

STATE BOARD OF EDUCATION SPECIAL MEETING
Thursday, December 20th, 2007 – 4:00 p.m. MST; 3:00 a.m. PST
Len B. Jordan Building
650 W. State Street
Suite 307
Boise, Idaho



Teleconference Number: (888)296-1938
Participant Code: 272910

1. Higher Education Research Council Appointments
2. Discussion of Data Recognition Corporation Contract and Working Relationship
3. Waiver of IDAPA 08-02-03-0111 (9th grade ISAT testing)

OTHER / NEW BUSINESS

If auxiliary aids or services are needed for individuals with disabilities, 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.

**IDAHO STATE BOARD OF EDUCATION
DECEMBER 20, 2007**

SUBJECT

Higher Education Research Council Appointments

REFERENCE

December 6-7, 2007 The Board delayed the approval of the appointments and requested that staff provide copies of resumes or bios for the nominees. The Board will hold a special meeting to review and approve the two vacancies on the Higher Education Research Council.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies and Procedures, Section III.W. 4, Higher Education Research Council Policy

BACKGROUND

The Higher Education Research Council (HERC) is responsible for implementing and administering the Board's Higher Education Research Council Policy and the grant programs created by it, which are designed to stimulate competitive research at Idaho's institutions. HERC has worked diligently to attract projects that serve to strengthen the research capabilities and contribute to the economic development of the State of Idaho. HERC's annual budget has averaged approximately \$2 million over the past ten years.

DISCUSSION

The Higher Education Research Council is comprised of the Presidents of the State College and Universities, four non-institutional representatives and the Governor's Statewide Science & Technology Advisor. The terms for two of the non-institutional representative positions, currently held by Dr. Dennis Stevens and Mr. John Huffman, expire in December 2007. The term of appointment for non-institutional positions is three years.

Dr. Stevens and Mr. Huffman have expressed interest in continuing their service on the Higher Education Research Council. As a form of standard practice, the Board has requested that staff obtain nominations for all Board appointments. Therefore, nominations were solicited from the four-year institutions. Attached are resumes/curriculum vitas for the Board's consideration.

- **Dennis Stevens** Chief of Infectious Diseases Section at the Veterans Affairs Medical Center in Boise.
- **John Huffman**, Counterpoint Software, a web design and consulting service, and Chairman of the iEterna Foundation, Inc.
- **David Tuthill**, Executive Director of the Idaho Department of Water Resources
- **Doyle Jacklin**, Chair of the Idaho EPSCoR Committee and a partner in Jacklin Seed Company.
- **Columbus Candies**, Director, St. Lukes Idaho Elks Rehabilitation Services

**INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
DECEMBER 20, 2007**

IMPACT

N/A

STAFF COMMENTS AND RECOMMENDATIONS

Staff has no comments or recommendations.

BOARD ACTION

A motion to appoint _____ and _____ to the Higher Education Research Council respectively for three-year terms, December 2007 – December 2010.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

**IDAHO STATE BOARD OF EDUCATION
DECEMBER 20, 2007**

SUBJECT

2nd Amendment to contract with Data Recognition Corporation

REFERENCE

July 14, 2006	Original contract for the development and administration of the Idaho Standards Achievement Tests (ISAT)
September 12, 2007	Directed Board staff to implement cost reductions and to bring back to the Board in the form of a contract amendment at a later date for formal approval

APPLICABLE STATUTE, RULE, OR POLICY

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

BACKGROUND

The contract as amended requires more funding than is currently appropriated to the State Board of Education for fiscal year 2008. Subsequent to the first amendment, the options for Grade 2 assessment and the Winter ISAT were discontinued, and a payment deferment plan was discussed, in order to balance the budget. It has been determined that the Board would not be in compliance with State code by deferring payment into the following years.

DISCUSSION

Based on the necessity to balance the budget and the directive provided at the September 12, 2007 meeting to renegotiate the contract with DRC, the Executive Director negotiated the discontinuance of the 9th grade ISAT test. By discontinuing the Grade 9 assessment and continuing to leave personnel positions open, the Board office budget will be balanced. There is no other place in the budget or the testing contract in which savings can be realized for this year.

IMPACT

By discontinuing the Grade 9 assessment now, \$739,707 in costs will be avoided. As can be seen in the report on page 3, the general and federal funds available for Assessment program in FY 2008 are \$8,785,750. These funds will be used as follows:

Idaho English Language Acquisition (IELA)	\$924,458
Idaho Standards Achievement Test (ISAT)	\$8,023,117
Assessment Operating Costs (Personnel, other)	<u>\$254,429</u>
Total Assessment Costs	\$9,202,004

The deficit in Assessment of \$416,254 is being offset by other general fund savings of \$420,379 within the Board's FY 2008 budget.

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

ATTACHMENTS

Attachment 1 – Assessment Budget Projections	Page 3
Attachment 2 – DRC ISAT Billing Scheduled, Revised 9-13-07	Page 4

STAFF COMMENTS AND RECOMMENDATIONS

In order for the Office of the State Board of Education to pay its current fiscal obligations, to adhere to Idaho code, and to balance its budget, the discontinuation of Grade 9 assessment needs to be made. The revised ISAT Billing Schedule, revised 9-13-07, is on page 4.

BOARD ACTION

To direct Board staff to implement the cost reductions outlined in the agenda item including the discontinuation of Grade 9 assessment and to bring these items back to the Board in the form of a contract amendment at a later date for formal approval.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

**Office of the State Board of Education
Assessment Budget Projections**

	Fiscal Year 2008			FY 2009	FY 2010
	Contract as Amended	Revised per Negotiations	Proposed 2nd Amendment		
1	General Fund Allocation	3,549,800	3,549,800	2,684,800	2,684,800
2	FY09 Budget Request: Contract Inflation			0	0
3	Federal Fund Allocation	5,235,950	5,235,950	4,248,333	4,248,333
4	Total Assessment Funds Available	8,785,750	8,785,750	6,933,133	6,933,133
5	IELA	924,458	924,458	600,000	600,000
6	ISAT	7,916,504	8,035,997	8,023,117	5,917,286
7	Assessment Operating Costs	254,429	254,429	254,429	254,429
8					
9					
10	Base Contract	4,950,020	4,950,020	4,950,020	5,094,015
11	Standard Setting and PLDs Fed. Required (one-time)	0	0	0	0
12	1% Alternative Assessment data	32,490	32,490	32,490	33,789
13	Class Level Reports (one-time; ongoing exp.)	86,650	86,650	86,650	43,325
14	Fall Administration	688,745	688,745	688,745	439,447
15	Fall ISAT (retest)	228,355	228,355	228,355	228,355
16	Winter ISAT (grades 3-9)	410,680	410,680	410,680	333,884
17	Winter ISAT (pretests)	228,355	228,355	228,355	228,355
18	Grade 9 Admin (Fall & Spring)	1,111,320	1,111,320	1,111,320	
19	Grade 2 Admin	1,111,323	1,111,323	1,111,323	
20	Alignment Study (one-time)	395,048	395,048	395,048	
21	PLDs & Standard Setting May 07 (one-time)	422,472	422,472	422,472	
22	Grades 2/9 Spring 07 (one-time)	683,372	683,372	683,372	
23	Savings from Rescinding Grade 2 Admin		-1,111,323	-1,111,323	
24	Grade 2 Costs to-date		186,000	186,000	
25	Savings from Winter ISAT Grades 3-9		-410,683	-410,683	-333,884
26	Remove Contract Contingency		-150,000	-150,000	-150,000
27	DRC Reduction		-100,000	-100,000	-100,000
28	Deferral of DRC payment into FY 09		-726,827		
29	Grade 9 Savings through discontinuation			-739,707	
30	Total DRC Contract	10,348,830	8,035,997	8,023,117	5,917,286
31	Assessment Surplus/(Deficit)		-429,134	-416,254	161,418
32	Other General Funds Surplus		429,018	420,379	124,284
33	Total Surplus/(Deficit) General Funds		-116	4,125	285,702
					200,763

Data Recognition Corporation
 ISAT Billing Schedule
 REVISED 9-13-07
 Contract Year 2 2007 - 2008

Item	Human Resources	Services/Supplies	Printing	Computer Services	Travel	Other (Specify)	Total
Program Management	\$ 612,408				\$ 28,100		\$ 640,508
Materials design, writing and editing	\$ 1,291,139	\$ 198,755	\$ 76,304	\$ 1,261,616			\$ 2,827,814
Distribution/ Shipping	\$ 71,903	\$ 24,658					\$ 96,561
Receiving, editing, processing	\$ 131,593						\$ 131,593
Data Analysis	\$ 598,118	\$ 48,216					\$ 646,334
Report production	\$ 318,861						\$ 318,861
Educator meetings	\$ 71,293				\$ 35,643		\$ 106,936
Contingency funds:							
Emergency Data Analysis							
Contingency funds: authors alterations/design control							
Contingency funds: consultant services							
Other - Content Standard Changes							
Other: TAC Meetings					\$ 31,413		\$ 31,413
Total Base	\$ 3,095,315	\$ 271,629	\$ 76,304	\$ 1,261,616	\$ 95,156	\$ -	\$ 4,800,020
Additional Approved Work							
Class Level Reports							\$ 86,650
Fall/Winter Admins							\$ 1,145,482
Work Completed on Grade 2							\$ 186,000
Work Completed on Grade 9							\$ 371,613
Alignment Study							\$ 395,048
PLDs & Standard Setting							\$ 422,472
May 07							\$ 683,372
Grades 2/3 Spring 07							\$ 32,480
All Assessment Data							\$ (100,000)
DRC Reduction							\$ -
Grand Total 2007-2008	\$ 3,095,315	\$ 271,629	\$ 76,304	\$ 1,261,616	\$ 95,156	\$ -	\$ 8,023,117

Invoice Schedule

Item	1/1/2007	3/31/2007	7/31/2007	12/31/2007	3/31/08	6/30/08
PAID						
	\$160,127.00	\$160,127.00	\$160,127.00	\$160,127.00	\$160,127.00	\$160,127.00
		\$942,604.00	\$942,604.00	\$942,604.00	\$942,606.00	\$96,561.00
		\$161,583.50	\$161,583.50	\$161,583.50	\$161,583.50	\$131,593.00
		\$53,468.00	\$53,468.00	\$53,468.00	\$53,468.00	\$318,861.00
		\$7,853.00	\$7,853.00	\$7,853.00	\$7,853.00	\$7,854.00
	\$0.00	\$1,325,635.50	\$1,272,167.50	\$1,325,637.50	\$876,579.50	
	\$43,326.00	\$391,817.00	\$14,441.00	\$381,817.00	\$14,441.00	\$14,443.00
		\$186,000.00		\$381,817.00	\$381,818.00	
		\$277,930.00	\$277,831.00	\$277,831.00	\$(184,048.00)	
		\$395,048				
		\$422,472				
		\$683,372				\$32,480.00
						\$(100,000.00)
	\$1,544,217.00	\$2,174,282.50	\$1,946,256.50	\$1,537,848.50	\$823,512.50	

**IDAHO STATE BOARD OF EDUCATION
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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

3. Acquisition of Personal Property and Services

- a. Purchases of equipment, data processing software and equipment, and all contracts for consulting or professional services either in total or through time purchase or other financing agreements, between two hundred fifty thousand dollars (\$250,000) and five hundred thousand dollars (\$500,000) require prior approval by the executive director. The executive director must be expressly advised when the recommended bid is other than the lowest qualified bid. Purchases exceeding five hundred thousand dollars (\$500,000) require prior Board approval.

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**IDAHO STATE BOARD OF EDUCATION
DECEMBER 20, 2007**

SUBJECT

Waiver of Ninth Grade ISAT Tests

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 08.02.01.001 Waivers

BACKGROUND

IDAPA 08.02.03.111.06 requires Idaho Standards Achievement Test (ISAT) testing in ninth grade. Recent budgetary shortfalls have been resolved in part by determining not to continue the development of the test for ninth grade students.

DISCUSSION

The ninth grade test was late in being started due to the initial contract focusing on federal compliance. In addition, an examination of test items previously developed revealed that there were very few test items in the item bank aligned with ninth grade standards. Additional work and test development was necessary in order to deliver an adequate ninth grade test. Ninth grade test development was running approximately one year behind grades three through eight and ten. A field test of items was conducted in November 2007, and immediately thereafter the decision was made to discontinue development of the test. This decision will save sufficient funds (approximately \$739,707) which in combination with holding staff positions open until June 30, 2008 will allow the Board office to balance its budget.

IMPACT

Waiving the requirement for ninth grade ISAT tests will assure that compliance with current rules is maintained. This action will allow time for a more thorough review of decisions related to the Idaho assessment system, and the rule can be changed in a more definitive way through the regular rule-making process.

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends that the Board waive the requirement for ninth grade ISAT testing.

BOARD ACTION

A motion to waive the requirement for ninth grade ISAT testing for spring 2008.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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**IDAHO STATE BOARD OF EDUCATION
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REFERENCE: APPLICABLE STATUTE, RULE, OR POLICY

*IDAHO ADMINISTRATIVE CODE
State Board of Education*

*IDAPA 08.02.01
Rules Governing Thoroughness*

001.WAIVERS.

The State Board of Education may grant a waiver of any rule not required by state or federal law to any school district upon written request. The Board will not grant waivers of any rule required by state or federal law. State and federal law includes case law (including consent decrees), statutes, constitutions, and federal regulations. (4-1-97)

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