

1. Agenda Approval

Changes or additions to the agenda

2. Minutes Approval

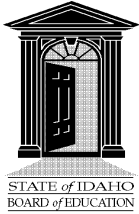
BOARD ACTION

To approve the minutes from the June 10, 2008 and June 19-20, 2008 Board meeting as submitted.

3. Rolling Calendar

BOARD ACTION

To approve August 20-21, 2009 as the date and Idaho State University as the location for the August 2009 regularly scheduled Board meeting.



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

**DRAFT MINUTES
STATE BOARD OF EDUCATION
June 18-19, 2008
Eastern Idaho Technical College
Health Care Education Building
Room 6261
Idaho Falls, Idaho**

A regular meeting of the State Board of Education was held June 18-20, 2008 at Eastern Idaho Technical College in Idaho Falls.

Present:

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

Kenneth Edmunds was able to join the meeting by phone, from Hawaii, for a few hours on the morning of June 19th

Absent:

Rod Lewis

The Board met at 4:40 p.m. on Wednesday, June 18, 2008, at Eastern Idaho Technical College for Executive Session. A roll call of members was taken. Members Hall, Agidius, Terrell, Thilo, Westerberg, and State Superintendent Luna were present.

M/S (Agidius/Thilo): To add an item for purposes of evaluating, dismissing, or disciplining of, or to hear complaints or charges brought against a public officer, employee, staff member or individual agent, or public school student to the Executive Session agenda. Motion carried unanimously.

EXECUTIVE SESSION

M/S (Agidius/Hall): To move into Executive Session pursuant to Idaho Code on Wednesday, June 18, 2008 at 4:45 to discuss the following:

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

- (3) A motion to hold an executive session pursuant to Idaho Code Sections 67-2345(b) for purposes of evaluating, dismissing, or disciplining of, or to hear complaints or charges brought against a public officer, employee, staff member or individual agent, or public school student.**

A roll call vote was taken: motion carried unanimously (Terrell, Agidius, Thilo, Hall, Westerberg, and Luna all voted Yes).

During Executive Session, the Board discussed and considered: (1) as Regents of the University of Idaho the potential acquisition by the University of Idaho of an interest in real property that is currently owned by private parties; (2) issues related to a matter of probable litigation; (3) issues related to the evaluation, dismissal, or disciplining of, or to hear complaints of charges brought against a public officer, employee, staff member or individual agent, or public school students.

M/S (Agidius/Hall): To go out of Executive Session. Motion carried unanimously.

On Thursday, June 19, 2008, the Board convened at 8:17 a.m. at Eastern Idaho Technical College in Room 6261 of the Health Care Education Building. Board President Terrell presided.

BOARDWORK

1. Agenda Approval

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

Amend the agenda to include a presentation on Rachel's Challenge, and move Tab 2 of Section 2 of the BAHHR (Business Affairs and Human Resources) agenda ahead of Tab1 of BAHHR-Section 2; and also move BAHHR-Section 2, Tab 27 after BAHHR-Section 2, Tab 1. Remove Tab 11(GEAR-UP) of the PPGAC (Planning, Policy, and Governmental Affairs) agenda from the agenda.

2. Minutes Review/Approval

M/S (Hall/Thilo): To approve the minutes from April 16-18, 2008 as submitted. Motion carried unanimously.

3. Rolling Calendar

M/S (Hall/Thilo): To approve June 17-18, 2009 as the date and North Idaho College as the location for the June 2009 regularly scheduled Board meeting. Motion carried unanimously.

ACKNOWLEDGEMENTS

Board President Terrell presented a plaque of appreciation to Bill Robertson, President of Eastern Idaho Technical College (EITC), who is retiring after 37 years at the College. He introduced Burton Waite who will be the Interim President of EITC.

Board President Terrell introduced Ann Stephens who is the new State Administrator for the Division of Professional-Technical Education. She replaced Dr. Mike Rush who is now the

Executive Director of the Office of the State Board of Education.

Board President Terrell presented a plaque of appreciation to Dr. Tim White of the University of Idaho (UI) who is leaving to take a position in California. He introduced Steven Daley-Laursen who has been appointed as the Interim President of UI. Board President Terrell announced that a search committee had been appointed for the UI President position.

Board President Terrell recognized Peter Morrill, General Manager of Idaho Public Television (IPTV) and noted that IPTV received the Silver Circle Award from the National Academy of Arts and Sciences. This is a highly respected and a most prestigious award.

OPEN FORUM

Kelly Cameron from Citidel Broadcasting, addressed the Board. He expressed concerns regarding the process that Boise State University (BSU) had followed in selecting Peak Broadcasting to announce its games. He urged the Board to require that BSU explain its rationale for selecting Peak Broadcasting over Citidel Broadcasting and suggested the Board should have BSU start the process over again.

Carol Ashton of Idaho State University's Nursing program addressed the Board. She noted that she was speaking on behalf of the Idaho Nursing Advisory Council which has been studying the nursing shortage. The Council made several recommendations including increasing funding for graduate and doctoral nursing programs. The Council will continue to identify additional strategies and recommendations.

CONSENT AGENDA

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

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

By unanimous consent, the Board approved the request by Boise State University for twenty-one (21) new positions (19.0 FTE); term, salary, FTE change to two (2) positions (2.0 FTE); and deletion of six (6) positions (5.75 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 eighteen (18) new positions (16.5 FTE).

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

By unanimous consent, the Board approved the request by the University of Idaho to establish fourteen (14) new positions supported by appropriated and non-appropriated funds.

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

By unanimous consent, the Board approved the request by Lewis-Clark State College for fourteen (14) new positions (14.0 FTE), one (1) change in position (.5 to 1.0 FTE), and the deletion of one (1) position (1.0 FTE).

5. FY 2008 Room and Board Rates

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

This is an information item only.

6. IRSA – Quarterly Report – Program Changes Approved by the Executive Director

This is an information item only.

7. PPGAC – Alcohol Permits Issued by University President

This is an information item only.

INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS

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

President Tim White introduced Dean Donald Burnett and Chief Justice Eismann to speak to this item. Steve Laursen indicated that this initiative will continue to be a high priority as he takes over as the Interim President.

Dean Burnett explained that today's progress report is a continuation of the discussion regarding the concept of unifying Idaho with one law school in two locations. The implementation plan will be presented to the Board in August.

Chief Justice Eismann discussed the proposed Idaho Law Learning Center. He reported that the Law Library is being relocated because the courts and judges need more space for their offices at the present location. The Law Library is currently in temporary facilities and has had to be downsized considerably. He explained that since the Law Library has to be relocated, it is a good time to look at connecting it to the UI Law School. Chief Justice Eismann indicated that the courts are moving forward with their plans and encouraged the Board to seriously consider the benefits of having a law school located in Boise.

Dean Burnett emphasized that having a second law school in Boise would not undermine or detract from the programs, courses, degrees, or educational opportunities at the UI College of Law in Moscow. Core courses will be offered at each location with an emphasis on professional values and ethics. Subject-area specialties will be offered at each location to avoid undue duplication.

State Superintendent Luna indicated that Board member Lewis had expressed some concerns via email. He urged the UI to review those concerns prior to preparing a proposal for the August Board meeting. Board member Hall pointed out that he had noticed funding will be through private donations, student fees, and funding from the Legislature. He asked for something in writing from the Legislature that verifies it does support this plan and do plan to finance it. He

asked for information on the long-term commitments of private donors as well. Board member Westerberg indicated that he looks forward to reviewing the cost-benefits analysis. He asked for a ratio study to be done as well that shows how this plan will benefit the University.

2. Modification of Existing Program: New Delivery Method and Funding Structure – Bachelor of Science in Nursing, Distance Delivery, Self-Support – Boise State University

M/S (Thilo/Hall): To approve the request by Boise State University to offer its existing Bachelor of Science in Nursing via distance delivery method using a self-support funding method. Motion carried unanimously.

Board member Thilo noted this is not a new program and it is fully approved by CAAP.

3. Dual Credit Update

Selena Grace of the Board office updated the Board on this item. Board member Thilo complimented the existing dual/concurrent credit coordinators who have met on an ongoing basis. She noted that this is a high priority item and thanked the Ms. Grace for the information provided in the agenda materials.

State Superintendent Luna indicated that the majority of members of the task force have been identified. Several more will be appointed as well. The intent is to present one plan to the Governor and the Legislature this year.

4. Idaho/Washington Reciprocity Agreement

M/S (Thilo/Agidius): To direct staff to continue working with the Washington Higher Education Coordinating Board to renew a one-year reciprocity agreement with the State Board of Education, and direct staff and institutions to continue reviewing this matter related to fee waivers and report back to the Board with proposed solutions. Motion carried 6-1 (Hall voted nay).

Board member Thilo reviewed this item and explained that her motion extends the current agreement by one year and instructs staff to find additional institutions in Washington that would work with Idaho. She indicated that the students of Idaho will benefit from this agreement and explained that Washington has other mechanisms in place for granting waivers to out-of-state students. She noted that Idaho needs to modify its current waiver plan to address how Idaho can better recruit Washington students. She emphasized that should the Board decide not to extend the agreement for one more year, it would compromise the students currently enrolled. Dana Kelly of the Board office indicated that staff is looking at ways to attract more Washington students to Idaho.

Board member Hall indicated that he was concerned that, on the Washington side, only Walla Walla had agreed to the one-year extension. He wanted that fact noted. Board President Terrell indicated he had a similar concern.

Lewis-Clark State College Provost Fernandez reported that the colleges and universities in Idaho value this reciprocity agreement. He explained that, without this reciprocity agreement, Idaho would lose about 100 students. He reiterated that Washington offers reciprocity outside of this agreement through other types of waivers and mechanisms, therefore additional opportunities exist for Idaho students beyond this one agreement.

Dana Kelly explained that there are a number of Washington students in the Idaho system as a result of this agreement and they would be harmed as well. Many of those Washington students would leave Idaho altogether if this reciprocity agreement is not renewed, adversely impacting Idaho. Provost Fernandez noted that a number of Washington students do take advantage of Idaho schools because they live on, or close to the border. Board member Agidius concurred.

Provost Fernandez noted that the institutions can provide waivers outside of this agreement, but there are limits and qualifiers that limit the numbers and kinds of students Idaho can accept or give waivers to. He encouraged the Board to take a serious look at that particular issue.

5. Native-American Higher Education Committee Update

Selena Grace of the Board office reported on this item. Board member Thilo encouraged feedback from the Board members to the Committee. Board member Hall asked if the Tribes have been contacted about using revenue from their casinos to set up scholarships for their students. Board member Thilo noted that in Northern Idaho, the CDA Tribe is extremely generous with North Idaho College and the schools in the Panhandle area. She also pointed out that Board member Agidius will be chairing the Committee. He agreed to pursue that point with the Committee.

6. Recognition of Stevens-Henager College's Accrediting Agency

M/S (Thilo/Agidius): To recognize the Accrediting Commission of Career Schools and Colleges of Technology (ACC SCT) as an approved accrediting organization for the purpose of registering Stevens-Henager College as a postsecondary education institution with the Office of the State Board of Education. Motion carried 6-0 (Luna absent during the vote.)

Board member Thilo presented this item.

At this time Board member, Ken Edmunds was excused and disconnected from the phone.

7. Idaho English Language Assessment (IELA) Contract Extension

M/S (Thilo/Agidius): To approve a one (1) year contract renewal with the Office of the State Board of Education and Questar Assessment, Inc., at a cost of \$595,193 in substantial conformance to the form submitted. Motion carried unanimously.

Board member Thilo presented this item and indicated that this vendor has performed well and that there is no reason to not use them again.

8. Distribution of \$500,000 for Advanced Opportunities Training

M/S (Thilo/Hall): To approve the plan designed by the Department of Education and the State Board of Education staff to allocate \$500,000 to Idaho's LEAs for teacher training in advanced learning opportunities for students. Motion carried unanimously.

9. Advanced Placement Test Fee Waiver Program

M/S (Thilo/Agidius): To transfer all oversight and implementation activities for the

Advanced Placement Test Fee Waiver Program to the Department of Education. Motion carried unanimously.

State Superintendent Luna noted that this transfer is supported by the Department of Education and that it will be seamless.

10. Update on the Deaf/Hard of Hearing and Blind or Visually Impaired Delivery Model Recommendations

Board member Thilo presented this item. She noted a service delivery model has yet to be developed. She explained that the agenda materials include a summary report. A summit is scheduled to be held July 31-August 1, 2008 to maximize group cohesion and understanding of the complexity of the issues. She urged all the Board members to be in attendance if possible. She emphasized that this is to be an inclusive effort. Participants are required to come prepared with an understanding of what has been done to date.

11. Approval of the Idaho Accountability Workbook

M/S (Thilo/Westerberg): To approve the changes in Board Rule to approve the proposed amendments and ratify the entire Consolidated State Application Accountability Workbook.

State Superintendent Luna clarified that the motion includes only what is included in the agenda. Board member Thilo affirmed that.

PLANNING, POLICY, AND GOVERNMENTAL AFFAIRS

1. Presidents' Council Report

President Art Vailas of Idaho State University presented the Presidents' Council report. He noted that the Council had discussed a partnership with the Veterans' Administration (VA) and encouraged Board support for a medical resource center. The Council noted that while the Higher Education Research Council has leveraged non-state dollars for Idaho, the institutions need additional funds in order to be competitive. The Council thanked Dr. Mike Rush for his leadership of the Board staff and, in particular, his efforts in helping to address the challenges the institutions face in implementing an academic calendar that works more effectively and is more timely for what the institutions need to accomplish. The Council will have its August Retreat in Twin Falls and will look at a number of issues including planning, benchmarking, and more transparency in higher education. Dr. Vailas concluded by introducing Dr. Jerry Beck of the College of Southern Idaho as the new chair of the Presidents' Council for the coming year.

Dr. Bob Kustra of BSU commended and recognized Dr. Tim White and thanked him for the excellent collaborative relationship they have enjoyed the past four years. Dr. Kustra and the Presidents' Council wished Dr. White the best.

Dr. Tim White briefly addressed the Board and encouraged it to be aware of the issues. He spoke about the WWAMI program and medical education in Idaho. Dr. White noted that one of his tasks in California is to build a medical school. He offered to work with Idaho in the future on their efforts in that regard given that he will have gained significant experience.

2. Eastern Idaho Technical College Report

Mr. Bill Robertson made his final presentation to the Board. He began by pointing out that the Board meeting was taking place in the new Health Education Building. He thanked the Board for their long support and encouragement over the years in getting this facility built.

Mr. Robertson discussed EITC's mission to provide superior education services in a positive learning environment that supports student success and regional workforce needs. He went on to highlight various programs, services, and planning efforts. EITC's enrollments have been stable over the last several years with the Workforce Training area be the predominate area of enrollments.

Mr. Robertson took a few minutes at the end of his presentation to thank the Board for their support throughout his term as President. He thanked the Board for their recognition of EITC's niche in the educational spectrum. He thanked Board member Hall in particular for his support.

Board President Terrell thanked Mr. Robertson for his hard work and his long tenure at the College. Board member Hall thanked Mr. Robertson for his great success in moving the College forward and all of the partnerships, collaborative efforts, and successes that were accomplished under his leadership.

3. Idaho Public Television Progress Report

Peter Morrill of Idaho Public Television (IPTV) reported to the Board. He noted that the federally mandated Analog Shut-Off date is only 243 days away. It has been a 14-year process by the federal government. Idaho is virtually complete with the digital conversion process.

Mr. Morrill discussed the IPTV's FY 2010 budget process and noted one component of the FY 2010 budget request related to the facility used for Idaho Reports and its potential move to the basement of the J.R. Williams Building. IPTV will need to fund upgrades to that facility and a placeholder has been put in place by IPTV for that item.

Mr. Morrill observed that Idaho Legislature Live was successful this past year as it provided a C-SPAN like coverage of a number of meetings by the Legislature. He also reported that IPTV has put together a documentary of Barbara Morgan's longtime quest to go into space. He showed a portion of the documentary for the Board.

Mr. Morrill reported that approximately 60% of IPTV funds come from voluntary contributions, major gifts, grants, and sponsorships. About 24% comes from the State General Funds for the maintenance and administration of the system; none of that is used for programming. IPTV receives the least amount of state support of any other statewide television system. The Friends of Public TV provides significant support as well.

Board member Hall thanked Mr. Morrill and encouraged the other Board members to take time to visit IPTV.

4. Idaho Digital Learning Academy Annual Report

Donna Vakili of the Idaho Digital Learning Academy (IDLA) reported to the Board. She noted IDLA is recognized as a quality program which was created to serve as a supplement, not a replacement, to education. It gives Idaho students a choice. IDLA served 6,619 students in 2007-2008 and projects serving 8,600 students in 2008-2009. IDLA's Advanced Placement

numbers are growing as well. A number of new courses are being offered in 2008-2009 such as Mandarin Chinese, several new AP courses, and additional math courses.

IDLA has 190 teachers and they are 100% highly qualified in their content area and hold Idaho teaching credentials. Independent evaluations of the program are conducted throughout the year. IDLA benefits Idaho in a number of ways. It reduces dropout cost, serves homebound students, and provides services to rural communities in terms of electives, AP and Concurrent Credit, and Credit Recovery for students who wouldn't be able to access such things any other way. IDLA assists students by increasing the opportunities for early graduation.

Some challenges for IDLA include recruitment and retention of highly qualified teachers, maintaining growth and quality, local technology, structure and support restrictions, and increasing awareness on the part of students and parents that IDLA is a viable choice.

Board President Terrell asked the Presidents' Council to appoint someone to work with IDLA so that the colleges and universities can be of help.

5. Reappointment of Idaho Board of Library Commissioners Appointment

M/S (Hall/Agidius): To approve the reappointment of R. Bruce Noble to the Idaho Board of Library Commissioners for a term beginning July 1, 2008 and ending June 30, 2013.
Motion carried unanimously.

6. Approval of University of Idaho Alcohol Waiver Request for 2008 Home Football Games

M/S (Hall/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 2008 home football season, such events to be in compliance with Board policy Section I.J, and the following conditions:

- (1) These service area shall be secure, and surrounded by a fence to control access to and from the game.**
- (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 a 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 no more than two entry points, each 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 the 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 2008 home football games, including the sales and service of alcohol.**
- (11). This exception is only for the 2008 football season; the University shall bring the**

matter back to the Board after the conclusion of the 2008 football season for reconsideration for 2009.

Motion carried unanimously.

At this time Board member Hall was excused from the meeting for a length of time. Board member Agidius took over his agenda items.

7. Temporary/Proposed Rule Change – IDAPA 08.02.03.111 – Assessment in the Public Schools

M/S (Westerberg/Luna): To waive the requirement for second grade ISAT testing as established in IDAPA 08.02.03.111.06(c) for the 2008-2009 school year. Motion carried 5-0 (Hall excused absent).

M/S (Westerberg/Thilo): To waive the requirement for ninth grade ISAT testing as established in IDAPA 08.02.03.111.06(j) for the 2008-2009 school year. And to direct staff to develop a budget item for 9th grade testing as part of the budget request that goes to the Legislature in 2009. Motion carried 5-0 (Hall excused absent).

M/S (Luna/Agidius): To waive the fall ISAT as established in IDAPA 08.02.03.111.07 requirement for the 2008-2009 and eliminate offering the test for fall 2008. Motion carried 5-0 (Hall excused absent).

M/S (Agidius/Luna): To approve the Temporary and Proposed Rule change to IDAPA 08.02.03.111.04 to include the science requirement for first year LEP students, effective August 15, 2008. Motion carried 5-0 (Hall excused absent).

Board member Agidius asked State Superintendent Luna to lead the discussion on this item. Mr. Luna explained that the committee that was formed met numerous times and conducted a sweeping survey related to the value of assessments. A number of recommendations and proposals came out of that committee. He and Mr. Westerberg served on that committee.

One of the recommendations from the committee dealt with second grade ISAT and whether to permanently eliminate it, or just waive it for another year. In any case, there are financial restrictions that make it impossible to conduct the test next year. Mr. Luna and Board member Westerberg both indicated that the committee recommended the elimination of the test. Mr. Westerberg noted that the committee was clear that it did not feel there was any value in terms of the cost of the second grade test.

Mr. Luna explained that a longitudinal data system that is being put together could use the data that comes from the second grade test. For that reason he recommended waiving, rather than eliminating, the test for another year. Mr. Luna and Mr. Westerberg agreed that there is not a downside to waiving the test at this time.

State Superintendent Luna made a similar argument related to the 9th grade ISAT test and asked that it be waived for one more year. Board President Terrell asked the motion include putting the 9th grade test into the financial package for the budget request so that the Legislature understands that the Board wants it.

State Superintendent Luna discussed the problems with the fall ISAT which include the timing of the test and the fact that it is not a growth or adaptive test. Nor is it an analysis. All of these

things lessen its value. If the fall test is eliminated it saves about \$400,000. If it is optional and just one school decides to use it, there is no cost-savings. Mr. Luna recommended eliminating the ninth grade ISAT. Board member Westerberg indicated that the committee recommended making the test optional. He agreed with Mr. Luna that even if only one school uses it, it will cost significant funds. He suggested waiving it for a year.

Scott Christie of the Board staff explained how the elimination of the fall ISAT would impact the current budget request. Matt Freeman of the Legislative Service Office was invited to address that point. Mr. Freeman indicated that when the Board and State Superintendent met with the legislative co-chairs, they indicated that they would be open to reconsidering the fall test. There is currently, in the base a line for fall testing so the question would be whether or not that money could be re-directed to 9th grade testing. The Board would need to keep in mind that it would need to increase the request to take into consideration the additional amount that would be required.

8. Temporary/Proposed Rule Change – IDAPA 08.01.04 – Rules Governing Residency Classification

M/S (Agidius/Westerberg): To approve the Temporary and Proposed Rule Governing Residency Classification, IDAPA 08.01.04, effective August 1, 2008. Motion carried 5-0 (Hall excused absent).

9. Proposed Rule Change – IDAPA 08.02.04.300 – Rules Governing Public Charter Schools

M/S (Agidius/Luna): To approve the proposed rule change to IDAPA 08.02.04.300.03, Rules Governing Public Charter Schools, defining minimum requirements for charter schools' annual programmatic operations audits. Motion carried 5-0 (Hall excused absent).

10. Proposed Rule Change – IDAPA 47.01.01 – Rules of the Division of Vocational Rehabilitation

M/S (Agidius/Luna): To approve the proposed rule change to IDAPA 47.01.01, clarifying language regarding the Field Service Manual, and adding requirements for provider transparency. Motion carried 5-0 (Hall excused absent).

11. PULLED

12. Institutional/Agency 2008 Strategic Plans

M/S (Agidius/Westerberg): To approve the 2009-2013 Institution, Agency, and Special/Health Program Strategic Plans as submitted. Motion carried 5-0 (Hall excused absent).

Dr. Rush thanked Board staff and the institutions for their hard work in pulling all of these items together in consistent form. In explaining why some institutions had deviated from the plan, Tracie Bent of the Board office indicated that some of the institutions were unable to conform to the requested formatting in the time allowed. They will be able to do so next year.

13. Institution/Agency 2008 Performance Measures

This is an information item only.

14. 2009 Legislative Ideas

M/S (Agidius/Westerberg): To approve all three (3) legislative ideas as submitted, and to direct staff to submit proposals through the Governor's legislative process. Motion carried 5-0 (Hall excused absent).

Board member Agidius presented this item and briefly reviewed each idea.

AUDIT COMMITTEE1. Audit Committee Update

Board member Thilo presented this item. She noted that the Audit Committee is working on the charter to address specific issues. The charter will come before the Board in August. The Audit Committee unanimously approved the 2008 audit fees and has also been working with all of the institutions to identify primary foundation operating agreements.

Board President Terrell pointed out that the Audit Committee needs three people with accounting expertise, and who have no connection or relationship to any of the institutions. He asked the Board members to think about who might be added to the committee.

BUSINESS AFFAIRS AND HUMAN RESOURCES**Section I – Human Resources**1. Boise State University – Request for New Position Appointment – Distinguished Educator in Residence

M/S (Westerberg/Agidius): To approve the Distinguished Educator in Residence position. Motion carried 5-0 (Hall excused absent).

BSU President Dr. Robert Kustra presented this item. He explained that having Barbara Morgan back in Idaho will have a positive impact on Idaho. Her husband Clay Morgan, a successful novelist, is also joining the BSU faculty. The funding for Ms. Morgan's first year is from money set aside from the Fiesta Bowl revenues.

2. Boise State University – Employment Contract – Distinguished Educator in Residence

M/S (Westerberg/Thilo): To approve the request by Boise State University to enter into a four-year contract with Barbara Morgan as Distinguished Educator in Residence, in substantial conformance to the form submitted to the Board, and to authorize the President of Boise State University to execute the contract. Motion carried 5-0 (Hall excused absent).

3. Boise State University – Employment Contract – Head Men's Basketball Coach

M/S (Westerberg/Agidius): To approve the request by Boise State University to enter into a long term employment agreement as submitted with Greg Graham as Head Men's Basketball Coach. Motion carried 5-0 (Hall excused absent).

Kevin Satterlee of BSU presented this item. He reported that changes in the contract have to do

with limitations on the five-year cap. State Superintendent Luna noted he was impressed with the original contract because it was based on performance. He asked that, in the future, that the Board look at the language that limits the contracts to five years.

Board President Terrell appointed Board member Agidius to be the contact person to work with State Superintendent Luna to look at that issue. As a side note, Board President Terrell recommended looking at multi-year contracts for the Presidents as well.

4. Idaho State University – Employment Contract – Head Women’s Volleyball Coach

M/S (Westerberg/Thilo): To approve the request by Idaho State University for a multi-year employment agreement as submitted for Chad Teicher, the Head Women’s Volleyball Coach (1.0 FTE). Motion carried 5-0 (Hall excused absent).

5. Idaho State University - Employment Contract – Head Women’s Basketball Coach

M/S (Westerberg/Thilo): To approve the request by Idaho State University for a multi-year employment agreement as submitted for Seton Sobolewski, the Head Women’s Basketball Coach (1.0 FTE). Motion carried 5-0 (Hall excused absent).

BAHR - Section II – Finance

2. Idaho National Laboratory Update -- Center for Advanced Energy Studies (CAES) (this item was moved up in the agenda)

Harold Blackman, Interim Director for CAES, briefly reported on the progress of the Center for Advanced Energy Studies. He noted that the building is progressing well. Other funds have been procured which will help complete the building and also to equip the building. In terms of what is happening inside the Center, about five years ago Idaho had ten or fewer students enrolled in nuclear energy engineering and education. That is turning around and this Center is one of the reasons.

In regards to the funding picture, the Laboratory is continuing to invest approximately two million dollars per year towards procuring equipment. In addition, the Department of Energy is also providing support as well. Over the next year the programmatic funding will be about three million dollars.

1. FY 2009 Allocation – Center for Advanced Energy Studies (CAES)

M/S (Westerberg/Agidius): To allocate the \$1,603,100 FY 2009 legislative appropriation for the Center for Advanced Energy Studies contained in House Bill 610 to Boise State University, \$512,700; Idaho State University, \$692,900; and University of Idaho, \$397,500. Motion carried 5-0 (Hall excused absent).

27. FY 2009 Center for Advanced Energy Studies – CAES (this item was moved up in the agenda)

M/S (Westerberg/Luna): To approve the request by Boise State University, Idaho State University, and the University of Idaho to expand the budget approval for the CAES building in Idaho Falls to authorize application of two million dollars of additional INL Settlement proceeds to the project as set out in the joint letter of the presidents of these

three institutions dated December 14, 2007. Motion carried 5-0 (Hall excused absent).

3. NCAA Academic Progress Reports

Board member Westerberg presented this information.

4. FY 2008 Intercollegiate Athletic Reports

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

Board member Westerberg presented this information item.

Board member Hall returned at this time.

5. FY 2009 Student Health Insurance

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

Board member Westerberg presented this information item and noted that the health insurance issue for UI came before the Board in April.

6. FY 2009 Operating Budgets

M/S (Westerberg/Agidius): To approve the FY 2009 operating budgets for the Office of the State Board of Education, Idaho School for the Deaf and Blind, Idaho State Historical Society, Idaho Commission for Libraries, Idaho Public Television, Division of Vocational Rehabilitation, College and Universities, Postsecondary Professional-Technical Education, Agricultural Research/Extension, Health Education, and Special Programs. Motion carried unanimously.

Board member Westerberg presented this item.

7. FY 2010 Line Items

M/S (Westerberg/Hall): To accept the Line Items requests from the agencies and institutions and to direct the Business and Human Resources Committee, in cooperation with the Division of Financial Management and the agencies and institutions, to develop a list of Line Items in priority order to be approved at the August Board meeting. Motion carried unanimously.

Board member Westerberg presented this item. He noted that work on these items needs to continue and the motion indicates that as well. Board President Terrell observed that the institutions need to be quick in getting details to the Board if there are additional requests that need to be considered. This comment was in regards to the presentation made during Open Forum related to the nursing program.

8. University of Utah Contract

M/S (Westerberg/Thilo): To approve the three-year contract between the University of Utah School of Medicine and the State Board of Education as submitted. Motion carried unanimously.

Board member Westerberg presented this item.

9. Boise State University – Boise Office Equipment Sponsorship

M/S (Westerberg/Thilo): To approve Boise State University's request to enter into a corporate sponsorship agreement with Boise Office Equipment in accordance with the terms in the attached final draft of the agreement. Motion carried unanimously.

Board member Westerberg presented this item.

10. Boise State University – Dodge Sponsorship

M/S (Westerberg/Agidius): To approve Boise State University's request to enter into a corporate sponsorship agreement with Northwest Dodge Dealers in accordance with the terms in the attached final draft of the agreement. Motion carried unanimously.

Board member Westerberg presented this item.

11. Boise State University – Law Enforcement Contract

M/S (Westerberg/Thilo): To authorize Boise State University to enter into a law enforcement and security services annual contract with the Boise Police Department, not to exceed \$807,664, with the option of three (3) one-year extensions, not to exceed \$3,378,963 over the life of the contract. Motion carried unanimously.

Board member Westerberg presented this item.

12. Boise State University – Peak Media Agreement

M/S (Westerberg/Hall): To approve the request by Boise State University to enter into a two-year radio rights broadcasting agreement with Peak Broadcasting pending State Board of Education legal review and Executive Director approval of the final negotiated agreement. Motion carried unanimously.

Board member Westerberg presented this item. Board member Hall noted he was seconding the motion because he wanted discussion on this item based on the comments made during Open Forum. A lengthy discussion followed.

President Kustra reported he was personally involved in the process and that an objective ranking and rating system was used to evaluate the bids. BSU's attorney, Kevin Satterlee, reviewed the ranking to make sure it was fair. The entire process was carefully vetted among staff that had expertise in the area. Dr. Kustra emphasized that BSU had done everything possible to make sure the entire process was transparent and above-board.

In discussing the various points, Dr. Kustra and Kevin Satterlee gave several examples as to why BSU selected Peak Broadcasting. Dr. Kustra explained that one advantage of Peak's proposal is that it could extend coverage across the state and beyond the state. KBOI, under

Citadel, could not. On another point, while Citadel put a value on a Saturday morning radio program, BSU did not because BSU had tried that previously and found it didn't work because it put an additional burden on BSU players and faculty. Also, Citadel's bid included ticket giveaways and the promotion of those tickets which benefited the radio station, but was not of value to BSU.

Mr. Satterlee pointed out that the scoring was close, but Peak ranked higher by a few points. He explained that the RFP asked for ideas as to how the company would promote BSU athletics. One of the items BSU required was that the winning bidder had to agree that, during BSU programs, the company would not take advertisements from competing entities. Peak agreed to do that, but Citadel did not.

Mr. Luna suggested that the Board is bound to look for the most revenue that would be generated for the institution. Board member Hall clarified that it is the total value of the package, not just the revenue generated, which needs to be considered.

Board member Hall asked if the criteria had been weighted. Mr. Satterlee indicated that all the criteria carried equal weight. He explained that Peak rated higher on some and Citadel rated higher on others, but overall, Peak came out ahead.

Board member Hall noted that Citadel put a dollar value on what their proposal would bring to BSU and BSU had to decide if those calculations were the same. Mr. Satterlee explained that Peak offered post-season incentives that are worth more to the institution than Citadel's bid. Citadel's proposal was more without the post-season incentives, but did not speak at all to post-season incentives.

Board member Hall asked about airtime estimates. Mr. Satterlee explained that BSU operates under State Board policy that requires the institution to maximize the returns in revenues, assets, or benefits. In putting a dollar value on the airtime to carry the games all throughout the state, BSU had to weigh the breadth of Citadel's coverage versus what Peak could offer. Mr. Satterlee noted again that BSU looked at the overall bid. In addition, BSU believes that it will play some post-season games which will provide more cash to the University.

Dr. Kustra noted the committee members did the scoring independently and still came up with very similar results. He indicated that while he was lobbied by several of the bidders to give them the contract, Peak was not one of them. Dr. Kustra reiterated that BSU took great care to make sure the University distanced itself from every possible perception of wrong-doing.

Based on the details presented by BSU, Mr. Luna indicated he would be voting in favor of the motion.

Rachel's Challenge Presentation

At this time the Board interrupted its regular agenda to hear a presentation on Rachel's Challenge by Doug Armstrong General Manager of KTVB in Boise, Idaho.

Mr. Armstrong talked about Rachel's Challenge and the March for Youth that KTVB promoted to deliver a community-wide message of antiviolenace and anti-bullying. This all came about as a result of the murder of Rachel Scott in the shootings at Columbine High School in Colorado. The desire was to create a community environment that had a positive impact on students, schools, and the entire community. Mr. Armstrong noted that this was a school-assembly

program and he asked the Board to encourage all of the schools and districts in Idaho to promote the program. He promised that the media would be a partner in the effort statewide.

Mr. Luna thanked Doug Armstrong and KTVB. He noted that KTVB has been a long-time promoter of quality programs for youth. Mr. Luna indicated that a repeated concern and comment he hears from the schools and students has to do with school and student safety. He encouraged the Board to support this effort statewide.

M/S (Agidius/Hall): To endorse the community action program known as Rachel's Challenge: A program that commits students, their parents and families to make a difference in their lives, to pay-it-forward, and know that as a result, our communities, our schools, and our lives will be better. Motion carried unanimously.

At this time the Board returned to its regular agenda

13. Boise State University – Center for Environmental Science and Economic Development Project

M/S (Westerberg/Thilo): To approve Boise State University's request to proceed with construction of the Center for Environmental Sciences and Economic Development for a total project cost not to exceed \$42,889,642. The University may not proceed with construction of this project prior to Board approval to issue debt. Motion carried unanimously.

Stacy Pearson of BSU presented this item. She noted that BSU anticipates this will be a five-story, interdisciplinary center. BSU is seeking approval to proceed with construction which includes preparing the bid documents and going to the Division of Public Works. The finance plan will be brought back to the Board at a later date for its consideration and approval.

14. Boise State University – American Campus Communities – Student Housing Update

Stacy Pearson of BSU discussed the demand for student housing. It is an update on a previously discussed item. Ms. Pearson noted BSU had issued a request for information to have a private entity build student housing on BSU property utilizing a ground-lease. They have found a partner who has done this kind of work before at Arizona State. The partner is American Campus Communities. This item will come back to the Board for approval sometime in the fall.

15. Idaho State University – Emergency Notification System

M/S (Westerberg/Agidius): To approve Idaho State University's request to exchange two approved DPW Alteration and Repair projects for two emergency notification projects for the Pocatello and Idaho Falls campuses. Motion carried unanimously.

16. University of Idaho – Auen Property Acquisition

M/S (Westerberg/Agidius): To approve the acquisition of a five acre parcel adjoining the Nancy M. Cummings Research, Extension and Education Center near Salmon, Idaho, and to authorize the University of Idaho's Vice President for Finance and Administration to execute the conveyance deed in substantial conformance to the form submitted to the Board as Exhibit B in the Purchase and Sale Agreement (Attachment 1). Motion carried unanimously.

Lloyd Mues of the University of Idaho presented this item. He noted that the College of Agriculture has the funds on hand to purchase this property.

17. University of Idaho – Transit Services Agreement

M/S (Westerberg/Hall): To authorize the University to take such actions necessary to complete the contract between University of Idaho and Wheatland, 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. Motion carried unanimously.

Lloyd Mues presented this item to the Board. Funds from student activity fees will be used along with funds from UI and Washington State University. He noted that the current agreement expires August 2008. He explained that the reduction in services is based solely on the cost of fuel.

18. University of Idaho – Health and Welfare Benefits Consulting Services Contract

M/S (Westerberg/Thilo): To approve the agreement between the University of Idaho and Buck Consultants, LLC, in substantial conformance to the form submitted to the Board in Attachment 2, and inclusive of the (1) University of Idaho Request for Proposals Number 08-16J; (2) Buck Consultants, LLC's response dated October 24, 2007; and (3) University of Idaho General Terms and Conditions. Motion carried unanimously.

At this time Board member Hall was excused to take a conference call. Item 19 was delayed until his return.

19. University of Idaho – Harbor Center Lease (this item was delayed until the end of the meeting)

20. University of Idaho - -West Virginia University and IRF Agreement

M/S (Westerberg/Agidius): To approve the agreement between the UI and West Virginia University, in substantial conformance to the form submitted to the Board in Attachment 1. Motion carried 5-0 (Hall excused absent).

21. University of Idaho – Renovation of SUB Ballroom

M/S (Westerberg/Agidius): To approve the request by the University of Idaho to implement the planning, design, and construction of a Capital Project for the renovations and improvements of the Student Union Building Ballroom, University of Idaho, Moscow, Idaho, in the amount of \$1,000,000. Authorization includes the authority to execute all necessary and requisite consulting, construction, and vendor contracts to fully implement the project. Motion carried 5-0 (Hall excused absent)

Lloyd Mues presented this item.

22. University of Idaho – Renovation of Recital Hall – Music Building

M/S (Westerberg/Agidius): To approve the request by the University of Idaho to execute

all necessary contracts in support of design for the renovations of the Music Building Recital hall in an amount not to exceed \$157,500. This approval is contingent upon passage of the supplemental bill currently before Congress to modify use of the existing HUD grant funding held by the University. Motion carried 5-0 (Hall excused absent).

Lloyd Mues presented this item which had to do with the use of HUD money that the UI received years ago. It appears that the UI will receive permission from the federal government to use those funds. If that turns out not to be the case, then the project will not proceed. However, the UI does need to show intent to use these funds before the end of the fiscal year. Board President Terrell emphasized that both requests are contingent upon passage of the supplemental bill by Congress.

23. University of Idaho – Improvement to Archival Facilities – Library

M/S (Westerberg/Luna): To approve the request by the University of Idaho to execute all necessary contracts in support of a \$1,433,186 project to design and renovate the Lionel Hampton International Jazz Collection archival space within the Library. This approval is contingent upon passage of the supplemental bill currently before Congress to modify use of the existing HUD grant funding held by the University. Motion carried 5-0 (Hall excused absent).

Lloyd Mues presented this item. Mr. Mues noted that the UI will bring these projects back to the Board before they move forward.

24. University of Idaho – ICLES (Dairy) Update

Lloyd Mues presented this item.

25. University of Idaho – Settlement Agreement

M/S (Westerberg/Luna): To approve the settlement terms discussed in executive session, as set forth in the written settlement agreement presented to the Board in open session, and to authorize the President of the Board to execute the settlement agreement. Motion carried 5-0 (Hall excused absent)

26. Opportunity Scholarship

M/S (Westerberg/Luna): To approve the maximum amount of the Idaho Opportunity Scholarship, to be \$3,000 per year (\$1,500/semester) for those applicants who are selected to receive or renew the Idaho Opportunity Scholarship for the Fiscal Year July 1, 2008 – June 30, 2009. Motion carried 5-0 (Hall excused absent)

M/S (Westerberg/Agidius): To set the Cost of the Attendance to be used in the formula that determines the award for the Opportunity Scholarship at a maximum of \$16,500 for the FY 2009 academic year. Motion carried 5-0 (Hall excused absent)

M/S (Westerberg/Agidius): To approve the student contribution for the FY 2009 academic year at \$5,000, and to accept the Federal Academic Competitiveness and Smart grants along with other student-initiated scholarships and non-institutional and non-federal aid as part of the student contribution. In cases where further clarification is needed to determine whether aid counts towards the student responsibility, the Board appoints the

Student Affairs Program Manager or the designee of the Executive Director, to make these determinations on behalf of the Board. Motion carried 5-0 (Hall excused absent)

Board member Westerberg presented this item.

27. FY 2009 Center for Advanced Energy Studies – CAES – moved up in the agenda

28. Acquisition of Properties – LCSC

M/S (Westerberg/Luna): To approve the request by Lewis-Clark State College (LCSC) to negotiate with the owners of the properties at 1014 4th St., 1024 4th St, and the leased property on Lots 5, 6, and 7, Block 2, Holcomb's First Addition, Lewiston; and to approve the attached resolution authorizing LCSC to acquire fee title to the third-names property (Lots 5, 6, and 7) by condemnation under the provision of Idaho Code should the President of LCSC determine that such action is necessary. Motion carried 5-0 (Hall excused absent)

DEPARTMENT OF EDUCATION

1. Superintendent Update

Tom Luna commented briefly.

2. Administrative Staff Allowance Waiver Requests to Meet Accreditation Standards

M/S (Luna/Agidius): To approve the request by the Moscow School District #281 for additional administrative staff to meet accreditation standards to be funded by the FY 2008 Public School appropriation in the amount of \$26,966.82. Motion carried 5-0 (Hall excused absent)

3. Evidenced-Based Intervention Tool for the Idaho Math Initiative

M/S (Luna/Thilo): To approve the adoption of Evidence-Based Intervention math curricular materials and their related instructional materials as recommended by the Curricular Materials Selection Committee as submitted. Motion carried 5-0 (Hall excused absent)

4. Curricular Materials Selection Committee Appointment

M/S (Luna/Thilo): To approve the appointment of Emily Perkes as a parent representative to the Idaho State curricular Materials Selection Committee. Motion carried 5-0 (Hall excused absent)

5. Professional Standards Commission Appointment

M/S (Luna/Thilo): To approve Dan Sakota as a member of the Professional Standards Committee for a term of three years representing secondary classroom teachers. Motion carried 5-0 (Hall excused absent).

M/S (Luna/Thilo): To approve Rochelle Rose as a member of the Professional Standards Committee for a term of three years representing school counselors. Motion carried 5-0

(Hall excused absent).

6. Transportation – Students Less Than One and One-Half Mile

M/S (Luna/Thilo): To approve the requests by one hundred school districts and twelve charter schools to transport students less than one and one-half miles. Motion carried 5-0 (Hall excused absent).

7. Transportation -- Waiver of Student Transportation Funding Cap

Tom Luna explained that the 2007 Legislature clarified how districts could qualify for the waiver. Based on that language, the Department of Education brought following waiver requests to the Board's attention.

7a. Buhl School District

M/S (Luna/Thilo): To approve the request by the Buhl School District for a waiver of the 103% transportation funding cap, and set a new cap percentage rate for the fiscal year 2007 of 111.3%. Motion carried 5-0 (Hall excused absent).

7b. Garden Valley School District

M/S (Luna/Agidius): To approve the request by Garden Valley School District for a waiver of the 103% transportation funding cap, and set a new cap percentage rate for the fiscal year 2007 of 143%. Motion carried 5-0 (Hall excused absent).

7c. Horseshoe Bend School District

M/S (Luna/Thilo): To approve the request by Horseshoe Bend School District for a waiver of the 103% transportation funding cap, and set a new cap percentage rate for fiscal year 2007 of 128%. Motion carried 5-0 (Hall excused absent).

7d. Kellogg School District

M/S (Luna/Thilo): To approve the request by Kellogg School District for a waiver of the 103% transportation funding cap, and set a new cap percentage rate for fiscal year 2007 of 108.9%. Motion carried 5-0 (Hall excused absent).

7e. Moscow School District

M/S (Luna/Westerberg): To approve the request by Moscow School District for a waiver of the 103% transportation funding cap, and set a new cap percentage rate for fiscal year 2007 of 109.7% or \$28,920.00. Motion carried 5-0 (Hall excused absent).

At this time the Board returned to item 19 of the BAHF Finance Agenda. Board member Hall returned to the meeting as well at this time.

19. University of Idaho – Harbor Center Lease – postponed until later in the agenda.

Board member Westerberg presented this item. Dr. Tim White reported that UI had offered

academic programs in North Idaho since 1982. This proposal responds to an interest by North Idaho for the UI to continue its offerings and to expand capacity. Dr. White noted that the window of opportunity is open right now as the Coeur d'Alene City Council is prepared to move forward on this effort this week. He asked the Board for their careful consideration of this request.

Kent Nelson of UI briefly presented the facts. Currently, UI leases space in the Harbor Center and the lease expires in 2010. He noted the City is prevented, by legal restrictions from selling the property in question outright, but it can enter into the proposed long-term lease. The proposed solution would allow UI to acquire from the City guaranteed long-term leasehold in the Harbor Center property for a single payment of \$1.3 million.

The proposal includes the existing building and parking on a 7.2 acre parcel which has the potential for up to two additional buildings which will meet future needs of the collaborative four-year institutions. The possible bonus is that if the City is able to work with North Idaho College (NIC) for acquisition of the Mill Site property, the City will deed 2.5 acres adjacent to the NIC campus to UI and University growth will occur on this site. UI prepared an analysis of potential sites and concluded that the Harbor Center plus the 2.5 acres adjacent to NIC is the best site based on the analysis for UI to expand.

A lengthy discussion followed. It was explained that the master lease was negotiated in 2002. In addition, because of the way the property was acquired, it can't be sold for anything less than appraised value. It was clarified that all three times when the UI entered into agreements with the City, the City was not aware that it could not sell the property for less than appraised value. The current proposal is now to purchase 2.5 acres and to lease the rest of the property. The UI will receive all of the substantial rights.

Board member Hall clarified that the UI essentially will be going from owning the property as agreed upon in all three agreements to leasing the property. Lloyd Mues agreed that Mr. Hall is correct that the UI had the understanding that it was going to purchase the property. He explained until the sale of the Mill site, nobody knew that the City could not sell UI the Harbor Center property. He noted that the Mill site will be a better site than the Harbor Center for offering classes. It is a better value and is a better return on investment. In addition, if that turns out not to happen, then the UI would still have the Harbor Center.

Board member Thilo noted that the proposal would allow UI to be in a very long term lease on a building that is already built on land that is very desirable at a very attractive lease rate. Looking at it from the City's point of view they could be leasing this property to another party for substantially more money. Lloyd Mues agreed that it is evident by the numbers that UI would be leasing the property for below market dollars.

Board member Thilo noted that UI has exercised good judgment and analysis to determine what is best at this time. She suggested that it is not constructive to ask what-if questions and went on to emphasize that this is a good opportunity for higher education and for the community. Board member Agidius agreed that it is apparent from the facts that this is the best deal for the UI.

Mr. Luna noted that the interest by the Board in the education corridor in North Idaho seems to have been lacking. It didn't support the concept of the education corridor previously and also did not show interest in touring the area when it met in North Idaho when the opportunity presented itself. If this is approved, it could be a catalyst to get others on board in this movement to

support the education corridor.

Board member Hall asked if any studies were done on the primary return ratio if this effort is undertaken. Lloyd Mues indicated that UI had not done so as yet, but funds for that effort have been set aside.

Larry Brannen of UI noted that a master plan had been under development this past year. The people supporting that were North Idaho College, Lewis-Clark State College, University of Idaho, and the City of Coeur d'Alene. Although it is not finalized, it does lay out that this area is ideal for education. The next step is to acquire the site and then continue the master planning. He agreed that no master plan had been presented to the Board as yet, but the plan would come back to the Board in the future. He noted that the existing building is full. The next stage is to plan out the next building and they are waiting to have a site and the funds before moving forward with that.

Mr. Hall suggested that it might be appropriate that the agreement be between the State Board of Education and the City of Coeur d'Alene rather than the UI and the City. Board President Terrell indicated he would like more time to digest the information in the document and to also get more input from the other institutions. He also would like to see a master plan.

Mr. Luna asked if this is a time-specific offer. Mr. Nelson indicated that while there is not a time-specific requirement, the City of Coeur d'Alene could decide, at anytime, to go in another direction.

M/S (Terrell/Hall): To postpone continuation of this subject to an unidentified date in September when all Board members and the institutions can get together to weigh in on the matter. Motion carried 5-1 (Thilo voted nay).

OTHER BUSINESS

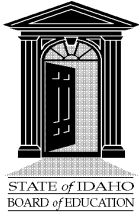
Board President Terrell appointed Blake Hall and Richard Westerberg to serve on the committee dealing with higher education lobbyist issues.

By unanimous consent the Board gave the Executive Committee permission to look at the issue of allowing the wives of presidents to work at the same institutions and to bring back a recommendation in August related to that issue.

In regards to the ISAT and Assessments, Rod Lewis will chair that committee; Sue Thilo and Tom Luna will also serve along with staff from the Governor's Office and the Department of Education. Board President Terrell indicated that he will also sit on the committee.

Board President Terrell asked for permission to look at long-term incentives for college and university presidents similar to the approach taken with contracts for coaches. He will bring some ideas back in August.

M/S (Luna/Agidius): To adjourn at 4:50 p.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 BOARD MEETING
June 10, 2008
University of Idaho
Administration Building
Room 316
Moscow, Idaho**

A special meeting of the State Board of Education was held June 10, 2008 at the University of Idaho in Moscow, Idaho.

Present:

Milford Terrell, President
Paul Agidius, Vice President
Sue Thilo, Secretary

Blake Hall, Ken Edmunds, Rod Lewis, Tom Luna, and Richard Westerberg joined the meeting by phone.

The Board met at 3:30 p.m (PDT). on Tuesday, June 10, 2008, at the University of Idaho. A roll call of members was taken. Members Hall, Agidius, Terrell, Thilo, Westerberg, and Edmunds were present.

EXECUTIVE SESSION

M/S (Agidius/Hall): To move into Executive Session pursuant to Idaho Code on Tuesday, June 10, 2008 at 3:45 to discuss the following:

- (1) A motion to hold an executive session pursuant to Idaho Code Sections 67-2345(a) for purposes considering the hiring of a public officer, employee, staff member or individual agent.**

A roll call vote was taken: motion carried unanimously.

During Executive Session, the Board discussed and considered: the hiring of individuals to fill the positions of Interim President at the University of Idaho and Eastern Idaho Technical College; and the appointment of an individual as the Administrator for the Division of Professional-Technical Education.

M/S (Agidius/Hall): To go out of Executive Session. Motion carried unanimously.

On Tuesday, June 10, 2008, the Board reconvened in Open Session at 4:30 p.m.

OPEN MEETING

1. University of Idaho Interim President

M/S (Agidius/Thilo): To appoint Steven Daley-Laursen as Interim President of the University of Idaho, effective July 1, 2008 at an annual salary of \$220,000. A roll call vote was taken. Motion carried unanimously.

There was some discussion regarding the concern that if potential candidates for the full time position felt that there was an internal candidate already picked serving as the interim president, that the pool of potential candidates would be limited. The consensus of the group was that the interim position should be offered with the stipulation that the candidate who accepted the interim appointment understood that they would not be considered for the permanent position. The Executive Committee interviewed four potential interim candidates that had been recommended by various stakeholder groups. Of those candidates the committee recommendation is that the Board appoints Steven Daley-Laursen as the Interim President.

2. Eastern Idaho Technical College Interim President

M/S (Agidius/Hall): To appoint Burton Waite as Interim President of Eastern Idaho Technical College, effective July 1, 2008 at an annual salary of \$96,000. A roll call vote was taken. Motion carried unanimously.

3. Idaho Division of Professional-Technical Education Administrator

M/S (Westerberg/Thilo): To appoint Ann Stephens as Administrator for the Division of Professional-Technical Education, effective June 15, 2008 at a salary of \$49/11 per hour. A roll call vote was taken. Motion carried unanimously.

4. State Board of Education Executive Director Effective Date

M/S (Westerberg/Hall): To amend the effective date of Mike Rush's appointment at Executive Director of the Office of the State Board of Education to June 15, 2008. A roll call vote taken. Motion carried unanimously.

With the appointment of Ann Stephens as Administrator for the Division of Professional-Technical Education effective June 15, 2008 there is an overlap created by Dr. Rush's original appointment effective date. The amendment of the date will allow Dr. Rush and Ann Stephens to be entered into their new positions in the State's electronic personnel system without overlapping positions.