student's choice. (3-30-07)

**STATE DEPARTMENT OF EDUCATION
OCTOBER 11-12, 2007**

iv. Two (2) semesters of the required six (6) credits of mathematics must be taken in the last year of high school. (3-30-07)

c. If a student completes any required high school course with a grade of C or higher before entering grade nine (9), and if that course meets the same standards that are required in high school, then the student has met the high school content area requirement. However the student must complete six (6) credits of high school math in addition to the courses completed in middle school. (3-30-07)

05. Science. (Effective for all students that enter the ninth grade in the fall of 2009 or later.) Six (6) credits required. (3-30-07)

a. Secondary sciences shall include instruction in the following areas: (3-30-07)

i. Biology; (3-30-07)

ii. Physical science or chemistry; and (3-30-07)

iii. Earth, space, environment, or approved applied science. (3-30-07)

b. Four (4) credits of courses outlined in Subsection 107.05.a. must be laboratory based. (3-30-07)

c. If a student completes any required high school course with a grade of C or higher before entering grade nine (9), and if that course meets the same standards that are required in high school, then the student has met the high school content area requirement. However, the student must complete six (6) credits of high school science in addition to the courses completed in middle school. (3-30-07)

06. Social Studies. (Five (5) credits required), including government (two (2) credits), United States history (two (2) credits), and economics (one (1) credit). Current world affairs and geography will be integrated into all social studies instruction. Courses such as geography, sociology, world affairs, and world history may be offered as electives, not to be counted as a social studies requirement. (4-11-06)

07. Humanities. (Two (2) credits required). A course in interdisciplinary humanities, visual and performing arts, or world language. Other courses such as literature, history, philosophy, architecture, or comparative world religions may satisfy the humanities standards if the course syllabus is approved by the State Department of Education as being aligned with the Humanities Standards. (4-11-06)

08. Health/Wellness. (One (1) credit required). A course focusing on positive health habits. (7-1-00)

09. College Entrance Examination. (Effective for all students that enter the ninth grade in the fall of 2009 or later.) A student must take one (1) of the following college entrance examinations before the end of the student's eleventh grade year: COMPASS, ACT or SAT. Scores must be included in the Learning Plan. (3-30-07)

10. Senior Project. (Effective for all students that enter the ninth grade in the fall of 2009 or later.) A student shall complete a senior project that shall include a research paper and oral presentation by the end of grade twelve (12). (3-30-07)

11. Assessment. A student must achieve a proficient or advanced score on the ISAT in math reading and language usage. Effective on January 1, 2012, each student shall also achieve a proficient or advanced score on the science portion of the ISAT in order to graduate. A student is not required to achieve a proficient or advanced score on the ISAT if: (10-12-07)T

a. A student received a proficient or advanced score on an exit exam from another state that requires a standards-based exam for graduation. The state's exit exam shall be approved by the State Board of Education, and must measure skills at the tenth grade level or above and be in comparable subject areas to the ISAT; (4-11-06)

**STATE DEPARTMENT OF EDUCATION
OCTOBER 11-12, 2007**

- b.** A student appeals for another measure approved by a school district or LEA as outlined in Subsection 105.03; or (4-11-06)
- c.** A student has an IEP that outlines alternate requirements for graduation. (4-11-06)
- d.** The requirement will be phased in providing the following exemptions for the calendar year of 2006 and 2007. (4-11-06)
- i.** Calendar year of 2006. A student is not required to achieve a proficient or advanced score on the ISAT if: (4-11-06)
- (1) A student took the ISAT and was within six (6) Rasch Units (RIT points) of proficiency; (4-11-06)
- (2) A student has a score of seventeen (17) on the ACT or two hundred (200) on the SAT in English and a score of nineteen (19) on the ACT or four hundred sixty (460) on the SAT in Math; (4-11-06)
- (3) A student has an IEP that outlines alternate requirements for graduation; (4-11-06)
- (4) A student is considered an LEP student through a score determined on the state language proficiency test and has been in an LEP program for three (3) academic years or less; (4-11-06)
- (5) A student received a proficient or advanced score on an exit exam from another state that requires a standards-based exam for graduation. The state exit exams must be approved by the State Board of Education, measure skills at the tenth grade level or above and be in comparable subject areas to the ISAT; or (4-11-06)
- (6) A student appeals for another measure approved by the school district or LEA as outlined in Subsection 105.03. (4-11-06)
- ii.** Calendar year of 2007. A student is not required to achieve a proficient or advanced score on the ISAT if: (3-30-07)
- (1) A student took the ISAT and was within three (3) RIT points of proficiency; (4-11-06)
- (2) A student has an IEP that outlines alternate requirements for graduation or adaptations are recommended on the test; (4-11-06)
- (3) A student is considered an LEP student through a score determined on a language proficiency test and has been in an LEP program for three (3) academic years or less; (4-11-06)
- (4) A student received a proficient or advanced score on an exit exam from another state that requires a standards-based exam for graduation. The state exit exams must be approved by the State Board of Education, measure skills at the tenth grade level or above and be in comparable subject areas to the ISAT; or (4-11-06)
- (5) A student appeals for another measure approved by the school district or LEA as outlined in Subsection 105.03. (4-11-06)
- iii.** Calendar year of 2008 and subsequent classes. A student is not required to achieve a proficient or advanced score on the ISAT if: (3-30-07)
- (1) A student has an IEP that outlines alternate requirements for graduation or adaptations are recommended on the test; (3-30-07)
- (2) A student is considered an LEP student through a score determined on a language proficiency test and has been in an LEP program for three (3) academic years or less; (3-30-07)
- (3) A student received a proficient or advanced score on an exit exam from another state that requires a standards-based exam for graduation. The state exit exams must be approved by the State Board of Education, measure skills at the tenth grade level or above and be in comparable subject areas to the ISAT; or (3-30-07)
- (4) A student appeals for another measure approved by the school district or LEA as outlined in Subsection 105.03. (3-30-07)

**STATE DEPARTMENT OF EDUCATION
OCTOBER 11-12, 2007**

**TITLE 33
EDUCATION
CHAPTER 1
STATE BOARD OF EDUCATION**

33-105. RULES -- EXECUTIVE DEPARTMENT. (1) The state board shall have power to make rules for its own government and the government of its executive departments and offices; and, upon recommendations of its executive officers, to appoint to said departments and offices such specialists, clerks and other employees as the execution of duties may require, to fix their salaries and assign their duties.

(2) Statements of the state board of education and board of regents of the university of Idaho which relate to the curriculum of public educational institutions, to students attending or applicants to such institutions, or to the use and maintenance of land, equipment and buildings controlled by the respective institutions, are not rules and are not statements of general applicability for the purposes of chapter 52, title 67, Idaho Code.

(3) Notwithstanding any other provision of chapter 52, title 67, Idaho Code, the state board of education and board of regents of the university of Idaho shall be deemed to be in full compliance with the notice requirements of section 67-5221, Idaho Code, if:

(a) Notice is given by including the intended action in the official written agenda for a regularly scheduled meeting of the board, and the agenda is available for public inspection at the central office of the board not less than five (5) days prior to the meeting; and

(b) Notice of the intended action, accompanied by the full text of the rule under consideration prepared so as to indicate words added or deleted from the presently effective text, if any, is transmitted to the director of the legislative services office at the same time that notice is given under paragraph (a) of this subsection. The director of the legislative services office shall refer the material under consideration to the germane joint subcommittee created in section 67-454, Idaho Code, to afford the subcommittee opportunity to submit data, views or arguments in writing to the board prior to the time for receiving comment as provided in paragraph (d) of this subsection; and

(c) The intended action is discussed but not acted upon during the regularly scheduled meeting for which the agenda was prepared, but instead is held for final action at the next regularly scheduled or later meeting of the board; and

(d) At least fifteen (15) days prior to the scheduled date for final action, the board shall mail to all persons who have made timely request in writing to the board and shall publish in an issue of the Idaho administrative bulletin a brief description of the intended action, or a concise summary of any statement of economic impact required pursuant to section 67-5223(2), Idaho Code, and shall note the time when, the place where, and the manner in which interested persons may present their views thereon; and

(e) Upon adoption of a rule, the board, if requested in writing to do so by an interested person either prior to adoption or within twenty-eight (28) days thereafter, shall issue a concise statement of the principal reasons for and against its adoption,

**STATE DEPARTMENT OF EDUCATION
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incorporating therein its reasons for overruling the considerations urged against its adoption.

**TITLE 33
EDUCATION
CHAPTER 1**

STATE BOARD OF EDUCATION

33-107. GENERAL POWERS AND DUTIES OF THE STATE BOARD. The state board shall have power to:

- (1) Perform all duties prescribed for it by the school laws of the state;
- (2) Acquire, hold and dispose of title, rights and interests in real and personal property;
- (3) Have general supervision, through its executive departments and offices, of all entities of public education supported in whole or in part by state funds;
- (4) Delegate to its executive secretary, to its executive officer, or to such other administrators as the board may appoint, such powers as said officers require to carry out the policies, orders and directives of the board;
- (5) Through its executive departments and offices:
 - (a) Enforce the school laws of the state,
 - (b) Study the educational conditions and needs of the state and recommend to the legislature needed changes in existing laws or additional legislation;
- (6) In addition to the powers conferred by chapter 24, title 33, Idaho Code:
 - (a) Maintain a register of postsecondary educational institutions approved to provide programs and courses that lead to a degree or which provide, offer and sell degrees in accordance with the procedures established in chapter 24, title 33, Idaho Code,
 - (b) Determine whether to accept academic credit at public postsecondary educational institutions in Idaho. Academic credit shall not be transferred into any Idaho public postsecondary institution from a postsecondary educational institution or other entity that is not accredited by an organization recognized by the board,
 - (c) Maintain a register of proprietary schools approved to conduct, provide, offer or sell a course or courses of study in accordance with the procedures established in chapter 24, title 33, Idaho Code;
- (7) Prescribe the courses and programs of study to be offered at the public institutions of higher education, after consultation with the presidents of the affected institutions;
- (8) Approve new courses and programs of study to be offered at community colleges organized pursuant to chapter 21, title 33, Idaho Code, when the courses or programs of study are academic in nature and the credits derived there from are intended to be transferable to other state institutions of higher education for credit toward a baccalaureate degree, and when the courses or programs of study have been authorized by the board of trustees of the community college.

**STATE DEPARTMENT OF EDUCATION
OCTOBER 11-12, 2007**

SUBJECT

Presentation of the FY 2009 Public School Budget request

APPLICABLE STATUTE, RULE, OR POLICY

NA

BACKGROUND

In August, Superintendent Luna invited the Chairmen of the Legislative Education Committees, and representatives of the Idaho Association of School Administrators (IASA), Idaho Association of Commerce and Industry (IACI), Idaho Business Coalition for Education Excellence (IBCEE), Idaho Digital Learning Academy (IDLA), Idaho Education Association (IEA), Idaho School Boards Association (ISBA), Parent Teachers Association (PTA), Idaho Rural Schools Association (IRSA), Northwest Professional Educators (NPE), Office of the State Board of Education, Office of the Governor / Division of Financial Management, and Legislative Services, to meet and make specific budget recommendations. Superintendent Luna took those recommendations into consideration when preparing the FY 2009 Public Schools Budget request.

DISCUSSION

The FY 2009 Public School Budget request will be presented to the State Board of Education.

IMPACT

If approved by the Legislature, this request will require a \$108.6 million, or 7.9% increase in state general funds.

ATTACHMENTS

Attachment 1 – FY 2009 Public School Budget request

Page 3

STAFF COMMENTS AND RECOMMENDATIONS

NA

BOARD ACTION

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

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STATE DEPARTMENT OF EDUCATION

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Public School Support Program Distribution Factor

	2007-2008 Appropriation	2008-2009 Request
1 APPROPRIATIONS / REQUEST		
a. General Fund	\$1,367,363,800	\$1,476,022,000
b. Endowment / Lands, Lottery Dividend, Misc. Revenues	\$55,334,600	\$55,405,700
c. Cigarette and Lottery Taxes	7,000,000	4,700,000
TOTAL DEDICATED REVENUES	\$62,334,600	\$60,105,700
TOTAL STATE REVENUES	\$1,429,698,400	\$1,536,127,700
d. Federal Funds	\$215,000,000	\$215,000,000
TOTAL REVENUES	\$1,644,698,400	\$1,751,127,700
2 PROGRAM DISTRIBUTION		
a. Transportation	67,032,300	72,277,700
b. Border Contracts	1,000,000	1,100,000
c. Exceptional Contracts and Tuition Equivalents	6,075,000	6,330,000
d. Program Adjustments	480,000	550,000
e. Salary-based Apportionment	774,788,600	793,722,200
Salary-based Apportionment (Instructional Career Ladder)	0	50,000,000
f. Teacher Incentive Award (Nat'l Bd Cert)	166,100	219,600
g. State Paid Employee Benefits	139,771,900	143,187,500
State Paid Employee Benefits (Instructional Career Ladder)	0	9,020,000
h. Early Retirement Payout	4,750,000	4,750,000
i. Substance Abuse	7,000,000	4,700,000
j. Bond Levy Equalization Support Program	11,200,000	13,900,000
k. Idaho Digital Learning Academy	2,800,000	3,129,500
l. School Facilities Funding (lottery)	19,122,600	17,250,000
m. School Facilities Maintenance Match	2,300,000	3,000,000
n. Agriculture Replacement Phase-out	3,017,000	2,262,800
o. Classroom Supplies	5,180,000	5,379,500
p. Textbook Allowance	9,950,000	9,950,000
q. Remediation	5,000,000	5,000,000
r. Dual Credit Class Allowance	0	3,500,000
s. Gifted and Talented (Advanced Opportunity Teacher Training)	1,000,000	1,000,000
t. Math Initiative	350,000	3,972,500
u. Safe School Study	150,000	150,000
v. Rural School Initiative	100,000	100,000
w. Technology Grants	9,800,000	10,550,000
x. Idaho Reading Initiative	2,800,000	2,800,000
y. Limited English Proficient (LEP)	6,040,000	6,040,000
z. State Longitudinal Data System	0	1,900,000
aa. Federal Funds for Local School Districts	215,000,000	215,000,000
TOTAL DISTRIBUTIONS	\$1,294,873,500	\$1,390,741,300
3 Education Stabilization Funds	\$0	\$0
4 NET STATE FUNDING AVAILABLE	\$349,824,900	\$360,386,400
5 SUPPORT UNITS	13,750.0	14,025.0
6 DISTRIBUTION FACTOR (includes \$300 for Safe Environment Provisions)	\$25,442.00	\$25,696.0

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**STATE DEPARTMENT OF EDUCATION
OCTOBER 11-12, 2007**

SUBJECT

Approval of "Connections 2007: A Statewide K-20 Plan for Technology in Idaho Public Schools and Higher Education Institutions"

APPLICABLE STATUTE, RULE, OR POLICY

Idaho Educational Technology Initiative, Section 33-4805, Idaho Code

BACKGROUND

The statutory requirements of the Idaho Education Technology Initiative of 1994, states that the State Board of Education should annually review and approve the statewide technology plan developed by the Idaho Council for Technology in Learning (ICTL).

This plan, "Connections 2007: A Statewide K-20 Plan for Technology in Idaho Public Schools and Higher Education Institutions," represents the combined efforts of the Higher Education Information Technology Committee (HEITC) and the Public Education Information Technology Committee (PEITC). To date, this plan includes high level goals and objectives with the intent that work will still continue to identify detailed action items and performance measures. It is assumed that because this plan must be approved annually by the Board, that revisions and modifications will be an on-going effort and that this current draft represents the framework for this effort.

ATTACHMENTS

Attachment 1 – Connections 2007: A Statewide K-20 Plan for Technology in Idaho Public Schools and Higher Education Institutions Page 3

STAFF COMMENTS AND RECOMMENDATIONS

The ICTL staff recommends the approval of the K-20 Plan.

BOARD ACTION

A motion to approve "Connections 2007: A Statewide K-20 Plan for Technology in Idaho Public Schools and Higher Education Institutions" as the statewide technology plan.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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Connections 2007:

A Statewide K-20 Plan for Technology in Idaho
Public Schools and Higher Education Institutions

Vision:

Life long learners are motivated and empowered to achieve their K20 educational goals supported by:

1. use of current and emerging technologies
2. equitable, affordable and convenient access to global learning resources, opportunities and programs customized for or by the individual
3. a collaborative, seamless and effective state-wide infrastructure

Mission:

The Idaho Council for Technology in Learning develops plans and makes recommendations on K20 educational technology and telecommunications plans, policies, programs and activities for all educational segments resulting in an actionable plan for the State Board of Education towards an improved, thorough and seamless public education system based upon the importance of applying technology to meet the learner's need.

Executive Summary

The Idaho Council for Technology in Learning, the Idaho State Board of Education and the Idaho State Department of Education present this plan, **Connections 2007: A Statewide K-20 Plan for Educational Technology**, to the citizens of Idaho. This plan presents the vision, six goals and a framework for planning, implementing and integrating technology into Idaho's educational system.

Following the vision and goals are *Objectives* and *Action Strategies*. The objectives provide a method to help achieve the goals, and the action strategies provide methods for achieving the objectives.

Additional support material (including a glossary of terms) can be found in the appendices.

Technology planning is critical to the success of ICTL and for the successful integration of technology into everyday lives. As the world moves toward a more information-based, technology-oriented society, Idaho is poised to take a leadership role in educational technology and its use in the teaching and learning process.

The Goals

- **Literacy** – Cultivate an environment that allows for the acquisition of 21st Century Skills, which will enable an individual to succeed and function effectively in an increasingly technological and information-based world.
- **Collaboration** – Engage and facilitate in cooperative efforts among educational segments that report to the State Board of Education, as well as libraries, businesses, professional organizations and community members to assist in implementing the mission and vision of the ICTL.
- **Access** – Champion efforts to provide equitable, sufficient and sustainable access to digital content that is customizable for and by the individual.
- **Integration** – Incorporate technology-based resources for the improvement of the quality and effectiveness of instruction and learning for all learners as well as for the increased efficiency in the administration and management of educational segments and data systems.
- **Evaluation/Assessment** – Engage in annual systematic inquiry to determine recommended technology-based resources, products, projects, programs, practices, priorities or needs that include the publication of the standards and criteria used to evaluate such programs.
- **Leadership** – Distinguish the ICTL as the recognized source for education technology that recommend and communicates policies, standards, guidelines, best practices, and priorities for teaching and learning.

Literacy

Cultivate an environment that allows for the acquisition of 21st Century Skills, which will enable an individual to succeed and function effectively in an increasingly technological and information-based world.

Objective 1: Increase teacher technology literacy among Idaho's K-12 and Higher Education organizations that, as a result, improves the quality, effectiveness and relevance of instruction and learning by integrating technology with curriculum

Objective 2: Encourage the use of technology to create a framework of student centered learning.

Objective 3: Enable administrators to understand and competently use technology to fulfill their leadership duties in enhancing learning and school/district operations.

Action Strategy:

Ensure that by the 8th grade, all students are proficient, as outlined by the 8th grade technology standard, in the use of information and communication technologies, such as computers, networking and other digital and non-digital computing technologies, as well as audio, video and other media tools.

Collaboration

Engage and facilitate in cooperative efforts among educational segments that report to the State Board of Education, as well as libraries, businesses, professional organizations and community members to assist in implementing the mission and vision of the ICTL.

- Objective 1:** (OPE Recommendation) Consult with ITRMC to recommend “Educational” standards and policies to the State Board of Education and ITRMC
- Objective 2:** (OPE Recommendation) Consult with appropriate educational segments and other professional education associations to identify standards and planning guidance for adequate district staffing and technical support
- Objective 3:** Ensure that appropriate educational segments as well as professional education associations and businesses are included in planning educational technology activities
- Objective 4:** Encourage and or endorse state-wide technology events, programs, or environments where educational segments as well as other professional education associations and businesses can converge for the improvement of instructional technology purposes
- Objective 5:** Establish common data flow systems among higher education institutions
- Objective 6:** Research technologies that can be adapted for use in Idaho education

Access

Champion efforts that provide equitable, sufficient and sustainable access to digital content that is customizable for and by the individual.

Objective 1: Recommend a plan for a K-20 educational network

Objective 2: Improve the ability to identify, access and participate in learning resources and/or systems that are customizable for and by the individual

Objective 3: Work to enable access by all students and teachers to 21st Century tools

Action Item:

Alleviate the pressure put on computer labs during ISAT testing

Integration

Incorporate technology-based resources for the improvement of the quality and effectiveness of instruction and learning for all learners as well as for the increased efficiency in the administration and management of educational segments and data systems.

- Objective 1:** Recognize the role that the technology coordinator plays in integrating technology by empowering the position with the appropriate authority, skills, insights and abilities to assist local administrators in improving student achievement
- Objective 2:** Establish a plan for an integrated K20 data flow system that improves data collection, management, storage, and reporting
- Objective 3:** Re-evaluate the standards and criteria for the public school technology grant program to ensure that some funds are used for integration efforts
- Objective 4:** Increase the breadth and depth of digital content for electronic delivery on demand to include all areas of educational and cultural resources, both formal and informal
- Objective 5:** Identify challenges that K-12 and Higher Educational organizations face that hinder or prevent the integration of technology

Evaluation/Assessment

Engage in annual systematic inquiry to determine recommended technology-based resources, products, projects, programs, practices, priorities or needs that include the publication of the standards and criteria used to evaluate such programs.

- Objective 1:** (OPE Recommendation) Identify, evaluate, and recommend exemplary education and technology programs, practices, and products
- Objective 2:** (OPE Recommendation) Improve the quality of technology information maintained and reported to the Legislature
- Objective 3:** (OPE Recommendation) Develop a technology assessment tool that indicates levels of progress for planning and policy, finance, equipment and infrastructure, digital content, maintenance and support, professional development, and technology integration
- Objective 4:** Identify and recommend educational technology priorities and needs
- Objective 5:** Identify and communicate the impact that technology has on education to all K-20 stakeholders, the State Board of Education, and the Legislature

Leadership

Distinguish the ICTL as the recognized source for education technology that recommend and communicates policies, standards, guidelines, best practices, and priorities for teaching and learning.

Objective 1: (OPE Recommendation) Prepare for an annual recommendation to the SBOE for approval of state-wide Tech Plan

Objective 2: (OPE Recommendation) Develop a standard ratio of computers-to-district technology support measured by full-time equivalent employees

Objective 3: (OPE Recommendation) Distribute public school technology grants

Objective 4: Recommend priorities for the expenditure of ICTL administrative resources toward technology within education

Objective 5: Identify the resources necessary for the ICTL to meet the directives and needs associated with its mission and role

Appendices (to be added later)

- A. ICTL Legislation
- B. Recommendations
 - a. Hardware
 - b. Software
- C. Programs
- D. Best Practices
- E. Standards
- F. Policies
- G. Assessment tools
- H. ICTL Guidelines
 - a. Finance
 - b. Budgeting
 - c. Cost-effective technology acquisition
 - d. District Staffing for technical support
- I. Reports
- J. Resources

**STATE DEPARTMENT OF EDUCATION
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REFERENCE: APPLICABLE STATUTE, RULE, OR POLICY

**IDAHO STATUTES
TITLE 33
EDUCATION
CHAPTER 12**

IDAHO EDUCATIONAL TECHNOLOGY INITIATIVE

33-4805. RESPONSIBILITIES OF THE COUNCIL -- COUNCIL STAFF. (1) Staff support for the council shall be drawn from the educational segments as recommended by the council and approved by the state board of education. The legislative intent is to provide broad representation of the various educational segments with the council staff.

(2) The council shall have the following responsibilities:

(a) Develop and maintain a statewide education technology plan to provide seamless education in Idaho. Such plan shall be subject to annual review and approval by the state board of education.

(b) Make recommendations to the state board of education on educational technology and telecommunications plans, policies, programs and activities for all educational segments.

(c) Subject to the approval of the state board of education, administer and develop standards and criteria for the public school technology grants program provided for in section 33-4806, Idaho Code.

(d) Ensure that the policies set by the information technology resource management council are followed in accordance with sections 67-5745B and

67-5745C, Idaho Code, in implementing educational technology programs pursuant to this chapter.

(e) Collaborate with all educational segments, as well as with professional education associations and businesses, in recommending priorities for funding and in identifying needs for technology use in education.

(f) Recommend to the state board of education, standards and procedures for the administration of this act, including, but not limited to, standards for technology-based resources, projects, programs, practices or products to be adopted or adapted, and standards and criteria by which to evaluate the technology-based programs. In addition, the council shall recommend exemplary programs, practices, or products based on the criteria established in this subsection.

(g) Recommend priorities for uses of educational technology.

(h) Work with representatives of the governing bodies of the educational segments to develop recommendations or strategies for the coordination, administration, and evaluation of educational technology programs and resources.

(i) Work with representatives of the governing bodies of the educational segments to identify strategies to coordinate statewide voice, video, and data telecommunications systems that may be accessed by the educational segments.

(j) To review, evaluate and build upon the educational technology projects in public schools funded through other state initiatives.

(k) To form such subcommittees or task forces as it deems necessary to review matters pertaining to a particular educational segment or to any other issues before the council.

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INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
OCTOBER 11-12, 2007

SUBJECT

Registration of Postsecondary Educational Institutions and Proprietary Schools

REFERENCE

N/A

APPLICABLE STATUTE, RULE, OR POLICY

Section, 33-107, Idaho Code

Sections 33-2401 thru 33-2409 (inclusive), Idaho Code

BACKGROUND

A reorganization of state government prompted changes within the Department of Professional-Technical Education which provided an opportunity to address the entire board registration process to improve protection for students pursuing educational opportunities and enhance the quality of educational opportunities.

The Department of Professional Technical Education contracted with Dr. Jerry Gee to conduct an analysis of registration systems in Idaho and surrounding states, facilitate a series of meetings with stakeholders on issues and opportunities to improve Idaho's registration system, and propose statutory and administrative rule changes.

Efforts to implement the temporary rules on registration of post secondary educational institutions identified educational entities currently offering degrees that do not meet the rule requirements for "fast track" registration, and could not meet the detailed requirements under "full" registration process. This leaves the entities with the choices of petitioning to be registered as a propriety school, to stop offering degrees, or go out of business. The proposed legislation adds a new category of proprietary school: Degree granting Proprietary School. This change will provide a structure that may be equitably administered by rule.

The results were reviewed and compiled into the draft presented today for statutory changes.

DISCUSSION

The current regulatory structure divides registration into two categories; Post secondary educational institutions and Proprietary Schools. The central determinant between these categories is whether or not the entity granted a degree. Any entity granting a degree was required to register as a post secondary educational institution unless the entity petitioned the board to register as a Proprietary School. This structure created a situation in which an entity could provide degrees with no more accountability than a non-degree granting proprietary school. The proposed legislative change creates a third category: Degree granting proprietary school. This category provides a realistic reflection of the work conducted by such entities while setting an achievable level for

**INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
OCTOBER 11-12, 2007**

academic quality. Degree granting proprietary schools may petition to be reviewed under the standards set for post secondary educational institutions.

Proprietary Schools Guidelines

This legislation addresses concerns raised by the board and proprietary schools about the registration requirements of proprietary schools in Idaho.

This legislation removes the dollar amount for registration fees from code and establishes it in board rule. It requires all schools registered, licensed, or regulated by other agencies be listed with the State Board so there is one place a person can go to get a list of all schools in the state. It transfers the responsibility for registration of agents from the state to the schools with guidelines established by board rule including criminal history checks. It discontinues the current surety bond that purports to protect the consumer against fraud and discontinues the maintenance of a separate student tuition recovery fund by the state. In their place it requires a new surety bond that provides protection for the consumer against fraud and misrepresentation and also provides financial resources for the reimbursement to students who suffer an economic loss if a school closes without completing its training obligation to the students. It expands the requirement for this surety bond to include those that are registered, licensed, or regulated by other agencies.

IMPACT

The proposed legislative changes will allow the Office of the State Board and Professional-Technical Education to implement new registration procedures for postsecondary educational institutions, degree granting proprietary schools, and proprietary schools beginning with the July 1, 2008 registration year (fiscal year). Lack of approval will lead to current degree granting proprietary schools being forced to meet the same standards as public post secondary educational institutions or stop offering degrees. This will likely cause them to cease operations in Idaho.

Students enrolled in degree granting proprietary and proprietary schools under this change will have greater protection from the impact of school closure than currently exists.

If the proposed legislation is approved by the Board and enacted by the Idaho Legislature, the administrative rules governing registration will need to be revised.

ATTACHMENTS

Attachment 1 – Draft amendments to Section 33-107, Idaho Code	Page 5
Attachment 2 – Draft amendments to Section 33-2401, Idaho Code	Page 7

INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
OCTOBER 11-12, 2007

STAFF COMMENTS AND RECOMMENDATIONS

Staff from both OSBE and PTE recommends moving the proposed changes forward.

BOARD ACTION

A motion to approve the draft legislation relating to registration of postsecondary educational institutions, degree granting proprietary schools, and proprietary schools, and to direct staff to make revisions as necessary and to continue with the Governor's legislative process.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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Attachment 1

Idaho Statutes

TITLE 33
EDUCATION
CHAPTER 1
STATE BOARD OF EDUCATION

33-107. GENERAL POWERS AND DUTIES OF THE STATE BOARD. The state board shall have power to:

- (1) Perform all duties prescribed for it by the school laws of the state;
- (2) Acquire, hold and dispose of title, rights and interests in real and personal property;
- (3) Have general supervision, through its executive departments and offices, of all entities of public education supported in whole or in part by state funds;
- (4) Delegate to its executive secretary, to its executive officer, or to such other administrators as the board may appoint, such powers as said officers require to carry out the policies, orders and directives of the board;
- (5) Through its executive departments and offices:
 - (a) Enforce the school laws of the state,
 - (b) Study the educational conditions and needs of the state and recommend to the legislature needed changes in existing laws or additional legislation;
- (6) In addition to the powers conferred by chapter 24, title 33, Idaho Code:
 - (a) ~~Maintain a R~~register of postsecondary educational institutions approved to provide programs and courses or courses of study that lead to a degree or which provide, offer ~~and sell or confer~~ degrees, in accordance with the procedures established in chapter 24, title 33, Idaho Code,
 - (b) Determine whether to accept academic credit at public postsecondary educational institutions in Idaho. Academic credit shall not be transferred into any Idaho public postsecondary institution from a postsecondary educational institution or other entity registered as such that is not accredited by an organization recognized by the board,
 - (c) Register degree-granting proprietary schools recognized to provide a course or courses of study that lead to a degree, or which provide, offer or confer degrees, in accordance with the procedures established in chapter 24, title 33, Idaho Code.
 - (ed) ~~Maintain a R~~register of proprietary schools ~~approved to that~~ conduct, provide or offer ~~or sell~~ a course or courses of study, in accordance with the procedures established in chapter 24, title 33, Idaho Code;
- (7) Prescribe the courses and programs of study to be offered at the public institutions of higher education, after consultation with the presidents of the affected institutions;
- (8) Approve new courses and programs of study to be offered at community colleges organized pursuant to chapter 21, title 33, Idaho Code, when the courses or programs of study are academic in nature and the credits derived therefrom are intended to be transferable to other state institutions of higher education for credit toward a baccalaureate degree, and when the courses or programs of study have been authorized by the board of trustees of the community college.

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Attachment 2

REVISED

TITLE 33 EDUCATION

CHAPTER 24 PROPRIETARY SCHOOLS

33-2401 DEFINITIONS

33-2402 REGISTRATION OF POSTSECONDARY EDUCATIONAL INSTITUTIONS

33-2403 REGISTRATION OF DEGREE-GRANTING PROPRIETARY SCHOOLS

~~33-2404~~ 3 REGISTRATION OF PROPRIETARY SCHOOLS

~~33-2404~~ 5 AGENT'S ~~PERMIT~~ CERTIFICATE OF IDENTIFICATION

~~33-2405~~ 6 PURCHASE STATEMENT

~~33-2406~~ SURETY BOND

33-2407 STUDENT TUITION RECOVERY ACCOUNT -- CONDITIONS FOR
RECOVERY

33-2408 ASSESSMENT FOR STUDENT TUITION RECOVERY ACCOUNT

33-2409 ENFORCEMENT

REVISED IDAHO STATUTE

TITLE 33

EDUCATION

CHAPTER 24

PROPRIETARY SCHOOLS

33-2401. DEFINITIONS.

For the purposes of chapter 24, title 33, Idaho Code, the following words have the following meanings:

(2 1) "Agent" means any individual within the state of Idaho who solicits students for or on behalf of a ~~proprietary~~ school

(1 2) "~~Accredited~~ Approved" means that a postsecondary educational institution or a degree-granting proprietary school ~~has been recognized or approved as meeting~~ the standards established by an accrediting agency recognized by the board.

(4 3) "Board" means the state board of education.

(3 4) "Certificate of identification ~~Agent's permit~~" means a nontransferable written document issued to an agent by the school that they agent represents ~~board~~.

(5) "Course" means instruction imparted in a series of lessons or class meetings to meet an educational objective.

(6) "Course or courses of study" means either a single course or a set of related courses for which a student enrolls, either for academic credit or otherwise.

(7) "Degree" means any academic, vocational, professional-technical or honorary title or designation, mark, appellation, series of letters, numbers or words such as, but

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not limited to, "bachelor's," "master's," "doctorate," or "fellow," which signifies, purports, or is generally taken to signify satisfactory completion of the requirements of an academic, vocational, professional-technical, educational or professional program of study beyond the secondary school level or for a recognized title conferred for meritorious recognition and an associate of arts or associate of science degree awarded by a community college or other public or private postsecondary educational institution or other entity which may be used for any purpose whatsoever.

(8) "Degree-granting proprietary school" means an individual, or educational, business or other entity that operates for profit, whether legally constituted or otherwise, and which maintains a presence within, or which operates or purports to operate from a location within, the state of Idaho, and which provides a course or courses of study that lead to a degree, or which provides, offers or confers degrees.

(8 9) "Postsecondary educational institution" means an ~~individual, or educational, business or other entity, whether legally constituted or otherwise,~~ public or other nonprofit entity, which maintains a presence within, or which operates or purports to operate, from a location within, the state of Idaho, and which provides a courses or courses of study programs that lead to a degree, or which provides, or offers, or confers ~~sells~~ degrees.

(910) "Proprietary school" means an individual, or educational, business or other entity that operates for profit, whether legally constituted or otherwise, and which maintains a presence within, or which operates or purports to operate, from a location within, the state of Idaho, and which conducts, provides, or offers ~~or sells~~ a course or courses of study, but which does not provide, or offer ~~or sell~~ degrees.

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(11) "Recognized" means that a degree-granting proprietary school meets the standards established by an accrediting agency which is recognized by either the United States Department of Education or the Council for Higher Education Accreditation.

(12) "School" means either a degree granting proprietary school or a proprietary school.

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33-2402. REGISTRATION OF POSTSECONDARY EDUCATIONAL INSTITUTIONS.

(1) Unless exempted as provided herein, each postsecondary educational institution which maintains a presence within the state of Idaho, or which operates or purports to, operate from a location within the state of Idaho, shall register annually with be approved, and hold a valid certificate of registration issued by the board. A public postsecondary educational institution or agency supported primarily by taxation from either the state of Idaho or a local source in Idaho shall not be required to register under this section. The board may exempt ~~a nonprofit~~ other postsecondary educational institutions from the registration requirement in accordance with standards and criteria established in rule by the board. ~~The board may permit a postsecondary educational institution required to register under this section to instead register as a proprietary school under section 33-2403, Idaho Code, in accordance with standards and criteria established in rule by the board.~~

(2) The board shall prescribe by rule the procedure for registration, which shall include, but is not limited to, a description of each degree, and the course or courses of study program, for academic credit or otherwise, that a postsecondary educational institution intends ~~to conduct, provide, offer or sell~~. Such rule shall also prescribe the standards and criteria to be utilized by the board for recognition of approved accreditation organizations.

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(3) The board may deny the registration of a postsecondary educational institution that does not meet accreditation requirements or other standards and criteria established in rule by the board. The administrative procedure act, chapter 52, title 67, Idaho Code, shall apply to any denial of registration under this section.

(4) The board shall assess an annual registration fee on each postsecondary educational institution required to be registered under this section. Postsecondary educational institutions which intend to conduct, provide, or offer degrees at, or below, the baccalaureate level will be assessed an annual registration fee of seven hundred fifty dollars (\$750.00). Postsecondary educational institutions which intend to conduct, provide, or offer degrees at, or below, the master level will be assessed an annual registration fee of one thousand two hundred fifty dollars (\$1,250.00). Postsecondary educational institutions which intend to conduct, provide, or offer degrees at, or below, the doctoral level will be assessed an annual registration fee of two thousand dollars (\$2,000.00) ~~based on the respective degrees, courses or programs that each such postsecondary educational institution intends to conduct, provide, offer, or sell, not to exceed one hundred dollars (\$100) for each degree, course or program.~~ Such annual registration fee shall be collected by the board and shall be dedicated for use by the board in connection with its responsibilities under this chapter.

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33-2403. REGISTRATION OF DEGREE-GRANTING PROPRIETARY SCHOOLS

(1) Unless exempted as provided herein, each degree-granting proprietary school which maintains a presence within the state of Idaho, or which operates or purports to operate from a location within the state of Idaho, shall register annually with, be recognized, and hold a valid certificate of registration issued by the board or its designee. The board may permit a degree-granting proprietary school required to register under this section to instead register as a postsecondary educational institution under section 33-2404~~2~~, Idaho Code, in accordance with standards and criteria established in rule by the board.

(2) The board shall prescribe by rule the procedure for registration, which shall include, but is not limited to, a description of each degree, and the course or courses of study, for academic credit or otherwise, that a degree-granting proprietary school intends to offer. Such rule shall also prescribe the standards and criteria to be utilized by the board for recognition of recognized accreditation organizations.

(3) The board or its designee may deny the registration of a degree-granting proprietary school that does not meet accreditation requirements or other standards and criteria

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established in rule by the board. The administrative procedure act, chapter 52, title 67, Idaho Code, shall apply to any denial of registration under this section.

(4) The board shall assess an annual registration fee on each degree-granting proprietary school required to be registered under this section based on the gross tuition generated by the school in the previous fiscal year, or the anticipated tuition for a school that is just starting, as established in rule by the board. Such annual registration fee shall be collected by the board or its designee and shall be designated for use by the board or its designee in connection with its responsibilities under this chapter.

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33-24034. REGISTRATION OF PROPRIETARY SCHOOLS.

(1) Unless exempted as provided in subsection (4) of this section, each proprietary school which maintains a presence within the state of Idaho, or which operates or purports to operate from a location within the state of Idaho, shall register annually with and hold a valid certificate of registration issued by the board or its designee.

(2) The board shall prescribe by rule the procedure for registration, which shall include, but is not limited to, a description of ~~each~~ the course or ~~program~~ courses of study, for academic credit or otherwise, that a proprietary school intends to conduct, or provide, or offer ~~or sell~~.

(3) The board may deny the registration of a proprietary school that does not meet the standards or criteria established in rule by the board. The administrative procedure act, chapter 52, title 67, Idaho Code, shall apply to any denial of registration under this section.

(4) The following individuals or entities are specifically exempt from the registration provisions required by this section:

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- (a) An individual or entity that offers instruction or training solely avocational or recreational in nature, as determined by the board.
- (b) An individual or entity that offers courses recognized by the board which comply in whole or in part with the compulsory education law.
- (c) An individual or entity that offers a course or courses of study sponsored by an employer for the training and preparation of its own employees, and for which no tuition fee is charged to the student.
- (d) An individual or entity which is otherwise regulated, licensed or registered with another state agency pursuant to title 54, Idaho Code. These agencies must provide a list of regulated, licensed, or registered schools to the board annually.
- (e) Aviation school or instructors approved by and under the supervision of the federal aviation administration.
- (f) An individual or entity that offers intensive review courses designed to prepare students for certified public accountancy tests, public accountancy tests, law school aptitude tests, bar examinations or medical college admissions tests, or similar instruction for test preparation.
- (g) An individual or entity offering only workshops or seminars lasting no longer than three (3) calendar days.
- (h) A parochial or denominational institution providing instruction or training relating solely to religion and for which degrees are not granted.
- (i) An individual or entity that offers postsecondary credit through a consortium of public and private colleges and universities under the auspices of the western governors.

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(5) The board shall assess an annual registration fee on each proprietary school required to be registered under this section. Such annual registration fee shall be ~~composed of a fixed portion in an amount not to exceed one hundred dollars (\$100) for each proprietary school, and a variable portion based on the respective course or courses of study that each such proprietary school intends to conduct, provide, offer or sell, not to exceed one hundred dollars (\$100) for each course or courses of study based on the gross tuition generated by the school in the previous year, or the anticipated tuition for a school that is just starting, as established in rule by the board.~~ Such annual registration fee shall be collected by the board or its designee, and shall be dedicated for use by the board in connection with its responsibilities under this chapter.-

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33-24045. AGENT'S ~~PERMIT~~ CERTIFICATE OF IDENTIFICATION.

No individual may act as an agent of a ~~proprietary~~ school required to be registered under the provisions of this chapter unless that individual holds a valid agent's ~~permit certificate of identification~~ issued by the school that the agent represents ~~board and maintains at all times a surety bond as described in section 33-2406, Idaho Code.~~

~~The application for an agent's permit shall be furnished by the board and shall include the following:~~

~~—(1) A statement signed by the applicant that he or she has read the provisions of this chapter and the rules promulgated pursuant thereto.~~

~~(2) An annual fee for each permit not to exceed fifty dollars (\$50.00).~~

~~All~~ Each agent's certificate of identification ~~permits~~ shall be reissued annually by the school that the agent represents ~~renewed annually upon reapplication and proper qualifications on the first day of July. If courses are solicited or sold by more than one~~

~~(1) agent, a separate~~ certificate of identification ~~permit~~ is required for each agent.

~~(3) The agent's~~ certificate of identification ~~permit~~ shall consist of a pocket card and shall bear:

(a) the name and address of the agent,

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- (b) the name and address of the ~~proprietary~~ school that they represent, and
- (c) a statement that the bearer is an authorized agent of the ~~proprietary~~ school, and may solicit ~~and sell courses~~ students for the ~~proprietary~~ school.
- (4) The agent shall surrender the agent's certificate of identification ~~permit~~ to the ~~proprietary~~ school upon termination of employment.
- (5) An agent representing more than one (1) ~~proprietary~~ school shall obtain a separate agent's certificate of identification ~~permit~~ for each ~~proprietary~~ school represented.
- (6) No individual shall be issued an agent's certificate of identification prior to completing a criminal history check that includes the State Bureau of Identification, Federal Bureau of Investigation and Statewide Sex Offender Registry and other guidelines established in rule by the board. ~~permit~~ No agent shall be issued an agent's certificate of identification if he or she has been previously found in any judicial or administrative proceeding to have violated this chapter.
- (7) An agent's certificate of identification ~~permit~~ shall be valid for the state's fiscal year in which it is issued, unless sooner revoked or suspended by the school ~~board for fraud or misrepresentation in connection with the solicitation for the sale of any course of study, for any violation of the provisions of this chapter or rules promulgated pursuant to this chapter, or for the existence of any condition in respect to the agent or the proprietary school he or she represents, which if in existence at the time the agent's permit was issued, would have been grounds for denial for the agent's permit.~~
- (8) The agent shall carry the agent's certificate of identification ~~permit~~ with him or her for identification purposes when engaged in the solicitation of students ~~for the sale and the~~

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~~selling of courses of study~~ away from the premises of the ~~proprietary~~ school, and shall produce the agent's certificate of identification ~~permit~~ for inspection upon request.

~~The administrative procedure act, chapter 52, title 67, Idaho Code, shall apply to any denial of an agent's permit or proceeding to revoke or suspend an agent's permit of the board conducted pursuant to this section.~~

(9) The issuance of an agent's certificate of identification ~~permit~~ pursuant to this section shall not be interpreted as, and it shall be unlawful for any individual holding any agent's certificate of identification ~~permit~~ to expressly or impliedly represent by any means whatever, that the board has made any evaluation, recognition, accreditation or endorsement of any ~~proprietary~~ school or of any course of study being offered ~~for sale~~ by the agent of any such ~~proprietary~~ school. Any oral or written statement, advertisement or solicitation by any ~~proprietary~~ school or agent which refers to the board shall state: "(Name of school) is registered with the State Board of Education in accordance with Section 33-2403 or 33-2304, Idaho Code."

(10) It shall be unlawful for any agent holding an agent's certificate of identification ~~permit~~ under the provisions of this section to expressly or impliedly represent, by any means whatsoever, that the issuance of the agent's certificate of identification ~~permit~~ constitutes an assurance by the board that any course of study being offered ~~for sale~~ by the agent or ~~proprietary~~ school will provide and require of the student a course of education or training necessary to reach a professional, education, or vocational objective, or will result in employment or personal earning for the student, or that the board has made any evaluation, recognition, accreditation, or endorsement of any course of study being offered ~~for sale~~ by the agent or ~~proprietary~~ school.

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(11) No agent shall make any untrue or misleading statement or engage in sales, collection, credit, or other practices of any type that are illegal, false, deceptive, misleading or unfair.

(12) The ~~school board~~ shall maintain records for five (5) years of each application for an agent's certificates of identification permit, ~~each bond~~, and each issuance, denial, termination, suspension and revocation of an agent's certificate of identification permit.

(13) The school will provide as part of the annual registration process the names and outcomes of the criminal history check for each agent to whom it has issued a certificate of identification. The criminal history check will be valid for five years.

(14) The board or a student may bring an action pursuant to the Idaho rules of civil procedure for an agent's violation of the provisions of this chapter or any rule promulgated pursuant to this

chapter, or any fraud or misrepresentation. The court shall determine which party is the

"prevailing party" and the prevailing party shall be entitled to the recovery of damages,

reasonable attorney's fees and costs both at trial and on appeal.

(15) Any agent who violates the provisions of this section shall be referred to the attorney general by the board for appropriate action including, but not limited to, injunctive relief.

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33-24056 PURCHASE STATEMENT. At the time of depositing any moneys to

purchase the product of any ~~proprietary~~ school, the ~~proprietary~~ school shall

require the student to execute the following statement on an appropriate form

which shall be maintained on record by the ~~proprietary~~ school in the

individual student's file:

"I understand that (Name of ~~proprietary~~ school) is registered with the

State Board of Education in accordance with Section 33-2403 or 2404, Idaho Code. I
also

understand that the State Board of Education has not accredited or endorsed any course of study

being offered by (Name of proprietary school), and that these courses will not be

accepted for transfer into any Idaho public postsecondary institution."

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~~33-2406. SURETY BOND.~~

~~A surety bond issued by an insurer duly authorized to do business in this state in favor of the for the indemnification of any student for any loss suffered as a result of the occurrence, during the period of coverage, of any fraud or misrepresentation used in connection with the solicitation for the sale or the sale of any course of study, or as a result of any violation of this chapter or the rules promulgated pursuant to this chapter shall be required of an agent. The term of the bond shall extend over the period of the permit. The bond shall be supplied by the proprietary school.~~

~~—The bond shall provide for liability in the penal sum of one hundred thousand dollars (\$100,000) for a proprietary school with one hundred (100) or more students; fifty thousand dollars (\$50,000) for a proprietary school with fifty (50) to ninety-nine (99) students; twenty-five thousand dollars (\$25,000) for a proprietary school with less than fifty (50) students.~~

~~Notwithstanding the above, for a proprietary school that submits evidence acceptable to the board that the total unearned tuition of the proprietary school will not exceed ten~~

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~~thousand dollars (\$10,000) at any given time during the period of registration, a bond in the penal sum of ten thousand dollars(\$10,000) may be provided, regardless of the number of students.~~

~~—The board may submit a demand upon the surety on the bond on behalf of a student or students when it is reasonably believed that a loss has occurred due to fraud or misrepresentation used in connection with the solicitation for the sale or the sale of any course of study, or as a result of any violation of the provisions of this chapter or the rules promulgated pursuant to this chapter.~~

~~—Neither the principal nor surety on the bond may terminate the coverage of the bond, except upon giving one hundred twenty (120) days' prior written notice to the board, and contemporaneously surrendering all agents' permits.~~

~~—Each proprietary school shall certify, at the time of registration, the number of students presently enrolled at the proprietary school and shall make available, upon request of the board, proof of enrollment numbers.~~

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33-2407. STUDENT TUITION RECOVERY ACCOUNT -- CONDITIONS FOR RECOVERY.

(1) There is hereby created in the state treasury the student tuition recovery account to be administered by the board or its designee for the purpose of relieving or mitigating pecuniary losses suffered by any student of a ~~proprietary~~ school registered under provisions of this chapter and who meets either of the following conditions:

(a) The student was enrolled in a ~~proprietary~~ school prior to that school's closure, had prepaid tuition, and suffered loss as a result of:

- (i) The closure of the ~~proprietary~~ school; or
- (2) (ii) The ~~proprietary~~ school's breach or anticipatory breach of the agreement for the course or courses of study or used for the indemnification of any student for any loss suffered as a result of the occurrence, during the period coverage, of any

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fraud or misrepresentation used in connection with the solicitation for enrollment in a course of study, and who meets either of the following conditions:

(a) The student was enrolled in a school prior to that school's closure, had prepaid tuition, and suffered loss as a result of:

(i) The closure of the school; or

(ii) The school's breach or anticipatory breach of the agreement for the course or courses of study.

For the purpose of this section, "closure" includes closure of a branch or satellite campus, the termination of either the correspondence or residence portion of a home study or correspondence course, and the termination of a course of study for some or all of the students enrolled in the course before the time the students have satisfactorily completed the program, or before a student who has been continuously enrolled in a course of study had been permitted to complete all the educational services and classes that comprise the course.

(b) The student obtained a judgment against the ~~proprietary~~ school for any violation of the provisions of this chapter or rules promulgated pursuant to this chapter, and the student certifies that the judgment cannot be collected after diligent collection efforts.

(2) Payments from the account to any student shall be subject to rules and conditions as the board shall prescribe.

(a) The ~~proprietary~~ school shall provide to the board or its designee at the time of the ~~proprietary~~ school's closure the names and addresses of persons who were students of the ~~proprietary~~ school within sixty (60) days prior to its closure, and shall notify these

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students within thirty (30) days prior to the ~~proprietary~~ school's closure, of their rights under the student tuition recovery account and how to apply for payment. Failure to do so shall result in a penalty not exceeding \$1,000.

(b) If the ~~proprietary~~ school fails to comply with the provisions of this section, the board or its designee shall attempt to obtain the names and addresses of these students and shall notify them, within ninety (90) days of the ~~proprietary~~ school's closure, of their rights under the student tuition recovery account and how to apply for payment. The board or its designee may require the ~~proprietary~~ school to reimburse the board or its designee for all reasonable costs and expenses incurred in notifying students.

(c) The board or its designee shall develop a form fully explaining a student's rights, which shall be used by the ~~proprietary~~ school or the board or its designee to comply with the notice requirement. The form shall include or be accompanied by a claim application form and an explanation of how to complete the application.

(d) Students filing for payment from the student tuition recovery account as a result of the closure of a ~~proprietary~~ school must submit the claim within one (1) year from the ~~proprietary~~ school's or board's service of notice on the student or within two (2) years of the closure of the ~~proprietary~~ school, whichever is earlier.

(3) Students entitled to payment shall file with the board or its designee a verified application including, but not limited to each of the following:

(a) The student's name, address, telephone number and social security number.

(b) If any portion of the tuition was paid from the proceeds of a loan, the name of the lender and any state or federal agency that guaranteed the loan.

- (c) The amount of the prepaid tuition.
- (d) The dates the student started and ceased attending the ~~proprietary~~ school.
- (e) A description of the reasons the student ceased attending the ~~proprietary~~ school.
- (f) If the student ceased attending because of a breach or anticipatory breach, a statement describing in detail the nature of the economic loss incurred.

(4) Students entitled to payment based on a judgment shall file with the board or its designee a verified application indicating the student's name, address, telephone number and student identification, the amount of the judgment obtained against the ~~proprietary~~ school, a statement that the judgment cannot be collected, and a description of the efforts attempted to enforce the judgment. The application shall be accompanied by a certified copy of the judgment and any other documents indicating the student's efforts made to enforce the judgment.

The application shall be filed with the board or its designee within two (2) years after the date upon which the judgment became final.

(5) If the board or its designee pays the claim, the amount of the payment shall be the total amount of the student's economic loss, although the amount of the payment shall in no event exceed the amount of the student's tuition and cost of equipment and materials related to the course of study plus interest on all student loans used to pay tuition, equipment and materials. Upon payment of the claim, the board or its designee shall be subrogated to all of the student's rights against the ~~proprietary~~ school to the extent of the amount of the payment. If the board or its designee receives several claims from students, the payment of which cannot be totally covered by the student tuition recovery account, the claims shall receive a pro rata share of the account.

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(6) If the board or its designee denies a claim, the board or its designee shall notify the student of the denial and of the student's right to request a hearing within thirty (30) days. The hearing shall be held pursuant to the administrative procedure act, chapter 52, title 67, Idaho Code. If a hearing is not requested the board's or its designee's decision shall be final.

(7) It is the intent of the legislature that, when a student is enrolled in a ~~proprietary~~ school that closes prior to the completion of the student's program, the student shall have the option for a teach-out at another ~~proprietary~~ school with a comparable course of study. The board or its designee shall seek to promote teach-out opportunities whenever possible, with the student to be informed by the board or its designee that he or she has the option of either payment from the account or a teach-out which shall be funded from the account.

(8) No liability accrues to the state of Idaho from claims made against the student tuition recovery account.

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33-2408. ASSESSMENT FOR STUDENT TUITION RECOVERY ACCOUNT.

The board or its designee shall assess each registered ~~proprietary~~ school which collects any moneys in advance of rendering services, an amount ~~equal to one-tenth of one percent (.1%) of the total course cost for each student enrolled. The assessment per student shall not be less than one dollar (\$1.00), and not more than four dollars (\$4.00).~~ In addition, for each student who ~~prepays a proprietary school an amount in excess of four thousand dollars (\$4,000), the board shall assess the proprietary school one-half of one percent (.5%) of the prepaid amount which exceeds four thousand dollars (\$4,000).~~ established in rule by the board that utilizes a percentage of the gross tuition for the previous year, or anticipated tuition for a school in its first year of operation. ~~The board shall promulgate rules regarding collection and administration of the student tuition account. The method of payment will be in the form of a surety bond.~~ The surety bond is to be issued by an insurer duly authorized to do business in this state in favor of the state of Idaho for the indemnification of any student for any loss suffered as a result of the occurrence, during the period of coverage, of closure of the school or any fraud or misrepresentation used in connection with the solicitation for

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enrollment in a course of study. The term of the bond shall extend over the period of registration with the board or its designee. The bond shall be supplied by the school.

The bond shall provide for liability in the amount established in rule by the board to fund the student tuition recovery account.

The board or its designee may submit a demand upon the surety on the bond on behalf of a student or students when it is reasonably believed that a loss has occurred due to closure of the school or any fraud or misrepresentation used in connection with the solicitation for enrollment in a course of study or as a result of any violation of the provisions of this chapter or the rules promulgated pursuant to this chapter.

Neither the principal nor surety on the bond may terminate the coverage of the bond, except upon giving one hundred twenty (120) days prior written notice to the board or its designee.

~~At any time that the balance is in excess of fifty thousand dollars (\$50,000), the board shall suspend collection, except as provided in the event of a newly registered proprietary school or the transfer of ownership of a proprietary school as provided in this section, until such time as the balance is again below fifty thousand dollars (\$50,000).~~

~~—Newly registered proprietary schools shall, regardless of the balance in the account, contribute the assessment set forth in this section for two (2) consecutive years.~~

~~—If fifty-one percent (51%) or more of the ownership interest in a proprietary school is conveyed through sale or other means into different ownership, the new owner shall commence contributions under the provisions applying to a new applicant.~~

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~~—No more than ten percent (10%) per fiscal year shall be used for the administration of the tuition recovery program. The interest earned on money in the account shall be credited to the account.~~

~~—In the event of a closure of a proprietary school registered under the provisions of this chapter, any assessments which have been made against those proprietary schools, but have not been paid into the account, shall be recovered to the extent feasible, or any payments from the student tuition recovery account made to students on behalf of any proprietary school may be recovered from that proprietary school by appropriate action taken by the board. The moneys so deposited in the student tuition recovery account shall be exempt from execution and shall not be the subject of litigation or liability on the part of creditors of those proprietary schools or students.~~

Schools regulated, licensed or registered with another state agency pursuant to title 54, Idaho Code will participate in the student tuition recovery account in accordance with this section and established in rule by the board.

REVISED IDAHO STATUTES

TITLE 33

EDUCATION

CHAPTER 24

PROPRIETARY SCHOOLS

33-2409. ENFORCEMENT.

Any violation of the provisions of this chapter shall be referred to the attorney general by the board for appropriate action including, but not limited to, injunctive relief.