



**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**

**STATE BOARD OF EDUCATION
April 16-18, 2008
Whitewater/Clearwater Room, University of Idaho Commons
Moscow, Idaho**

A regular meeting of the State Board of Education was held April 16-18, 2008 at the University of Idaho in Moscow, Idaho.

Present:

Milford Terrell, President
Sue Thilo, Secretary

Paul Agidius, Vice President
Richard Westerberg

Blake Hall (Mr. Hall was not present for the Executive Session, but attended the open meeting)

Tom Luna, State Superintendent (Mr. Luna was not present for the Executive Session and joined the open meeting mid-morning on April 17)

Absent:

Rod Lewis

The Board met on Wednesday, April 16, 2008, 4:00 p.m. at the Best Western University Inn in Moscow, Idaho.

EXECUTIVE SESSION

M/S (Agidius/Thilo): To move into Executive Session pursuant to Idaho Code on February 27, 2008 at 4:00 p.m. to discuss the following:

(1) A motion to hold an executive session pursuant to Idaho Code Sections 67-2345(d) and (f) for the purpose of considering evaluation, dismissal, or disciplining of a public employee and personnel records exempt from public disclosure.

(2) A motion to hold an executive session pursuant to Idaho Code Sections 67-2345(d) and (f) for the purpose of considering documents submit to the attorney-client privilege and exempt from public disclosure and to consider and advise the Board's legal representatives in a matter or matters of probable litigation.

(3) A motion to hold an executive session pursuant to Idaho Code Sections 67-2345(c) for the purpose of conducting deliberations regarding acquisition

by the University of Idaho of an interest in real property that is currently owned by private parties.

(4) A motion to hold an executive session pursuant to Idaho Code Sections 67-2345(c) and (d) for the purpose of conducting deliberations regarding by the University of Idaho of an interest in real property that is currently owned by private parties and to consider documents subject to the attorney-client privilege and exempt from public disclosure.

(5) Pursuant to Idaho Code Section 67-2345(c), and as Trustees of Lewis-Clark State College, for the purpose of conducting deliberations regarding a potential acquisition by Lewis-Clark State College of an interest in real property that is currently owned by private parties.

(6) Pursuant to Idaho Code Section 67-2345(c), and as Trustees of Lewis-Clark State College, for the purpose of conducting deliberations regarding a potential acquisition by Lewis-Clark State College of an interest in real property that is currently owned by private parties.

A roll call vote was taken; Mr. Hall, Mr. Luna, and Mr. Lewis were absent. The remaining Board members (Terrell, Agidius, Thilo, and Westerberg) voted in favor of the motion.

During Executive Session the Board discussed and considered, as Regents of the University of Idaho: (1) a personnel issue relating to a particular employee; (2) a potential settlement with respect to pending litigation; (3) a potential acquisition of a real property interest by the institution from a private party; and (4) a potential acquisition of a real property present voted in favor of the motion. interest by the institution from a private party, and documents subject to the attorney-client privilege which are exempt from public disclosure. And, as Trustees of Lewis-Clark State College (5-6) the potential acquisitions of real property interests by the institution from private parties.

M/S (Agidius/Westerberg): To go out of Executive Session at 5:15. All members present (Terrell, Agidius, Thilo, and Westerberg) voted in favor of the motion.

Thursday, April 17, 2008, the Board convened at 8:10 a.m. at the University of Idaho Commons in the Clearwater/Whitewater room.

BOARDWORK

1. Agenda Approval

M/S (Agidius/Thilo): To approve the agenda as modified. Motion carried unanimously.

Board President Terrell asked that the following items be delayed until just prior to the Department of Education agenda in order to give State Superintendent Luna time to arrive: Tab 10 of the Instruction, Research and Student Affairs agenda, and Tabs 5 and 8 of the Planning, Policy and Governmental Affairs agenda. Board member Thilo asked that there be flexibility to consider the University of Idaho Law School agenda item out-of-order as well, so that the panel of presenters would all be in attendance.

2. Minutes Review/Approval

M/S (Agidius/Westerberg): To approve the minutes from February 28-29, 2008, and March 27, 2008, as submitted. Motion carried unanimously.

3. Rolling Calendar

M/S (Westerberg/Agidius):

- To approve January 26, 2009, as the date, and Boise, Idaho as the location for the January 2009 regularly scheduled board meeting;
- To approve April 6, 2009, as the date, and the University of Idaho as the location for the April 2009 regularly scheduled Board meeting;
- To approve April 16-17, 2009 as the date and University of Idaho as the location for the April 2009 regularly scheduled Board meeting;
- To approve May 21-22, 2009, as the date, and Boise, Idaho as the location for the May 2009 regularly scheduled Board Retreat; and,
- To change the date of the May 2008 regularly scheduled meeting to May 22-23, 2008.

Motion carried 3-2 (Mr. Hall and Ms. Thilo voted nay).

Board President Terrell took the opportunity to make brief comments. He acknowledged and thanked the University of Idaho and Dr. Tim White regarding the Presidential Citation the University received in recognition of the Lionel Hampton Jazz Festival. He congratulated Boise State University's basketball team for a successful season and for going to the NCAA finals. Mr. Terrell thanked Dr. Art Vailas for moving Idaho State University forward in a number of areas this past year and commended Lewis-Clark State College's baseball team for the national recognition it earned. Mr. Terrell announced that he had received a letter of retirement from Bill Robertson of Eastern Idaho Technical College, effective June 30, 2008. He thanked Mr. Robertson for the many years of dedicated service and leadership he has provided to EITC and also to the Idaho Falls community. Mr. Terrell indicated that he has also received a letter from the University of Idaho Foundation thanking Dr. White for his strong leadership. Mr. Terrell concluded by noting that the Board receives numerous emails each week from a wide variety of folks interested in the issues related to education. He noted that those emails are read and that the comments, suggestions, and concerns expressed in them are given close attention.

At this time, Representative Shirley Ringo was introduced in the audience.

OPEN FORUM

Chris Ellis made comments related to the IDAPA 08.11.01 having to do with proprietary schools. She urged the Board to be aware that one of the requirements in the rules could cause institutions such as Stephens Heneger to be shut down unless it is given special consideration. The Board thanked her for her comments.

CONSENT AGENDA

M/S (Agidius/Westerberg): To approve the Consent Agenda items as submitted. Motion carried unanimously.

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

By unanimous consent, the Board approved the request by Boise State University for twelve (12) new positions (12.0 FTE) and term, salary, FTE change to two (2) positions (2.0 FTE).

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

By unanimous consent, the Board approved the request by Idaho State University for two (2) new positions (2.0 FTE) and term change to one (1) position (.69 FTE).

3. BAHR – Section I – University of Idaho – New Positions and Changes to Positions

By unanimous consent, the Board approved the request by University of Idaho to establish six (6) new positions (6.0 FTE) and reactivate one (1) position (1.0 FTE), all supported by appropriated and non-appropriated funds.

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

By unanimous consent, the Board approved the request by Lewis-Clark State College for one (1) new position (1.0 FTE) supported by grant funds.

5. PPGAC – Alcohol Permits Issued by University Presidents

This is an information item only.

INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS

Note: Item number 1 having to do with the University of Idaho's Law School proposal was delayed until later in the agenda.

2. New Doctorate program – Full Proposal – Ph.D. in Public Policy and Administration – Boise State University

M/S (Thilo/Agidius): To approve the request by Boise State University to offer a Ph.D. in Public Policy Administration. Motion carried unanimously.

Dr. Sona Andrews of Boise State University summarized the particulars of this item. She noted that this program is in the University's statewide mission and builds on the twenty-year history that BSU has in offering a Masters of Pubic Administration. Dr. Andrews indicated that external reviewers have assessed the need and the readiness of the University to institute this program. Board member Thilo noted that this proposal has been fully vetted by and approved by CAAP.

3. New Graduate Program – Full Proposal – Master in Community and Regional Planning – Boise State University

M/S (Thilo/Westerberg): To approve the request by Boise State University to offer a Master of Community and Regional Planning. Motion carried unanimously.

Dr. Sona Andrews of Boise State University presented this item.

4. New Graduate Program – Full Proposal – Master of Science in Bioregional Planning and Community Design – University of Idaho

M/S (Thilo/Agidius): To approve the University of Idaho's request to offer a new M.S., Bioregional Planning and Community Design Program. Motion carried unanimously.

Board member Thilo introduced this item. Dr. Doug Baker of the University of Idaho briefly summarized the details of the program.

1. Strategic Planning of the University of Idaho's Law School

M/S (Thilo/Westerberg): To approve the request by the University of Idaho for: (1) approval of the concept of a two-location approach for the University of Idaho College of Law to strengthen statewide delivery of public legal education in Idaho, as described in the material presented to the Regents; and (2) authority to proceed with the implementation planning for two locations, including operating budget, capital budget, facility needs analysis, curriculum, and an implementation timeline. Information on progress will be brought routinely to the Regents attention, and any approvals required regarding curriculum and facility issues shall be brought to the Regents for approval as required by Board Policy. Motion failed (Hall, Agidius, Westerberg voted nay).

Amended M/S (Hall/Agidius): To strike the (#1) part of the motion. Motion failed 2/3 (Westerberg, Thilo, Terrell voted nay).

Substitute M/S (Thilo/Westerberg): To approve the request by the University of Idaho for authority to proceed with the implementation planning for two-location concept, including operating budget, capital budget, facility-needs analysis, curriculum, and an implementation timeline. Information on progress will be brought routinely to the Regents attention, and any approvals required regarding curriculum and facility issues shall be brought to the Regents for approval as required by Board Policy. Motion carried unanimously.

Dr. Tim White presented this item. He noted that the economic, demographic, and sociological landscape of Idaho has changed significantly over the years. In response to those changes and demands, the University of Idaho has studied different ways of meeting the needs of Idaho as related to its statewide legal education mission. He indicated that letters had been received from Attorney General Lawrence Wasden and Dr. Elson Floyd, President of Washington State University, supporting the University's proposal to bring a law school campus to Boise.

Dr. White explained that an open and thorough strategic planning effort has been underway for some time to study various options of providing quality, affordable, and accessible legal education to the state of Idaho. The result of the study is that a two-location concept is the best option. As a result, the University is requesting approval from the Board to proceed with the implementation planning effort related to that concept.

Chief Justice Daniel Eismann was introduced. He noted that the State Law Library had occupied the first floor of the Idaho Supreme Court Building up until a few years ago. It was moved to a temporary location to allow for the Court of Appeals to move into that area. Now options are being considered as to where to permanently locate the library. Chief Justice

Eismann suggested that if the University of Idaho opened an extension of its Law School in Boise, the State Law Library could be connected to the UI Law School and its library. As a result, the State Law Library would serve not only the large number of law practices, attorneys, courts, and citizens already located in the Treasure Valley, but also offer its services to the law students pursuing degrees through the University of Idaho. Chief Justice Eismann pointed out that the Permanent Building Fund had provided funds for a new State Law Library this past year, so this discussion is timely. He encouraged the Board to approve locating an extension of the UI Law School in Boise.

Justice Linda Copple Trout addressed the Board. She noted she is the Chair of the Law Advisory Council, which has discussed, for several years, the best structure and location for the law school. The Law Advisory Council agreed that the dual location approach is the best one for the students and the citizens in Idaho. The main campus of the law school would remain in Moscow and continue to offer the majority of the programs and degrees; however, the extension campus in Boise could provide students pursuing certain degrees the opportunity to do so in Boise. She urged the Board's consideration and support of the proposal.

Richard Morgan, President of the Law School Accreditation Standards Committee, was introduced. He has been an active consultant to UI in their strategic planning and assessment of the UI Law School. Mr. Morgan noted that the UI Law School has the exclusive statewide mission for public legal education. He pointed out that because Boise is the population and governmental center of the state, the state will benefit from the community-wide services that a law school will bring into the area. Mr. Morgan indicated that even with an extension of the UI Law School in Boise, the main school in Moscow could continue at full strength to give the entire operation the necessary and appropriate rating of excellence. He pointed out that the dual-location concept offers an efficient solution to the challenge of providing statewide legal services and education, and that it is cost effective. Mr. Morgan reminded the Board that while this is a very novel and unique solution, it is a time when innovation, in terms of delivery and connectivity, are ripe in Idaho.

Anna Fahler, a student from the University of Idaho Law School, spoke in support of the proposal. She noted that the location of a branch in Boise would expand the opportunities for law students to pursue degrees with greater affordability and access. Ms. Fahler suggested that students would be drawn to both atmospheres so that both locations would have strong and vital programs to offer. She reminded the Board that by having a branch campus in Boise, students could have access to the bar, the courts, and the law offices.

Don Burnett, Dean of the University of Idaho, College of Law, was introduced. Dean Burnett noted that the vision of Idaho having a two-location law school is similar to the Johns Hopkins School which has branched out to meet the needs of its state in terms of the students, the communities, and the economy. Having a two-location law school would offer a greater level of affordability and access while addressing the need for an effective criminal justice education system. He assured that having law schools in both Moscow and Boise would not duplicate offerings. There will be distinctive and specialized offerings in each area. The faculty and services will be under one umbrella. Also, tying the UI College of Law branch in Boise with the Law Learning Center that is being proposed by the Justices makes sense. Dean Burnett indicated that a rigorous business plan would be brought forward to the Board in the summer if the Board approves the UI moving forward with the planning of this concept of having a branch campus in Boise.

Board member Thilo thanked the members of the panel for their remarks. President Terrell congratulated the UI for putting together a strong team of support for this concept. Board member Agidius asked for assurances to be included in the proposal that such an expansion would not be detrimental to the Moscow campus in terms of the offerings, the students, and the community. He asked for statistics as to the numbers of students leaving Idaho to go elsewhere; also, the number of students that are unable to find practicum opportunities in the Moscow area, and the number of student-spouses unable to find jobs in the Moscow area. Mr. Agidius noted that he would not want to have the main college in Moscow become secondary over time. Dean Burnett noted that the business plan will include those items.

Board member Hall asked if the two institutions would be identical in the first year. Dean Burnett said they would be similar, but with differing capstone classes. It is a plan to meet Idaho's needs which means increasing the opportunities for more students to attend. Mr. Hall asked about the analysis in terms of need for more lawyers and the number of seats currently available.

Dean Burnett noted that some of that information is available in the materials already provided to the Board; however, the business plan will provide more detail. Mr. Hall clarified that he would like to know about the need, in Idaho, for more lawyers and not just the need for more seats for more students.

Board member Hall raised a question about the level of funding to sustain this effort over time. Dr. White responded and noted that the University is confident, based on the interest expressed statewide for this effort that the financial support will be there. He went on to point out that the proposal before the Board at this time is to get approval to develop a detailed business plan that will address such questions and concerns. The completed business plan would then be brought back to the Board for their review and consideration.

Board member Hall raised a concern that students would bear an increased burden in terms of fees for supporting two campuses. Dean Burnett agreed that there could be an impact on the students in terms of fees, but even if that is the case, Idaho will still be below what other schools, regionally, are already charging.

Board member Hall commented on the plans of the previous UI administration to move the law school to Boise and voiced a concern that the current proposal may be politically motivated. Dr. White assured Mr. Hall that many things in Idaho have changed since he became the President of the University. He emphasized that that the former UI president's plans have absolutely no bearing on the current study or recommendations. He pointed out that the plan being proposed at this time was not created over night, but included the input of many parties from throughout the state. Richard Morgan indicated that he has no sense that political compromise is on the table or in the background in regards to this proposal. He offered the opinion that folks are working to provide an excellent legal education opportunity for the state.

Board President Terrell took a few moments to introduced Representative Tom Trail and Senator Gary Schroeder in the audience.

Board member Westerberg noted that he had questions about costs and sustainability, but recognized that such information would be forthcoming in the business plan. He asked for clarification that the motion before the Board at this time approves the UI putting together a business plan to bring back to the Board for consideration and approval.

Board member Hall expressed his concern that the original motion indicates that the Board is approving the concept. Board member Agidius voiced the same concern. Board member Hall amended his motion. At that time, the UI and the panel members were granted a few minutes to briefly discuss the impact of the amended motion. A substitute motion was made by Board member Thilo.

5. Approval of Higher Education Research Council FY 2009 Budget

M/S (Thilo/Westerberg): To approve the FY 2009 HERC Budget Allocation as presented. Motion carried unanimously.

6. Idaho Technology Incentive Grant Program FY 2009 Award

M/S (Thilo/Agidius): To approve funding for projects totaling \$1,485,000. Motion carried unanimously.

7. Idaho Falls Local Operations Committee – Summary Report

Board member Thilo noted that this is an information item. There was no discussion.

8. Approval of Temporary and Proposed Rules Governing Registration of Postsecondary Educational Institutions and Proprietary Schools, IDAPA 08.01.11

M/S (Thilo/Agidius): To approve the temporary and proposed rule for the registration of postsecondary institutions and proprietary schools. The temporary rule will become effective on April 18, 2008. Motion carried unanimously.

Board member Agidius asked if concerns related to this motion had been worked out. Interim Executive Director Mike Rush pointed out that because proposed legislation failed this year, this rule is necessary in order to create a provision that allows the Board to address the needs of specific institutions. Board member Thilo noted that since the legislation didn't pass, the temporary rule that was in place is no longer effective, thus the need for this new rule. Dr. Rush explained that he had met personally with administrators of the institutions and that they had indicated to him that they are okay with the language in this rule.

9. WICHE Release of "Knocking on the College Door: Projections of High School Graduates by State and Race/Ethnicity"

Mark Browning of the Board office shared that this report is for the benefit of the Board's information and planning efforts in the coming years.

10. Title II, Part A, Subpart 1 Grants to States, State Activities Funds – Note: this item was moved to later in the agenda

PLANNING, POLICY, AND GOVERNMENTAL AFFAIRS

1. Presidents' Council Report

Board President Terrell introduced Bill Robertson, President of Eastern Idaho Technical College, and congratulated him on his upcoming retirement, effective June 30, 2008. Mr. Robertson noted that he has been at EITC for 37 years in a variety of capacities, and that it is time to move on to other things. He characterized his retirement as the chance to find new opportunities to pursue. The Board thanked Bill for his service and said they looked forward to seeing him one last time at the June Board meeting.

On another note, Board member Terrell encouraged the Presidents' Council to get back to the practice of meeting on a monthly basis for the sake of building stronger collaborative efforts.

2. University of Idaho Progress Report

Dr. Tim White presented the University's report. He invited the Board and meeting participants to see the University of Idaho Presence in Second Life presentation during the lunch break. Dr. White discussed the Focused Interim Report and the vision of UI to continue being recognized nationally for excellence in academics, research, creative activity, and the engagement of stakeholders through outreach and extension.

Dr. White presented highlights of accomplishments, pursuits, and planning efforts in the following areas: (1) quality academics, students, programs; (2) uncommon student life engagement; (3) outstanding outcomes; (4) leading research; and, (5) strength, pride and progress in achieving their objectives.

Dr. White reported that the University is enrolling freshman who are of high quality in terms of academic standing and national recognition. Many of the University's programs have also been nationally recognized. Dr. White discussed several of the research projects that the University is engaged in and the positive impact those projects are having nationally and globally. Dr. White reported on the finances and infrastructure of the University, and noted that significant progress had been made in building the organization and systems to support the University's strategic plan goals. Dr. White concluded by noting that the University is planting seeds now in order to continue its excellence and positive impact for future generations.

Board member Hall asked about concurrent enrollment. Dr. White reported that the percentage increase is significant, however it doesn't take into account that the University started with a small number. He indicated that all of the deans were brought together to come up with recommendations to address the situation. A process is now in place that allows the University to make this a statewide effort, not just a regional effort and he expects that the University will continue to increase those numbers.

3. Idaho Division of Professional-Technical Education Progress Report

Ann Stephens, Associate Administrator for the Division of Professional-Technical Education (DPTE), presented the agency's progress report to the Board. She reviewed the agency's mission and reviewed some of the major changes, initiatives, and performance objectives of the past year. One change was the transfer of the Career Information System office to the Department of Labor. In addition, the Division acquired a number of related services including

Veterans Education, Proprietary Schools, Statewide Training, Certified Managers Training, and the State Employee Wellness program. Ms. Stephens indicated that the Division had submitted the Perkins State Plan, which included programs of study. She noted that in order to receive state funds, schools must have at least one program-of-study that meets the specific requirements that define the program of study. In terms of performance, the Division has targeted four goals: (1) increasing college capacity; (2) supporting articulation; (3) maintaining high placement rates; and (4) supporting high school reform.

Ms. Stephens reported that the enrollments at the two-year technical colleges have increased and workforce training increased overall this year by 9.7%. Idaho's technical colleges serve all six regions and served over 52,000 degree and short-term students this past year. Ms. Stephens noted that while Idaho's go-to-college rate is about 47%, 60% of PTE program completers go to college. The Division supports high school reform and has made a significant effort to increase the academic rigor of PTE courses in the areas of science, economics, communication, math, and health and wellness. Ms. Stephens concluded by sharing success stories of several of the Professional-Technical Student Organization teams and members in national competition.

Note: State Superintendent Luna joined the meeting at this time (11:15 a.m.)

4. 2007 Legislative Update

Mark Browning presented a brief update on the results of the recently concluded legislative session. He referred the Board to the agenda materials as he discussed several of the items that saw legislative review, consideration, and approval.

5. Idaho Association of School Administrators – Adequate Yearly Progress Proposal -- Note: this item was delayed until later in the agenda.

6. University of Idaho Retirement Plan

Kent Nelson introduced this item. He explained that because this could likely go to litigation, the University and the Board cannot make comments or ask questions at this time. Dr. Earl Bennett and Dr. Jeff Harkins were introduced to address the Board regarding the negative impact of the changes in the University's retirement program.

Dr. Bennett had previously submitted a packet of materials to the Board for their review. He indicated that promises were made by the University prior to the current revisions regarding the benefits for retirees, and that contracts were signed by the University and the parties of interest. He went on to explain that the revisions made in the plan in 2007 break a number of those promises, which is why four individual retirees have filed a notice of claim with the Idaho Secretary of State. Dr. Bennett provided a lengthy explanation of all the issues and concerns of the retirees impacted by this situation.

Dr. Jeff Harkins discussed GASB 45 and the University's deferred compensation plan. He noted that the proposed changes to the policies were never considered by the Board of Regents as it was submitted only as an information item even though it was a \$100 million decision. He summarized his presentation by noting that the University agreed to offer benefits in lieu of salaries, and University employees, acting in good faith, accepted those promises. He suggested that the University charged the University's Retiree Health and Life Insurance Task

Force to basically arrive at a foregone conclusion. He pointed out that the University should have charged the Task Force to find ways for the University to honor the benefits it promised to its employees and still reach decisions of austerity.

7. State Board of Education Strategic Plan

M/S (Westerberg/Thilo): To approve the State Board of Education Strategic Plan and Planning Calendar as submitted. Specific performance measures and benchmarks included in this plan may be modified, as appropriate, by approval of the Board's Executive Committee. Motion carried unanimously.

Dr. Rush, Interim Executive Director of the Board, noted that the strategic plan was presented at the March 27th meeting. Since then, additional recommendations and comments have been incorporated into the plan. He indicated that some of the benchmarks and measures may require modification in the future based on the availability of relevant data. This plan allows the Board to meet the submission guidelines from the Governor's Office of July 1.

8. State Board of Education Proposed Transfer of Gear-Up Program – Note: this item was delayed until later in the agenda.

9. Second Reading – State Board of Education Governing Policies and Procedures – Sections I.M.4. and III.M.3.

M/S (Westerberg/Thilo): To approve the second reading of State Board of Education Governing Policies and Procedures, Section I.M.4. Motion carried unanimously.

M/S (Westerberg/Thilo): To approve the second reading of the Idaho State Board of Education Governing Policies and Procedures, Section III.M.3. Motion carried unanimously.

BUSINESS AFFAIRS AND HUMAN RESOURCES

Section I – Human Resources

1. University of Idaho – Employment Contract – Head Men's Basketball Coach

M/S (Westerberg/Hall): To approve the University of Idaho's employment contract with head basketball coach, Don Verlin.

Amended M/S (Hall/Agidius): Amend the motion to reflect the salary base shown on Tab 1, page 1, and to also include the incentive payments as outlined on Tab 1 page 2. Amended motion carried unanimously.

2. University of Idaho – Settlement Agreement

M/S (Westerberg/Agidius): To approve the settlement of a personnel matter and to authorize the University of Idaho to sign all necessary settlement documents. Motion carried unanimously.

3. Boise State University – Salary Increase – Head Women’s Basketball Coach

M/S (Westerberg/Hall): To approve the salary increase requested for Boise State University’s women’s basketball coach, Gordon Presnell, to include the terms and conditions as listed in Tab 3, page 1. Motion carried unanimously.

4. Boise State University – Selland College Closure

M/S (Westerberg/Agidius): That the Board finds that the requisite conditions exist that justify the closing of Boise State University’s Selland College, the discontinuance of all programs and courses related thereto, and that Boise State University shall non-renew the contracts of, or lay off, the Selland College’s entire faculty and staff (and other attendant staff of the University) effective June 27, 2009. Motion carried unanimously.

Dr. Sona Andrews presented this item. She noted that there is urgency in doing this from the perspective of the students and the employees. Instead of transitioning programs to the College of Western Idaho, the University now realizes that programs must first be discontinued by the University. At that time, the College of Western Idaho (CWI) can take steps to start the programs at their institution. Dennis Griffin of CWI indicated that it is the intention of CWI to accept all of the active Selland programs. In addition, all of the employees who rate a “meets standard” on their performance evaluations will be offered the opportunity to become an employee of CWI as of July 1, 2009. Dr. Andrews clarified that at a past Board meeting the Board approved action that directs CWI to be deliverer of professional-technical education in this valley.

Section II – Finance

1. Joint Finance Appropriates Committee (JFAC) – Occupancy Funding Policy

Scott Christie of the Board office reviewed this item for the Board.

2. FY 2009 Appropriations

a. Information - Institutions and Agencies

Scott Christie of the Board office highlighted several points for the Board.

b. Colleges and Universities

M/S (Westerberg/Hall): To approve the allocation of the FY 2009 legislative appropriations contained in House Bill 610 for Boise State University, Idaho State University, University of Idaho, Lewis-Clark State College, and the system-wide needs, as presented on Page 3, except line 26 for the CAES project. This allocation will come to the Board at the June 2008 Board meeting. Motion carried unanimously.

Scott Christie of the Board office explained that there was a need to wait until another time to consider the allocation for CAES. The Board made a motion to that effect.

c. Community Colleges

M/S (Westerberg/Thilo): To approve the FY 2009 allocation of State General Funds for community college support as follows: \$13,169,600 to the College of Southern Idaho, and \$11,496,800 to North Idaho College. Motion carried unanimously.

Scott Christie of the Board office reported that the allocation between North Idaho College and the College of Southern Idaho is not connected to the FY 2009 appropriation that was provided by the Legislature for the College of Western Idaho (CWI) in the same bill. The amount allocated to CWI is the amount included in the college's budget request. Each institution has reviewed their respective allocation amount and agrees that the proper calculation has been made.

d. Professional-Technical Education

M/S (Westerberg/Hall): To approve the request from the Division of Professional-Technical Education for the allocation of the FY 2009 appropriation detailed in Exhibit A of Tab 2d. Motion carried unanimously.

e. Promise B Scholarship

M/S (Westerberg/Thilo): To approve the amount of the Idaho Promise Scholarship, Category B, to be \$300 per semester per student (\$600 annually) for those current recipients who maintain eligibility and for qualified first year entering students under the age of 22 in the academic year 2008-2009. Motion carried unanimously.

f. Promise A Scholarship

M/S (Westerberg/Thilo): To approve the amount of the Idaho Promise Scholarship, Category A, to be \$3,000 per year (\$1,500 per semester) for those applicants who are selected to receive or renew the Idaho Robert R. Lee Promise Category A scholarship for the academic year 2008-2009. Motion carried unanimously.

It was clarified that the motion should read \$1,500 per semester.

3. FY 2010 Budget Development Guidelines

M/S (Westerberg/Luna): To direct the agencies and institutions to use the following categories, and in priority order, to develop FY 2010 Line Item budget requests: Occupancy Costs, Maintenance, Infrastructure and Critical Operating Expenses, Center for Advanced Energy Studies, Biomedical Research Initiative with Veterans Affairs Medical Center, New or Expanded Programs, and Enhancements for institution or agency effectiveness, competitiveness, and/or efficiency. Motion carried unanimously

Scott Christie of the Board office noted that Board-approved budget requests for FY 2010 must be submitted to the Executive and Legislative branches by September 1, 2008. To meet this deadline, the Board has established a process for developing agency and institutional requests that will be finalized at the August 2007 meeting. During discussion, Interim Executive Director Mike Rush explained that he initiated two changes in order to prompt discussion and to facilitate

a more workable timeline for the Board to receive, consider, approve, and forward the requests from the institutions and agencies.

Dr. Rush pointed out that there are no restrictions from the Governor or the Legislature this year as to how to present or prioritize line item requests. In the past, the Board would receive the budget requests from the institutions and agencies at the August meeting which left no time for the Board to refine the list or gather more information. Often it would be left to Board staff to make a final determination of what items to include and how to list them. By adjusting the timelines, the Board can now consider the budget requests at its June meeting, which allows time for more input before making a final determination in August. In explaining the list of items presented to the Board, Dr. Rush explained his reasoning for including them on the list. It was noted that they are not listed in order of priority.

Board President Terrell asked the representatives from LSO and DFM for their input. Both said that having the guidelines in place will be helpful.

Board member Hall asked to hear from the institutions in regard to this list of priorities. Stacy Pearson indicated that BSU is fine with this list, but in future years it would be good to have the ability to put together a list-within-a-list of priorities. Lloyd Mues indicated that while most of UI's priorities are on the list, the priority ranking will depend on each institution's situation. Jim Fletcher of ISU indicated that in general the list is fine, but the top three from each institution should be based on the institution's strategic plan. Chet Herbst of LCSC indicated that there are some specific programs that should be listed within one of the broader categories. He noted that in the past it seemed to be more effective when the institutions went forward together with a consistent set of requests. Kirk Dennis of PTE asked if there is a limitation on the number of requests.

Board member Hall indicated the intent is to have the institutions come forward with their list of items and to review them as a Board and determine where to draw the line. Dr. Rush agreed, and emphasized that by doing this earlier in the year, the Board has time to review the list and to make that determination prior to having to send it to the Governor's office. Board member Hall asked that the institutions be allowed to have the flexibility to bring forward their own list if they have something outside what appears in the motion that requires urgent consideration. Board member Agidius agreed with having that flexibility.

4. Tuition Waiver Reports

- a. Boise State University
- b. Idaho State University
- c. University of Idaho
- d. Lewis-Clark State College

Scott Christie of the Board office summarized this information item for the Board.

5. Boise State University – Office Building Lease

M/S (Westerberg/Thilo): To approve the request by Boise State University to enter into a lease with the Boise State University Foundation for the building located at 220 Parkcenter Boulevard in Boise, in substantial conformance to the form agreement attached to the agenda item; and to approve the University's purpose underlying the

Foundation's acceptance of the gift portion of the property; and to further authorize the Executive Director of the State Board of Education to approve the final lease agreement before execution by the University, subject to review by the Board's legal counsel.
Motion carried unanimously.

Stacy Pearson of Boise State University presented this item to the Board.

6. University of Idaho – Easement for Public Bus Shelter

M/S (Westerberg/Agidius): To approve the temporary, non-exclusive easement from the Regents to the City of Moscow and to authorize the University of Idaho's Vice President for Finance and Administration to execute the necessary documents in substantial conformation to the documents submitted to the Board in Attachment 1. Motion carried unanimously.

7. University of Idaho – Amendments to Faculty/Staff Handbook

M/S (Westerberg/Adigius): To approve the amendments to University of Idaho Faculty-Staff Handbook Sections 5300 "Copyrights, Protectable Discoveries and Other Intellectual Property Rights," in substantial conformation to the version submitted to the Board in Attachment 1. Motion carried unanimously.

Lloyd Mues of the University of Idaho presented this item to the Board.

8. University of Idaho – Appointment of Trustee – UI Retiree Benefits Trust

M/S (Westerberg/Agidius): To approve the University of Idaho's request to designate Wells Fargo as trustee for the University of Idaho Retiree Benefits Trust. Motion carried unanimously.

Lloyd Mues of the University of Idaho presented this item to the Board. He noted that this action will ensure that the trust is properly insured. He explained that having Wells Fargo appointed as trustee keeps everything transparent, and also puts into place the proper checks and balances to ensure that everything is above board. Mr. Mues noted that this is an entirely different issue from the accounting standards issue discussed earlier in the day. The University assured Board member Hall that the costs of having the bank act as trustee were in line with what it would cost to have a University of Idaho employee perform that function.

9. University of Idaho – Student Health Insurance Plan (SHIP) – Approval of Rates and Service Provider Contracts

M/S (Westerberg/Hall): To approve the 2008-2009 Student Health Insurance Plan rates; and to authorize the University of Idaho to take such actions necessary to complete the contract between the University and United Health Care Student Resources, and to authorize the Executive Director of the State Board of Education to approve the final contract before execution by the University, subject to review by the Board's legal counsel; and to approve the agreement between the University and Moscow Family Medicine in substantial conformance to the contract submitted to the Board in Attachment 2. Motion carried 5-1 (Mr. Agidius voted nay).

Lloyd Mues of the University of Idaho presented this item. Board member Agidius raised a concern about the additional financial strain this would put on the students.

10. University of Idaho – Settlement Agreement -- This item was pulled from the agenda.

11. Lewis-Clark State College – Port of Lewiston Lease

M/S (Westerberg/Thilo): To approve the request by Lewis-Clark State College to enter into a new (10-year) lease with the Port of Lewiston for land adjacent to LCSC's North Lewiston Training Center, and to delegate the Board's signature authority in regard to such transaction to LCSC's Vice President for Finance and Administration. Motion carried 4-0 (Mr. Hall and Mr. Luna absent during the vote).

Chet Herbst of Lewis-Clark State College presented this item to the Board.

12. Lewis-Clark State College – Residence hall Purchase

M/S (Westerberg/Thilo): To approve the request by Lewis-Clark State College, subject to final results of the property appraisal, to make an offer to Conover-Bond LLC to purchase the residential portion of Clearwater Hall and all fixtures, furniture, and equipment now contained in the facility for \$3.8M. If an offer is accepted, the purchase would not be executed without subsequent Board review and approval of the resulting purchase/condominium agreement and financing terms.

Substitute M/S (Agidius/Luna): To approve the request by Lewis-Clark State College, subject to final results of the property appraisal, to make an offer to Conover-Bond LLC to purchase the residential portion of Clearwater Hall and all fixtures, furniture, and equipment now contained in the facility for up to \$3.8M. If an offer is accepted, the purchase would not be executed without subsequent Board review and approval of the resulting purchase/condominium agreement and financing terms.

Second Substitute M/S (Hall/Agidius): To approve the request by Lewis-Clark State College, subject to final results of the property appraisal, to make an offer to Conover-Bond LLC to purchase the residential portion of Clearwater Hall and all fixtures, furniture, and equipment now contained in the facility for a price not to exceed the appraised value or \$3.8M, whichever is less. If an offer is accepted, the purchase would not be executed without subsequent Board review and approval of the resulting purchase/condominium agreement and financing terms. Motion carried unanimously.

Chet Herbst of Lewis-Clark State College discussed this item for the Board.

Board member Hall indicated that Board policy and state law requires that an appraisal be carried out before a proposal can be made. Mr. Herbst noted that the institution desired to bring this item to the Board at this time because the appraisal is forthcoming. The offer made to the seller is that the institution has no intention to go beyond the appraised value or beyond \$3.8 million, whichever is less. Substitute motions were made in order to clarify that point.

13. Lewis-Clark State College – Property Sale

M/S (Westerberg/Agidius): To approve the request by Lewis-Clark State College to sell the property located at 504 6th Avenue, Lewiston, Idaho. Sale closing would be subject to results of a new appraisal of the property and the Board's review and approval of a purchase agreement following receipt of an offer. Motion carried unanimously.

Chet Herbst of Lewis-Clark State College discussed this item and noted that as a result of the annual planning process, it was determined that this property should be sold.

At this time the Board took up the three items that were delayed until this time in the agenda.

Instruction, Research, and Student Affairs – Agenda Item 10

10. Title II, Part A, Subpart 1 Grants to States, State Activities Funds

M/S (Hall/Westerberg): To authorize the State Department of Education (SDE) to administer and implement the Title IIA State Activities Funds (CDFA 84.367A) from the U.S. Department of Education in accordance with the federal guidelines and to coordinate with the Executive Director of the Board to transfer the appropriate funds and positions. Motion carried unanimously.

In introducing this item, Board President Terrell noted that this item and item 8 of the Planning, Policy, and Governmental Affairs (PPGAC) agenda both relate to transferring programs and responsibilities from the Office of the Board of Education to the Department of Education. At this time Mr. Terrell turned the discussion over to State Superintendent Tom Luna.

Mr. Luna indicated that the Governor had communicated to him that he desired to move the oversight of all K-12 programs and responsibilities back under the Department of Education. Additional discussions clarified the specific programs that the Governor was thinking of. The timeline for transferring programs is July 1, 2008. The two programs being considered at this time are the GEAR-UP grant and the Title II responsibilities. Mr. Luna indicated that the question of moving ISAT and assessment would be undertaken at another time because there is a role for the Board to play in those efforts.

Mr. Luna noted that moving the GEAR-UP and Title II responsibilities should include the moving of all of the positions and all of the funds necessary to manage those programs. He indicated that he would like to see these programs driven by results; and for the Board and the Department collaborate. Board member Thilo noted that the Board does need to retain an oversight or auditing capability, but it does not need to micromanage. She encouraged that the Board move in a direction that transcends the present Board members and State Superintendent. She said that it is still important to set policies.

Mr. Luna noted that he doesn't mind being held accountable, but he wants to have control over the funds under his charge. He is willing to regularly report to the Board. Board member Hall indicated that the motion provides for SDE and the Board staff to plan and coordinate the effort to transfer the positions and funds. However, the Board retains the right to put policies in place that ensure that it is able to have accountability measures in place. Mr. Luna recommended that the policies provide the latitude for implementation with some degree of flexibility.

Board member Hall clarified that the motion is to have Mr. Luna and Dr. Rush develop a plan to go through each item and determine what makes sense to both of them as far as transferring the responsibilities. Based on their mutual agreement, the actual amount of funds and positions transferred can be determined.

Planning, Policy, and Governmental Affairs Agenda Items 8 & 5

8. State Board of Education Proposed Transfer of GEAR-UP Program

State Superintendent Luna indicated that this program should be administered by the Department of Education, but that it needs more discussion to clarify the issues. He asked to hold this item for vote until the June Board meeting. In the meantime, he asked to have the Executive Committee continue discussion of this item.

By unanimous consent the Board agreed to defer this item to the Executive Committee and bring it back at the June meeting.

5. Idaho Association of School Administrators – Adequate Yearly Progress Proposal -- MOVED

M/S (Luna/Agidius): That the Board direct staff to ask the federal Department of Education to restart the clock on Adequate Yearly Progress determination using the 2007 Idaho Standards Achievement Tests administration as the baseline. Motion carried unanimously.

State Superintendent Luna introduced District Superintendent Terry Donicht of the McCall/Donnelly and Meadows Valley districts. Mr. Donicht indicated that he represented his districts as well the Idaho Association of School Administrators. He expressed concerns that districts are being required to meet the Annual Yearly Progress (AYP) as set forth by the federal government based on Idaho's original ISAT test, which was determined by the federal government to be invalid. Mr. Donicht pointed out that because the original test was declared invalid, then it stands to reason that any results based on that test are invalid, as are the penalties and the ratings. He suggested that, based on that logic, the state cannot accurately say that districts do not meet AYP.

Mr. Donicht asked the Board of Education to acknowledge Idaho's error in using the invalid test to make determinations, and petition the U.S. Department of Education to have all results considered invalid. Second, he asked the Board to not allow Idaho to sanction any schools based on the invalid results of the invalid tests and to prohibit the state from negatively labeling any district based on the invalid test.

State Superintendent Luna indicated that Superintendent Donicht did a good job of explaining the predicament that Idaho is in as a result of the failure of the first ISAT. He noted that he has no problem with the motion and indicated that he is willing to move forward with that specific request. He explained that some other points brought up by Superintendent Donicht will need to be discussed further.

DEPARTMENT OF EDUCATION

1. Superintendent's Update

State Superintendent Luna reported on the math initiative and indicated that the Legislature had funded it; now the Department is moving forward with implementation. The Legislature also funded a portion of the longitudinal study and provided funding for the classroom enhancement package.

Mr. Luna noted that while ISTARS was not successful, the Department is appointing a task force to come up with a teacher performance plan that can be recommended to the Legislature next year.

Mr. Luna indicated that recent newspaper articles suggest that the State Department of Education has not accounted for how certain monies have been spent by virtual charter schools. Mr. Luna walked the Board through some information points to counter those assertions. In addition, he noted that the duties and policies of the local school boards, as well as the boards of each virtual or charter schools, requires them to prepare and report an annual statement related to its entire financial operation. Those reports must include all sources of revenue and how those revenues are spent. In addition, those entities are directed to have made full and complete audits of the financial statements, and to file those audits and findings with the State Department of Education. That information is always available to the general public.

2. Swan Valley School District #92 – Trustee Zone Change

M/S (Luna/Westerberg): To approve the adjusted trustee zones for the Swan Valley School District as submitted. Motion carried unanimously.

Mr. Luna reviewed this item for the benefit of the Board. He noted that moving the zone will not affect their balance.

3. School District Property Transfer – Minidoka – Cassia

M/S (Luna/Agidius): To approve the proposed excision and annexation from Minidoka Joint School District to Cassia County Joint School District. Note: this motion was withdrawn.

M/S (Luna/Agidius): To approve the recommendation for the excision and annexation from Minidoka Joint School District to Cassia County Joint School District.

Substitute M/S (Thilo/Hall): To accept the report and the recommendation of the hearing officer's report and allow an election to take place regarding the proposal of the petitioner to go forward. Motion carried unanimously.

Mr. Luna introduced Julie Rushton from Jackson, Idaho to comment on this item. Ms. Rushton noted that the petition meets all the requirements of State Code. In addition, a hearing officer recommends approval of this request. Mr. Luna noted that the overriding reason to approve this item is so it can go to the citizens for their vote.

4. School District Property Transfer – Lakeland – West Bonner (Reed Petition)

M/S (Thilo/Luna): To accept the report and the recommendation of the hearing officer's report and allow an election to move forward in the excision and annexation request as presented. Motion carried unanimously.

Tonya Reed of Spirit Lake presented the facts related this proposal. The property transfer will benefit the children. She asked the Board to send this proposal onto an election.

5. Temporary and Proposed Rule- IDAPA 08.02.03.004 Rules Governing Thoroughness – Incorporation by Reference

a. Addition to the High School Math Content Standards

M/S (Luna/Thilo): To approve the Idaho Mathematics Course Standards for Secondary Mathematics courses to be incorporated by reference into rule. Motion carried unanimously.

Mr. Luna presented this item. He noted that the Board adopted additional math and science graduation requirements.

M/S (Luna/Agidius): To approve the temporary and proposed rule change to IDAPA 08.02.03.004., Rules Governing Thoroughness, to incorporate the Idaho Content Standards for Secondary Mathematics. Motion carried unanimously.

b. Revision to the Idaho Alternative Assessment Extended Content Standards

M/S (Luna/Hall): To approve the Idaho Extended Content Standards. Motion carried unanimously.

M/S (Luna/Agidius): To approve the temporary and proposed rule change to IDAPA 08.02.03.004. Rules Governing Thoroughness, to incorporate the Idaho Extended Content Standards. Motion carried unanimously.

Liz Compton of the State Department of Education was introduced. Mr. Luna thanked her for her hard work. Ms. Compton made brief comments on the effort that went into revising the Idaho Alternative Assessment Extended Content Standards. She thanked the teachers who were involved. She noted that this was a challenging effort because of the requirement to serve students with significant cognitive disabilities.

6. Appointment to the Curricular Materials Selection Committee

M/S (Luna/Thilo): To approve the request by the State Department of Education for the appointment of Patty Silvers to the Idaho State Curricular Materials Selection Committee. Motion carried unanimously.

M/S (Luna/Thilo): To approve the request by the State Department of Education for the appointment of Ann Stilwill to the Idaho State Curricular Materials Selection Committee. Motion carried unanimously.

7. Professional Standards Commission Appointments

M/S (Thilo/Agidius): To approve Deb Hedeon, Idaho State University, as a member of the PSC for a term of three years representing public higher education. Motion carried unanimously.

M/S (Thilo/Luna): To approve Becky Ford, Post Falls School District, as a member of the PSC for a term of three years representing school superintendents. Motion carried unanimously.

M/S (Agidius/Luna): To approve Bonnie Gallant, Boise School District, as a member of the PSC for a term of three years representing special education administrators. Motion carried unanimously.

M/S (Luna/Thilo): To approve Nick Smith, Deputy Superintendent, as a member of the PSC for a term of three years, representing the State Department of Education. Motion carried unanimously.

M/S (Agidius/Thilo): To approve Anne Ritter, Meridian School District, as a member of the PSC for a term of three years, representing the School Boards Association. Motion carried unanimously.

State Superintendent Luna presented this item. He noted that the appointment representing the Secondary Classroom Teacher position on the PSC will come before the Board at another time.

8. Temporary and Proposed Rule Change to IDAPA 08.02.02.060, Rules Governing Uniformity – Application Procedures/Professional Development

M/S (Luna/Westerberg): To approve the temporary and proposed rule change to IDAPA 08.02.02.060, Rules Governing Uniformity, Application Procedures/Professional Development. Motion carried unanimously.

9. Pleasant Valley Elementary District Out-of-State Tuition Waiver Requests

M/S (Luna/Hall): To approve the request as submitted by the Pleasant Valley Elementary School District #364 for an out-of-state tuition waiver for four years (2008-2009, 2009-2010, 2010-2011, 2011-2012). Motion carried unanimously.

ELECTION OF OFFICERS

M/S (Agidius/Thilo): To appoint Milford Terrell as President of the Board of Education for the coming term. Motion carried unanimously. Motion carried unanimously.

M/S (Thilo/Terrell): To appoint Paul Agidius as the Vice President of the Board for the coming term. Motion carried unanimously. Motion carried unanimously.

M/S (Terrell/Westerberg): To appoint Sue Thilo as the Secretary for the Board for the coming term. Motion carried unanimously.

OTHER BUSINESS

Board President Terrell reminded the Board that items to address in the future include discussion regarding higher education lobbyists, identifying who speaks for the Board during the legislative session, having various Board members serve as the fourth member of the Board's Executive Committee on a rotating basis, and bringing back to the June meeting a recommendation on the transfer of the GEAR-UP program to the State Department of Education.

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

M/S (Agidius/Luna): To adjourn the meeting at 4:15 p.m. Motion carried unanimously.